

Report # 139
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia, India,
East Asia, China, Korea & Japan
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Weekly Report from 25 September to 1 October 2010
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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; Turkey, GCC, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia, India, East Asia, China, Korea and Japan from 25th September to 1st October 2010 as have been collected by interns.

TURKEY

Political Front:

One of the country's leading pro-Kurdish figures, Ahmet Türk, the co-chairman of the Democratic Society Congress, or DTK, has called on the outlawed Kurdistan Workers' Party, or PKK, to withdraw its armed members from the Turkish border to avoid instability. The Turkish Parliament's General Assembly convened its session on 1st October after a break of more than two months and focused primarily on discussing the upcoming elections, adjustments to the Constitution and European Union laws. Meanwhile a Turkish court has sentenced the co-chairman of the country's main pro-Kurdish political party Selahattin Demirtaş to 10 months in prison for promoting a terrorist organization.

Geo-strategic Front:

Turkey has expressed disappointment over the US rejection of recently released UN report about Israeli raid against freedom flotilla. Meanwhile United States has expressed the need of Turkish cooperation in some issues like withdrawal of troops from Iraq and peace initiative in Middle East. In the meantime Turkey has urged the Palestinian group Hamas to stop rocket attacks on Israel and seek dialogue with Europe and the United States. The Turkish and Chinese air forces secretly participated in a military drill in Konya, which did cast reaction from USA. The foreign ministers of Turkey, Syria, Lebanon and Jordan have agreed to step up cooperation as they move closer to creating a free trade zone, complete with visa-free travel in a cooperation scheme. As far as the issue of EU is concerned Italy's foreign minister backed Turkey's full European Union membership criticizing any formulas that would fall short of granting complete accession. Turkey has been assisting Pakistan to cope up with the disaster brought by floods. In this regard a Nine-year-old Merve Tekinay from Konya Turkish student has donated one year's worth of her pocket money and her favorite doll to Pakistani flood victims.

Economic Front:

Turkish Prime Minister Recep Tayyip Erdogan complained while speaking at the Black Sea Energy and Economic Forum organized by the Atlantic Council about the delay in the Nabucco project that is designed to carry Caspian natural gas to Europe. Turkey has successfully come out of the impacts of the global economic down turn. Meanwhile Turkey has survived from the negative impacts of debts unlike many other European

countries. Turkish finance Minister has identified unemployment as the key issue being faced by his countrymen. Turkish-Portuguese trade volume reached 580 million USD in the first seven months of 2010, with a 35.3 percent rise over the same period of the previous year. In the meantime Georgia has expressed keenness to build trade relations with Turkey.

Social Front:

Leaders of the Gulen Movement have complained of being targeted by the terrorist groups.

GCC

Geo-strategic Front:

Gulf countries have perceived rising tensions in Yemen as a threat for the whole region. Saudi Arabia has urged the United Nations to implement the principles of its charter effectively without adopting double standard. It also criticized the use of veto power by some permanent members to block the implementation of UN Security Council resolutions. Addressing the 65th session of the UN General Assembly, Saudi Foreign Minister Prince Saud Al-Faisal emphasized the need to implement the Arab Peace Initiative, which offers normal Arab-Israeli relations if the Jewish state withdraws from Arab territories occupied in 1967. Algeria has asked Saudi Arabian authorities for help in clarifying the circumstances over the death of an Algerian teenager in Makah.

Economic Front:

Inflation in five of the GCC's six states soared to double-digit figures before the global financial crisis, but then eased with Qatar, for example, posting inflation of 15% before the crisis and deflation during it. But in recent months, prices have begun to rise again, with Saudi Arabia hitting an inflation rate of more than 5% and Kuwait recording 4% in July. Dubai's benchmark index fell 0.9 percent, trimming the gain for the quarter to 15 percent. Emaar, developer of the world's tallest tower, lost 1.6 percent to AED3.74 after it raised \$ 450 million from the sale of convertible notes. Abu Dhabi's ADX General Index retreated 0.1 percent, Oman's MSM30 Index and Qatar's gauge slipped 0.3 percent. Meanwhile Bahrain's measure rose less than 0.1 percent. Kuwait stocks rose to the highest in four months as Zain, the country's largest mobile-phone company, got a purchase offer for a 46 percent stake, boosting investor sentiment.

