

**Report # 95 & 96**

**BUSINESS AND POLITICS IN THE MUSLIM WORLD**

**East Asia, Central Asia, GCC, FC, China & Turkey**

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**Weekly Report from 21 November 2009 to 4 December 2009**

**Presentation: 10 December 2009**

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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; East Asia, Central Asia, GCC, FC, China and Turkey from 21 November 2009 to 20 December 2009 as have been collected by interns.

***Prelude to Summary:***

This report tries to highlight major issues being confronted by various Asian states at political, geo-strategic, social and economic front. On one hand this information helps one to build deep understanding of these regions. It gives a clear picture of ongoing pattern of developments in various states hence leads one to find similarities and differences amid diverse issues. On the other hand thorough and deep analysis compels reader to raise a range of questions hence provides one with an opportunity to explore more. Few such questions that have already been pointed out would be discussed below.

To begin with India recent split among various Hindu extremist parties leads one to think about future of extremism in Indian politics. Recently released Liberhan Commission Report has convicted BJP and other extremists for their involvement in demolition of Babri Mosque 17 years ago. In response to this report BJP has out rightly denied their involvement rather has condemned government for her efforts to shatter BJP's image. An undeniable fact however remains that L.K. Advani; one of the key members of BJP had been an active participant in Ayodhya movement. At such critical moment reasons have to be looked into in order to comprehend BJP's stand. Moving towards Iraq, impact of recent amendments in election law has brought upcoming elections in doldrums. One needs to understand prospects of elections and withdrawal of the US troops amidst such circumstances. Turkey has successfully won appreciation of EU over various issues yet question remains there about the prospect of Turkish membership of EU.

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## INDIA

### **Political Front:**

#### *National Level:*

Liberhan Commission Report dominated INDIAN political front. This report has clearly convicted BJP and other Hindu extremist parties for their involvement in demolition of Babri mosque; 17 years ago. Report has mentioned the names of key figures involved in the issue. It however has not elaborated punishment for the culprits. BJP has declared it the move of government to scatter the opposition while Congress denied all such charges. BJP's stance in this regard indicates split within extremist parties. Meanwhile Shiv Sena's Chairperson Bal Thackeray has declared fundamentalist Muslims a threat to Indian society hence asked Hindus to get united against them. All the while various political parties have strongly condemned 1984 Sikh massacres in Lok Sabha. In response government has assured to take possible action against culprits. Besides all that CPM general secretary Prakash Karat has opposed government increasing relations with

US as he considers capitalism a curse for Indian society and the recent economic crisis as an obvious example of failure of capitalism.

Moving towards insurgent activities Maoist and Naxal rebels destroyed school buildings, railway station and other government property in different areas of Chattishgarh, Bihar and Jharkand while BSF has been deployed in some districts of Jharkand to counter insurgents' activities.

In case of Kashmir Hurriyat conference's moderate segment under Mir waiz Umar Farooq has indulged in secret talks with Delhi for some suitable resolution of Kashmir dispute. Mirwaiz has placed some conditions before Delhi to fulfill for a constructive dialogue and goodwill.

#### Regional Level:

Peaceful polling has been observed in Jharkand amidst high security arrangements. Elections remained smooth with 52% voters' turn out. BJP workers damaged government property after getting violent on some political issue in Kolkata. Meanwhile two blasts occurred in Assam leaving 7 people dead. Vishwa Hindu Parishad has asked for action against Raj Thackeray for his anti Hindi stance in Maharashtra.

#### Geo-strategic Front:

Agni II missile by Indian government failed to reach the target in night trial. PM Man Mohan Singh has emphasized greatly on boosting ties with the US. Meanwhile Obama administration has reiterated commitment to implement civil nuclear energy transform pact with India. Meanwhile Canada has finally signed civil nuclear energy agreement with India after long negotiations.

#### Social Front:

Indian Space Research Institution claimed that many of Indian areas have been turning in to deserts due to fastly reducing water resources and change in rain pattern. In Madhya Pradesh malnutrition has caused casualties among children as 25 children have been died so far.

#### Economic Front:

India has achieved 7.9 growth rate in the second quarter of this fiscal year. Keeping this figure in mind World Bank president said that India would achieve 8 to 9% growth rate in next two years. In the meantime the US-based internationally recognized foreign-policy think tank Carnegie Endowment has claimed that India would be the world's third largest economy in 2050 after China and US.

### **EAST ASIA**

#### Political Front:

People in PJILIPPINES seem keen about upcoming Presidential elections that are due to be held in May 2010. Right now it seems quite tough to hold elections in conflict-ridden areas at the same time but efforts would be made to avoid unnecessary delay in any part of the country. Meanwhile peace talks between the government and insurgents have resumed. THAI PM has denied any chance of reshuffle in cabinet line-up at this point in time.

### **Geo-strategic Front:**

INDONESIAN Customs officials have confiscated 75 tonnes of ammonium nitrate, which can be used as fertilizer or explosive material, being shipped in from MALAYSIA. Malaysia has assured full cooperation in investigation. In a recent statement CAMBODIAN PM claimed that their relations with THAILAND would only be normalized after regime change in the later as it had been quite hard to work with Thai PM Abhisit and his government. VIETNAM has expressed serious interest in enhancing economic and trade ties with the US.

### **Social Front:**

HIV/AIDS has emerged as a deadly social challenge being confronted by the government of INDONESIA. Meanwhile several hundred hardline Muslim protestors staged rallies in Indonesia to urge the government to prevent the spread of HIV by implementing Islamic law. The MALAYSIAN health authorities have been on high alert for a possible second wave of A/H1N1 influenza due to the increase of new cases in the northern hemisphere. The US State Department in its recent reports has appreciated PHILIPPINES for exerting “special efforts” to respect religious freedom and tolerance, as well as promote interfaith dialogue in the world arena. THAILAND'S military has requested the U.S. to provide satellite equipment and imagery in order to hunt thousands of Islamist separatists who have been killing Thai troops and civilians in an attempt to establish a strict Muslim state in the south. VIETNAM has recently confirmed two more deaths of A/H1N1 influenza, bringing the country's total number of flu deaths to 44.

### **Economic Front:**

INDONESIA has been Australia's 18th largest investment destination with a cumulative stock of capital investment amounting to nearly \$4 billion. Meanwhile foreign direct investment in Indonesia fell almost 30 percent to 89.28 trillion rupiah (\$9.40 billion) in the first ten months from a year ago amid a global downturn. SINGAPORE'S ability to integrate people from diverse cultures has been regarded as a key driving force behind the country's growth over the past four decades. Revised statistics released by VIETNAM'S General Statistics Office showed industrial production rising, but foreign investment falling and exports slowing. Industrial production rose 3.6 per cent in November over October. Vietnam and China have agreed in Hanoi to further strengthen the cooperation in the economic corridor involving China's Yunnan province and four Vietnamese localities. Ten companies from eight countries have sought permission to invest in solar energy projects in CAMBODIA after the August removal of a 15 percent duty on imports of the materials needed to build solar plants. BRUNEI has been ranked 30th out of 182 countries evaluated under the United Nations Development Programme (UNDP) Human Development Index.

## **CENTRAL ASIA**

### **Political Front:**

Campaigning for municipal elections in AZERBAIJAN has officially begun, with 18 parties and some 31,000 candidates registered to compete. According to a survey conducted by the KAZAKHSTAN Institute of Politician Decisions, the sympathies of the

city dwellers still lie with the ruling party Nur Otan; being unaware of the merger of the National Social-Democratic Party (NSDP) and Azat (Freedom).

**Geo-strategic Front:**

International mediators have come up with a mixed assessment of the Munich talks between the Armenian and AZERBAIJANI Presidents on the Nagorno-Karabakh conflict, saying there was progress on some issues but failure to agree on others. Besides that Chief of Russian President has recently paid a short term visit to Azerbaijan. UZBEKISTAN has closed its border with central Asian neighbor KAZAKHSTAN in order to avoid spread of swine flu. KYRGYZSTAN and Uzbekistan have been seeking to arrange joint patrols of some parts of their common border beginning in 2010. Meanwhile Kyrgyz city governor has vowed closer cooperation with Moscow at the end of his official visit to the Russian capital. TAJIK President has urged CIS states to combine efforts to ensure information security, including safety of keeping database in Internet. President of TURKMENISTAN and PM of Italy held bilateral talks in Rome. On November 20 Tashkent hosted the meeting of US assistant deputy Secretary of State on South and Central Asia George Kroll with Uzbek and foreign journalists. During meeting the US representative denied any plan to resume military cooperation with Uzbekistan.

**Social Front:**

Human Rights Watch (HRW) has called on the international community to ask the KAZAKH government to improve the country's human rights situation. Global Fund has allocated KYRGYZSTAN \$28M to fight AIDS. Human rights activists planned to hold a protest against energy tariffs' increase and property tax in Osh (Kyrgyzstan) on December 2. Officials however refused to grant permission for the protest because of worries about the spread of swine flu. Many schools also remained closed amidst fear of swine flu. Like many other countries in the world HIV/AIDS has been regarded as potent challenge for TAJIKISTAN. President has signed a decree at a regular meeting of the Cabinet of Ministers authorizing an increasing in wages, pensions, state allowances and scholarships in TURKMENISTAN.

**Economic/Energy Front:**

Russia and KAZAKHSTAN have concluded agreements on oil transit and the parallel operation of the two countries' power grids. Meanwhile both countries have signed a protocol in which they pledged to study plans for laying oil pipelines, including the current construction of a pipeline to link the Turkish cities of Samsun and Ceyhan. The Government of TAJIKISTAN has endorsed the programs for state investments and capital construction for 2010-2012. The Majlis of TURKMENISTAN has passed the law on the state budget for 2010. In accordance with the document, the state budget revenues have been approved at Manat 48280.7 million and expenditures at Manat 49780.7 million. UZBEKISTAN has expressed willingness to withdraw from the Soviet-era power grid that unites four Central Asian countries. The TAJIK Foreign Ministry has called UZBEK decision to quit the Central Asian power grid to be politically motivated.

## **GCC**

### **Geo-strategic Front:**

Italian Foreign Minister has announced to enhance relations with the GULF COOPERATION COUNCIL (GCC) six member states. Relations between Saudi Arabia and the European Union have entered a new phase with the Riyadh-based European Commission Delegation changing its name to the "Delegation of the European Union to Saudi Arabia." On the other side Saudi Arabia said that it had taken control of a strategic mountain on the Saudi side of the border with Yemen, clearing the area of Yemeni Shia rebels.

### **Social Front:**

A SAUDI religious scholar has issued a fatwa (religious edict) banning the hiring of runaway housemaids. The cost of the flood damage in Jeddah has been estimated at SR3.5 billion. Of this total, SR1.5 billion would be provided to citizens in the form of indemnities while remaining SR2 billion has been the damage estimated to the city's infrastructure which includes buildings and roads. Meanwhile the US President Barack Obama hailed Saudi efforts to tackle the swine flu virus among over two million people gathered for Islam's holy ritual of Hajj.

### **Economic Front:**

QATARI stocks rose on sound fundamentals that attracted investors despite negative sentiment in the region over Dubai World's debt concerns. Meanwhile BAHRAIN and KUWAIT have also logged gains as world stocks hit a fresh 14-month high, helping boost investor sentiment. Massive investments to expand bus networks in SAUDI ARABIA and the UAE have highlighted the potential for major growth in the commercial vehicles market in the Middle East as regional economies rebound from the global economic downturn. Improvement in oil prices would help Saudi Arabia escape its first fiscal deficit.

## **FERTILE CRESCENT**

### **Political Front:**

The coalition of opposition parties in EGYPT has placed seven demands in front of the government to guarantee free and fair parliamentary elections in 2010. Opposition's decision to participate in elections depends upon government's response to their demands. IRAQ'S parliament has approved an amended law needed to hold an election next year, but the new text risks being vetoed a second time which could delay both the vote and next year's partial US troop withdrawal. Iraqi President Jalal Talabani and Vice President Adel Abdelmehdi have both agreed to the new parliament-proposed amendments of the country's election bill, while vowing for further amendments in an aim to appease the country's second Vice President Tariq Al-Hashemi. Meanwhile Sunni tribal leaders in the northern city of Mosul led protests against the election law. They and their members demonstrated peacefully in the center of the city, saying the new controversial law does not treat their province fairly. LEBANESE President Michel Sleiman has called in a television speech for the establishment of a committee to work towards the abolition of religion-based politics in Lebanon. President also proposed "changing the electoral law relating to general elections in order to obtain better representation. Besides that

President greatly emphasized on the need to work on strengthening national unity and stability in order to promote Lebanon's economic and growth. Meanwhile Hezbollah Secretary-General declared the party's new manifesto; the second in the group's history after the "Open Letter" in 1985 which called for the establishment of Islamic rule in Lebanon; demanding a country for all faiths. The ISRAELI Authorities in Jerusalem handed Sheikh Ekrima Sabri, head of the Higher Islamic Committee in Jerusalem and Khatib of the Al-Aqsa mosque, a restriction order preventing him from entering the Al Aqsa Mosque, in East Jerusalem, for six months.

### **Geo-strategic Front:**

Algerian Foreign Minister expressed his goodwill towards EGYPT and expressed hope to mend ties with Egypt soon after the recently occurred violence in Sudan causing tension between Egypt and Algeria. LEBANON'S new cabinet has agreed on a policy statement that acknowledges Hezbollah's right to use its weapons against ISRAEL, despite disagreement by some members of the ruling majority. Jordan has filed an official complaint to Israel demanding it to stop the excavations and renovations at the Church of Holy Sepulcher in East Jerusalem.

### **Social Front:**

EGYPTIAN tourist industry seems to be quite stable despite economic crisis. The civilian death toll in IRAQ fell to its lowest level in November since the 2003 US-led invasion, defying predictions of a spike in violence before next year's parliamentary election. The authorities in the southern city of Basra have removed a ban on the sale of alcohol, which was imposed due to pressure from religious groups. The decision to lift the ban, taken last week, has led to the reopening of liquor shops across the city. October and November have been bloody months for LEBANON'S migrant domestic workers - over the last five weeks nine women have died. Most deaths have been reported as suicide.

### **Economic Front:**

Chairman of EGYPT'S investment authority, recently held meeting with an Iraqi delegation to discuss joint development projects between the two countries. The LEBANESE Communist Party (LCP), together with other leftist groups, held three separate demonstrations in and around Beirut to protest government policies. The two groups said they were protesting against state plans for privatization of essential services, poor electricity supply and the high wages of government ministers.

## **TURKEY**

### **Political Front:**

TURKISH PM has reiterated his commitment to implementation of democratic initiative in order to resolve decades-old Kurdish issue. PKK initially offered government to start peace talks but later announced to launch protest against detention of their leader. PKK's attitude led pro-Kurdish party i.e. DTP to withdraw its support from government's democratic initiative. On the other hand EU has strongly appreciated Turkish government for its efforts to end Kurdish problem. A new document titled the Cage Operation Action Plan was uncovered by the *Taraf daily* last week and ostensibly reveals military plans to



destroy the ruling Justice and Development Party (AK Party) through the assassination of prominent non-Muslim figures in Turkey. Links between this plan made by naval officers and the previous one launched by Ergenekon have been found. In response to this plan Prime Minister Recep Tayyip Erdogan shared the belief that people in Turkey would react adversely to those who want to imprison the nation in a cage.

### **Geo-strategic Front:**

Israel and Turkey have marked first ministerial visit since Gaza row; as Israeli minister reached Turkey, in order to seek opportunities for economic cooperation and investment between the two countries. Israel also invited Turkish high officials to visit former but Turkey denied accepting Israeli invitation unless it proves its commitment with peace. Meanwhile Turkish Defence Minister has given Israeli contractors 50 days to fulfill the delivery of the Israeli-made surveillance drones, known as Herons. Turkey has accepted an invitation to be part of an international group that would monitor peace talks between the Philippine government and the country's largest Muslim group. Meanwhile seen as a possible trustee for the low-enriched Iranian uranium, Turkey continued its shuttle phone diplomacy with the related parties. Turkey and Libya have announced to abolish visa requirements, opening a new era in once-strained ties. In the meantime Turkey and Jordan have also agreed to lift visa requirements during President's visit to Jordan.

### **Social Front:**

Prime Minister Recep Tayyip Erdoğan criticized the top court's ruling that nixed the Higher Education Board, or YÖK's, decision to change the current coefficient system applied to university entrance exams in favor of the graduates of vocational high schools, including religious imam *hatip* schools. Number of victims of swine flu has crossed 160 so far. Besides that bad weather condition has also emerged as key social challenge being faced by the government. Lastly, Turkish scientists succeeded in destroying cancerous cells with drug-loaded micro scale nanocages.

### **Economic Front:**

Turkey made nearly half of its imports from six countries in the first nine months of 2009. Hence imports from Russia, Germany, China, the United States, Italy and France accounted for 49.4 billion USD. Turkish multinational enterprises, or MNEs, have expanded their foreign investment in the last several years, yet much of that progress has been reversed due to the global turmoil.

## **CHINA**

### **Political Front:**

A senior CHINESE official has called for greater efforts against commercial bribery. Chinese President Hu Jintao has urged constant efforts to improve the building of the Communist Party of China (CPC) to secure the Party's role as the steel core of the country's leadership. He further called improvement in Party as an urgent requirement of coping with the international financial crisis and maintaining the country's economic growth. Two 46-year-old officials have become China's youngest provincial-level Party chiefs as the country announced major leadership reshuffles ahead of the 18th Party Congress in 2012. The General Office of the Communist Party of China (CPC) Central

Committee has issued a guideline on tightening supervision and management of Party officials, noting that officials unfit for their current positions should be reshuffled. Meanwhile one of the Senior Chinese leaders has called on publicity departments and media organizations to "vigorously" broadcast the core values of socialist China and inspire the public to achieve the Party's development goals.

The government of the Xinjiang Uygur autonomous region has launched the "Tianshan Project" to stop the distribution of illegal and reactionary publications produced by terrorists, separatists and extremists within the region.

A senior leader of the Communist Party of China (CPC) has urged officials and governments at all levels to serve the people by addressing their concerns.

### **Geo-strategic Front:**

CHINA has called for early resumption of Palestinian-Israeli peace talks. Chinese Defence Minister has recently paid highest level visit to North Korea. China has also announced to donate \$700,000 to UN peacekeeping missions. China seems optimistic about maintenance of peace and stability in Afghanistan. In the meantime ruling parties of China and South Africa have pledged to learn more from each other on running their states. Growing relations of China with France, Singapore, Canada, Albania, Japan, Hungary, Russia, Bangladesh, Kazakhstan, Uzbekistan, Vietnam, Thailand and Malaysia remained important. Meanwhile Chinese efforts to strengthen ties with Brazil, Peru and Ecuador also grabbed attention.

### **Social Front:**

The China Disabled Persons' Federation (CDPF) and the Ministry of Finance have jointly launched a plan to finance the service toward the jobless with mental and serious physical disabilities. Chinese President Hu Jintao has pledged to mobilize the whole society to improve AIDS/HIV control. Discrimination against victims of AIDS has been observed in Chinese society. China had made progress in implementing a two-year action plan on human rights since it was published in April. Chinese vice premier has called for efforts to build the South-to-North Water Diversion Project into a water-efficient and environment-friendly project. Meanwhile China has promised to cut its carbon emissions upto 40-50% by 2020.

### **Hong Kong:**

Spread of swine flu has been found as potent social issue in Hong Kong.

### **Economic Front:**

Fluctuation in Chin-Next stock exchange has been observed in last two weeks. A US senior expert has expressed serious concern regarding Nobel economics laureate Paul Krugman's recent push for a stronger Chinese currency and claimed that it would jeopardize economic recovery. The United States was the second largest trade partner with bilateral trade down 14.9 percent from January to October to \$239.36 billion. Meanwhile China railed against the United States' decision to slap anti-subsidy duties on Chinese-made steel pipes for the oil industry. The taxes imposed range from 10-16 percent and would impact \$2.7 billion worth of Chinese steel pipe exports, making it the

largest trade measure the US has ever launched against China. Visiting Chinese Commerce Minister Chen Deming and French Finance Minister Christine Lagarde oversaw the signing of more than 40 contracts between a Chinese business delegation and French enterprises. China has expressed interest in taking active measures to increase imports from Europe to address the trade imbalance between China and the European Union (EU). All the while China has launched a review of the anti-dumping measures against chloroform imports from the European Union, the Republic of Korea (ROK) and the United States. The General Administration of Customs (GAC) released data of major commodities imported by China in October and the first ten months. Coal imports jumped 220 percent year-on-year to 11.1 million tons in October. Meanwhile China imported 169,374 tons of refined copper in October, up 31 percent from a year ago. Lastly, Crude oil imports climbed 20 percent from a year ago in October to 19.3 million tons. Lastly, non-State-owned enterprises (non-SOEs) employed 70 million people or 80 percent of China's total workforce in the industrial sector in 2008.

## **BUSINESS AND POLITICS IN THE MUSLIM WORLD**

### **Turkey**

Weekly Report on Turkey's Political, Geo-Strategic, Social and Economic Issues.

Period: November 28 – 4 December 2009.

Submitted By: Aasia Khatoon

Presentation: December 9, 2009

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## **NEWS OUTLINE**

### **POLITICAL ISSUES**

#### **KURDISH ISSUE**

In fear of losing strength, PKK turns to violence in cities

DTP: Country in danger because Öcalan placed in smaller room

Pro-Kurdish DTP no longer supports democratic initiative

#### **OTHER POLITICAL ISSUES**

Turkish police seize millions of bootleg Cds, Dvds and books in recent years

Turkey says Swiss ban violates freedoms

Forensic report confirms authenticity of Cage plan

Coup diary generals called to testify

Four soldiers testify to civilian prosecutor over assassination plot

#### **GEO-STRATEGIC ISSUES**

Turkish FM makes phone conversations over Iran's nuclear program

European Parliament: Ergenekon investigation is an opportunity

Evidence galvanizes EU support for Ergenekon investigation'

EU's new enlargement commissioner in favor of continuation of accession talks With Turkey

Turkey will complete European peace process"

We want EU member countries to annul visa

EU's new enlargement chief to become regular visitor to Turkey

Davutoğlu sees Turkey as EU member by 2023

EU is ready to pitch in to help Turkey tackle illegal immigration'  
Turkey elected for UN maritime team for sixth time  
Syrians begin crossing into Turkey to exchange greetings  
Prime minister will visit Washington in December"  
Turkish president to travel to Jordan  
Gul says Turkey, Jordan to sign free trade agreement  
Turkey, Jordan lift visa requirements  
Turkish President in Jordan: Palestine not only Arab matter  
Turkey's Gul visits Turkish military cemetery in Jordan  
Turkey's Davutoglu meets Azeri, Armenian FMs in Athens  
Turkish Health Minister set to visit Uzbekistan  
Envoy says Turkey built 1050 houses for Aceh quake victims  
Turkish Parliament Head Receives Swedish Ambassador  
Turkey is hosting Balkan countries command post exercise  
Turkey Is The Real Winner Of War Of Iraq  
Talat has talks in Ankara after one-month hiatus  
Cyprus diplomacy gathers steam ahead of EU  
Turkish Cyprus expects clear British stance on guarantorship issue  
Turkish Cypriot President Talat Arrives In London  
UN Secretary General "Cautiously Optimistic" Over Cyprus  
Disagreement on Turkish side causes concern for settlement in Cyprus  
Cyprus leaders agree to intensify peace talks  
Turkey denies giving up control of two major rivers  
Turkish soldiers "not to engage in Afghan clashes": Defense Minister  
Turkey balks at providing Afghan combat troops

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Turkey says no plan to invite IMF  
Jordan, Turkey sign free trade deal, scrap visa requirements  
Turkish multinationals hit hard by global downturn  
İşbank cooperates with Japanese lender  
Patients impatient as pharmacies strike

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Turkish internet users spend majority of time on e-mails, instant messaging and games, poll  
35 died, 208 injured in traffic accidents during Eid by Friday night  
December critical month for swine flu vaccines, say experts  
Vocational high school students giving up on university dreams  
Unemployment is biggest problem of disabled

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Obama's predicament before meeting with Erdoğan  
Democracy is a fixed menu  
Are minarets 'our bayonets?'  
Turkey in a difficult position over Iran  
From the Bosphorus: Straight - A call devoid of vision, devoid of hope

## **POLITICAL ISSUES**

### **KURDISH ISSUE**

In fear of losing strength, PKK turns to violence in cities

Wednesday, 02 December 2009 10:5

Today's Zaman

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The outlawed Kurdistan Workers' Party (PKK) is organizing illegal and violent demonstrations across the country under the pretext of protesting the new imprisonment conditions of its leader, Abdullah Öcalan, but experts underline that the terrorist PKK leader Öcalan is serving a life sentence on İmralı Island in the Sea of Marmara. He was the only inmate until recently, but eight other convicts have now been transferred to the island and he was placed in a different cell.