Social Front:

Gulf governments have declared themselves "global leaders in sustainability." Saudi Arabia is set to train mosque imams and preachers to resist extremist ideologies in a new government-run program. Saudis have become freer in the five years of King Abdullah's reign but civil rights remain far from institutionalized and vulnerable to political change. The New York-based rights watchdog in its annual report on Saudi Arabia has appreciated the king's reforms that have loosened some restrictions on women, boosted a sense of fairness in the judicial system, and increased freedom of expression. Saudi Arabia has achieved most Millennium Development Goals adopted by the United Nations much before the 2015 deadline set by the international body.

FERTILE CRESCENT

Political Front:

Experts in Cairo have expressed uncertainty about the role that NGOs could play in the election process, with most observers and activists believing that local civil society would be unable to play as prominent a role in parliamentary elections as it did in 2005. Political experts claim that in the last decade Egyptian NGOs have been unable to promote the culture of civic engagement at a grassroots level. Egypt's leading democracy advocate has defended his alliance with the country's largest but banned Islamist opposition group in an interview. El Beradi's call for reforms led main opposition party Muslim Brotherhood to join the group. But now divide between the two blocks seems to be quite visible as Muslim Brotherhood has announced to participate in upcoming elections despite the fact that El Beradi has announced his party's boycott. Meanwhile other two opposition parties have also announced to take part in the elections hence El Beradi's Democratic Party has left the Quartet Bloc. The US has appreciated Iraqi's efforts to form a coalition government.

Geo-strategic Front:

The UN nuclear watchdog IAEA has approved an Egyptian site to host the country's first nuclear power plant. Egypt and Iran have signed an agreement to resume direct flights between their capitals for the first time since the two nations' diplomatic relations fell apart in 1979. Syrian judiciary has issued 33 arrest warrants for judges, officers, politicians and journalists of Lebanese, Arab and other nationalities in the case brought by former Lebanese General Security chief. Israeli Prime Minister, Benjamin Netanyahu, has accused that Palestinian side for staling peace talks, and claimed that renewing the construction of settlements in the occupied West Bank should not have any effect on peace talks. Palestinian President, Mahmoud Abbas, stated that he will not return to the negotiations table unless Israel halts its settlement activities in the occupied territories.

Economic Front:

Iraq's oil minister has said that the country's proven "extractable" oil reserves have raised to over 143 billion barrels. The new figure represents a significant rise on Iraq's previously announced proven oil reserves of 115 billion barrels.

Social Front:

Anwar Sadat has been accused of killing his predecessor Jamal Abdul Nasser. But Sadat's daughter has announced to defend her father.

CENTRAL ASIA

Political Front:

Some 1,152 candidates for parliament have applied to district electoral commissions in Azerbaijan. Observation missions of international organizations have started their mission in Azerbaijan to monitor parliamentary elections in the country. The voters' lists have been finalized and sent to the Election Commission for the upcoming parliamentary elections in Azerbaijan. A court in Astana has refused to issue an arrest warrant for Kazakh Health Minister over unspecified allegations stemming from an ongoing investigation. The poll conducted by the Institute of Political Solutions (IPS) revealed

that Kazakh President Nursultan Nazarbaev retains trust of 79.9% respondents. Kazakh President has signed a decree providing for a 15-percent reduction of the regular staff of organizations financed by the state budget, including the law enforcement and judicial authorities. In Kyrgyzstan, the poll of Perspektiva Consortium has shown that six of 29 parties, participating in the elections, will pass to parliament. Two separate trials of ethnic Uzbeks in southern Kyrgyzstan have been postponed by the judges after disruptions. The Tajik security forces have killed a second escapee from a prison break last month. Meanwhile President has urged to strengthen fight against terrorism and extremism. As Kyrgyzstan gears up for crucial parliamentary elections on October 10, former Prime Minister's party has picked up a key endorsement from Russia's ruling United Russia party. Tajik authorities have arrested two armed supporters of former warlord and special police unit head in the mountainous Rasht district.

Geo-strategic Front:

Azerbaijan has extended support to Pakistani stance in Kashmir Issue. Issues of opposing financing of nuclear terrorism have been discussed at a conference which opened in the capital of Kazakhstan. More than 150 representatives of the countries-participants in the Global Initiative of Combating Acts of Nuclear Terrorism, as well as observers from international organizations took part in the conference. The Japan Atomic Power Company, Toshiba Corp (6502.T) and a unit of Marubeni Corp (8002.T) have reached an agreement with Kazakhstan to provide data and cost estimates on the possibility of the country building its first nuclear power plant. The permanent representative of Kyrgyzstan in the United Nations Organization has been changed. A Kyrgyz citizen was wounded in a shooting incident on the Kyrgyz-Uzbek border on September 28. The U.S. has been accused of becoming soft on Uzbekistan's human rights record because of its close military cooperation with Tashkent on the Northern Distribution Network, which carries a significant portion of U.S.'s war materiel to Afghanistan via Central Asia.

Economic Front:

According to State Statistical Committee, Great Britain invested AZN 505 038.8 thousand capital in Azerbaijan's economy during the same time, up 30.8% compared with a year ago; hence has become leading Foreign Minister in the country. Kazakhstan has repeated its idea that the creation of a global currency under UN control would significantly decrease the odds of a future financial crisis. Russia's largest hydropower company has signed a memorandum of cooperation on building renewable energy enterprises in the southern Kazakhstan with the regional government. An International Monetary Fund (IMF) team visited Tajikistan from September 13 to September 24 to hold discussions with Tajik authorities on the third review under a three-year extended credit facility arrangement with Tajikistan.

Social Front:

First Deputy General Prosecutor of Azerbaijan has recently stated that 35% of the illegally produced drugs in Afghanistan are being sent to rest of the world via Iran-Azerbaijan route. Kyrgyz human rights advocates have urged the interim president Roza "to take immediate measures against illegal actions of law enforcement officers and judicial agencies...". Residents of the southern Tajik town of Khatlon have discovered

that the monument to Soviet leader Vladimir Lenin had been removed from the town's central park for renovation. A large number of Turkmen have started dipping their toes in online forums.

IRAN

Political Front:

Iranian lawmaker has strongly condemned US ban against Iranian officials and declared it to be a move to undermine Iranian economy. A senior commander of the Islamic Revolution Guards Corps (IRGC) lauded the strong public support for the leadership of the Islamic establishment in Iran, and cautioned that enemies are seeking to separate these two main pillars of the Islamic Republic.

Geo-strategic Front:

Iranian President in a meeting with his Syrian counterpart stressed the necessity of increasing resistance for bolstering peace and stability in the region. Iraqi provincial official has demanded Tehran to further boost its aid and assistance in the reconstruction of the war-ravaged Iraq, and stressed that Baghdad is seeking an increase in Iran's investment activities in the country. Speaking at the beginning of the NAM meeting in New York, on the 50th anniversary of the Non-Aligned Movement's establishment Iranian Foreign Minister Manouchehr Mottaki said that fundamentals of the NAM are to campaign against imperialism, colonialism and hegemony of big powers and they should be safeguarded by its members. Just days after Russia banned sale of its S-300 air defense missile systems to the Islamic nation, Russia's Lower House's International Affairs Committee's Head blasted Iran for the cancellation of the deal. Speaker of the Indonesian House of Representatives said that members of the house fully support Iran's peaceful nuclear program. Iran has appreciated a vote on an International Atomic Energy Agency resolution urging Israel to join the NPT. Head of the Iran-Russia Friendship League recently stated that Iran should identify new scenarios regarding Russia and should utilize the relation with Russia to its own benefits.

Economic Front:

Government of Kenya has expressed keenness to implement economic agreements and deals with Iran. An Iranian oil official underlined the country's self-sufficiency in supplying Iran's gasoline needs through domestic production, and stated that Tehran plans to boost exports of gasoline. Recently-revealed data showed that the French and Italian oil companies have bought more crude oil from Iran despite tougher sanctions imposed against the country by certain states. Azeri Minister of Industry and Energy reiterated that there are different and abundant grounds for bolstering mutual cooperation between Tehran and Baku. Iran-Khodro, the Middle-East's largest car-manufacturing company, announced that it has produced more than 351,270 sets of cars in the first half of the current Iranian year (started on March 21), which shows 28% of growth compared with the same period last year. Iran announced that it is now capable of manufacturing 70% of the equipment and parts needed in its oil and gas industries, dismissing western speculations that economic and industrial sanctions against Tehran have hindered the country's industrial progress. Iran has held talks with three European countries for joint production of aircraft and cooperation on aviation industries. The European Union

imposed five- year tariffs against Iran, Pakistan and the United Arab Emirates on a material used in plastic bottles.