Öcalan's lawyers claim his new cell is six-and-a-half square meters, compared to the old cell's 12 square meters. The new cell's window is reportedly high and cannot be looked through at regular height. Öcalan, in his latest meeting with his lawyers last week, warned that his new prison conditions are harming his health.

In a written statement released on Monday, the PKK also depicted Öcalan's new cell as a "death hole" and claimed that the aim of the new regulations is to kill him. The same statement also suggested that they consider Öcalan's health as the health of the Kurdish nation.

"The attitude displayed towards him is reason enough for war or peace. We are now at the end of words. From now on, we are not responsible for possible developments," the statement threatened.

The PKK also urged its sympathizers to protest Öcalan's new prison conditions.

But even before this statement was released, illegal and violent demonstrations began on Nov. 27, the anniversary of the establishment of the PKK terrorist organization.

#### Demonstrations across the country

Shops have been closed for the past two days in Hakkari's Yüksekova and Şemdinli districts while their streets are scene to skirmishes between security forces and demonstrators. The police station in Mersin's Sıtel neighborhood was attacked by

demonstrators over the weekend. The demonstrators chanted slogans in favor of Öcalan and called on taking “revenge” on security forces. Several demonstrations also took place in İstanbul’s Sultanbeyli, Küçükçekmece, Zeytinburnu, Esenyurt and Beyoğlu districts. In Diyarbakır, demonstrators attacked several public buildings with Molotov cocktails. In Diyarbakır, the Social Solidarity Services and Council Association (Şura-Der) was attacked over the Eid al-Adha holiday. In a written statement on Tuesday Şura-Der President Albulhakim Demir said the Quran and several other Islamic books were burned during the attacks. “They are unable to tolerate the work of Islamic foundations and are cooperating with the deep state,” the written statement said.

#### PKK is fearful

In addition to Şura-Der, prominent Kurdish intellectual İbrahim Güçlü thinks the events are an outcome of cooperation between the deep state and the deep PKK, both of which are against the government’s democratization initiative.

The government at the end of the summer launched an initiative to solve Turkey’s decades-old Kurdish question and termed the process the democratization initiative.

The government chose “more freedom for everyone” as the slogan of the initiative and it frequently underlined that it will never consider discussing the issue with the PKK, saying the only party with a voice in this process is the nation itself.

According to Güçlü, the process led the PKK to start feeling that it is no longer able to control the process and decided to use violence once more. He suggests that the PKK is using Öcalan’s health as a pretext.

“The PKK does not want improvements in the process,” he told Today’s Zaman.

Sezgin Tanrikulu, a former chairman of the Diyarbakır Bar Association, underlined that certain segments of the Turkish and Kurdish society do not want improvements in the process and that it is impossible to convince them to support the democratization initiative. “The important thing is to pay utmost attention to not prepare a suitable ground and to not give any pretext to anyone looking for the opportunity to take to the streets,” he told Today’s Zaman.

Pro-Kurdish Democratic Society Party (DTP) parliamentary group chairman Selahattin Demirtaş warned that the country can be driven into worse tension if the government does not take immediate action to improve Öcalan’s condition. “Either the government is not aware of the situation, or it deliberately worsened Öcalan’s conditions. But this is a dangerous process, and tension might increase further,” Demirtaş told Today’s Zaman. He added that the DTP has yet to decide on its position, which will be clearer on Wednesday, when the party’s decision-making organs convene for a meeting. “I think we will urge the parliamentary Human Rights Commission to pay a visit to İmralı as soon as possible. The Ministry of Justice should reverse the conditions on İmralı,” he said.

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#### DTP: Country in danger because Öcalan placed in smaller room

Thursday, 03 December 2009 12:21

Today’s Zaman

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The pro-Kurdish Democratic Society Party (DTP) has begun to portray the living conditions of imprisoned Kurdistan Workers’ Party (PKK) leader Abdullah Öcalan as the

priority of the Kurdish people and urged the government to improve his living conditions

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“The İmralı system should be abandoned immediately and not used as a tool to blackmail and threaten [others]. [Doing otherwise] will take the country to a dangerous point,” DTP leader Ahmet Türk said at a press conference yesterday. The conference was also attended by several DTP deputies.

Öcalan is serving a life sentence in a prison on İmralı Island, located off the coast of İstanbul. He was the sole inmate until recently, but eight other convicts have now been transferred to the island, and he was placed in a different cell.

Öcalan’s lawyers claim his new cell is six-and-a-half square meters, compared to the old cell’s 12 square meters. The new cell’s window is reportedly high and cannot be looked through unassisted. Öcalan, in his latest meeting with his lawyers last week, warned that his new prison conditions are harming his health.

In a written statement released on Monday, the PKK also depicted Öcalan’s new cell as a “death hole” and claimed that the aim of the move is to kill him. The same statement also suggested that they consider Öcalan’s health to be the health of the “Kurdish nation.”

In order to protest the conditions Öcalan is in, illegal and violent demonstrations began across the country on Nov. 27, the anniversary of the establishment of the PKK terrorist organization.

“There are certain issues on which the Kurds are sensitive. The first and foremost of these is Öcalan and his living conditions,” Türk said.

He urged the European Committee for the Prevention of Torture (CPT) to pay an immediate visit to the island to examine Öcalan’s new living conditions. The CPT has already visited the island four times and prepared reports critical of his situation.

Türk claimed that the recent changes were made to “improve” Öcalan’s situation but in reality do the exact opposite. He also suggested that a commission should be established by civil society organizations and politicians to visit Öcalan.

“The conditions under which Öcalan will contribute to peace should be created,” he said.

Türk claimed that Kurds take personally all positive and negative approaches to İmralı.

“İmralı serves as a mirror for the process that the government has described as the democratization initiative. If this process is to turn into a real democratization process, one prerequisite must be met: İmralı,” he said.

He further added that a process in which Öcalan is ignored and neglected and dialogue is blocked will not serve to solve the problem, but rather will deepen it. “While conditions on İmralı get worse, talks about a process are not convincing,” Türk said.

The government at the end of the summer launched an initiative to solve Turkey’s decades-old Kurdish question and termed the process the democratization initiative.

The government chose “More freedom for everyone” as the slogan of the initiative and it frequently underlined that it will never consider discussing the issue with the PKK, saying the only party with a voice in this process is the nation itself.

The government also suggested that the democratization initiative will take place in several phases and as one of the very first steps, there will be mechanisms established such as an anti-discrimination institution which is to monitor claims of discrimination. Another government plan is to have names of settlements and geographical places revert to their original Kurdish names.

Türk described these government attempts as “tactics to delay the matter.”

“The question is whether to recognize the existence of Kurds in the Constitution,” he said.

Türk also claimed that the government aims to “eliminate the dynamics of Kurds with the assistance of foreign powers.”

“The government, instead of developing elimination plans with foreign forces, should develop solutions with internal dynamics immediately and without any further delay,” he said.

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-----Pro-Kurdish DTP no longer supports democratic initiative

Friday, 04 December 2009 13:44

Today's Zaman

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The police had to intervene when PKK supporters took to the streets in Hakkari to celebrate the anniversary of the foundation of the terrorist group. Again, most of the demonstrators in these violent protests were minors.

The pro-Kurdish Democratic Society Party (DTP) has retracted its support for the government's efforts to settle the long-standing Kurdish question through a massive democratization package, claiming that the efforts were aimed at “eliminating” the party and İmralı, referring to the jailed leader of the terrorist Kurdistan Workers' Party (PKK), Abdullah Öcalan.

Deputy Chairman of the Democratic Society Party (DTP) Selahattin Demirtaş announced during a program broadcast live on NTV on Thursday that the DTP would not lend its support to the Kurdish initiative under existing conditions. “The Justice and Development Party's [AK Party] plan is aimed at eliminating İmralı and the DTP. There is no plan at hand for the DTP to support,” Demirtaş remarked.

The deputy chairman asserted that the governing party was threatening the existence of the DTP and Öcalan with the efforts it had exerted to settle the Kurdish question. Öcalan is serving a life sentence in a prison on İmralı Island, located off the coast of İstanbul. The DTP has so far failed to distance itself from the terrorist organization, drawing the ire of Turkey and many European countries. The party and its supporters have kept complaining about the conditions of imprisonment of the terrorist leader, claiming the Kurdish initiative will not be successful unless his conditions are improved.

In the meantime, a delegation from the Ministry of Justice went to İmralı yesterday amid demonstrations across the country to protest Öcalan's conditions of imprisonment.

He was the sole inmate until recently, but five other convicts have now been transferred to the island and three more will follow and he was placed in a different cell.

Öcalan's lawyers claim his new cell is six-and-a-half square meters, compared to the old cell's 12 square meters. The new cell's window is reportedly high and cannot be looked through unassisted. Öcalan, in his latest meeting with his lawyers last week, warned that his new prison conditions are harming his health and he feels that he is at the bottom of a well.

Since his statement to his lawyers there have been demonstrations across the country to protest his new living conditions.

Interior Minister Beşir Atalay said that so far 153 people who had participated in the demonstrations had been detained. He also added that the aim of the demonstrations was



to sabotage the “National unity and brotherhood project.”

Atalay is the coordinator of this project which is also known as the democratization initiative, launched by the government at the end of the summer to solve Turkey’s decades-old Kurdish question. The government chose “More freedom for everyone” as the slogan of the initiative and it frequently underlined that it will never consider discussing the issue with the PKK, saying the only party with a voice in this process is the nation itself.

However, Öcalan wants to be a part of the process and the DTP are also pointing out him as the partner of the government for the process. There are some suggestions that Öcalan and the PKK fear losing their powers and are using Öcalan’s new conditions as a pretext on which to demonstrate.

The chairman of the DTP Ahmet Türk on Wednesday at press conference portrayed Öcalan’s living conditions as the priority of the Kurdish people and urged the government to improve them immediately, warning that anything to the contrary would drag the country into clashes. Some DTP deputies also met with the minister of justice, Sadullah Ergin, on Wednesday. Ergin said that Öcalan’s prison conditions are fitting to the norms of the United Nations and the Council of Europe and are even above them. “However, if there are still complaints, we will examine them and if there is any basis, we will change them,” he said on Thursday. DTP deputy and member of the Parliamentary Commission for Human Rights Akin Birdal suggested the establishment of a sub-committee to examine Öcalan’s conditions of imprisonment.

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### **OTHER POLITICAL ISSUES**

Turkish police seize millions of bootleg Cds, Dvds and books in recent years

Sunday, 29 November 2009 11:59

TIME TURK

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Turkish police seized 7.75 million counterfeit music CDs and movies, and also 1.6 million pirate versions of bestseller books over the past three years. According to statistics of Turkish Culture Ministry, police and ministry officials launched more than 9,500 operations against bootleg rings in the country. More than 10,000 people were arrested in these operations on suspicion of possessing and producing for sale of counterfeit trademarked items. Statistics showed that there was a decline in production of knock-off CDs since 2007. 2.22 million illegal copies were confiscated in 2007, while it fell to 1.5 million the next year and to 890,000 so far in 2009. The rest of the bootleg items, around 3.6 million copies, were DVDs in the last three years. However, illegal production of pirate versions of books were rising, statistics revealed. Nearly half of bootleg books, 840,000 copies, were seized so far in 2009 when compared to 2008 and 2007.

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Turkey says Swiss ban violates freedoms

Tuesday, 01 December 2009 18:31

Hürriyet

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Turkey demonstrated an all-out reaction Tuesday to a Swiss ban on minarets, saying it was violating basic human rights and freedoms.

President Abdullah Gül, speaking to reporters in Ankara before departing for Jordan, said the issue should be followed seriously.

“This is a noteworthy example in terms of showing how animosity toward Islam, as we call it ‘Islamophobia,’ has been developing in the Western world. This is a disgrace for the Swiss,” said Gül.

In Parliament, Prime Minister Recep Tayyip Erdoğan said the ban was a reflection of increasing racist and extreme nationalist waves in Europe, recalling the remarks he made earlier that Islamophobia was a crime against humanity just like anti-Semitism.

“What is the relationship of a mosque minaret with fundamentalism? That is an outdated, primitive understanding,” said Erdoğan, addressing his ruling Justice and Development Party, or AKP, deputies.

His remarks came in response to the Swiss justice minister who said the ban targeted not Muslims but fundamentalism.

“The ban and making such a statement are two separate mistakes,” said Erdoğan, adding that the referendum result in a country considered the cradle of democracy and freedom worried many people.

“Such kinds of issues cannot be taken to referendum ... these are rights coming from birth. I am speaking as the prime minister of a country, of a civilization that proved mosques and synagogues can co-exist on the same street for centuries,” Erdoğan said. “It is incomprehensible that while we are restoring such temples, [the Swiss] are taking such steps.”

The referendum by the nationalist Swiss People’s Party labeled minarets as symbols of rising Muslim political power that could one day transform Switzerland into an Islamic nation. The initiative was approved 57.5 to 42.5 percent during the referendum Sunday. Not only Muslims but also international organizations criticized the vote. Europe’s top human rights watchdog, the Council of Europe, indicated that the heavily criticized vote could be overturned.

Erdoğan expressed the hope that European Union member states, and such institutions as the European Court of Human Rights, would display sensitivity and would not allow the world to be dragged into tension.

“Bearing the title of co-chairman of the Alliance of Civilizations, it is my duty to remind you that it is necessary to turn back from this mistake as soon as possible,” said Erdoğan.

“The world would no longer wants to see chauvinist approaches in this era.”

He said there should be a limit to what can be taken to referendum in democracies, stressing that basic rights and freedoms cannot be put to vote. “Switzerland has made a mistake. I am calling for common sense,” he said.

In a written statement, the Turkish Foreign Ministry said the Swiss vote has caused disappointment and is unfortunate. It called on Switzerland to correct the decision, adding that more than 100,000 Turks living in Switzerland were worried.

“Switzerland, having a respected place in the international arena with its tradition of respecting diversity and reconciliation, is expected by Turkey and the international community to take steps to correct this situation, which does not comply with its

traditions,” the ministry said.

The opposition also criticized the ban, with Republican People’s Party, or CHP, leader Deniz Baykal considering it as an important development for Europe to question itself and its outlook toward Islam and for Turkey to question both Europe and itself.

“Europe cannot put this aside,” said the party leader in Parliament.

Nationalist Movement Party, or MHP, leader Devlet Bahçeli strongly condemned the ban and called it a "black stain on Europe's human rights and freedom of religion and conscious record." In a written statement, he said the referendum result showed Western values were confined to Christianity and discriminated against other religions.

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Forensic report confirms authenticity of Cage plan

Tuesday, 01 December 2009 11:09

Today's Zaman

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Lt. Col. Ercan Kireçtepe, whose signature appears on the Cage plan, was arrested during an investigation in April into a hidden arms cache in Poyrazköy.

A document known as the Cage plan, which plots to assassinate non-Muslim community leaders, allegedly prepared by a group in the military, appears to be authentic, according to a report by the Council of Forensic Medicine (ATK). The report has also established that the signature that appears on the document belongs to Lt. Col. Ercan Kireçtepe.

According to the report, a comparison of his signature on the document and those he gave as part of the investigation leave no room for doubt that they belong to the same person.

The Cage plan was exposed during a police raid on the office of retired Maj. Levent Bektaş as part of a probe launched after the discovery of a large arms cache in İstanbul's Poyrazköy district in April, within the framework of the investigation into Ergenekon, a clandestine organization accused of plotting to overthrow the government. The Cage Operation Action Plan sought to intimidate Turkey's non-Muslims and assassinate prominent non-Muslim figures to put domestic and international pressure on the Justice and Development Party (AK Party), which would in turn lead to diminishing public support for the party.

The Cage document also includes plans to use prostitutes to blackmail many naval officers. Bombing museums visited by children and pointing the finger at religious groups was also one of the steps the document listed to carry out the Cage plan. Lt. Col. Kireçtepe, whose signature appears on the document, was arrested during April's Poyrazköy investigation.

The discovery of the Cage plan follows the exposure of a similar military plot called the Action Plan to Fight Reactionaryism, which details a Turkish Armed Forces (TSK) plan to destroy the image of the AK Party government and the faith-based Gülen movement in the eyes of the public, to play down the Ergenekon investigation and to gather support for members of the military arrested as part of the investigation into Ergenekon. Dozens of Ergenekon members, including businessmen, members of the military and journalists, are currently incarcerated while standing trial. A colonel named Dursun Çiçek is believed to be one of the key figures in the plot row. He has been arrested and released twice during the investigation. His release was met with a high level of frustration and outrage. His signature appears on the action plan. The prosecutors are still investigating who gave the

colonel the order to prepare such a plan.

Meanwhile, Maj. Nedim E., the head of the Erzincan Provincial Gendarmerie Command's Intelligence Directorate, was arrested on Nov. 25. His arrest follows those of two others from the same unit last week. These arrests occurred during operations into gendarmerie accommodation facilities in Erzincan. One of the arrestees was identified as E.E., a senior lieutenant who serves as the deputy chief of the gendarmerie intelligence department in Erzincan. Weapons and ammunition were found in his home during the operation.

The other officer detained in the operation was identified as O.E., also from the Erzincan Gendarmerie Command's Intelligence Directorate. Although they served in Erzincan, a special prosecutor from Erzurum is conducting the probe. Maj. Nedim E. has also testified to the same prosecutor. There have not been any details on Nedim E.'s interrogation, but prosecutors have stated that neither O.E. nor E.E. chose to speak during their initial interrogations last week. They were placed in the Erzurum Military Prison after being arrested on charges of membership in a terrorist organization.

The specially authorized Erzurum Prosecutor's Office announced that three guns whose origins are yet to be established and bullets for said guns as well as a large number of bullets for Kalashnikov rifles were found in the homes of O.E. and E.E. Documents, CDs and external hard disks belonging to the two men were also seized in the investigation.

#### Investigators look into admirals

Meanwhile, the prosecutors conducting the investigation are now focusing on admirals Feyyaz Ögütçü, Kadir Sağdıç and Fatih Ilgar, who are frequently mentioned in the Cage plan. However, none of the admirals have testified to civilian prosecutors yet, according to a recent statement by İstanbul Deputy Chief Prosecutor Turan Çolakkadı. So far, two colonels and a lieutenant colonel have been questioned and arrested as part of the Cage plan investigation.

Adm. Ögütçü's name appears in Operation Cage documents as "the president." Ögütçü was forced to retire at this August's Supreme Military Council (YAŞ) meeting, reportedly due to his suspected ties to Ergenekon.

Ögütçü was thought to be the most likely candidate to become the new naval forces commander. Observers believe the reason behind his retirement was his links to Ergenekon. According to a National Intelligence Organization (MİT) document, Ögütçü was one of the founders of the Karargah houses, which the Ergenekon investigation has revealed were meeting spots for generals plotting a coup d'état in addition to housing hit men and serving as storage places for munitions.

Ögütçü was implicated in the placement of blocks of TNT and other explosives at the bottom of a submarine exhibited at the Rahmi M. Koç Museum. The TNT and other explosives were found by police in July after a document was discovered on a computer owned by a suspect previously detained as part of the Ergenekon probe. The explosives were to be detonated while a group of students visited the museum.

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#### Coup diary generals called to testify

Wednesday, 02 December 2009 10:5

Todays Zaman

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Prosecutors conducting an investigation into Ergenekon, a clandestine network charged with plotting to overthrow the government, have called three generals who are mentioned in an admiral's journal detailing plans to stage a coup d'état against the Justice Former Land Forces Commander Gen. Aytaç Yalman, former Air Forces Commander Gen. İbrahim Fırtına and former Naval Forces Commander Adm. Özden Örnek, all of whom retired in 2004, will be testifying to the Ergenekon prosecutors. The three men will testify regarding coup plans named Moonlight, Blonde Girl and the Glove, all mentioned in the journal entries.

In April 2007, weekly newsmagazine Nokta published excerpts from a journal it said belonged to Örnek, which contained details of coup attempts dating back to 2004. An investigation was launched following the allegation -- not into Örnek and his coup plans, but into Nokta Editor-in-Chief Alper Görmüş. The newsweekly was shut down several weeks after a police raid on their office. However, the journal was included in 2009 in the second indictment in the Ergenekon trial after a technical examination of the excerpts published by Nokta confirmed that they were authentic. Örnek has consistently denied that the journal was kept by him.

According to the Nokta report and to the second Ergenekon indictment, Örnek, a disciplined journal writer since 1957, recorded every detail about the plan by Land Forces Commander Gen. Yalman, Air Forces Commander Gen. Fırtına and Gendarmerie Commander Gen. Şener Eruygur -- who today heads the Atatürkist Thought Association (ADD) -- to stage a coup they termed Blonde Girl in 2004 when they were still in the military, but gave up due to the unwillingness of some higher-ranking officers, the US attitude at the time and the democratic stance of Hilmi Özkök, the then-chief of general staff. Örnek's journal suggested that Eruygur then planned a coup by himself that he called Moonlight.

Earlier, former Chief of General Staff Gen. Özkök testified as a witness in the investigation. Çevik Bir, a former deputy chief of general staff, has also testified to the prosecutors.

It is now generally believed that between the years 2001 and 2004, there were active and intense attempts to overthrow the AK Party. The second indictment actually claims that some generals made presentations on coup plots. According to dossiers of evidence accepted along with a second indictment in March of this year by an İstanbul court hearing the case into Ergenekon, says that Ergenekon suspect retired Gen. Levent Ersöz, the former deputy head of the gendarmerie's intelligence services, made a PowerPoint presentation to the generals serving in 2003 at General Staff headquarters.

The claim is based on documents seized during operations in the homes of suspects and retired generals Şener Eruygur and Ersöz. According to the indictment, in 2003, Ersöz made a coup presentation on behalf of the Republican Work Group, an illegal group within the military that acted as the brains behind the alleged plot, emphasizing the group's plan to engineer manufactured tension in the country to facilitate the dissolution of the ruling AK Party. According to this claim, all the generals agreed, but Chief of General Staff Gen. Hilmi Özkök, who has since retired, adjourned the meeting, saying that although he agreed with most of the problems the generals pointed out regarding the government, he would not even issue a memorandum against it. This information also coincides with what Örnek wrote in his diary about the coup plans of the former generals.

An admiral who is believed to have written down in his daily journal entries about plans of generals plotting a coup against the ruling AK Party and two generals mentioned in his journal have been asked to testify to prosecutors conducting the Ergenekon investigation

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Four soldiers testify to civilian prosecutor over assassination plot

Friday, 04 December 2009 11:05

Today's Zaman

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Four members of the military were detained on Thursday for plotting to assassinate admirals at the Naval Forces Command. Lieutenants Ali Seyhur Dişli, Burak Anaç and Fatih Göktaş and noncommissioned officer Burak Özkan were taken to the İstanbul Beşiktaş.

They were questioned there by prosecutor Süleyman Pehlivan about the alleged plot. Three of the soldiers were released after their interrogation, while one of them was transferred to an İstanbul court for arrest.

In July seven naval lieutenants were arrested on charges of plotting to assassinate two admirals, Metin Ataç and Eşref Uğur Yiğit.

Three of them, lieutenants Sinan Efe Noyan, Faruk Akin and Alperen Erdoğan, were on active duty in the Gölcük district of northwestern Kocaeli province and were arrested on July 21 by court order after being detained. There were claims that the lieutenants were in close contact with Maj. Levent Bektaş, who was arrested in April for suspected links to a large cache of ammunition unearthed during excavations on land owned by the İstek Foundation in İstanbul's Poyrazköy district. That discovery came as part of the investigation into Ergenekon, a clandestine organization whose suspected members are currently standing trial on charges of having plotted to overthrow the government.

In the meantime, news portals announced yesterday that one major and another soldier whose rank was not made public were released from prison before Eid al-Adha (Feast of the Sacrifice). Several members of the military were arrested last month on grounds that they had contributed to the preparation of a plot which detailed a plan to assassinate prominent non-Muslim figures in Turkey and place the blame for the killings on the Justice and Development Party (AK Party) as part of an action plan called the Cage Operation Action Plan. The killings were intended to increase internal and external pressure on the party, leading to diminishing public support for the AK Party.

The lawyers for two colonels and a major also yesterday appealed the arrest of their clients, who were put in prison on Nov. 27 over similar charges.

TSK expels jailed colonel

The Turkish Armed Forces (TSK) have expelled a major who is currently serving time in jail for charges of aiding and abetting a terrorist organization.

Col. Aydın Yeşil was arrested in 2006 after a voice recording allegedly featuring his voice was leaked to the press. The recording revealed the close ties between the colonel and Cabbar Çiçek, a member of the terrorist Kurdistan Workers' Party (PKK). The colonel's dismissal came before the Supreme Military Council (YAŞ) convenes today to decide on promotions and dismissals in the armed forces. According to observers, the TSK decision to expel the colonel may set a precedent in the dismissal of other members of the military who were put behind bars as part of an ongoing probe into Ergenekon.

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**GEO-STRATEGIC ISSUES**

Turkish FM makes phone conversations over Iran's nuclear program

Saturday, 28 November 2009 12:36

TIME TURK

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Turkish FM Davutoglu continued making phone conversations over Iran's nuclear program.

Turkish Foreign Minister Ahmet Davutoglu continued making phone conversations over Iran's nuclear program.

Davutoglu spoke with U.S. President Barack Obama's National Security Advisor General Jim Jones and U.S. Special Envoy to Afghanistan and Pakistan Richard Holbrooke.

Davutoglu informed his counterparts about his impressions after talks with Iranian officials in Tabriz, diplomats stated.

Earlier, Davutoglu spoke with U.S. Secretary of State Hillary Clinton, German Foreign Minister Guido Westerwelle and British Foreign Secretary David Miliband.

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European Parliament: Ergenekon investigation is an opportunity

Saturday, 28 November 2009 12:38

Today's Zaman

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The draft of the European Parliament progress report on Turkey calls Ergenekon investigation an opportunity for Turkish democracy and rule of law.

Written by Dutch Christian Democrat Ria Oomen-Ruijten, the draft calls on the government to revamp the High Council of Judges and Prosecutors (HSYK). The 8-pages report which bears the date of 26-11-2009 commends the government's initiative on the Democratic and Armenian initiatives but at the same time criticizes the slow pace of implementation. The parts of the draft on Cyprus seem to be hugely influenced by the Greek Cypriot position.

The first debate of the draft report will take place on Dec. 2 in Committee on Foreign Affairs (AFET). Following are some important topics from the draft report.

**Judicial Reform**

By welcoming the government's approval of the judiciary reform strategy, the report also encourages the government to re-structure the High Council of Judges and Prosecutors (HSYK) so as to ensure its representative ness, objectiveness, impartiality and transparency.

It takes note of progress made on legislation limiting the jurisdiction of military courts and regrets the lodging of an appeal before the Constitutional Court seeking annulment of that legislation; is concerned by the continuing involvement of the military in Turkish politics and foreign policy, and reiterates that in a democratic society the military must be fully subject to civilian oversight.

Ergenekon

The draft report is also concerned about the alleged magnitude of the Ergenekon criminal

network; urges the government and the judiciary to ensure that all proceedings are fully in line with the due process of law and that the rights of all defendants are respected.

#### Democratic initiatives

Welcomes the initiatives taken by the Turkish Government to bring Turkish citizens together and enable every citizen, irrespective of origin or religion, to enjoy equal rights and play an active role in Turkish society. Welcomes the adoption of legislation removing all restrictions on broadcasting in the Kurdish language by private and public channels at the local and national levels as well as of legislation on the use of the Kurdish language in prisons; urges the government to take further measures ensuring real opportunities to learn Kurdish within the public and private schooling system, allowing for Kurdish to be used in political life and in access to public services; calls on the Government to make sure that anti-terror laws are not misused to restrict fundamental freedoms, and to abolish the system of village guards in the south-east of Turkey.

#### Kurdistan Workers' Party (PKK) terrorist organization

Condemns the continuing violence perpetrated by the PKK and other terrorist groups on Turkish soil, and urges the PKK to respond to the political initiative of the Turkish government by laying down its arms and putting an end to violence;

#### Religious Minorities

Welcomes the dialogue entered into by the Turkish government with non-Muslim religious communities and the Alevis; underlines, however, that positive steps and gestures cannot mask the lack of real reform of the legal framework, which must enable these religious communities to function without undue constraints, in line with the ECHR and the case-law of the European Court of Human Rights;

It also reiterates its concern about the obstacles faced by the Ecumenical Patriarchate concerning its legal status, the training of its clergy, and elections of the Ecumenical Patriarch.

#### Press Freedom

The report is concerned about continued restrictions on press freedom, particularly following the imposition of an unprecedented fine on a media group, as well as regarding frequent website bans; stresses that the cultivation of press freedom is an important sign of political culture in a pluralistic society; recommends that in this context, and in light of the unhealthy links between media and business interests, a new media law be adopted.

#### Cyprus

Calls on the Turkish government actively to support the ongoing negotiations, and to contribute in concrete terms to the comprehensive settlement of the Cyprus issue, based on a bi-zonal, bi-communal federation, in line with the relevant UN Security Council resolutions and the principles on which the EU is founded; calls on Turkey to facilitate a suitable climate for negotiations by withdrawing its forces;

#### Relations with neighbours

Commends the diplomatic efforts made to normalise relations with Armenia, and urges the Turkish government to open the border with Armenia; calls on the Turkish Parliament (TBMM) and the Parliament of Armenia to ratify the relevant protocols without delay and without setting any preconditions;

Takes note of the limited progress achieved in improving Turkish-Greek bilateral relations; calls on the TBMM to withdraw its casus belli threat, and expects the Turkish



government to end the continued violations of Greek airspace.

Welcomes the continued improvement of relations with Iraq and with the Kurdish regional government; stresses once again its appeal to the Turkish government to ensure that any anti-terrorist operation that is conducted fully respects Iraq's territorial integrity, human rights and international law, and that civilian casualties are avoided.

#### Foreign Policy

Notes Turkey's increasingly active foreign policy and appreciates its efforts to contribute to solutions in various crisis regions; calls on the Turkish government to intensify its foreign policy coordination with the EU, in particular as regards Iran.

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#### Evidence galvanizes EU support for Ergenekon investigation'

Tuesday, 01 December 2009 13:01

Today's Zaman

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Egemen Bağış, a state minister and the chief negotiator for Turkey's European Union accession talks, spoke with Today's Zaman about the EU's changed approach to the Ergenekon trial.

According to Egemen Bağış, state minister and chief negotiator for Turkey's European Union accession talks, a considerable change in the European Commission's attitude toward the ongoing trial of Ergenekon -- a clandestine network accused of plotting to overthrow the government -- has apparently stemmed from evidence introduced in court during the past year.

While announcing its newest progress report on Turkey in October, the EU's executive body, which had lightly touched upon the issue in last year's progress report, chose to highlight its full support for the ongoing trial into Ergenekon.

The report stated that the ongoing Ergenekon trial is an "opportunity for Turkey to strengthen confidence in the proper functioning of its democratic institutions and the rule of law."

The Ergenekon investigation started in June 2007 with the discovery of hand grenades at a house in Istanbul's Ümraniye district. Dozens of suspects, including members of the military, businessmen and journalists have been arrested for suspected links to the terrorist organization.

"This means that the evidence which surfaced in the past one year -- the explosives which have been seized, the wiretap records, plans and plots -- must have also led to uneasiness among the officials from the 27-member nations who are responsible for enlargement.

Therefore they must have openly reflected within the report that this trial should be considered an opportunity. The only reason is concrete evidence, what else can it be?"

Bağış remarked in a recent interview with Today's Zaman, when asked about the significant change in the European Commission's approach toward the issue.

"The investigation of the alleged criminal network Ergenekon has led to serious criminal charges involving military officers and nationalist circles. This case is an opportunity for Turkey to strengthen confidence in the proper functioning of its democratic institutions and the rule of law. It is important that proceedings in this context fully respect the due process of law, in particular the rights of defendants," the progress report said.

Most recently, as part of the investigation into Ergenekon, a plan known as the Cage

Operation Action Plan has been revealed. According to the plan, a group in the Naval Forces Command aimed to intimidate the country's non-Muslim population by assassinating some of their prominent figures and in this way undermine the power of the ruling party.

"Not really," Bağış replied when asked whether he received many questions from his European counterparts regarding details of the trial. "Everything is obvious. Europeans expect the trial to be eventually ended with the acquittal of probable innocent individuals, while punishing those who are involved in attempting to topple the democratic system by establishing militia forces and gangs through anti-democratic means," he added.

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EU's new enlargement commissioner in favor of continuation of accession talks With Turkey

Sunday, 29 November 2009 23:59

TIME TURK

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Czech Stefan Fuele, who is set to take over the EU enlargement job, said that Turkey's EU accession talks should go on.

In an interview with a Czech daily, Fuele was asked if Turkey belonged to Europe. Fuele refrained from telling his personal view and just said negotiations between Turkey and EU should continue. He said he would answer such questions at the European Parliament. On a question if whether or not Turkey acted in line with European structure, Fuele said he saw Turkey, as a NATO member, preserved the values on which the alliance had been relying.

Before his nomination as the new EU Enlargement Commissioner to replace Finnish Olli Rehn, Fuele, at his national parliament, supported Turkey's membership "if it was ready." Fuele, 47, has served as Czech ambassador to Lithuania, the United Kingdom and NATO. He has led the European Affairs Ministry in Czech government since May 2009. He studied at the Soviet State Institute for International Relations in Moscow and was a Czech Communist Party member at that time.

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"Turkey will complete European peace process"

Monday, 30 November 2009 13:14

TODAY'S ZAMAN

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Turkish State Minister and the Chief Negotiator for EU talks, Egemen Bağış said Turkey will complete European peace process.

Turkish State Minister and the Chief Negotiator for EU talks, Egemen Bağış said, "when we look at the EU-member countries, we see that countries which once fought against each other, have been living in peace for the past 50 years. But this peace process has not been completed yet. Turkey will constitute the top of this process."

Bağış exchanged greetings with members of the ruling Justice and Development Party (AK Party) in İstanbul's Şile district.

He said during the meeting, "we will reach the target Mustafa Kemal Atatürk set for Turkey years ago by becoming a full member of the EU. When we look at the EU-

member countries, we see that countries which once fought against each other, have been living in peace for the past 50 years. But this peace process has not been completed yet. Turkey will constitute the top of this process. Europeans have already been aware of this."

-----"We want EU member countries to annul visa"

Monday, 30 November 2009 13:09

TIME TURK

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Justice and Development Party (AK Party) deputy chair Kürşad Tüzmen said they expect members of European Union to start lifting visa requirements during an Eid ceremony at the Cultural Center in Mersin on Saturday.

To a question if there is a shift of axis in Turkish foreign policy, Tüzmen said Turkey's face has always turned to the West. "It is not easy to launch foreign policy initiatives in the region, where many problems persist. We have tried to soften the situation through enhancing the amount of trade with our neighbors," Tüzmen said. He also added that he has paid eight visits to Libya in a short term and it is a good news that Libya has lifted visa requirements with Turkey. "However, we do not want only to annul visa regime with neighboring countries but also with the EU member countries, too," Tüzmen concluded.

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EU's new enlargement chief to become regular visitor to Turkey

Tuesday, 01 December 2009 12:31

Today's Zaman

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Stefan Fuele, the deputy foreign minister of the Czech Republic, who has been nominated as the European Union's new enlargement commissioner, has promised to pay close attention to Turkey's membership dossier by frequently visiting the candidate country.

European Commission President Jose Manuel Barroso on Friday named the 26 people he wants to help him drive the EU's day-to-day agenda for the next five years, including nominees for new posts that reflect major shifts in policy priorities, notably climate issues. The incoming EU executive of nine women and 18 men, including Barroso, must still clear confirmation hearings in the European Parliament scheduled for the week of Jan. 18.

Fuele, who will replace Finland's commissioner for enlargement, Olli Rehn, who has been in his post since autumn 2004, briefly stated that he believed Turkey's membership negotiations should continue when asked in an interview with Czech daily MF DNES whether Turkey belonged to Europe.

"In my opinion, Turkey's accession negotiations with the EU should continue. I'll answer this and similar questions at the European Parliament," Fuele was quoted as saying by the Anatolia news agency in remarks published over the weekend in the Czech daily before he assumed his post in Czech Prime Minister Jan Fischer's caretaker cabinet.

When asked whether Turkey acted in harmony with Western structures, Fuele said, "I've seen that Turkey, as a NATO member, is able to protect along with other members the values on which the alliance is founded."

In separate remarks delivered over the weekend, Fuele stated that he will be focusing

most of his attention and visits on the Western Balkans along Turkey, adding that he has been to the Balkans many times before.

“I was in Kosovo, Serbia, Bosnia-Herzegovina and Croatia as an ambassador to NATO mostly but also during visits as the deputy defense minister, as well as privately,” Fuele said.

“The started negotiations need to continue, but I think that now is not the moment for predicting what country will be entering the EU next,” he was quoted as saying. In early November, during a hearing about his nomination before members of the Committee for European Affairs at the Chamber of Deputies, Fuele said he supported the entry of Balkan countries to NATO and the EU and conditionally supported the admission of Turkey to the EU, Czech media reported. “I think that only countries that meet the requirements set by the EU belong in it,” Fuele said, noting that Turkey was not prepared for EU membership at present.

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Davutoğlu sees Turkey as EU member by 2023

Tuesday, 01 December 2009 12:26

Today's Zaman

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Foreign Minister Ahmet Davutoğlu sees Turkey becoming a member of the European Union by 2023, when the country marks the 100th anniversary of its foundation. In a recent interview with Newsweek, Davutoğlu also said Turkey will become a key player in world organizations shaping global economic decisions. “I see a country that has managed to start economic integration and has solid relations with all its neighbors. Also, a country that has become a member of the EU,” he said. “I see a Turkey which keeps an effective role within NATO and which is also a key player not only in security-related fields but also in economic organizations such as G20. I do not think these objectives are unreachable by the year 2023, the 100th anniversary of the Turkish Republic, 14 years from now.”

Davutoğlu’s prediction is consistent with widespread expectations that Turkey will need at least another decade to join the EU. Turkey has been a candidate since 1999 and has been conducting accession negotiations with the now-27-member bloc since 2005 but progress has been limited amid tensions over the Cyprus problem and reluctance in some EU countries, including France and Germany, to let the predominantly Muslim nation in. Davutoğlu dismissed claims that Turkey was leaving the Western camp for closer ties with the East, saying it had to assume a dynamic role in all its neighboring regions due to the new global circumstances that emerged in the aftermath of the end of Cold War. He emphasized that ties with the West still form the main premise of the Turkish foreign policy.

“Turkey’s most institutionalized relationship remains its membership of NATO -- this is Turkey’s strongest tie. Similarly, the main objective of Turkish foreign policy is integration with Europe,” Davutoğlu said in the interview, published on Saturday. “Our history is part of Europe’s, our culture is part of Europe’s, and our process of modernization is parallel to the developments in Europe. Our membership of NATO and the negotiation process with the EU is the strategic priority of Turkey.” However, he

added: "But it doesn't mean that because of these strong ties we can ignore the Middle East, we can ignore Asia, Central Asia, North Africa, or Africa."

Davutoğlu likened Turkey's current foreign policy, based on the principle of "zero problems with neighbors," including Iran, to Germany's Ostpolitik (detente with the Soviet bloc) in the 1960s and said Europe's history presented a good example for Turkey to follow in creating regional integration following disputes. "Europe is a beautiful example to follow -- I mean, the generation that fought [World War II] and caused millions of deaths in Europe was the same generation that established the European Union. We want to be a part of this beautiful example and to reflect this experience onto other regions," he said.

The foreign minister also appeared to dismiss criticism that Turkey is turning a blind eye to the humanitarian tragedy in Darfur for the sake of good relations with President Omar al-Bashir. "When President al-Bashir came to Turkey, our president criticized him in a most sincere and open way. We think that we have managed to develop a morally responsible relationship with Sudan," he said.

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EU is ready to pitch in to help Turkey tackle illegal immigration'

Tuesday, 01 December 2009 11:59

Today's Zaman

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The European Union is ready to help Turkey tackle the flow of illegal immigration coming mainly from its eastern border and is also willing to share the cost of the financial burden, the top EU official in Turkey has said.

In an exclusive interview with Today's Zaman on the eve of upcoming negotiations on Dec. 4 for a new round of discussions for signing a readmission agreement between Turkey and the EU, Marc Pierini, the head of the Delegation of the European Commission to Turkey, said, "The EU and Turkey are facing similar challenges, and they have to fight illegal immigration and human trafficking networks together. This is not an EU versus Turkey issue," he noted.

The EU ambassador also dismissed claims that the EU is not consulting with Turkey while negotiating re-admission agreements with third countries like Pakistan, whose citizens flock to EU member states using Turkish soil as a transit route. "That [criticism] is over. We do consult Turkey," he said. He lamented that in the past the consultation was intermittent but stressed that the problem has now been resolved and the EU Commission has appointed a new counselor whose task is to coordinate policies with Turkey on these issues.

The EU and Turkey have long been at odds over the critical issue of illegal immigration and repatriation of those caught in member states. The EU alleges that Turkey is not doing enough to tackle illegal immigration coming from the East, especially from Afghanistan, Pakistan and the Middle East, claiming the country has failed to fulfill its promises to repatriate illegal immigrants who pass through Turkey and are later detained in EU member states.

Turkey, on the other hand, claims that the EU is shying away from sharing the financial burden with Turkey and is not doing enough to coordinate immigration and resettlement policies with Ankara. It is estimated that every year almost 72,000 illegal immigrants go

to Europe via Turkey, although Turkey apprehended approximately 65,000 illegal immigrants in 2008.

#### Clearing the air on financial help

The EU's point man Pierini also took the occasion to clarify some of the confusing issues when it comes to sensitive problem of illegal immigration. He said there are two sets of different issues at play on the funding of two closely linked but distinct immigration policies in the EU. "We have realized that there is great confusion in Turkey on readmission and resettlement policies and the funding thereof," he said, stressing that the latter works only within the framework of member states and has nothing to do with Turkey.

Readmission refers to the practice of sending illegal immigrants seized in the EU member states back to Turkey for eventual repatriation to their country of origin. This applies only when illegal immigrants were proved to have used Turkish territory as a transit route. They are hosted in removal centers in Turkey while waiting to be processed and deported to their home countries. That only works, of course, if the EU has negotiated a readmission agreement with the country of origin. "We realize that and are working hard to broker an agreement with source countries," Pierini said, stressing that they keep Ankara in the loop.

He also refuted claims that the EU is giving little to Turkey, a candidate country to the EU, while providing substantial assistance to member states like Turkey's immediate neighbor Greece, where most immigrants cross over from Turkey. It was reported that Turkey is getting 75 euros per head while Greece is getting 1,000 euros per illegal immigrant to offset the costs of housing and repatriation of these people. "It is like comparing apples and pears," he said, pointing out that two different policies are at work on either case.

On the related but different subject of resettlement, the EU ambassador said the policy is managed under the European Refugee Fund (ERF), which was established to support and improve the efforts of member states to grant refugee or asylum status to beneficiaries. It provides direct financial assistance to prospective refugees and does not apply to Turkey as it is not yet a full member of the 27-nation bloc.

#### Temporary hosting in Turkey

Stressing that the EU is not asking of Turkey to permanently settle illegal immigrants on its soil, the EU ambassador said, "We simply ask you to host these people in reception and removal centers for a limited period of time before they are sent back to their country of origin." Turkey is concerned, however, that it will be left alone to shoulder the burden once illegal immigrants are dumped on its soil by member states. Ambassador Pierini pledges that the EU will help Turkey run reception and removal centers in line with EU standards.

"Yes, we are willing to share the burden. We will apply our resources. We know the amount [of financial assistance] until 2013, then we have our next budget cycle," he said. Turkey has already drawn up plans to build new modern immigration centers around the country. But plans are facing resistance from local residents who argue that centers will drive down property values and risk increasing crime rates in their neighborhoods. "It is a very difficult issue. You have to convince the [local] population that this is not a group of people that will stay there for a long time, not like life-term prisoners," Pierini remarked. Pierini also noted that visa waiver agreements Turkey has signed with countries like

Syria, Georgia, Albania and Libya may present problems on the day Turkey becomes a full member. "We have seen a similar case when Sweden became a member while its neighbor Norway stayed out of it," he said. However, the issues could be resolved during negotiations of Chapter 24 which deals with justice, freedom and security. "It is a very difficult chapter to negotiate," he noted.