Social Front:

Iranian children and young adults have been awarded at the 5th edition of the Tianjin International Children's Painting Competition held in China. The Supreme leader's aid in international affairs has called for Islamization of the human sciences and said even the natural sciences can be reviewed by Islamic perspective. Judiciary Spokesman has announced stoning sentence for Sakineh Mohammadi Ashtiani charged with adultery and murder of his husband.

AFGHANISTAN

Political Front:

Afghans have held several rallies to protest the killing of civilians by US-led troops over the past months. Process of killings of security officials at the hand of Taliban and that of the civilians by NATO troops is still underway. Quite recently at least six people, including an Afghan official, have been killed after a bomber on a motorcycle targeted a car in Ghazni province in eastern Afghanistan. Besides that 20 other officials got killed in different attacks. Likewise, NATO troops have killed two civilians in the southern Afghan province of Helmand. In the meantime 23 other civilians got killed in different incidents. Jeremy Morlock, one of the US soldiers, has been accused of killing Afghan civilians for fun and collecting their body parts as trophies. In the meantime thousands of Afghan civilians have been forced to flee and hundreds of families have been displaced due to fierce clashes in southern Afghanistan. By keeping current situation of unrest in mind a US analyst has reached to the conclusion that fighting corruption and solving the economic crisis are the real solutions to Afghanistan's problems; he further stressed that ending the country's impasse takes more than military operations. President Hamid Karzai, reiterating his stance, directed the Ministry of Interior to use all available resources to ensure the disbandment of private security companies.

Social Front:

The malformation of babies during child birth has increased 20 percent in Afghanistan.

SOUTH ASIA

Political Front:

Bangladeshi PM, during 65th UNGA session, has reiterated her commitment towards the achievement of the MDGs by 2015. Meanwhile Prime Minister has urged the UN Secretary General to involve Bangladesh in the policymaking and responsible duties of the United Nations as the country is capable of carrying out such trust. Eighth and Ninth round of votes were held in the last week but both failed to form government. After parliament's failure to elect a new Prime Minister, Nepal's Maoist party has called for the formation of a new power-sharing government. Another significant development in Nepal is that a staunch royalist and a member of the erstwhile Royal Cabinet, Mr. Radha Krishna Mainali has recently joined the Nepal Communist Party-Unified Maoists Party at a colorful ceremony held at the party headquarters. Meanwhile Speaker of the House has declared Maoists and Royalists to be similar. Madheshis political party has alleged

Election Commission, local administration and government for being anti-Madhesh. Caretaker Prime Minister Madhav Kumar Nepal held a discussion with ten political parties in the government at his office in order to sort out ways to resolve political deadlock. Sri Lanka Prime Minister and Opposition Leader have handed over their nominations to the Parliamentary Council established by the 18th Amendment to the Constitution. UNP local government members and provincial councilors from the Kurunegala District have passed a resolution calling on UNP Leader Ranil Wickremasinghe to step down from the post of Leader and appoint Premadasa impending power crisis. A Sri Lankan court has rescheduled the trial-at-bar against former Army Commander and Democratic National Alliance Leader retired General Sarath Fonseka for October 4th and 5th. Meanwhile Sri Lanka's Marxist party has denied to accept the verdict given to the former Army Commander retired General Sarath Fonseka by the second court martial appointed and endorsed by the President.

Geo-strategic Front:

India's Border Security Force (BSF) Director General has handed over a list of Indian militant groups along with graphic details, locations and aerial photographs to Bangladesh Rifles Director General and urged him to take proper action to dismantle them. Bangladesh handed over 16 Indian separatists along with their family members to Indian authorities over the weekend. The US has intensified its discussion on the (Bangladeshi) military presence in Afghanistan. All the while the Afghan Taliban called on Bangladesh to reject a US request. China's exponentially increasing influence in Nepal has received further fillip with Beijing starting work on extending its railway from Lhasa to Xigaze or Shigatse.

Economic Front:

Indian textile maker and the world's largest manufacturer of denim have announced to set up a denim manufacturing plant in Bangladesh with an investment of \$66 million over three years. In current crisis situation government departments have been forced to cut spending to a minimum, suspending road building and sanitation projects in desperately poor rural areas, because the long-overdue annual budget has not been passed. Country therefore seems to be in severe economic crisis. Consumer prices in Sri Lanka's capital Colombo rose 5.8 percent in September from a year earlier, accelerating from 5.0 percent in August. Sri Lanka has begun a study to build a nuclear power plant to meet growing electricity demand and is in talks with Russia and other countries to get technology and training.