Pierini also confirmed that once the readmission agreement was signed, the EU may start easing visa issuance to Turkish citizens and facilitate the granting of visas for professionals, businesspeople, journalists and scientists.

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Turkey elected for UN maritime team for sixth time

Saturday, 28 November 2009 13:10

TIME TURK

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Turkey was elected for membership in a council of the United Nations' international maritime agency.

Turkey was elected for membership in a council of the United Nations' international maritime agency.

Turkey received 129 votes in an election on Friday to win a "Category C" seat at the Council of the International Maritime Organization (IMO), UN's specialized body responsible for improving maritime safety and preventing pollution from ships.

This is the sixth time in a row that Turkey has been elected for membership in the council.

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Syrians begin crossing into Turkey to exchange greetings

Saturday, 28 November 2009 20:48

TIME TURK

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Syrian citizens have begun crossing into Turkey to exchange greetings with their relatives in Turkey during the Feast of Sacrifice.

Nearly 2,500 Syrian people are expected to enter Turkey from the Ceylanpinar border crossing in the weekend to spend the religious holiday with their relatives in the southeastern Turkish province of Sanliurfa.

They will return to their country on Monday.

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Prime minister will visit Washington in December"

Sunday, 29 November 2009 11:53

TIME TURK

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Turkish Ambassador to the United States Nabi Sensoy said that Prime Minister Recep Tayyip Erdogan's scheduled visit to Washington D.C. would make important contributions to efforts to further improve strategic relations between the two countries.

Sensoy said that Prime Minister Erdogan would pay a state visit to the United States on December 6 and 8.

"Prime Minister Erdogan is set to meet with U.S. President Barack Obama on December 7. Following President Obama's visit to Turkey in April as part of his first visit to abroad, Prime Minister Erdogan's visit would make important contributions to efforts to further improve strategic relations between the two countries," he said.

The Ambassador added that he appreciated all efforts of the Turkish community in the United States to promote Turkey and to oppose to all kinds of unfair campaigns against Turkey.

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Turkish president to travel to Jordan

Monday, 30 November 2009 11:41

TIME TURK

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Turkish President Abdullah Gul will travel to Jordan on Tuesday at the invitation of King Abdallah II.

President Gul and King Abdallah will discuss bilateral relations as well as regional and international issues, Gul's office said in a statement on Monday.

Their meeting will also focus on how to improve economic, commercial and deep-rooted fraternal ties, the statement said.

King Abdallah had visited Turkey in December 2007.

Gul will return to Turkey on Thursday.

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Gul says Turkey, Jordan to sign free trade agreement

Tuesday, 01 December 2009 18:07

TIME TURK

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Gul said on Tuesday that Turkey and Jordan were set to sign a free trade agreement during his visit to Amman.

Turkish President Abdullah Gul said on Tuesday that Turkey and Jordan were set to sign a free trade agreement during his visit to Amman.

"With the free trade agreement between Turkey and Jordan we will have the opportunity to exploit economic and commercial potential between the two countries," Gul told reporters before his departure for Jordan.

Gul said he would discuss with King Abdallah II all aspects of bilateral relations and regional issues on his visit, adding that Turkey had been exerting efforts for security, sustainable development and prosperity in the region by engaging in cooperation with neighbors as well as regional organizations.

Gul is the first Turkish president to visit Jordan in nine years.

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Turkey, Jordan lift visa requirements

Tuesday, 01 December 2009 17:59

TIME TURK



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Turkish President Abdullah Gul met Tuesday with Jordanian King Abdallah II as part of an official visit in capital Amman.

Turkish President Abdullah Gul met Tuesday with Jordanian King Abdallah II as part of an official visit in capital Amman.

The two leaders later presided over the signing of an agreement between Turkey and Jordan to waive visa requirements for each other's citizens.

A separate agreement was also signed to set up a partnership for the establish a free trade zone between the two countries.

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Turkish President in Jordan: Palestine not only Arab matter

Wednesday, 02 December 2009 14:0

TIME TURK

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Gul attended the meeting of Turkey-Jordan Business Forum and a banquet hosted by Jordanian King Abdallah in Jordanian capital of Amman on Tuesday.

Turkish President Abdullah Gul attended the meeting of Turkey-Jordan Business Forum and a banquet hosted by Jordanian King Abdallah in Jordanian capital of Amman on Tuesday.

Delivering a speech in the business forum meeting, Gul said Turkish and Jordanian businessmen could work together in the third countries as well.

"We earlier signed free trade agreement with Syria. Now we have the agreement with Jordan. We should consider the region as a basin or a big area," Gul said.

"There are great opportunities for both countries not only in the area of construction, but also in the areas of energy, tourism, agriculture and transportation," he said.

In regard to Palestinian issue, Gul said it was not only the issue of Palestinians or Arabs, but it was also the issue of Turkey and all Muslims.

"Arab Peace Initiative was an important one (for a solution to the issue). I hope that Israeli government will make good use of such steps," President Gul said.

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Turkey's Gul visits Turkish military cemetery in Jordan

Wednesday, 02 December 2009 14:0

TIME TURK

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Gul laid a wreath at the cemetery, and then opened a military museum with a ceremony. Turkish President Abdullah Gul visited the Turkish military cemetery in Salt city of Jordan on Wednesday.

Gul laid a wreath at the cemetery, and then opened a military museum with a ceremony. Turkish State Minister Selma Aliye Kavaf, Industry & Trade Minister Nihat Ergun, Turkish Ambassador in Amman Ali Koprulu and Jordanian Minister of State for Media Affairs & Communication Nabil al-Sharif also attended the ceremony.

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Turkey's Davutoglu meets Azeri, Armenian FMs in Athens

Tuesday, 01 December 2009 18:01

TIME TURK

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Turkish Foreign Minister Ahmet Davutoglu met on Tuesday with his Armenian and Azerbaijani counterparts in Athens.

Turkish Foreign Minister Ahmet Davutoglu met on Tuesday with his Armenian and Azerbaijani counterparts in Athens, Greece within the scope of a meeting of Organization for Security and Cooperation in Europe (OSCE) Ministers Council.

In his meeting with Armenian Foreign Minister Eduard Nalbandian, Davutoglu discussed Turkey-Armenia relations and the approval process of the protocols signed by the two countries as well as Upper Karabakh issue which would also be taken up in Minsk Group meeting.

Davutoglu also met with Azerbaijani Foreign Minister Elmar Mammadyarov. The two foreign ministers are expected to discuss Upper Karabakh issue as well as Turkey-Azerbaijani relations.

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Turkish Health Minister set to visit Uzbekistan

Wednesday, 02 December 2009 14:0

TIME TURK

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Turkish Health Minister Recep Akdag will arrive in Uzbekistan on Thursday on a formal visit.

Turkish Embassy in Tashkent stated on Wednesday that Akdag and an accompanying delegation would hold talks till December 6.

Akdag will meet with Uzbek Health Minister Adham Ikromov, and then visit a health center which was built by Turkish International Cooperation & Development Agency (TIKA) in Tashkent. He will also attend a dinner which will be hosted in his honor by Ikromov on Thursday.

Akdag, who will visit several medical centers on December 4, will proceed to Samarkand city on December 5 and participate in the inauguration of Turkuaz-Samarkand Trade Center which was established with Turkish capital.

On December 6, Akdag will visit Bukhara city, and then return to Tashkent to meet with Turkish businessmen working in Uzbekistan.

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Envoy says Turkey built 1050 houses for Aceh quake victims

Wednesday, 02 December 2009 14:0

TIME TURK

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Turkey's Ambassador to Indonesia Aydin Evirgen said that 1050 houses had been built for those who had lost their homes in the disaster.

Turkey's Ambassador to Indonesia Aydin Evirgen said Turkey was one of the first countries that extended helping hand to victims from a tsunami in 2004 in Banda Aceh, adding that 1050 houses had been built for those who had lost their homes in the disaster.

"Turkey has become the first country to complete its projects in Indonesia," Evirgen said. The Turkish ambassador said that apart from its urgent relief efforts in the aftermath of the earthquake and tsunami, Turkey also facilitated the construction of 1050 houses, three schools and restored part of a hospital which was damaged in the tsunami.

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Turkish Parliament Head Receives Swedish Ambassador

Friday, 04 December 2009 14:11

TIME TURK

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Turkish Parliament Speaker Mehmet Ali Sahin received Sweden's Ambassador to Turkey Christer Asp in Ankara on Friday. No statements were made before the meeting which went on behind closed doors at the Turkish parliament.

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Turkey is hosting Balkan countries command post exercise

Friday, 04 December 2009 14:09

TIME TURK

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Balkan countries computer-aided command post exercise begins in Istanbul  
Turkey is hosting Balkan Countries Peace Support Operation Computer-Aided Command Post Exercise 2009 in Istanbul.  
The exercise is taking place at the War Academies Command in Istanbul with the participation of Turkey as the host nation, Albania, Bulgaria, Greece, Macedonia and Serbia.  
This exercise is the first of its kind among the Balkan countries.  
Approximately 65 personnel are attending the exercise which will end on December 10, 2009.  
The aim of the exercise is to enhance the training and preparations within the scope of Crisis Response Operation of the countries and boost cooperation among the Balkan countries.

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Turkey Is The Real Winner Of War Of Iraq

Monday, 30 November 2009 11:35

TIME TURK

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The world famous Newsweek weekly said that Turkey was the real winner of the war of Iraq.  
Owen Matthews and Christopher Dickey said in their article "Triumph of the Turks", "the U.S.-led invasion of Iraq in 2003 could be viewed as a last-ditch attempt by the world's sole remaining superpower to impose order on the region. Instead, the net result was to create a power vacuum, leaving Iraq too weak to counterbalance its neighbors and threatening to destabilize the whole map."  
"Turkey did its best to stay out of that fight, refusing even to let U.S. forces cross Turkish

soil for the 2003 invasion. Still, it's the Turks—not the Iranians, as many observers claim—who are now emerging as the war's real winners. In economic terms Turkey is running neck and neck with Iran as Iraq's biggest trading partner, even as most U.S. businesses sit helplessly on the sidelines. And in terms of regional influence, Turkey has no rival," they said.

The writers commented that Prime Minister Recep Tayyip Erdogan was working to consolidate that strength as he asserted Turkey's independence in a part of the world long dominated by America.

"Next week, he's in Washington to meet with President Obama, but only a few weeks ago he stood shoulder to shoulder with his 'good friend' Mahmoud Ahmadinejad in Tehran and defended Iran's nuclear program," they said.

The writers claimed that Turkey's longtime NATO partners were worried about Turkey's stance about Iran, souring of its ties with Israel and its support to Sudan's president, Omar al-Bashir.

The weekly quoted Philip Gordon, Obama's point man on Turkey at the State Department, as saying that there are "more points of disagreement than of agreement" between Washington and Ankara.

"What scares Washington most is the suspicion that Ankara's new attitude may be driven less by the practical pursuit of Turkey's national interest than by thinly concealed Islamist ideology. In Turkey, the cumulative anti-U.S. resentment peaked in 2003 when the Bush administration pressed Ankara to let U.S. forces invade Iraq through Turkish territory—a plan that was derailed only at the last moment by a parliamentary revolt. That was the low point of Turkey's relationship with the United States. But it was also the start of Turkey's rise to economic recovery and regional influence, and the beginning of a new kind of relationship with Washington," the writers commented.

They wrote, "indeed, Turkey's new standing in the region has a chance of transforming the country into something far more valuable to Washington than a subservient tool or proxy. The Turks say they're seeking to become what Turkish Foreign Minister Ahmet Davutoglu calls a 'partner to solve the region's problems.' Whatever ambitions they may have harbored in earlier years, it's only in this decade—especially since 2002, when Erdogan and the AKP came to power—that Turkey has had the economic and political strength, as well as the military presence, to fill such a position."

"Turkey's economy has more than doubled in the past decade, converting the nation from a backwater to a regional powerhouse," they wrote and added that, at the same time, its financial focus had moved closer to home; Turkey began conducting more trade with Russia, Iraq, and Iran than it does with the EU; Ankara was on the verge of a historic deal with its Kurdish minority; and Turkey was making peace with neighboring countries such as Syria, Iran, and Armenia.

"The principle is simple, says a senior Erdogan aide who's not authorized to speak on the record: 'We can't be prosperous if we live in a poor neighborhood. We can't be secure if we live in a violent one.' Thanks to judicious diplomacy and expanding business ties throughout the region, Turkey is close to realizing what Davutoglu calls his 'zero-problems-with-neighbors policy.' The new stance has boosted Ankara's influence even further; the Turks have become the trouble-ridden region's mediators of choice. That can scarcely be said for Iran. The Tehran regime remains paralyzed by infighting and is far from loved in most of the Arab world," they commented.

In the article, Matthews and Dickey said, "officials in Ankara say, Turkey shares the West's goals regarding Iran's nuclear ambitions; it's just doing things in its own way. "We have been dealing with [Iranians] for centuries," says the Erdogan aide. "We show them the respect and friendship they crave. Would our being hostile to Iran do anything to solve the problem of their nuclear program?"

The weekly said Erdogan offered Ahmadinejad a deal that Iran could store its uranium in Turkey adding, "Tehran ultimately said no, but the effort demonstrated that Turkey is prepared to do its part to keep the region peaceful and safe.

It quoted Davutoglu as saying, "NATO is Turkey's strongest alliance, and integration with Europe is the main objective of Turkish foreign policy. But it doesn't mean that because of these strong ties, we can ignore the Middle East, we can ignore Asia, Central Asia, North Africa, or Africa."

"The world has changed radically since the fall of the Ottomans, and Turkey is unlikely ever to regain the imperial power it wielded for 350 years, from Algiers to Budapest and Mecca. But as the world tries to move, at last, beyond the 90-year-old peace that ended peace, no other country is better positioned to pick up the pieces," the weekly added.

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Talat has talks in Ankara after one-month hiatus

Tuesday, 01 December 2009 18:47

Today's Zaman

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The Turkish leadership and Turkish Republic of Northern Cyprus (KKTC) leadership had talks in Ankara on Monday, about a month after similar talks were held in the Turkish capital.

KKTC President Mehmet Ali Talat, accompanied by KKTC Foreign Minister Hüseyin Özgürün, arrived in Ankara at the invitation of Turkish Foreign Minister Ahmet Davutoğlu. The Turkish and KKTC delegations led by Davutoğlu and Talat were scheduled to gather at a working dinner that would be held after Today's Zaman went into print and would be closed to the press. Sources said the recent course of affairs regarding ongoing reunification talks between Greek and Turkish Cypriot leaders would be discussed in detail at the dinner.

As of today, Talat and Özgürün are scheduled to have talks with both President Abdullah Gül and Prime Minister Recep Tayyip Erdoğan.

Talat and Greek Cypriot leader Dimitris Christofias have been holding talks on reuniting the island since September 2008, but there has been little progress so far in resolving the main issues of dispute between the two sides.

Last week, Britain urged Turkey to honor a pledge to the European Union to open its ports and airports to Greek Cyprus, saying it would be an important step in Ankara's talks to join the bloc. Turkey has no diplomatic relations with Greek Cyprus, an EU member since 2004, but is under pressure to make good on a promise to open its ports to Greek Cypriot traffic under a deal that enabled it to start accession talks in 2005.

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Cyprus diplomacy gathers steam ahead of EU

Wednesday, 02 December 2009 14:0

Turkish Cypriot leader Mehmet Ali Talat had talks on Tuesday with President Abdullah Gül and Prime Minister Recep Tayyip Erdoğan on the last day of his visit to Ankara, the second in a month. The closed-door meetings came ahead of a key summit of the Euro The EU leaders will discuss Turkey's refusal to open its ports and airports to traffic from EU-member Greek Cyprus at the summit, scheduled for Dec. 10-11. The 27-nation bloc is not expected to impose significant sanctions on Ankara, although the Greek Cypriots are pressing for tough measures. In a 2006 decision, the EU froze accession negotiations on eight chapters with Turkey because of Ankara's refusal to agree to open its ports and airports to Greek Cypriot vessels, and suggested that a suspension of the talks was an option when the issue is reviewed at this year's summit, which is to be held in Brussels. Ankara says it will not open its ports and airports unless the EU takes steps to ease the isolation of the Turkish Cypriots, as it promised in 2004.

The dispute was a top item on the agenda of talks when Foreign Minister Davutoğlu met Greek Prime Minister George Papandreou in Athens on the sidelines of a meeting of the Organization for Security and Cooperation in Europe (OSCE) on Tuesday. Similarly, Egemen Bağış, a state minister and Turkey's chief EU negotiator, was in Sweden, which holds the rotating presidency of the EU, on Tuesday for talks with Swedish officials. He is due to proceed to Brussels following his talks in Stockholm.

The Cyprus issue is expected to come up at another key meeting before the EU summit: the White House talks between Turkish Prime Minister Recep Tayyip Erdoğan and US President Barack Obama scheduled for Dec. 7. The US is a strong supporter of Turkey's accession into the EU and has backed UN-led efforts to broker a peace deal on the island, divided between a Turkish north and Greek south.

There is little information on what the Turkish and Turkish Cypriot decision-makers are planning to do but Turkish officials have made it clear that no concession will be made. Prime Minister Recep Tayyip Erdoğan said earlier Turkey would assess other options if the ongoing talks between Talat and Greek Cypriot leader Dimitris Christofias to reunite the island fail.

Last week, at a press conference in İstanbul following talks between Turkish and EU officials, Davutoğlu said the problem would be resolved "not by exerting unilateral pressure on Turkey, but by finding a comprehensive, just and durable solution to the Cyprus conflict."

Talat and Christofias broke a four-year stalemate on talks in March 2008 and have been engaged in face-to-face negotiations with the goal of reunifying the island. Yet, there has been little progress so far in resolving the main issues of dispute between the two sides. Analysts say the EU threat of suspending talks with Turkey if there is no progress in opening of the Turkish ports and airports to traffic from Greek Cyprus has affected the talks negatively because it prevented the Greek Cypriots, waiting for the threat of EU sanctions to force Ankara to make concessions, from taking any conciliatory step for reunification.

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Turkish Cyprus expects clear British stance on guarantorship issue

Wednesday, 02 December 2009 14:0

TIME TURK

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Talat said that he would have a meeting with the prime minister of Britain on December 4.

Turkish Republic of Northern Cyprus (TRNC) President Mehmet Ali Talat said on Tuesday that Britain did not assume a straight stance on guarantor power status, and it should assume a clear attitude on the matter.

After having a meeting with Greek Cypriot leader Demetris Christofias, Talat told reporters that Christofias and he discussed "Aliens, Immigration, Asylum and Citizenship" in the meeting.

Replying to a question on his visit to Britain, Talat said that he would have a meeting with the prime minister of Britain on December 4.

"I think that Britain does not follow a straight line on guarantor power status and I may explain my view to British prime minister," Talat said.

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Turkish Cypriot President Talat Arrives In London

Friday, 04 December 2009 14:17

TIME TURK

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Turkish Republic of Northern Cyprus (TRNC) President Mehmet Ali Talat arrived in London on Friday on a five-day trip.

Talat will deliver a speech at a session in the British think-tank organization Chatham House to be chaired by Sir Kieran Prendergast. He will later meet with British Prime Minister Gordon Brown in the British Parliament.

On Saturday, the Turkish Cypriot president will attend the inauguration of the Canterbury campus of the Girne American University.

Talat will meet with Nikos Anastasiades, leader of Greek Cypriot main opposition Democratic Rally Party (DISI), on Sunday. He will later deliver a speech at a meeting to be organised by British Turkish Cypriot Chamber of Commerce.

Talat is expected to give a conference at the London School of Economics before returning to TRNC on Tuesday.

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UN Secretary General "Cautiously Optimistic" Over Cyprus

Friday, 04 December 2009 14:13

TIME TURK

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UN Secretary General Ban Ki-moon has said that he was "cautiously optimistic" that a solution could be achieved on Cyprus question underlining that the parties recorded "a solid progress" at ongoing talks between the two Cypriot leaders.

The Secretary General, in a report on his mission of the good offices in Cyprus, briefed the developments in Cyprus between May 10 and November 25, 2009 and the ongoing negotiation process.

Ban Ki-moon in his report said, "as the negotiations have moved into their second phase, the momentum needs to be maintained or even accelerated. The coming weeks and

months will be decisive, as important decisions will have to be made. "

UN Secretary General said his Cyprus Special Adviser Alexander Downer met foreign ministers of China, Greece, Turkey and Britain as well as deputy foreign minister of Russia, noting all of them supported peace process in Cyprus.

Secretary General said he talked to both Cypriot leaders in Cyprus, Turkish Prime Minister Recep Tayyip Erdogan and Greek Prime Minister George Papandreou and that all the leaders expressed willingness for the solution of the Cyprus question rapidly. As to the "Confidence Building Measures", Ban Ki-moon said, "the four technical committees that are still functioning are meeting regularly and have made steady progress."

He said, "one of the concrete agreements on confidence-building measures reached by the leaders since my previous report has been the decision taken on 26 June 2009, following extended negotiations, to open a seventh crossing point between the communities and through the buffer zone to the north-west of the island, linking the villages of (Limnitis/Yesilirmak)."

In the "Observations" section of the report, Secretary General said, " I am encouraged by the commitment, courage and determination shown by the two leaders despite the considerable challenges posed by the negotiations and the ongoing domestic criticism in the north and the south directed at the leaders and the process. It is important that both parties create a favourable environment and conditions conducive to the continued progress of the talks. In this regard, active participation and engagement on the part of civil society in the effort to achieve a solution and in its implementation will be crucial. Furthermore, the parties will have to be prepared to explain to the people in the clearest terms the benefits of a solution so that they can make an informed decision regarding the peace agreement."

Eulogizing the two cypriot leaders over the progress recorded so far, Ban Ki-moon said, "It is encouraging to note that the leaders are focusing on the areas of divergence in the current round in order to narrow the gaps between their positions, and that they are actively producing bridging proposals. Those proposals have focused on the more controversial issues and have helped to bring the two positions closer together. Ultimately, the two sides must continue to demonstrate flexibility so as to accommodate each other's concerns, as no solution can be perfect for either side. At the same time, the process of negotiation should not be seen as a "zero-sum game", since both sides will gain in a united Cyprus.

Secretary General said, "My overall assessment is that the parties are making solid progress, and I am cautiously optimistic that a solution can be achieved. On the basis of what has been accomplished so far, the international community expects the talks to continue to make substantial progress in a timely fashion. The broad outline and established parameters of a solution are well known and already articulated by the two sides. There is a significant body of work upon which to draw, as there are already a number of joint papers that reflect their positions and that have served as the basis for discussions in the second phase. There is also a clear desire on the part of both sides to reach a settlement, as they have both asserted that the status quo is unacceptable. In addition, there is a general acknowledgement that the benefits of a solution for both sides would be huge, whereas the cost of failure could be high."



This report of the Secretary General is expected to be discussed in the Security Council on December 9.

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Disagreement on Turkish side causes concern for settlement in Cyprus

Friday, December 4, 2009

ANKARA - Hürriyet Daily News

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A referendum over a reunification agreement is possible, but there are concerns about internal Turkish Cypriot divisions, according to Turkish Cypriot Foreign Minister Hüseyin Özgürün.

Özgürün, speaking Friday in Ankara, complained about the negative results stemming from both disagreements with President Mehmet Ali Talat and the various opinions of Turkish diplomats in Ankara.

“We have disagreements on critical issues with President Talat,” Minister Özgürün told a group of diplomatic correspondents Friday during a round table meeting in Ankara. Consultations between Turkey and northern Cyprus have increased as Talat has recently paid four official visits to Ankara.

While the Turkish government pushes the Turkish Cypriot administration to conclude a settlement immediately, a political crisis has shaken Nicosia.

Özgürün, who refused to accompany Talat during one of his recent visits to Ankara, confirmed the existing problems.

“There are serious disagreements even among us. The Foreign Ministry in Ankara is also divided on which way to go. They have failed to display a clear stance. It is to the advantage of the Greek side,” Özgürün said.

Özgürün accused Talat of making too many concessions against the rights to political equality rights on the island.

“The question is how far we can step back from the sine quibus non. The settlement has become bogged down with the chapter on administration and power-sharing,” he said.

Özgürün said the discussions on administration and power sharing have been ongoing for a month, adding that Turkey may lose its unilateral intervention rights based on 1960 agreements.

“I’m worried because [the rights] were basis by which Turkey protects Turkish Cypriots,” Özgürün said. “It is very critical point. If we let the new situation get worse than it was in 1960, then why were thousands of our people killed by the Greeks?”

The currently discussed resolution does not grant the leader of the Turkish Cypriot community the right to veto any law in contrary to the Cyprus Republic system agreed upon in 1960, Özgürün said.

Turks on the island are thus being forced to accept a settlement far below Annan parameters, according to Özgürün. “That’s why the Greeks refused the Annan Plan. They refused any Turkish influence on political decisions.”

Ready for surprises in Cyprus

“Surprise developments may to happen [on the island],” Özgürün further said. “A draft resolution may be set forth ahead of the upcoming presidential elections. People may go to a referendum to vote on a narrow decision package.”

Turkish Cypriots will go to presidential elections in April 2010. Before that, however, Ankara will push for an immediate settlement while pro-reunification Talat is still in power.

Prime Minister Recep Tayyip Erdoğan, meanwhile, will ask U.S. President Barack Obama to back an urgent solution to the 35-year-long conflict when he visits Washington on Dec. 7.

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Cyprus leaders agree to intensify peace talks

Friday, December 4, 2009

NICOSIA - The Associated Press

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Rival Cypriot presidents have agreed to hold daylong meetings at each other's homes on either side of the war-divided island in a bid to intensify slow-moving reunification talks, Greek Cypriot officials said Friday.

Greek Cypriot government spokesman Stefanos Stefanou said Friday that Greek Cypriot President Dimitris Christofias will meet his Turkish Cypriot counterpart Mehmet Ali Talat next month at his home in the north.

Stefanou said Christofias would also host Talat at his home in the Greek Cypriot south, but that no firm dates have been set.

The announcement came as President Talat arrived in London to hold talks with British Prime Minister Gordon Brown on Friday. Brown met with Talat at the Houses of Parliament, a month after meeting with Christofias.

Britain has offered to cede almost half the land on its two military bases in Cyprus in an attempt to revive the divided island's peace talks. Britain's offer of land is conditional on Christofias and Talat reaching a peace accord. The country made a similar offer as part of a failed peace effort in 2003.

The Cypriot leaders have met 55 times since September 2008 at a United Nations compound inside a U.N.-controlled buffer zone separating north and south.

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Turkey denies giving up control of two major rivers

Wednesday, 02 December 2009 14:0

TIME TURK

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Turkey's Chief Negotiator for European Union talks has denied Turkey had agreed to leave control of its two major rivers under an international body.

Turkey's Chief Negotiator for European Union talks has denied Turkey had agreed to leave control of its two major rivers, Dicle (Tigris) and Firat (Euphrates), under an international body in a bid to secure the opening of the talks on policy chapter on environment with the EU.

"Allegation that we had agreed to put the management of the Tigris and the Euphrates under international control in order to open the environment chapter is nothing but a flight of imagination," Egemen Bagis told reporters after a meeting with EU Commissioner for energy Andris Piebalgs in Brussels.

Bagis said news report that appeared in a Turkish daily, Aksam, featured "a distorted

combination of false and partial pieces of information, stressing that "a negotiation position paper" Turkey had submitted to the Commission on environment did not include such an issue at all.

"The work that has been done up to now on this chapter did not even attempt to address issues, which the EU is not directly involved with, such as the Tigris and the Euphrates, and Syria, Iraq and Israel," Bagis said.

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Turkish soldiers "not to engage in Afghan clashes": Defense Minister

Thursday, 03 December 2009 16:42

Agencies, TIME TURK

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US sees "combat role" for Turkish soldiers in Afghanistan.

Turkish Minister of National Defense, Vecdi Gonul, said Wednesday Turkish troops in Afghanistan will continue not to engage in clashes in Afghanistan.

However, US sees "combat role" for Turkish soldiers in Afghanistan.

US ambassador to Turkey James Jeffrey said they also expected "flexibility" on terms of Turkish soldiers in Afghanistan.

Each soldier to deploy in Afghanistan is actually regarded as "a combat force", he said.

Reminded by journalists about a U.S. demand from Turkey to increase the number of her troops in Afghanistan, Gonul said that Turkey continues to provide support to the task in Afghanistan.

We have sent an additional 958 Turkish troops to Afghanistan in the past month and there are presently 1,750 Turkish troops serving in Afghanistan, Gonul stressed.

We continue our reservations on Turkish troops' involvement in military operations and hot clashes in Afghanistan, Gonul said.

The issue of sending more troops to Afghanistan will be handled at the meeting of NATO foreign ministers in Brussels on December 3 and 4, Gonul also said.

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Turkey balks at providing Afghan combat troops

Friday, 04 December 2009 13:30

Today's Zaman

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Despite an official US request for the contribution of further troops and more flexibility on the Afghanistan mission, Turkey has signaled it is not willing to change its mission's parameters currently set out in this war-torn country.

"We have not changed nor reduced the number of caveats we had drawn up for our troop's mission in Afghanistan," said Defense Minister Vecdi Gönül when asked by Today's Zaman how he responds to Wednesday's remarks by James Jeffrey, the US ambassador in Ankara, that the US wants more Turkish troops in Afghanistan. The remarks came shortly after US President Barack Obama's announcement to boost US forces by 30,000. "Turkish troops in Afghanistan will continue not to engage in clashes in Afghanistan," he stressed, adding that the rules of engagement regarding involvement in conflicts and military operations still stand.

The top defense official also acknowledged that the level of Turkish troops in

Afghanistan has increased from 750 to around 1,800 in response to the task of taking over from France for a year the leadership of the Kabul Regional Command for the NATO-led International Security Assistance Force (ISAF) on Oct. 31. He clarified that all Turkish forces in Afghanistan are combat troops in the sense that they are ready to fight but emphasized they are under strict orders not to get involved in fighting or clashes. Turkish forces have not suffered any casualties in Afghanistan so far and have established cordial relations with the local population.

Ambassador Jeffrey indicated that, on the other hand, the US expects Turkey to be “more flexible” on the definition of tasks to be carried out by their mission in Afghanistan. “We want fewer caveats from everybody, we want more flexibility in carrying out the mission,” Jeffrey said. Turkey, just like any other NATO member country which contributes troops, has been implementing its own caveats that restrict where their troops can be deployed and their range of tasks. The Turkish defense minister signaled, however, that changing those caveats is out of the question for now.

The issue is likely to be on the agenda of a White House meeting between Obama and Prime Minister Recep Tayyip Erdoğan on Dec. 7. Sources said Erdoğan will tell Obama that troop numbers could be increased but that Turkish soldiers will not engage in combat missions. Diplomatic sources also revealed that Ankara is disturbed by Jeffrey’s announcement, made at a press conference without prior consultation with Turkish authorities.

While refusing to change the rules of engagement in combat operations and sticking to the policy of staying clear of conflict, Turkey has expressed that it is willing to do more in training, humanitarian aid and assistance with development for the Afghan people. The written statement issued by the Turkish Foreign Ministry in response to Obama’s announcement said all international community members have acknowledged today that the problems in Afghanistan will not be resolved by mere military tactics. It noted that Turkey has been advocating this policy all along and placed special emphasis on the subject while also hailing Obama’s speech as very positive.

The Turkish Foreign Ministry also announced that the successful example of the Vardak Provincial Reconstruction Team will be expanded to cover other provinces in the country. Since 2001, Turkey has been providing development assistance through the Turkish Cooperation and Development Agency (TİKA) in Afghanistan in areas ranging from education to health and from developing human resources to enhancing the government’s institutional capabilities.

#### Military is opposed to further involvement

Today’s Zaman also learned that the chief of General Staff submitted a written report to the Prime Ministry painting a bleak picture in Afghanistan. Noting that the situation in the country is worse than in 2001, the report strongly advised against the involvement of Turkish forces in combat operations, saying the local population is increasingly turning against NATO troops and viewing them as an “enemy” rather than a “savior” from the Taliban.

A Turkish military report warned that civilian casualties from NATO operations accounted for 20 percent of the total civilian death toll in the country, suggesting this would hamper NATO operations in the future.

While stressing the Turkish troops’ involvement in development projects valued at more than half a billion dollars so far, the report in contrast says more than 100 times this

amount has been spent in combating the Taliban and al-Qaeda terrorists. It underlined that the local Afghan population's appreciation of Turkish troops should be analyzed carefully by NATO management.

The military report points out that curtailing heroin trafficking in the country has resulted in the creation of 800,000 unemployed people, and it criticized the lack of social projects aimed at providing employment opportunities.

#### Parliament approval needed for combat troops

Kürşat Atılğan, a deputy from the opposition Nationalist Movement Party (MHP) and a former general, told Today's Zaman that any combat operation needs the Turkish Parliament's approval, which he said is quite unlikely. "Involvement in combat operations goes against the national interests of Turkey, and there is pretty much agreement with the government and the military on this issue," he said, adding that any political decision would otherwise invite the wrath of Parliament just like it did in 2003 when Parliament refused to allow US troops to pass through Turkish territory to open a northern front against Iraq.

Atılğan warns that if Erdoğan bows to pressure from the White House to send combat troops to Afghanistan when he visits the US, it would mean that the government would most likely be rebuffed by Parliament even though his ruling Justice and Development Party (AK Party) enjoys a majority. "We will see many AK Party deputies breaking ranks with their own party," Atılğan said. Talking to Today's Zaman on condition of anonymity, one government official has said Turkey may be willing to go as far as allowing its troops to secure towns and villages only after other NATO combat troops have cleared these places of Taliban or al-Qaeda elements. "Depending on how negotiations go in the Washington meeting, Turkish troops may be involved in patrolling places cleared of terrorists," the same source said.

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### **ECONOMIC ISSUES**

#### Turkey says no plan to invite IMF

Thursday, 03 December 2009 16:20

TIME TURK

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Babacan said negotiations for a stand by agreement with IMF were still underway.

Turkey says no plan to invite IMF

Babacan said negotiations for a stand by agreement with IMF were still underway.

Turkish Deputy Prime Minister Ali Babacan said negotiations for a stand by agreement with IMF were still underway, adding that the government was not planning to invite IMF to Turkey until the last minute in order not to raise expectations.

Babacan told a press conference in Ankara Wednesday that they have reached consensus over main issues with IMF and were discussing the details through tele conference two three times a week.

He said in case of a stand-by agreement with the IMF, the amount of the loan to be drawn would lower the domestic borrowing and lead to a rise in Turkey's reserves.

Babacan said he believed the worst in the financial crisis for Turkey was left behind, and was expecting a minute year-on-year growth in the fourth quarter of 2009.

"If that does not happen we expect growth in the first quarter of 2009 the latest. We

expect growth to continue with each quarter to come," said Babacan.

Babacan who pointed out Turkey made majority of its exports to the EU and received 80 to 90 percent of the total direct investments from the EU countries, underlining that Turkey was exposed to developments in these countries.

"The EU economy contracted over the global average this year. And growth is not expected in the next year especially in the Euro Zone. In other words after hitting the bottom in 2009, the European economies will float around the average in 2009. This is an issue we should monitor with care," said Babacan.

Babacan said a revision in the Midterm Program was not necessary under current circumstances.

Drawing attention to the growing budget deficit which have reached USD 63 Billion, Babacan said they started taking precautions. He said they expected a budget deficit of USD 50 Billion for the next year.

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-----Jordan, Turkey sign free trade deal, scrap visa requirements

Thursday, 03 December 2009 09:26

Today's Zaman

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Turkish President Abdullah Gül and Jordan's King Abdullah II signed a long-awaited free trade agreement on Tuesday as part of official talks to further economic relations between the two countries.

"The free trade agreement, which was signed today, is key to enhancing bilateral economic cooperation and boosting trade as well as investments between Jordan and Turkey," a statement from the palace quoted the king telling Gül. "The two sides discussed efforts to strengthen cooperation in the fields of transport and energy," the statement added.

The free trade agreement abolishes all tariff and non-tariff barriers on trade while aiming to strengthen economic, technical and industrial cooperation between the two countries.

The governments also agreed to scrap visa requirements.

Turkey has been negotiating a free trade deal with Jordan since 2005. Turkish Prime Minister Recep Tayyip Erdoğan and his Jordanian counterpart, Nader Dahabi, agreed last month in Ankara to sign the agreement before the end of the year.

A statement by the Turkish Foreign Trade Ministry stated yesterday that the agreement will contribute to commercial relations with an aim to increase annual trade volume between the two nations from \$486 million as of the end of 2008 to \$1 billion within two years. Trade between the two countries in the first half of this year exceeded \$150 million, while Turkish investments in Jordan were estimated at \$90 million.

Gül participated in a ceremony on Wednesday to inaugurate a \$990 million plan to extract 100 million cubic meters of water a year from the 300,000-year-old Disi aquifer in southern Jordan. The four-year project is being carried out by Turkish construction giant GAMA.

Gül is on a three-day visit to Jordan until Dec. 3. Even though he had a busy schedule, the president found time to visit some important places in the country. While in Jordan, the president visited a memorial for Turkish martyrs. He then visited the tombs of Prophet Joshua and Prophet Muhammad's companion Abu Ubaidah ibn al-Jarrah. Gül and the delegation accompanying him later had lunch in a hotel by the Dead Sea.

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Turkish multinationals hit hard by global downturn

Friday, December 4, 2009

ISTANBUL - Hürriyet Daily News

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Turkish multinational enterprises, or MNEs, have expanded their foreign investment in the last several years, yet much of that progress has been reversed due to the global turmoil, according to a study released Thursday.

Turkish MNEs have become significant investors in global markets, the survey said, though it tempered this report by adding that all these gains were “neutralized, if not reversed, by the current global economic contraction.”

The study, which was conducted by Istanbul’s Kadir Has University, the Foreign Economic Relations Board, or DEİK, and the Vale Columbia Center on Sustainable International Investment, primarily examined data from between 2006 and 2007. It then ranked the top 12 Turkish MNEs based on outward foreign direct investment, or OFDI. Turkish infrastructure giant Enka İnşaat topped the list with close to \$3.9 billion in foreign investment, employing more than 33,000 people abroad. Turkcell, a mobile-phone company, ranked second, followed by Çalık Holding and Koç Holding. All together, the group of 12 held roughly \$15.7 billion in foreign assets and conducted \$12 billion in foreign sales in 2007.

While Turkey ranked 72nd among all outward-investing countries, recent data cast a dark shadow over the previous years’ performance. The study noted that the current global economic contraction has had a severely negative impact on Turkey’s OFDI.

September’s data “reflects a decline in absolute terms since 2008,” the report said.

“Turkish outflows in the first nine months of 2009 fell by 62 percent from the first nine months of 2008, to \$853 million from \$2.255 billion.”

The survey, which was also conducted in several other emerging markets, is part of a long-term study of the rapid global expansion of MNEs.

In the case of Turkey, the study tracked the economic growth of Turkish companies from 1990 onward, noting that “the stock of OFDI rose from about \$1 billion in 1990 to about \$3.7 billion in 2000, and then to \$12.2 billion in 2007.”

The survey concluded that there were several key factors that led to the rapid expansion of MNEs in Turkey, including the economic liberalization drive of the 1980s, the creation of new markets in the newly independent Turkic republics in Central Asia after the collapse of the Soviet Union and the structural reforms of the early 2000s to increase foreign investment inflows.

The report will be discussed at the Organisation for Economic Co-operation and Development, or OECD’s, Eighth Global Forum on International Investment, to be held in Paris on Dec. 7 and 8.

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İşbank cooperates with Japanese lender

Friday, December 4, 2009

ISTANBUL - Hürriyet Daily News

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İşbank, Turkey's biggest listed lender, signed an agreement with Japan Bank of International Cooperation, or JBIC, the international wing of the Japan Finance Corporation.

İşbank has provided with this deal a credit facility of 10 billion yens, according to a press statement released Thursday. The amount, nearly \$115 million, will be used for medium- and long-term financing for Turkish importers who plan to buy ships from Japan.

The agreement will allow İşbank to enable Turkish firms, which have agreed to use yen for transactions with Japan, to use credit for 80 percent of their contracts, with a maturity term of up to 12 years.

The agreement between İşbank and JBIC, which is the first credit limit proposed by JBIC for financing ship purchases, will also contribute to the bilateral relations of the two countries, the statement said.

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#### Patients impatient as pharmacies strike

Friday, December 4, 2009 SEVİM SONGÜN

ISTANBUL - Hürriyet Daily News

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Pharmacies shut down Friday, protesting a government decree that slashes their profits considerably. Thousands of pharmacies joined the strike, but many patients say they are supporting the discount in medicine prices

Customers who went to Turkish pharmacies Friday were greeted with closed stores and posters reading, "We are closed today and we don't know about tomorrow."

A majority of pharmacies in the country participated in the one-day strike, protesting the government's decision to cut spending on medicine to relax the budget. The strike was completed despite a government minister's warning that strikers could see their licenses to sell medicine canceled.

In all the Aegean provinces, only 2,383 pharmacies were on duty and the rest were closed down Friday, the Doğan news agency reported. In Uşak, only six out of 72 pharmacies were on duty while the rest joined the strike. Out of 900 pharmacies in Antalya, just 50 were on duty, and those were overwhelmed with customers.

Some locals, unaware of the strike, stood in front of pharmacies waiting for them to open for a long time.

As on-duty pharmacies all around Turkey filled with patients due to the high level of participation in the strike, many people said they were unaware of the recently changed regulation, and the pharmacists' action in response. But those following the developments said they were glad that medicine prices would be lower.

"The prices should be lower. I have no social security and I have to buy medicines every month," said Zeki Karakoç as he was leaving the Çapa Education and Research Hospital in Istanbul, where he had gone for an examination.

Pharmaceutical companies and the government reached an agreement Wednesday that left pharmacies out in the cold.

The number of pharmacies on duty increased Friday, but there were still queues inside the on-duty establishments. In an on-duty pharmacy near the Çapa hospital, there were five people working, but the store was still filled to the brim with people waiting to buy medicine.



Still, many people on the streets were unaware of the government decree, which came into effect Friday, and the mass action. Those who knew about the decree said medicine prices should decrease at any cost. Only a few said pharmacies' situation should be considered by the government.

"We will think about ourselves, of course. Prices should be lower," said Ayfer Çapar, leaving a pharmacy with her daughter, who has been undergoing cancer treatments for a long time. "The medicines and medical devices are really expensive and most people cannot afford them. Fortunately, social security paid for my daughter's treatment."

Some people accused pharmacies of being selfish about the regulation. "Pharmacies are overreacting," said Halit Güveli, a patient waiting in front of a pharmacy near the Çapa Education and Research Hospital.

"Why did not they protest when medicine prices were hiked? They had medicine in their stores and they were making a profit then," said Güveli, responding to pharmacy complaints that the medicines in their stocks have all become big losses due to slashed prices.

A group of pharmacists, meanwhile, gathered in Istanbul's Beyoğlu district to stage a protest.

"Preventing the losses caused by the drugs in our stocks should not be left to the mercy of big pharma," Semih Güngör, head of the Istanbul Chamber of Pharmacists, said during the protest.

According to Güngör, hundreds of pharmacies in Istanbul remained on duty in order to reduce problems encountered by citizens.

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## **SOCIAL ISSUES**

Seferihisar named Turkey's first "Cittaslow"

Saturday, 28 November 2009 20:43

TIME TURK

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Seferihisar, a small town on the Aegean coast in western Turkey, has been named country's first "cittaslow" or literally "slow city".

The honor was announced on Saturday after Cittaslow International Coordination Committee meeting held in Italy.

Seferihisar Mayor Tunc Soyer said his town's application to join the "slow city" network was accepted. This small town in Izmir province has become the 121st slow city on earth, Soyer said.

Preserving an overall outlook of a pleasant resort area bearing typical Aegean characteristics, Seferihisar's economy, nevertheless, is still largely based on agriculture, with the production of tangerines and satsumas, and also increasingly on tourism, with the presence of several housing projects or vacation villages, pensioners opting to settle in the region due to its quiet charm.

CITTASLOW Cittaslow is a movement founded in Italy in October 1999. The inspiration of Cittaslow was the Slow Food organization that moves against fast-food culture.

Cittaslow organization defines itself as a growing international network of over 120 towns in 18 countries across the world that have adopted a set of common goals and principles to enhance their quality of life for residents and visitors.

In simple terms, Cittaslow towns aim to be great places to live, work and visit. They aim to support local businesses, foster local traditions, protect the environment, welcome visitors, and encourage active participation in community life.

Each Cittaslow town commits to working towards a set of over 50 goals and principles that aim to improve its quality of life. These goals and principles provide tangible benchmarks against which a town can measure its progress and act as a mechanism to bring local people from all walks of life together to work collectively for the good of their town.

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Turkish people spend nearly 138 million USD for guns

Sunday, 29 November 2009 11:40

TIME TURK

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Turkish people have spent nearly 138 million USD in the last seven years for guns. Turkey's Mechanical and Chemical Industry Corporation (MKEK) has sold 10,302 handguns since the beginning of the year. While 8,225 of those handguns were made in Turkey, the remaining 2,077 were imported from different countries. The sale of handguns amounted to nearly 16 million USD.

In the last seven years, MKEK sold 99,109 handguns, reaching an income of nearly 138 million USD. 21,969 of them were imported from several countries while the rest was made in Turkey.

MKEK sells different types of handguns from 25 companies including 15 foreign companies such as Beretta, Bernardelli, Browning, Glock, CZ Strojirna, CZ Zbrojovka, Heckler&Koch, HS 2000, Jericho, Sig Sauer, Smith&Wesson, Steyr, Tanfoglio, Walther and ZVI-Kevin. Prices of handguns ranges from 450 USD to 7 thousand USD.