Social Front:

The absence of a robust public health system over the years has resulted in emergence of infectious diseases in Bangladesh and the current onslaught of endemic anthrax is a reflection of it. United Nations Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator has allocated US \$ 2 million to United Nations agencies in Nepal. Sri Lanka has planned to formulate and enact necessary laws to protect children from exploitation and provide them with maximum protection.

INDIA

Political Front:

Ruling regime has recently revealed an eight point formula to resolve Kashmir issue. Sixty years after the matter first went into litigation; a Special Full Bench of the High Court of Allahabad has ruled that the disputed land in Ayodhya where the Babri Masjid stood for 500 years until it was demolished in 1992 shall be divided into three parts. A two-thirds portion is to be shared by two Hindu plaintiffs and one-third will be given to the Sunni Muslim Waqf Board. The Ayodhya verdict has been welcomed and greeted with a quiet sense of joy by the Bharatiya Janata Party and the larger Sangh Parivar headed by the Rashtriya Swayamsevak Sangh as they felt it had paved the way for construction of a Ram temple at the disputed site, vindicating their long agitation on the issue. Marxist Party has suggested that Court's verdict should be studied carefully. Meanwhile UPA has requested people to maintain peace. The Akhil Bharat Hindu Mahasabha (ABHM), one of the early litigants in the Ayodhya title suits however announced its plan to challenge the Allahabad High Court order to divide the "Ramjanambhoomi" land into three parts. Meanwhile Muslim groups reacted with disappointment to the dismissal of the Sunni Central Waqf Board (SCWB) suit and the three-way division of disputed land ordered by the Allahabad High Court in the Ayodhya title suits.

Social Front:

The U.N. agencies have found that maternal deaths in India, along with countries like Afghanistan, Bangladesh, the Democratic Republic of Congo, Ethiopia, Indonesia, Kenya, Nigeria, Pakistan, Sudan, and Tanzania together accounted for 65 per cent of all global maternal deaths in 2008.

CHINA

Political Front:

Chinese Vice President has stressed the importance of education and training in guiding officials to maintain their hard working spirit and upright morality to fulfill their duties.

Geo-strategic Front:

China has deployed four transport helicopters to support flood victims in Pakistan. The deployment offers Beijing a chance to practice its disaster relief capabilities and form better relations with Pakistan, while projecting the image of a beneficent military throughout the region. Chinese vice Premier said that China and the Arab states should work together to promote cooperation in the future. Russian President has signed a series of political and commercial deals on his second state visit to China. Chinese President and his Russian counterpart attended a ceremony in Beijing to mark the completion of the China-Russia crude oil pipeline. China and Cuba have pledged to further boost their bilateral ties. China has expressed its concern over the situations in Ecuador, where clashes have left dozens of people injured. UN Secretary-General hailed China's strong support to the world body, saying he looks forward to his upcoming visit to Shanghai Expo in late October. The US Secretary of State congratulated Chinese people on their National Day and reaffirmed U.S. commitment to working with China to deepen bilateral relationship. A senior official of the Communist Party of China (CPC) expressed Chinese

readiness to work with the new leadership of the ruling Workers' Party of Korea (WPK) of the Democratic People's Republic of Korea (DPRK), to promote bilateral ties. China and the European Union (EU) are forging a reliable partnership as one's stability, growth and prosperity are in the interests of the other. China called on Japan to make an effort to maintain relations as a dispute over islands both nations claim sent relations to their lowest in five years. Chinese Premier has vowed to double trade with Greece within five years, and to buy Greek bonds when the crisis-hit country returns to international markets.

Economic Front:

China has firmly opposed legislation passed by the U.S. House of Representatives to penalize countries that allegedly manipulate their currency values for trade advantages. China's ZTE Corporation has signed a memorandum of understanding (MoU) with Cambodian government to cooperate and participate in Cambodia's Economic Acceleration Platform (CEAP) project. Chinese shares advanced as property stocks climbed despite the introduction of new measures to curb real estate prices. The benchmark Shanghai Composite Index rose 1.72 percent, or 44.98 points, to close at 2,655.66. While the Shenzhen Component Index gained 2.18 percent, or 244.68 points, to end at 11,468.54. Policy moves by the Chinese government to free the Yuan from a dollar peg would help the Chinese currency rise.