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Turkish internet users spend majority of time on e-mails, instant messaging and games, poll

Sunday, 29 November 2009 11:44

TIME TURK

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Turkish internet users are spending majority of their time on checking their e-mails, instant messaging and playing games, according to survey made public on Sunday. In an online poll, Adinteractive, an interactive marketing agency, asked web users what they do and how much time they spend on the internet.

Nearly half of internet users are online for over five hours a day, while one-third of them use internet for over 50 hours a week, the poll showed.

75 percent of the participants were at the age range of 18-35, 67 percent were college graduates and 43 percent of them were women.

Almost 58 percent of internet users visit social community networks. When internet search engines are excluded, Facebook is the most popular internet site in Turkey. Rate of blog users in Turkey is 12.7 percent and forum participants is 18.8 percent.

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35 died, 208 injured in traffic accidents during Eid by Friday night

Monday, 30 November 2009 13:12

TODAY'S ZAMAN

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8 people died and 14 injured during the accident involving Gazi Turan's van in Midyat district of Mardin. The accident involving a truck left 2 dead and 9 injured in Konya. In Tekirdağ's Çorlu district, 10 people injured in a chain reaction of cars bump involving 30 cars. In Sungurlu district of Çorum, a car driven bu Mahmut Ohtar (23) bumped into a truck leaving 4 dead and 5 injures.

In Nurdağı district of Gaziantep, while tractor driven by Ökkeş Can hit the van driven by Mahmut Gürcan, a commutter van crashed into those cars killing one and leaving 15 wounded. In a van accident in Eşme district of Uşak, 9 people wounded.

In Turhal district of Tokat, a commutter bus driven by Kenan Karadağ fell into the Çaylı stream flowing along the highway. Water had started to fill in the bus, as the bus started sinking. The bus driver and his aide, could save passengers through breaking windows. 46 people injured as a result.

In Kula district of Manisa, a car driven by Zeki Keyvanoğlu crashed with the car driven by Cebraıl Soysal. 9 people injured while 2 of their health situation remain life-critical. In last two days, total 35 people died and 208 injured. Observers say the traveling before and during the Eid al-Adha is to fuel the death toll in traffic.

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December critical month for swine flu vaccines, say experts

Wednesday, 02 December 2009 11:1

Today's Zaman

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Vaccinations against the H1N1 virus are ongoing and doctors say they are more critical in the winter, when illnesses such as pneumonia could make the flu deadly.

The number of reported swine flu cases and deaths is increasing each day, but the controversy and confusion over the current pandemic flu vaccine remains. Health Minister Recep Akdağ recently noted that the virus could spread much faster in the next two months and stated that Dec. 15 will be a critical threshold for the swine flu outbreak. Noting that the World Health Organization (WHO) has also said swine flu will most likely peak in December and January, Akdağ said the first 15 days of December will be very important because the pandemic will peak during the next two months and start to decline only after that. Professor Şadi Yenen, a lecturer at İstanbul University's Çapa Medical Faculty highlighted the importance of entering January with a strong immune system.

“The pandemic is expected to increase significantly in January and February. Therefore, people need to get the vaccine in December to be prepared and immunized against the virus in January. I recommend that those who are in the risk group as well as young children get the vaccine when they find it because there are not enough vaccination shots for everyone even if they wanted it. Dec. 15 is considered a critical date to be immunized against the virus when the pandemic peaks,” Yenen said.

Dr. Özcan Nazlıcan of İstanbul Haseki Teaching and Research Hospital also highlighted the importance of December and said: “The flu is expected to peak during those months. If people get the vaccine before it peaks, the number of people who will get infected will decrease.” Pointing out that people remain hesitant about the shot and that many parents do not want to get their children vaccinated, Özcan noted that she was in favor of getting the vaccination and said: “I support it because the virus can cause serious problems in even young and healthy people.

In other words, an individual does not necessarily have to have a serious or chronic illness to be affected by it. But if people do have previous illnesses and they get the swine flu on top of that, the result tends to be more severe. But the virus can cause serious pneumonia in young and healthy people as well. That is what happened during World War I. Close to 50 million were infected, and 20 million young people died. The majority of those who died had a serious case of pneumonia. It is for this reason that getting the vaccine is important. The side effects are the same as any other vaccine or flu shot. It has no other additional side effects.”

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Vocational high school students giving up on university dreams

Friday, 04 December 2009 16:00

Today's Zaman

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With the system set against them, many vocational high school students are beginning to wonder why they should bother with the stress and hassle of college preparatory classes. Vocational high school students giving up on university dreams

With the system set against them, many vocational high school students are beginning to wonder why they should bother with the stress and hassle of college preparatory classes. Non-attendance at college prep courses has spiked among students who attend vocational high schools, in an apparent sign of student exasperation over a recent Council of State ruling to retain the current university admission system that makes it more difficult for graduates of vocational schools to enroll in university programs of their choice.

For most, it's virtually impossible to perform well on university entrance exams without enrolling in a private college preparatory course, a dersshane, along with the normal high school curricula. For long hours after school and on weekends, high school students attend extra classes, reading through test prep books and solving practice exam questions in a bid to secure their spots at a good university -- and their futures. But in the face of the Council of State decision, many vocational high school students and even their parents are wondering if there's even a point anymore in trying, seeing as how the system is set up against them.

Vocational high school enrollment had soared after the Higher Education Board's (YÖK) General Council announced in July that it was lifting the coefficient system, but the Council of State blocked the ruling and private college preparatory courses say that students at these high schools are dropping out of college prep courses at alarming rates. Students who had joyfully enrolled in college prep courses are now reconsidering their decisions.

The situation is also concerning for the thousands of teachers employed at college preparatory institutes, many of which are planning meetings to figure out how to address

the situation. Muammer Sarıpek, the manager of Meslek Dershane, Turkey's only dershane that caters exclusively to students of vocational high schools, says that non-attendance has soared to 30 percent with the Council of State decision. "Our school consists solely of vocational high school attendees. Parents are confused over the matter - they sent their children here out of hope, but now they're rethinking their moves," he said.

Similarly, Mustafa Altınsoy, the head of the İstanbul Provincial Education Directorate's Private Dershane Division, said that there was unanimity amongst the educational community that the Council of State's decision was a negative one. "We know that the dershanes and the private educators at these schools are victims in this situation as well. Families and students are full of anxiety. There will be a serious drop in enrollment due to this," he said.

Ömer Öcal, a guidance counselor at the Sınav Dergisi Dershane, explained that following the original YÖK decision their school had opened special courses for students of vocational high schools and that following the Council of State's move, enrollment had already dropped by 20 percent. "Parents are telling us, 'If our children once again lose the right to attend university, we'll have no choice but to pull them out of these classes.' This is also a serious blow to student motivation, and it's upsetting to see the children who are staying in class working away even though they have no hope," he said.

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#### Unemployment is biggest problem of disabled

Friday, 04 December 2009 11:04

Today's Zaman

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Approximately 8.5 million disabled citizens in Turkey -- about 12 percent of the overall population -- face various difficulties, the biggest problem being unemployment. Mahmut Kaçar, general secretary of the Civil Servants' Trade Union (Memur-Sen) and chairperson of the Turkish Health Union (Sağlık-Sen), said statistics show that labor participation of the disabled remains at 22 percent compared to a general labor participation rate of 50 percent in the country. "The right to work, which is the best indicator of social participation and which is a basic human right, remains a problem for disabled citizens," he stated yesterday on the occasion of the International Day of Persons with Disabilities.

Kaçar reminded listeners of the Disability Act, which was passed in July 2005 to solve employment problems that disabled people face along with a number of other issues. But he said the law has not been put into practice in all sectors.

The Labor Law and the Regulation on the Employment of Disabled People states that employers in the private sector employing more than 50 employees in their workplace must ensure that at least 3 percent of their employees are disabled. This figure is 4 percent for public institutions. If they do not meet this quota, they have to pay a fine of TL 1,519 per month, which is collected in a levy fund and used for projects focusing on vocational training, rehabilitation and employment for disabled people. In order to encourage companies to hire more disabled people, the Treasury also pays half of the insurance premiums for every disabled person hired in addition to the mandatory number.

However, despite all these incentives, employers are still reluctant to hire disabled workers. The total amount in the levy fund was TL 4.8 million according to 2005 figures. Lawyer Meysun Güler Eryıldır, who heads the commission on the disabled at the Bursa Bar Association, also stated that laws should be implemented as soon as possible to solve the problems of the disabled.

“Problems of the disabled are not solved merely by having appropriate laws [on the books]. These laws should be implemented. And people at workplaces from the top to the bottom should know about the rights of the disabled,” Eryıldır said.

In Bursa, disabled people held a demonstration in their wheelchairs to attract attention to their problems.

One of their signs read “We don’t want to be remembered only on Dec. 3.”

The International Day of Persons with Disabilities was marked in various provinces in Turkey. In Antalya, there were celebrations in the town square.

Mehmet Karavural, head of the Association of the Disabled in Turkey, expressed that disabled people face many difficulties. Among those, he said, was the difficulty to obtain prostheses and necessary aids to make their lives easier because of the new social security law.

“The duties and responsibilities of the state are on the shoulders of the families now,” he said.

Meanwhile, a supportive note for the disabled came yesterday from Parliament Speaker Mehmet Ali Şahin. He said Turkey has made some progress in improving the quality of life for the disabled but that there is still work to do. “We will make more progress in that regard as we will take more measures to improve the rights of the disabled,” he said.

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### **COMMENTARY**

Obama's predicament before meeting with Erdoğan

Friday, December 4, 2009

ILHAN TANIR

HURRIYAT

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Recep Tayyip Erdoğan, prime minister of Turkey, will visit the Oval Office on Monday, Dec. 7, to have a lengthy talk with U.S. President Barack Obama. While Obama has been very busy deciding the Afghan strategy, trying to figure out a way to contain Iran, struggling to boost the ever-fragile Arab/Israeli peace process and dealing with many other grave domestic issues at the same time, I think the presence of the Turkish entourage in Washington, D.C. still ought to be paid more attention, as today's Turkey, directly or indirectly, plays a role in America's most problematic foreign areas.

Though it must be noted that Obama, not Erdoğan, is not the same popular leader that he was once, who visited Turkey in April. For example, Obama's visit to East and Central Asia a week earlier was widely criticized in the American media. Despite the fact that Obama declared himself as the "first Pacific president" while touring four different countries in the region, his visits, meetings and touring program throughout the eight-day visit attracted an extensive range of criticism. During these visits, we heard many slogans from the American president, such as “breaking the pattern of the past” to “strategic

alliances.” At the end of the visit, however, the team Obama has not been able to bring any concrete achievements or breakthroughs back home.

Though it is not like it's the first time Obama is coming home empty-handed from a foreign visit, Obama so far has not been able to make any breakthroughs on any front in foreign affairs. So the question is, why it is now that the criticisms against his dealings in foreign affairs are piling suddenly?

The reason, I think, that Obama has now started to receive heavy criticism in the international affairs arena is because Obama's extraordinary, multi-ethnic personal story is also wearing out, along with the belief in his magical journey is ending. And this grim outlook displays itself with plummeting job approval ratings, which, according to the latest Gallup polls, are now below the 50s in America. The biggest specialty of Obama, his stump speeches, which were the most visible components of his previous visits, whether in Ankara, Cairo or Ghana, were missing in his Asia visit. In Shanghai, China, Obama held a "town hall" meeting with students, who, according to the New York Times, were carefully vetted and prepped for the event by the Chinese government, and the event was not broadcasted across China, like the previous U.S. presidents' speeches. After more than a year since Obama was elected, now the people and the pundits alike think that it is about time to ask about the campaign promises that Obama, as a presidential candidate, never shied away from giving. Rapprochement with the Iranian regime, progress on the Israeli/Arab peace process, “resetting the button” with the Russians, and in the domestic politics arena: worsening job market, overhauling the health care sector and many other issues are either progressing very slowly, on hold or stalled. While many voted for Obama because they thought as an outsider – he was only a mere two-year senator when he started campaigning for president – he could change the culture in Washington and crack the nasty Washington politics as a post-partisan and post-racial president, now their hope is also on hold.

It is not that Obama is not capable of doing the things he promised, says Thomas Friedman of the New York Times, the problem is, Friedman adds, "American system is capable of producing only sub-optimal solutions to the problems." America today cannot offer solid solutions to its health care problem, cannot revolutionize the energy technology, or change its financial sectors. America is still going through one of the deepest economic crises of its history that its very own financial sector helped to create, yet, after years of economic recession, the American Congress has not made necessary legislation to fill the gaps. It is not that America has a president who does not have a majority in the Congress or is politically against these ideas of the reform. On the contrary, America has a president who promised to solve these very problems and have a majority in both wings of the American Congress, though still has made little or no headway to pass any legislation after almost a year.

It is only a year after the presidential elections, and it is not unusual to come across TV pundits who talk about the next presidential elections in 2012 and potential candidates. One of those supposedly next presidential candidates, Sarah Palin, John McCain's vice presidential nominee in the 2008 elections, tells fairy tales to the American people, from cutting taxes further to creating new jobs, with no concrete solutions. And according to the same polls, now the gap between the likeability of Palin and Obama has got smaller ever.

In the international arena, Obama is trying to adjust and land American superpower status to a more of a leading power status in a multi-polar world. There are still many in the press and especially in the opposition, who do not want this reality to sink in and try to stay in a constant denial. Those opposition forces will want America to act and impose orders on other nations, like nothing happened in the last decade. The American people, indeed, should be thankful that they have a president who seems to have clear understanding of the new world order.

This sobriety does not mean America is leaving the world scene and getting into the deterrent era. This era, is mostly adjusting America's power once more and positioning itself in a way to stay relevant and still influential with regional cooperations and partnerships. In this era, Turkey can be a great partner in the Eastern Europe/Middle East region amid its increasing profile and popularity in the Muslim world. Though, Obama must come up with more tangible offers for the pragmatic Turkish leadership rather than trying to position them to choose between the ideologies of the West and the East. When it comes to America's domestic politics area, things are much more complicated and grim. America, with a president popular worldwide, with all the support this new president received from the American public for the last year, has not been able to solve one single big problem domestically. And amid the looming mid-elections of 2010, there are very few signs that America can solve its own problems to leap forward bolstered with its traditional innovation spirit. America already tried a unique leadership for the last year, and it did not work. Maybe it is time for the Americans to try a unique citizenship spirit to do things from the bottom to the top.

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Democracy is a fixed menu

Friday, December 4, 2009

CENGİZ AKTAR

HURRIYAT

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The amenable have been saying for years that a solution to the Kurdish question is Turkey's number-one democratic issue.

It is not that other problems are secondary or unimportant, but the Kurdish question has spread around the country and spoiled the human, political, economic and social chemistry of Turkey by all means.

We have a historic opportunity, an incredible worksite ahead of us. The solution process is a litmus test for the entire country. This is a process turning all mindsets upside down and involving all people and institutions. An extremely sensitive, fragile yet hopeful process, this has the potential to carry the country into durable stability and a democratic atmosphere.

Those who see every single democratization move by Turkey as an attempt to ruin the Turkish nation-building process should see that the process is taking a completely different turn now. This is not, however, as they believe, a division or separatism, but a quest for a social contract to be shaped around a new Constitution.

This is what Prime Minister Recep Tayyip Erdoğan means when he utters the words "national unity" when describing initiatives.



Turkey is now at the beginning of substituting an outdated model of unity with a new one. It will not be easy at all, and division may actually occur if this quest for a new model of togetherness does not work. Here is a link to artist Hakan Akçura's blog on "Inscription for Confronting Turkish Racism," where you can watch what may happen if: <http://open-flux.blogspot.com/2009/11/turk-rkclg-ile-yuzlesme-yazt.html>

More freedom for every citizen

The government's wording of "democratic initiative" and Interior Minister Beşir Atalay's statement regarding "more freedom for every citizen" are placing the target in the right direction and telling us about the dimensions of the works ahead of us.

What is meant by this is that difficulties that could emerge because of a perception that the initiative is limited to only one group of people should be overcome by future initiatives in all other problematic areas. Therefore, the initiative approach would influence all painful issues and all segments of society. This is, without doubt, an incredible worksite.

Although the Kurdish question is the main reason that has triggered the democratization process, limiting it to the Kurdish case only may affect the future of the Kurdish opening, not alone by causing unease elsewhere. You cannot expect empathy from a civil servant deprived of the right to strike, a non-Muslim who does not have citizenship rights, a student who fails to attend university just because she wears a headscarf, a man who cannot find a restaurant selling alcoholic beverages or an Alevi resisting conversion attempts to become a Sunni. And you cannot duly explain to any of these people the solutions to be found to the Kurdish issue.

Likewise, the government terming the atrocity that took place in Dersim years ago as the Dersim massacre cannot remain reluctant to address the great catastrophe Armenians faced in the past and still face today due to lack of justice.

An initiative that fails to entertain all individual freedoms cannot have a bright future; on the contrary, this could give some trump cards to those who are against all initiatives. In fact, the Republican People's Party, or CHP, has already started to exploit the negative response given by the government to civil servants who demand the right to strike.

On the other hand, Kurdish politicians' demands for regional freedoms may be misinterpreted in a country such as Turkey that gathers many different ethnicities and groups if devolution is not applied across the board. Not only Kurds, but people of all regions, need good governance and effective administration through decentralization and devolution. Thus the goal should be the removal of all obstacles and prohibitions.

The new mindset will touch upon all taboos not only inside, but also outside of the country. The hand reaching out to Armenia; the decision lifting visas to Syria, Albania and Libya; the claim behind the idea of embracing the entire world cannot consider the Armenian diaspora an eternal enemy, as Foreign Minister Ahmet Davutoğlu put it.

Neither can it have close ties with Sudanese President Omar al-Bashir.

With the initiatives and new openings today, the Justice and Development Party, or AKP, unavoidably becomes the main actor in a mission to pave the way for Turkey, as well as the entire region. Groups questioning how a rightist conservative party can make so many changes should know that the politicians who founded the European Union were mainly Christian Democrats, not Social Democrats.

Initiatives are a turning point for Turkish politics, not only for the AKP, a point on which the CHP and the Nationalist Movement Party, or MHP, will shift to extremes and

disappear eventually as the pro-Kurdish Democratic Society Party, or DTP, will have to become a political party of the whole country. The DTP should join the democratization process, but only if it manages to defend the rights of all people living in Turkey, not just of Kurds.

A historic opportunity and incredible worksite awaits us ahead.

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Are minarets 'our bayonets?'

Friday, December 4, 2009

Mustafa Akyol

HURRIYAT

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The recent Swiss ban on minarets has the bad potential of being a watershed event in terms of Western-Muslim relations. Therefore, there is a lot to say about it.

First, the ban is clearly a violation of religious freedom. It would be a violation of religious freedom, too, if crosses were banned from church roofs or Magen Davids from those of synagogues.

That's why the whole affair is simply a "disgrace," as a recent New York Times editorial aptly defined it.

Second, the fact that this was done in a democratic way – through a referendum – is not a justification.

Democracy is not the highest political value: higher ones are freedom, human rights and justice. Democracy is valuable only when it operates within these norms.

Otherwise, Jim Crow laws in the United States, which democratically established racial discrimination until 1965, would have been legitimate, too. They were not.

Bad example is no example

Third, the fact that most contemporary Muslim societies have much worse records of religious freedom is also not a justification. Yes, Switzerland is still a beacon of liberty compared to, say, the all-tyrannical Saudi Arabia, where no sanctuaries except mosques are allowed.

Yes, even Turkey has a lot to be ashamed of, such as keeping the Halki Seminary unjustly and immorally closed. But Europe was supposedly a good place where such disgraces did not exist, a place that Muslim nations could be called on to take as an example.

I have personally made this case to Muslim audiences in different parts of the globe.

"Would you like it," I used to ask, "if restrictions were put on Islam in the West?" Now the same question makes less sense.

Fourth, the role of racism and xenophobia in the making of this ban cannot be dismissed. The far-right Swiss People's Party, the main champion of the campaign, indeed does not hide this.

One of its posters shows three white sheep kicking a black one out of Switzerland for the sake of "security." When this came out, Swiss Jewish groups said the symbolism of the poster, and its use of color, was "frighteningly reminiscent of Nazi propaganda."

The question is why was it a big problem for some when the same fact was pointed out in this column? We have such racists in Turkey that we bash all the time. Why should the racists of Switzerland – or Austria, or anywhere else – be immune?

Fifth, Swiss society as a whole, of course, cannot be held responsible. To begin with, more than 40 percent of the voters said “no” – something commendable. Some Swiss officials, intellectuals and religious leaders also did a good job raising their voices against the ban. Moreover, those who said “yes,” a 57.5 percent majority, cannot all be racists. Most of them seem to have been acting out of fear rather than an ideological bias.

That fear of Islam, as I noted in my previous piece, is a big part of the issue. Moreover, it has some understandable sources. Islamism, which is a combination of Islam and modern totalitarianism, is certainly a fearsome ideology – just like any other totalitarianism.

The violent offshoot of Islamism, i.e., jihadism, is much worse, for it targets innocent people to achieve its utopia. Westerners are more than justified in their concern about these two “ism”s. But they also need to understand two crucial facts:

First, not all Muslims are Islamists. The latter, in fact, is a small minority.

Second, while Islamism gets fed by cherry-picking militant themes in classic Islamic sources, it gets its real fuel from the idea that Islam is under attack and that Muslims are subject to humiliation.

#### The Erdoğan rhetoric

To illustrate the latter point, let’s look at the famous line by Turkish Prime Minister Recep Tayyip Erdoğan that the Swiss People’s Party picked upon: “The minarets are our bayonets, the domes our helmets, the mosques our barracks and the faithful our army.”

These words actually belong not to Erdoğan but Ziya Gökalp, the godfather of Turkish nationalism. The latter was in fact a mild and sophisticated thinker who argued for, among other things, reforms in Islamic law and Westernization.

His exceptional minarets-are-bayonets line is from a heroic poem he wrote in 1912, in the midst of the Balkan War, during which not just the Ottoman military but also its civilian population were suffering very heavy losses. It was, in other words, a time of a sense of being besieged.

And when Erdoğan recited these lines in an emotional speech in 1997, Turkey was passing through one of its regular military coups, during which religious conservatives were being humiliated and threatened by the generals. It was another time of a sense of being besieged.

No wonder that Erdoğan himself got imprisoned soon after.

To put it differently, what made some Turkish Muslims see the minarets as “bayonets” were the threats they faced. Otherwise, everybody knows that the minarets are only the symbol, and the source, of the call “to prayer, to salvation.”

Here is the lesson to take away: One of the effective ways to fight Islamism is to convince the Muslims that the modern world respects and accepts their religious values, rather insulting or banning them.

Yet the Swiss vote, alas, did the exact opposite.

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Turkey in a difficult position over Iran

Thursday, December 3, 2009

Semih Idiz

HURRIYAT

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Iran's brinkmanship over the nuclear issue has not only put Tehran on course for a head-on collision with the international community, but has also landed Ankara in a difficult diplomatic situation.

Turkish Prime Minister Recep Tayyip Erdoğan's courting of Iranian President Mahmoud Ahmadinejad, along with Turkish Foreign Minister Ahmet Davutoğlu's policy of "engagement through dialog," does not appear to have brought any moderating results on Tehran.

These actions seem instead to have bought some time for Ahmadinejad to plan his next move on this score. Tehran's announcement that it will be increasing, not reducing, the number of facilities for enriching high-grade uranium flies directly in the face of Turkey's moderating efforts.

Turkey already felt the heat last week when it was isolated with a group of marginal countries when it abstained in a vote on a resolution condemning Iran's attitude. It was noticeable that even Russia and China supported that resolution at the International Atomic Energy Agency, or IAEA, a development that heightened Turkey's isolation. Tehran's latest bout of defiance and brinkmanship comes after a visit by Davutoğlu recently to Iran to convince its leaders to cooperate with the international community. Not only do these efforts not appear to have brought any results, but the response Mr. Davutoğlu got also suggests that when the chips are down, the Iranian government could not care two hoots for Turkey's peace efforts. This, in turn, heightens the appearance that Ankara is being used by Iran.

It will now be interesting to see how Turkey responds in the Security Council – where it is a nonpermanent member – when the issue of sanctions against this seemingly unruly country is discussed. The bets are out that Turkey has little choice but to abstain again in any resolution on sanctions – regardless of whether Russia and China do so also or not. In other words, Turkey will be going against the grain as far as the Western security bloc it belongs to is concerned. It will be at odds again not only with NATO, but also with the European Union.

No doubt this will again fuel the debate about Turkey's "identity" in the West. Should it come to a stand-off with the West on this issue, it appears likely – given past experiences – that Erdoğan will aggravate things further with an angry retort of some sort.

But the fact remains that Iran, despite all of Turkey's efforts to convince it to cooperate with the international community, is going the opposite way. This is a fact that the Erdoğan government, for all the lobbying it may be doing on behalf of Ahmadinejad, is going to have to face.

Remaining neutral in the face of an increasingly united international community as far as Iran's nuclear efforts are concerned will also belie claims of "Turkey's rising influence in the region."

The question here is an obvious one. If Turkey is indeed so influential, why has it not been able to budge the Iranian government to a more cooperative position as far as its nuclear program is concerned?

The "Israel also has nuclear weapons" argument frequently resorted to by Erdoğan, together with Ahmadinejad, has also become a bit stale at this stage. Especially when the argument can be made that Iran's cooperating on this issue will help isolate Israel on the nuclear issue, thus enhancing its own security against an attack from Israel.

It is clear, however, that Ahmadinejad has a much broader agenda here than Israel alone. This, no doubt, has an internal dimension, as well as an external one. It is clear that the Mullah regime can oppress democratic dissent at home if there is a heightened sense of an “external enemy.”

One can also not help but wonder if Tehran’s bombast has something to do with the Shiite resurgence underway in the Middle East. At any rate, it is well known that a regional power like Saudi Arabia is just as worried about Tehran’s nuclear antics as anyone else.

It remains to be seen at this stage if Foreign Minister Davutoğlu can be something more than a glorified messenger for the West, carrying dire warnings to Iran, albeit shrouded in sweet diplomatic terms.

What is clear is that if Iran continues as it is, and the Justice and Development, or AKP, government continues to give it moral support, this is going to make Turkey’s already difficult position worse.

Where the gain for Turkey is in all this is an open question.

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From the Bosphorus: Straight - A call devoid of vision, devoid of hope

Thursday, December 3, 2009

HURRIYAT

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Adjectives do not suffice to describe our disappointment with the Obama Administration, his new strategy to cope with the disaster of Afghanistan and the request by U.S.

Ambassador James Jeffrey to top up NATO forces with more Turkish troops. We know that many adjectives will follow in the bitter discussion to ensue. Let us just say that Obama should prepare for “blowback,” to steal a term from the CIA, on a massive scale. As context, we do support the original logic of Turkey and our NATO allies following the attack of Sept. 11, 2001 to invoke “Article 5” of the NATO Charter. A collective response to the attack nurtured by al-Qaeda from Afghan territory was legitimate and justified. Most done in the interim has not been.

Let us just state why we believe this request for troops should be firmly rejected by the Turkish public, the prime minister, Parliament and the Turkish General Staff.

First and most broadly, the Obama Administration will never enjoy full credibility in this part of the world until it comes to terms with the origins of both the Taliban and al-Qaeda. It is now ancient history to discuss the CIA funding and arming of Osama bin Laden and cohorts decades ago. But the matter is not academic. Current events cannot be isolated from this history.

Secondly, the repurposing of the “surge” strategy claimed to have been successful in Iraq will fail in Afghanistan. Tiny, mobile bands of terrorists who can fade across porous borders and find support from kinsmen in all directions cannot be confronted in this manner. Obama may have inherited this strategy from his predecessor. His decision to continue a fool’s errand will be entirely his own. And it is wrong. Deep expertise exists on this matter within the Turkish General Staff. NATO should listen to it.

Thirdly, NATO also rejected Turkish counsel that Anders Fogh Rasmussen, Denmark’s former premier, was and is about the worst choice possible to head NATO. To entrust reversal of NATO’s course in Afghanistan to a man known in the Islamic world only for

a “cartoon crisis,” that disparaged the Prophet Mohammed worldwide, is a blunder that still baffles us.

Lastly, efforts and resources to support civilian reconstruction and rehabilitation in Afghanistan have been all but absent in U.S.-led strategy. To date, the Americans have spent more than \$500 billion waging war in Afghanistan. The total in non-military assistance has yet to exceed \$15 billion. Among the few successes on the civilian side has been the quiet work of TIKA, the Turkish aid agency responsible for massive school and hospital construction. But for a brief allusion to “assistance to agriculture,” Obama’s speech calling for more troops ignored development entirely. Obama’s call is devoid of vision from America. It is devoid of hope for the people of Afghanistan.

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**Report #**

**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**Fertile Crescent**  
**Aisha Rehman**  
**From, 28<sup>th</sup> November – 4th December 2009**  
**Presentation, 9th December, 2009**

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**(OUT LINE)**

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- Iraq election decision postponed until Sunday

#### **Geo strategic front:**

- Biden reassures Maliki Afghan strategy not on Iraq's expense
- Iran's influence in Iraq a threat to region
- US hopeful of breakthrough in Iraq vote deadlock
- Blair denies govt attorney advised Iraq war was 'illegal'

#### **Economic front:**

#### **Social front:**

- Iraq civilian deaths drop to lowest level since start of war
- Southern Iraqi city removes ban on alcohol

## **Lebanon**

### **Political front:**

- Lebanon: March 14 wins pharmacists' election
- Hezbollah declares manifesto, calls for abolishing political sectarianism
- Sleiman underlines need to strengthen national unity
- Aoun dismisses need for Christian reconciliation talks

#### **Geo strategic front:**

- Germany hands over Maritime Task Force in Lebanon to Italy
- US embassy denies feltman lebanon visit
- Nepal bans migration to Lebanon amid abuse fears

#### **Economic front:**

- Dubai crisis won't drastically affect the Lebanese economy - experts
- Refugees now view Lebanon as the enemy
- Lebanon successfully issues \$500 million in Eurobonds - Hassan
- French banking boss lauds Lebanese prudence

#### **Social front:**

- Lebanon: Skewed policies widen urban-rural divide
- Political sectarianism 'responsible' for emigration

## **Israel and Palestine:**

- Sheikh Sabri Barred From Al Aqsa Mosque For Six Months
- Jordan: "Settlement Freeze Must Include Jerusalem"
- Barak: "Settlements Part Of The State Of Israel"
- Jordan Protests Over Excavation At The Church Of Holy Sepulcher

## Summary:

### Egypt

**Political front:** The coalition of opposition parties put forth seven demands to guarantee free and fair parliamentary elections in 2010. The coalition includes Al Tagammu, Al Wafd, the Nasserist and the Democratic Front Parties. While they are waiting for their demands to be met, coalition members have not yet indicated whether or not they will participate in the elections. **Geo strategic front:** Algerian Foreign Minister expressed his goodwill towards Egypt and said he hoped to turn a new leaf with Egyptians in a telephone interview with London-based Asharq Alawsat newspaper. His statement was a reference to the tension brewing between Egypt and Algeria since the violence that took place in Sudan after the World Cup decider between the two countries' national teams on Nov. 18. **Economic front:** Osama Saleh, chairman of Egypt's investment authority, recently met with an Iraqi delegation to discuss joint development projects between the two countries. Aiming to enhance economic relations between Egypt and Iraq, The meeting discussed the next steps towards implementing what was agreed upon during Investment Ministers Mahmoud Mohieldin's visit to Iraq this past August, Representative from Iraqi *companies in the fields of construction, pharmaceuticals as well as spinning and weaving* were present along with executives of Egyptian companies. Dubai-based Abraaj Capital is pressing ahead with healthcare, education and agribusiness investments in Egypt, unaffected by the restructuring at Dubai World, its Egypt country manager said.

### Iraq

**Political front; Elections:** Two politically influential Shia Muslim preachers warned of possible foreign interference in Iraq's coming parliamentary elections. In his sermon for Eid al-Adha prayers, the Iranian-educated head of the Islamic Supreme Council of Iraq, a leading Shia political party, warned against "worrisome efforts to undermine the political process." Iraqi Shia Muslims marked Eid al-Adha yesterday. Sunni Muslims marked the holiday.

Iraq's scheduled January elections may be postponed by more than a month because of a dispute over an election law, officials said, a delay that could threaten the planned US withdrawal of combat troops. Iraq's faltering election will likely be held in March, the speaker of the nation's parliament said, the latest date yet mooted by a senior official. Iyad al-Samarrai's remarks come as politicians continued to seek a breakthrough over a stalled electoral law, without which an election cannot be held.

Sunni tribal leaders in the northern city of Mosul led protests against the election law. They and their members demonstrated peacefully in the center of the city, saying the new controversial law does not treat the Province of Nineveh, of which Mosul is the capital, fairly. **Social front;** The civilian death toll in Iraq fell to its lowest level in November since the 2003 US-led invasion, defying predictions of a spike in violence before next year's parliamentary election, officials said.

The authorities in the southern city of Basra have removed a ban on the sale of alcohol, which was imposed due to pressure from religious groups. The decision to lift the ban, taken last week, has led to the reopening of liquor shops across the city.

### Lebanon



**Political front;** Hezbollah Secretary-General declared the party's new manifesto, the second in the group's history after the "Open Letter" in 1985 which called for the establishment of Islamic rule in Lebanon. This time, Hezbollah wants a country for all faiths. President Michel Sleiman stressed the need to work on strengthening national unity and stability in order to promote Lebanon's economic and growth.

Free Patriotic Movement (FPM) leader MP Michel Aoun said that there was no need for a reconciliatory meeting with Lebanese Forces (LF) leader Samir Geagea prior to a change in the LF political stances. He added that the FPM and the LF continued to diverge on an array of political issues. **Economic front;** Lebanon will not be drastically affected by the looming financial crisis in Dubai but Beirut should derive news lessons from the experience of the once-thriving emirate, economists and bankers said. There was also a consensus that one should wait to see what kind of action the oil-rich Abu Dhabi will take to help its neighbor Dubai. It is premature to assess the impact of the crisis in Dubai on Lebanon. But I don't think the country will be gravely affected," former finance minister and presently a senior executive at Booz & Allen company, said.

#### **Israel and Palestine:**

The Israeli Authorities in Jerusalem handed Sheikh Ekrima Sabri, head of the Higher Islamic Committee in Jerusalem, a restriction order preventing him from entering the Al Aqsa Mosque, in East Jerusalem, for six months. Sheikh Sabri is also the Khatib of the Al Aqsa Mosque. Jordan filed an official complaint to Israel demanding it to stop the excavations and renovations at the Church of Holy Sepulcher in East Jerusalem. The letter was handed to the Israeli Ambassador to Jordan after he was summoned to the Jordanian Foreign Ministry in Amman.

#### **Detailed news**

#### **Egypt**

#### **Political front:**

#### **Coalition of opposition parties outlines 7 demands prior to 2010 elections**

Special to Daily News Egypt: December 3, 2009: The coalition of opposition parties put forth seven demands to guarantee free and fair parliamentary elections in 2010. The coalition includes Al Tagammu, Al Wafd, the Nasserist and the Democratic Front Parties. While they are waiting for their demands to be met, coalition members have not yet indicated whether or not they will participate in the elections. With regards to the presidential elections of 2011, members of the coalition demanded the constitution be amended to ensure decentralization of power as well as limiting the president's rule to only two terms. The demands include ceasing the existing emergency law and allowing full judicial monitoring of the elections throughout all its stages, from setting up the ballot stations to voting and counting. In addition, the opposition wants to allow more than one candidate to be able to run for elections. The coalition also wants citizens to be able to vote with their computerized national IDs without having to issue a voting card. Moreover, the coalition wants to allow all candidates to use government-owned media outlets for campaigning prior to the elections, with a close eye on the budget spent by each for such activities. Finally, members of the coalition are requesting that restrictions

on communication between candidates and the public be lifted from all opposition and independent candidates. "Egypt is approaching a critical time in its history; it's undergoing parliamentary and presidential elections which requires free and fair processes," read a statement released by the coalition Thursday. "The four parties pledge a collective effort put towards mobilizing the public and all democratic powers in a unified direction aimed at putting at end to the state of doubt towards the country's future." A secure future should be based on "establishing democracy, freedom of expression and transparent elections that represent the public," the statement continued. Meanwhile, the coalition will present draft laws to the parliament during its current session. The proposed laws will tackle issues of freedom of political activity, amending articles in the constitution, and laws regulating the People's Assembly and the Shoura Council.

### **Geo strategic front:**

#### **Algerian Foreign Minister 'hopes to turn a new leaf' with Egypt**

Daily News Egypt: December 1, 2009: Algerian Foreign Minister Mourad Medlici expressed his goodwill towards Egypt and said he hoped to turn a new leaf with Egyptians in a telephone interview with London-based Asharq Alawsat newspaper Tuesday. His statement was a reference to the tension brewing between Egypt and Algeria since the violence that took place in Sudan after the World Cup decider between the two countries' national teams on Nov. 18. He added that the Algerian government "holds the utmost respect and appreciation for Egypt, its people and its government" and that there was no need for any mediators. Regarding compensation for Egyptian businesses that were attacked by angry Algerian fans in Algeria, Medlici said that the issue will go through the necessary insurance channels in accordance with the laws of both countries. Egyptian fans attending the WC decider in Sudan last month complained that their Algerian counterparts had chased them down the streets of Khartoum with knives and machetes after the game, which Algeria won 1-0. The Egyptian Health Ministry confirmed the eyewitness reports, saying that 21 people were admitted to hospitals upon their return to Egypt suffering a variety of wounds ranging from fractures, to bruises and cuts. On a related note, MP Mohamed Khalil Kwaitah proposed an amendment to Egyptian law stipulating that cases involving the abuse of Egyptians abroad must be heard within the Egyptian court system, where the final verdict would be announced. The amendment was presented to the PA's proposals and complaints committee to be discussed during the current parliamentary session.

#### **Mediator to give Israeli response on prisoner swap**

Agence France-Presse: December 1, 2009: A German mediator is to give Israel's response to Hamas on a prisoner swap as the two sides edge closer to a deal, a Palestinian official said. The official, who requested anonymity because of the sensitivity of the talks, said Hamas leaders would meet the mediator in the Gaza Strip where he would relay Israel's response to the Islamist movement's latest proposal. The official, who is close to the talks, said the dispute centered on 70 prisoners whom Israel refused to free. Hamas drafted its final position during a meeting in Damascus last week, with the results passed on to Israel, he said. Israel will free about 1,000 prisoners, included 450 militants

chosen by Hamas, in exchange for captured Israeli soldier Gilad Shalit. The two sides were narrowing their differences. But Hamas is insisting on six prisoners whom Israel has turned down, the official said, including Marwan Barghuti, a populist leader with its rival Fatah faction, and Ahmed Saadat, whose group assassinated an Israeli minister. Hamas also insists on the release of its senior members Abdullah Barghuti, who is serving 67 consecutive life terms over suicide bombings in Israel, and Ibrahim Hamed, who is accused of ordering attacks in Israel, and two others. A further dispute, the official said, was over Israel's demand that some of the prisoners it releases be exiled. "Hamas agreed to the exile of some of them, but not all of them," he said. Both sides reported progress in the talks last week but have since downplayed reports of an imminent deal after negotiations hit a snag over the group that Israel refuses to free. The indirect talks, with Egypt also a key mediator, have dragged on since Palestinians including Hamas members, captured Shalit in a cross-border raid from Gaza in 2006. Israeli media quoted court documents on Sunday as saying Israel would free 980 Palestinian prisoners, including 450 chosen by Hamas, in exchange for Shalit. The government informed the Supreme Court of the possible releases after an Israeli group appealed to the court, demanding that Israel provide the names of Palestinians to be freed, the reports said. Israel's cabinet is expected to ratify the deal before the swap takes place. Shalit is to be handed over to Egypt before Israel frees the first group of prisoners, and then returned to Israel, after which the rest of the Palestinians would be freed. The Jewish state released 20 women prisoners last month after Hamas handed over a videotape of Shalit showing him in good health. —AFP

### **Egypt criticizes IAEA resolution on Iran calling it unbalanced**

Daily News Egypt: November 29, 2009: Egypt criticized Saturday a resolution put forward by the International Atomic Energy Agency (IAEA) calling for Iran to immediately cease construction on its recently revealed nuclear facility in Qom. Foreign Ministry spokesman Hossam Zaki told reporters Saturday that while Egypt was opposed to Iran keeping the site secret, the resolution was “unbalanced” because it failed to take into account the “regional dimension”. Zaki was referring to Israel, which is widely believed to possess a highly developed nuclear program despite never officially announcing it. The spokesman believed the resolution should have included all countries in the region. “The continuous existence of unannounced nuclear facilities — not under the IAEA safeguards system — in the Middle East represents a threat to the Egyptian national security and the whole region's security as well,” he said. Egypt abstained on voting in the resolution, which passed with a 25-3 vote on the agency’s Board of Governors with 6 abstentions and one member missing the ballot on Friday. This is the agency’s first resolution since 2006. Egypt abstained — but didn’t vote against the resolution — because it did not also want to appear to be supportive of Iran’s nuclear ambitions, according to Zaki. The spokesman also said not enough time was given for discussion. Iran also reacted negatively to the resolution, its IAEA ambassador; Ali-Asghar Soltaniyeh said it would adversely affect negotiations between the agency and Iran regarding its nuclear program. Calling it “undue and hasty”, Soltaniyeh said the resolution might “jeopardize the spirit of cooperation” in the negotiations but insisted that Iran would continue to work with the agency on its nuclear program. “We expect the agency to play its essential role and facilitate technical cooperation. The agency should

function in a depoliticized environment, as we need to ensure that the agency focuses only on technical matters,” he said. Outgoing IAEA head Mohamed ElBaradie told the Board of Governors Thursday that he had reached an impasse regarding whether Iran was attempting to develop nuclear weapons or not because Tehran was not cooperating. Egypt was also critical of another IAEA draft resolution reached Friday that granted Russia permission to create a reserve of enriched Uranium that would be used to provide IAEA member states with nuclear fuel. Zaki said Egypt opposed the draft resolution because it did not want what it called attempts to monopolize the production of nuclear fuel. Additionally, the resolution “does not state as a condition that countries benefiting from the Russian reserve of low enriched Uranium [must] be members of the Treaty.”

### **Hamas refutes Shalit release rumors**

Daily News Egypt: December 3, 2009: Hamas denied regional reports that captured Israeli soldier Gilad Shalit had already been released into the care of Egypt. Newspaper reports had stated that Shalit was in Egyptian custody, and would remain so until a deal was finalized between Hamas and Israel over the release of Palestinian prisoners. The Kuwaiti newspaper Al-Jarida had reported that Shalit was being held in a secret location in Egypt until negotiations had been concluded, having already been moved there with a Hamas delegation that entered Egypt last month. Sources in Rafah near the border with the Gaza Strip told Daily News Egypt that Shalit is not currently in Egypt and was not part of the Hamas delegation that came to Egypt last month led by Mahmoud Al-Zahar. The sources added that the deal had not yet been finalized, and therefore there was no reason for Shalit to be handed over to Egypt. They said that the media leaks regarding Shalit’s release did come from a source at the Rafah crossing but were misconstrued to indicate Shalit was with the Hamas delegation. Additionally, the pan-Arab Al-Hayat newspaper reported Wednesday that incarcerated Palestinian leader Marawan El-Barghouti was on the verge of release as part of the Shalit exchange, provided he was immediately sent to exile. However, Hamas denied all these reports, saying in a statement that Israel was behind the speculation to force their hands in negotiations, adding that the deal was “not over yet” and the ball was in “Israel’s court.” Hamas official in Lebanon Osama Hamdan told Al Jazeera that the reports were untrue and he “did not know where it came from.” It is believed that Hamas want 1,000 prisoners in exchange for Shalit, and Egypt and Germany have been mediating a swap exchange between the two. Reports in Egypt and Israel had surfaced last month that Shalit would be released into the custody of Egypt sometime after the Eid holidays. The Israeli newspaper Haaretz quoted Shalit’s father Noam at the time as telling reporters after meeting Israeli negotiator Hagai Hadas, “We can’t say anything at this stage, and there is nothing to add. We would be happy to include you in our joy, if that happens. I am still not reassured.” Last June, speculation did arise that Shalit was on the verge of release, with Palestinian and Egyptian reports claiming he would be released “within hours” but Hamas and Israeli officials both denied it, but claimed significant progress had been made. Shalit was captured in a raid in 2006 and his whereabouts have remained unknown ever since. Recently Hamas released a video of him addressing his family to prove he was still alive.

### **Chemical weapons watchdog pursues holdout nations**

AP: December 3, 2009: The newly elected chemical weapons chief says he will pursue the last seven holdouts — including Israel, Egypt and Syria — to get them to sign a disarmament treaty and submit weapons stockpiles for inspection. Ahmet Uzumcu says he expects one nation, Angola, to sign the Chemical Weapons Convention soon. The Mideast countries, however, have said joining the convention is linked to an agreement on nuclear disarmament. Uzumcu told reporters on Thursday chemical disarmament should be weighed on its own merits. North Korean, Myanmar and Somalia also have not signed the 1997 treaty. The veteran Turkish diplomat was elected Wednesday to be director of the 188-nation Organization for the Prohibition of Chemical Weapons, based in The Hague. He takes over next July. – AP

## **Economic front:**

### **Egypt, Iraq to boost investments**

Daily News Egypt: December 3, 2009: Osama Saleh, chairman of Egypt's investment authority, recently met with an Iraqi delegation to discuss joint development projects between the two countries. Aiming to enhance economic relations between Egypt and Iraq, Saleh, chairman of the General Authority for Investment and Free Zones (GAFI), received members of the delegation, which included senior officials and Iraqi investors headed by Sami Raouf Al-Araji, Chairman of the Iraqi National Investment Commission (NIC). The meeting discussed the next steps towards implementing what was agreed upon during Investment Ministers Mahmoud Mohieldin's visit to Iraq this past August. Representative from Iraqi companies in the fields of construction, pharmaceuticals as well as spinning and weaving were present along with executives of Egyptian companies operating in the field of construction, urban development and infrastructure. The two sides are working together to establish joint ventures in transportation, hospitals, water and sanitation, with projects planned worth around \$20 to \$25 billion. There are also plans to set up training programs for Iraqi experts in Egypt. "Egypt welcomes the active participation in order to rebuild Iraq, providing its expertise in the revitalization of Iraqi institutions, namely the stock exchange of small and micro enterprises, law firms and the common area of governance and corporate social responsibility," Saleh said in the meeting. Saleh said the investment authority will form a working group to monitor ongoing and planned projects and joint investments. Mohieldin welcomed Iraqi investments in Egypt and said challenges to further investments will be addressed to grow economic cooperation between both countries. Al-Araji said that Egyptian investments will contribute to both nations.