Social Front:

The Chinese people celebrated the National Day of the People's Republic of China on 1st October. China's top economic planning agency said that it had mapped out measures to encourage private investment in the health care sector and may publicize them in October. China's top legislature has never considered scrapping the death penalty for those convicted of corruption in the draft amendment to the Criminal Law. Chinese President has urged the Communist Party of China (CPC) and the Chinese government to take more proactive measures to properly address social conflicts to promote scientific development and social harmony. People in northwest China's Xinjiang Uygur Autonomous Region are being offered free HIV/AIDS tests and counseling. China's State Council, the Cabinet has issued a compilation of white papers on Tibet.

China has recently stated that its citizens' right to freedom of speech on the Internet is protected by law; hence they can voice their opinions "in a wide variety of ways on the Internet."

JAPAN

Geo-strategic Front:

Japanese former Foreign Minister Okada has criticized Beijing for demanding an apology and compensation over the arrest of a Chinese fishing boat captain, saying such a demand clearly showed China's undemocratic nature. Japanese PM also rejected Chinese demand for apology. Meanwhile Prime Minister Naoto Kan said that the "comprehensive judgment" of prosecutors led to the release of a Chinese fishing boat captain involved in ship collisions near the disputed Senkaku Islands, denying political influence affected the investigators' decision. China finally released three of four Japanese detained last week for allegedly videotaping military targets. Japan's Defense Minister said that he would

seek a meeting with his Chinese counterpart at a regional security forum later this month; China however hasn't responded yet. Prime Minister Naoto Kan made Japan's pitch for permanent membership on the U.N. Security Council, saying the non-nuclear country that has suffered the devastation of atomic bombings deserves a seat on the council in the 21st century.

Economic Front:

Senior officials from Pacific Rim economies began two days of talks to deepen discussions on a proposed free trade zone in the Asia-Pacific region. Japan has asked China to withdraw two fishery patrol boats from near the disputed Senkaku Island chain that is at the center of the worst diplomatic row in years between the two nations. Prime Minister has instructed his Cabinet and ruling party members to draw up an extra budget for the current fiscal year to finance a stimulus package aimed at accelerating efforts to fight deflation.

Social Front:

A health ministry bureaucrat has been arrested for allegedly taking bribes from a contact lens company in exchange for inspection information, triggering police raids on various places. Roughly 6,800 people in Japan are estimated to die every year from lung cancer or heart disease caused by passive smoking, and more than half — around 3,600 — are exposed to secondhand smoke in their workplace.

KOREA

Political Front:

Kim Jong Il appointed his son to the ruling party's second-highest military position, indicating North Korea's ailing leader intends to extend his family's rule of a totalitarian state that has armed itself with nuclear weapons while relying on donors to feed its 24 million people. North Korea opened a conference of the ruling Workers' Party of Korea to elect its highest leading body. Kim Jong Un has been elected as vice president of the military committee of North Korea's ruling Workers' Party.

Geo-strategic Front:

South Korea and the United States got engaged in a joint anti-submarine warfare (ASW) exercise in the waters west of the Korean Peninsula. The South Korean military has been reinforcing troop information and education to deal with possible North Korean threats since the sinking of the Cheonan ship in March amid controversy over whether to label the North as the "main enemy" in the country's defense white paper. Korean Deputy Foreign Minister claimed that North Korea won't give up its nuclear weapons while U.S. aircraft carriers are deployed near the Korean peninsula.

Economic Front:

South Korea's second-largest ethylene maker, announced plans to raise \$350 million from a sale of floating-rate notes. South Korea's factory output rose for the 14th straight month, signaling economic resilience that may add to the case for higher borrowing costs. Output gained 17.1 percent in August from a year earlier, after rising 15.5 percent in July. South Korea announced plans to spend 17 billion won (\$15 million) to increase

stockpiles of rare earths, a group of 17 metals used in hybrid vehicles and laptop computers, by 2016 after China curtailed exports of the minerals to Japan. South Korea's consumer prices increased more than projected, rising at the fastest pace in 17 months, bolstering the case for the central bank to raise borrowing costs. The consumer price index climbed 3.6 percent in September from a year earlier, accelerating from 2.6 percent in the previous month.