### **Dubai's Abraaj says Egypt investments on track**

Reuters: December 3, 2009: Dubai-based Abraaj Capital is pressing ahead with healthcare, education and agribusiness investments in Egypt, unaffected by the restructuring at Dubai World, its Egypt country manager said. The private equity firm, which has about \$6.5 billion in funds under management, aims to become a key player in private education in Egypt and to set up a chain of hospitals. Investors in the Gulf region and elsewhere in the world have become more wary of putting money into Middle East markets since the Dubai government asked its creditors last week to accept a delay in repayments from Dubai World. Some analysts have said Egypt, which has emerged from

the world financial crisis relatively unscathed, could be a haven. "Our strategy is unchanged — to grow our portfolio companies in Egypt and seek new acquisitions," Executive Director Yaser Gamali told Reuters in an interview. Abraaj, which bought 77 percent of Egypt's medical services company Al Borg Laboratory in May 2008, is in talks to buy a second medical laboratory in Egypt to be owned through Borg. Abraaj, with offices in Turkey, Pakistan, the United Arab Emirates, Saudi Arabia and Egypt, is in talks to buy hospitals or build new ones in large Egyptian cities to be run by its partly owned Turkish chain Acibadem. "Our goal is to have more than one hospital in Egypt," Gamali said, adding he wanted to have a chain in the long term. He said Abraaj also wanted to set up pharmacies in Egypt under its Saudi Arabia-based chain Tadawi. In education, Araaj has been looking at acquisitions or greenfield sites for schools under its Dubai-based private school chain GEMS and is negotiating with a number of owners. "We hope to be a key player in (private) education in three to five years," Gamali said, adding he hoped to announce the first school in the early part of 2010. "We feel that demand is available for very well-run private schools and it's not necessarily at the high price point." Gamali said Abraaj was also in talks to buy an agribusiness, adding the firm wanted to take advantage of Egypt's climate, inexpensive labor, good land and location to supply fresh and processed food to Egyptian, European and Gulf markets.

#### **Social front:**

##### **Egypt lawyers, judges to visit Algeria to defuse tension**

Daily News Egypt: December 3, 2009: A convoy of Egyptian lawyers, artists and public figures hoping to defuse the tension between Egypt and Algeria in the aftermath of the WC qualifier in Khartoum last month, is planning a reconciliation trip to Algeria. Refusing the volleyball of abuse and defamation between the two nations, El Sanhoury online forum (mohamoon-arab.com), which brings together Arab lawyers, judges and rights advocates, launched the initiative under the slogan "The people will endure." The initiative aims "to fix what the Egyptian and Algerian mobs have broken through dialogue with Algerian thinkers and politicians." The details of the trip will be announced during a press conference on Sunday Dec. 6 and is being held in coordination with Algerian members of parliament, the Lawyers' Syndicate and media figures who are welcoming the move. Lawyer Montassir El-Zayat told Daily News Egypt, "We are not going there to apologize, but to converse, because we believe that what political diplomacy has ruined can be fixed by public diplomacy." He added that the group is aware that it is not an easy mission and that "we are expecting criticism from mobs in Egypt and Algeria, because they are not concerned about Arab unity." He claimed that both the opposition and the ruling NDP as well as members of the media have criticized the move. He recalled how Egyptians fought alongside their Algerian brethren against their French occupiers and how Algerians fought with Egypt in the 1973 war with Israel. Relations between Egypt and Algeria went on a downward spiral last month first in Cairo when Egypt won a WC game against Algeria, then in Khartoum after the decider when Egyptian fans were attacked by their Algerian counterparts even though the Algerians had won the game to qualify for the 2010 World Cup. A war of words erupted between the media of both countries with calls for a sports and cultural boycott.

### **Brotherhood members released last month, says group lawyer**

Daily News Egypt: December 1, 2009: The Muslim Brotherhood denied press reports claiming five high profile group members were still detained for money laundering and involvement in what was termed the "Global Muslim Brotherhood Movement." "The news is totally baseless; all detainees were released earlier," lawyer Abdel Moneim Abdel Maqoud told Daily News Egypt. Independent daily Al-Masry Al-Youm ran a news report claiming that the businessmen's case was still open and that investigations are still underway. The newspaper also claimed that the case will be transferred to supreme state security court soon. Twenty-two Muslim Brotherhood members were detained last June on charges of terrorism, joining an illegal group and money laundering. Detainees included member of the Brotherhood's Guidance Office and Secretary General of the Arab Doctors' Union Abdel Moneim Aboul Fotouh; Gamal Abdel Salam, chairman of the emergency committee in the Arab Doctors' Union and former Brotherhood candidate in the 2005 parliamentary elections; Abdel Rahman Al-Gamal, an employee at the Ministry of Education in Gharbeya. Aboul Fotouh and 18 other detainees were released last month after they were cleared of all charges. Al-Masry Al-Youm's article cited Ahmed Abdel-Malek, owner of an imports and exports office, as one of the five detainees convicted with these charges, which the lawyer denies.

### **Princess Ferial buried in Cairo**

AFP: December 2, 2009: Princess Ferial, the daughter of Egypt's last king, was buried in a Cairo mosque on Tuesday after a low-key funeral attended by her relatives. The princess died in a Geneva hospital on Sunday after a long battle with stomach cancer. Born in 1938 in the Mediterranean city of Alexandria, Princess Ferial was the daughter of King Farouk who ruled Egypt from 1936 until the 1952 revolution. Her half-brother Ahmed Fouad, King Farouk's only surviving child, attended the funeral in the Refaey mosque, where members of the royal family are buried. The princess was the king's eldest child from his first wife Farida. She lived in Switzerland until her death. The dynasty ruled Egypt for 150 years until 1952, when King Farouk abdicated. His infant son Fouad acceded to the throne but had to join his family in exile when a republic was declared the next year. -AFP

## **Iraq**

### **Political front:**

#### **Elections:**

### **Iraqi imams warn against foreign bid to sway polls**

Gulf Times November-29-2009- Two politically influential Shia Muslim preachers yesterday warned of possible foreign interference in Iraq's coming parliamentary elections. In his sermon for Eid al-Adha prayers, Ammar al-Hakim, the Iranian-educated head of the Islamic Supreme Council of Iraq, a leading Shia political party, warned against "worrisome efforts to undermine the political process." Iraqi Shia Muslims marked Eid al-Adha yesterday. Sunni Muslims marked the holiday. The Islamic Supreme Council of Iraq fared well in the 2005 elections, winning the capital, Baghdad, with 40% of the vote. "We must strive for consensus among all Iraqis," al-Hakim said. "We will defend all Iraqis across the country." Shia cleric Mortada al-Qazawini had a similar

message in his televised Eid sermon from the shrine to Prophet Muhammad's grandson, Hussein, in the Iraqi city of Karbala. "There are attempts from within Iraq and from neighbouring countries to inject billions of dollars of funds to influence elections in favour of ... demons, wolves and thieves to steal our faith," he said. Both religious leaders urged Shias to participate in the coming polls, the future of which has been thrown into question by a continued standoff between Iraqi Shias and Kurds in parliament and Sunni politicians led by Iraqi Vice President Tariq al-Hashemi. Before the Eid holiday, officials from the country's electoral commission said the polls, which the constitution mandates must take place by the end of January, would likely be delayed. Hashemi on November 19 vetoed an elections law passed after months of rancorous debate over voting in the disputed northern city of Kirkuk, saying he wanted more seats in the parliament to be chosen by expatriate Iraqi voters, many of whom are thought to be Sunni. After Shia and Kurdish lawmakers last week passed an election law that did not address the vice president's concerns, Arab politicians in Kirkuk threatened to boycott the polls unless Hashemi's concerns were met. Many Iraqi Kurds hope to make Kirkuk the capital of a future independent state, calling it their "Jerusalem." Iraqi Arab politicians, allied with politicians from the area's Turkmen minority, view it as an integral part of Iraq. The law is currently before Iraq's three-member presidential council, composed of President Jalal Talabani, a Kurd, and vice presidents Hashemi, a Sunni, and Adel Abdel Mehdi, a Shia. Only one of them needs to veto the bill for it to be sent back to parliament. If a second veto is used, parliament can overturn it with a 60 % majority. An alliance of Shia and Kurdish MPs would surpass that threshold with around 30 votes to spare in the 275-seat assembly. The US has urgently sought to avoid a delay in the polls, fearing such a delay could interfere with its scheduled withdrawal of combat troops from the country. The election will likely be held in March, the speaker of parliament said on Friday, the latest date yet mooted by a senior official. Iyad al-Samarrai's remarks come as politicians continued to seek a breakthrough over the stalled electoral law. "The (election) commission announced it would be held on January 16th, this is not possible anymore because there is no law," Samarrai told the state-funded Al-Iraqiya television channel. "I believe that the election will be held in March."

### **Iraq election likely in March: parliament speaker**

Agence France-Presse November-28-2009- Iraq's faltering election will likely be held in March, the speaker of the nation's parliament said on Friday, the latest date yet mooted by a senior official. Iyad al-Samarrai's remarks come as politicians continued to seek a breakthrough over a stalled electoral law, without which an election cannot be held. "The (election) commission announced it would be held on January 16th, this is not possible anymore because there is no law," Samarrai told the state-funded Al-Iraqiya television channel. While officials have acknowledged that the January election date has become untenable because of delays to the election law, no one has yet mentioned a date as late as March. Iraq's constitution requires that the poll be held by January 31. The United States has put pressure on Iraqi politicians to avoid a delay as Washington seeks to ensure that the pullout of thousands of troops stationed in the country goes ahead on schedule. Though lawmakers approved a law regarding the election earlier this month, it was vetoed by Vice President Tareq al-Hashemi. This week, MPs passed an amended version and it is currently before Iraq's three-member presidential council, composed of President



Jalal Talabani, a Kurd, and vice presidents Hashemi, a Sunni, and Adel Abdel Mehdi, a Shiite. Only one of them needs to veto the bill for it to be sent back to parliament. If a second veto is used, parliament can overturn it with a 60 percent majority. An alliance of Shiite and Kurdish MPs would surpass that threshold with around 30 votes to spare in the 275-seat assembly.

### **Iraq likely to postpone elections: Officials**

The Peninsula December-03-2009- Iraq's scheduled January elections may be postponed by more than a month because of a dispute over an election law, officials said yesterday, a delay that could threaten the planned US withdrawal of combat troops. Iraqi lawmakers have been working for months to pass a law needed to reform the election process, seeking to make it more representative of Iraq's ethnic and religious groups. It is unclear what a long delay would mean for the United States, which is scheduled to end combat missions in August. Former Prime Minister Ayad Allawi, who heads a small bloc in parliament, said a preliminary proposal from various political factions calls for moving the election to Feb. 27, but it also could be further pushed to March 1. Allawi told Al Arabiya television that meetings are planned for today to look at possible new dates for the parliament election, which is scheduled for January 16. Earlier, Sandra Mitchell, the head of the United Nations Assistance Mission for Iraq's electoral commission, suggested to parliament Speaker Ayad Al Samarie the election could possibly even be moved to March, the speaker said on his website. Iraq's vice president has vetoed the law because he wanted more seats for Iraqis living abroad, most of whom are Sunnis. The minority party has seen its once-privileged status evaporate since the fall of Saddam Hussein. President Barack Obama has ordered the withdrawal of all combat troops by Aug. 31, 2010, leaving up to 50,000 troops in advisory roles. Under an Iraqi-US security agreement, those remaining troops would leave by the end of 2011. For now, the top US commander in Iraq has said the pullout remains on schedule. Prime Minister Nouri Al Maliki, a Shiite, and President Jalal Talabani, a Kurd, held a joint press conference yesterday to call on the elections law to be passed. "I have met with Al Maliki and our point of view is identical over the passing of the elections law," Talabani said. Al Maliki said if the elections law failed, it would be "the destruction of all we built in the political process." Both Sunnis and Kurds criticized earlier versions of the legislation. The parliament amended the law with a version that pleased the Kurds but not the Sunnis. Despite the mounting pressure, Sunni Vice President Tariq Al Hashemi gave no signs of changing his position on vetoing the law if more parliamentary seats are not distributed. "Time is running out and Al Hashemi is sticking to his position that he is not ready to give up the rights of the Iraqi people. The veto might be the last remaining option, if the current talks yield no results," said Abdul-Ilah Khazim, Al Hashemi's spokesman. Though violence in Iraq has declined dramatically in recent years, Iraqi and US military officials have expressed concern that a delay in the election could destabilise the hard won security gains. Yesterday, an American airstrike in northeast Iraq killed one gunman after a joint US-Iraqi foot patrol was attacked. The airstrike was called in after five gunmen attacked the patrol as it was searching a building in the town of Sadiyah in the volatile Diyala province, the US military said in a statement. But a police official said the gunmen opened fire on the soldiers, believing they were insurgents. A year earlier, the same house had been attacked by insurgents, the official said.

### **Sunni tribes protest Iraq's election law**

Azzaman, December 2, 2009-Sunni tribal leaders in the northern city of Mosul led protests against the election law. They and their members demonstrated peacefully in the center of the city, saying the new controversial law does not treat the Province of Nineveh, of which Mosul is the capital, fairly. The elections under the new law were to be held in January but a veto by a vice-president has thrown doubt on whether they will be held on schedule. Nineveh Governor Atheel al-Najafi said following the demonstration that his province rejects the law and would not take part in the elections if held in January. He said the law has reduced the number of deputies representing Nineveh and urged the province's people "to stage more peaceful protest against the law." The demonstrations were to show the government that "Nineveh cannot be marginalized" and it should be given fair representation in the legislature, a provincial statement said. Mosul is Iraq's second largest city but it suffers from lack of security and ongoing strife among its ethnic, religious and sectarian groups. Iraqi Sunnis in general are unhappy about the law and the provinces where they make the majority have openly oppose some of its paragraphs.

### **UN Should Monitor Iraq's Election Staff Report**

Khaleej Times November-28-2009- The United Nations must take necessary measures to monitor vote in Iraq to ensure it remains free from corrupt practices, said an outspoken Iraqi corruption opponent. Ayad Jamal Aldin, leader of Ahrar party, said Iraq's election process was fundamentally flawed because of several factors, mainly the absence of an accurate population census which is the basis for seat allocation, and lack of necessary legislation. "The last census was carried out in 1977... we cannot hold elections without necessary data," Aldin said, communicating with the help of translator. "We cannot talk of clean elections without a proper law governing political parties. The Ahrar leader said the issue of corruption in Iraq was greater than Afghanistan, where recent elections were marred by vote fraud charges. "The main task for the United Nations would be to establish an independent electoral commission," he said. "Although Aldin announced Ahrar's intentions to run for elections in October last, he began campaigning for making Iraq a secular state in 2003. In 2005, he was elected as one of 25 MPs on the Iraqi National List but withdrew in 2009, saying he took the step because of Iyad Allawi's overtures to Iran. He said Ahrar would not forge coalition with any other party ahead of the 2010 elections. Aldin recognised the challenges his party faced in attracting public support to win seats. "Seventy per cent of Iraqis do not want to take part in elections – their excuse is elections will not lead to change."Aldin, campaigning for reconciliation, security and reconstruction, pointed to the importance of the elections in ensuring reconciliation. "Only reconciliation can provide security," he said.

### **Iraq election decision postponed until Sunday**

Reuters December-04-2009- Iraqi Vice-President Tareq Al Hashemi said on Thursday he had postponed until Sunday a decision on whether to sign or veto an election law required for next year's critical poll, after a court gave him more time. Hashemi, a Sunni Arab, is expected to veto the law for a second time due to a dispute with Shia and Kurdish lawmakers over the allocation of parliamentary seats among Iraq's ethnic and

religious groups. The election, initially scheduled for January, is seen as a critical step in Iraq's nascent democracy as the sectarian violence that killed at least 100,000 people subsides and as US forces prepare to slash troop levels. Hashemi, one of three members of a presidency council, vetoed an original election bill because it did not give enough seats to Iraqis who fled abroad, many of them Sunnis. Rather than address his concerns, Iraq's majority Shia s and minority Kurds joined forces to pass an amended law that cut the number of parliamentary seats in predominantly Sunni areas. Hashemi had 10 days from Nov. 23 when parliament approved the amended law to veto it. The High Judicial Council ruled that the deadline would be extended to Sunday, because the 10-day period would legally end on Friday, the Muslim holy day, and a decision could await the subsequent working day, court spokesman Abdul-Sattar Birqdar said. In Iraq, the weekend is Friday and Saturday. The poll is unlikely to happen before the end of February or beginning of March, potentially creating a political vacuum as the mandate of Prime Minister Nuri Al Maliki's government expires on March 16. A more substantial delay could affect US plans to end combat operations in Iraq in August.

### **Geo strategic front:**

#### **Biden reassures Maliki Afghan strategy not on Iraq's expense**

Kuwait News Agency December-02-2009- Vice President Biden called Iraqi Prime Minister Nouri Al-Maliki to reassure him that the Afghan strategy will not come at the expense of Iraq, the White House said late on Tuesday. Biden also commended Al-Maliki "for working to find a solution to the election law impasse and encouraged an arrangement that would be fair to all sides and that would allow for national elections, as desired by the Iraqi people and as outlined in Iraq's constitution," concluded the statement.

#### **Iran's influence in Iraq a threat to region**

Khaleej Times November-28-2009- The influence of Iran in Iraq is so extensive that it will reshape the region and could be contained only if free and fair elections are held in Iraq, said an Iraqi politician. Ayad Jamal Aldin, leader of the Ahrar party, told Khaleej Times during a visit to Dubai last week that he believed Iran was substantially involved in the affairs of Iraq's political parties and called upon all parties to declare their source of funding. "At present, Iran occupies Iraq through its Iraqi agents," Aldin said, adding that this occupation is without tanks or planes or any other military force. Despite studying in the Iranian city of Qom and becoming a cleric, Aldin is a strong supporter of a secular state and is campaigning with the slogan "secularism is the solution". He is also against foreign influence in the country. Aldin said the result of the forthcoming elections would determine the continuing role of Iran in Iraq. "After the elections, the US will withdraw its forces and Iran would have complete control over Iraq," he said. "It would have full control over Iraq's oil reserves, Gulf's waters. Americans know the fact but cannot admit it – because it would mean they failed." Aldin said while historically Iran and Arabs were divided by cultural and language differences, Iran would bridge the gap through its influence in Iraq. Aldin also pointed to Transparency International Corruptions Perception Index reports that consistently ranked Iraq as one of the four most corrupt countries. "In order to solve these problems, there has to be an electoral

law. Aldin also called upon all Iraqi political parties to declare their source of funding to ensure transparency and prevent foreign influence. He said Ahrar was supported by Iraqi businessmen and only had 'modest' funds. The cleric, who has attracted opposition for his calls demanding Iraq to be made a secular state, says he came to the conclusion after seeing the political situation in Iran. He says he is one of the most targeted personalities in Iraq, having faced a serious attempt on his life earlier this year. Aldin spent two years in Dubai studying at the Imam Ali mosque and now his family, including six children, live in the city. — zoe@khaleejtimes.com

### **US hopeful of breakthrough in Iraq vote deadlock**

Reuters November-29-2009-Vice President Joe Biden pressed Iraq's leaders in a series of telephone calls on Saturday to break a deadlock that has stalled preparations for an election seen as critical for U.S. troops to withdraw, U.S. officials said. A senior U.S. administration official said Washington was hopeful a tentative deal on Iraq's election law would allow a national vote to be held and for a new parliament to be elected and seated by March 15, when the term of the current assembly is due to expire. Biden serves as President Barack Obama's point man on Iraq. Iraqi officials are working to secure final approval of the deal from Shi'ite Muslim, Sunni Muslim and Kurdish political factions, the administration official said. Iraq's government is led by the country's majority Shi'ites. The minority Sunnis had controlled Iraq before the 2003 U.S.-led invasion. Biden traveled to Iraq in September, his second trip in three months. He has sought to cajole Iraq's feuding leaders to compromise on sticking points including the election law. He is due to visit Iraq again before the end of the year. The White House said in a statement that Biden commended Iraqi leaders in Saturday's telephone calls for "finding a solution to the election law impasse." *'Fair to all sides'* "He encouraged them to finalize an arrangement that would be fair to all sides and that would allow national elections, as desired by the Iraqi people and as outlined in Iraq's constitution," the White House said. The White House did not identify the Iraqi leaders to whom Biden spoke. The current crisis was sparked by Vice President Tareq al-Hashemi, one of three members of a presidential council with the power to veto legislation, who rejected an initial electoral law that parliament had spent weeks negotiating. He complained that the law did not give enough of a voice to the hundreds of thousands of Iraqis who fled abroad during the fighting. Many are Sunnis, as is Hashemi. Hashemi's office said on Thursday he was less likely to veto the preliminary agreement reached with political parties, the Shi'ite-led government and electoral authorities. The election is a milestone for Iraq as it emerges from years of sectarian violence that followed the 2003 invasion. It also comes as the United States seeks to meet a deadline at the end of August 2010 to withdraw its combat troops. Obama has promised Americans he will end U.S. involvement in the Iraq war at the end of 2011. He also has said he hopes that financial savings from winding down the war will help to reduce the size of the \$ 1.4 trillion U.S. deficit. There were fears that an election delay could force Washington to alter its troop withdrawal timetable, but U.S. officials have made clear that is highly unlikely. While Iraq originally planned to hold the election in January, the U.S. official said this was not mandatory and that the key date was March 15. Biden, who has sought to build on close relations he developed with several of Iraq's leaders when he was a U.S. senator, has held a number of telephone conversations with them in recent months.

### **Blair denies govt attorney advised Iraq war was 'illegal'**

Kuwait Times November-30-2009- Britain's former prime minister Tony Blair yesterday denied a report that his government's chief legal adviser told him before the start of the Iraq War that deposing Saddam Hussein would contravene international law. Asked by CNN television whether an allegation published in Britain's Mail yesterday newspaper that then-attorney general Peter Goldsmith was "gagged" after trying dissuade Blair from lending Britain's support to the US-led war, the former prime minister responded, "No, it's not. But I think the best thing with this inquiry is actually to let us all give our evidence to the inquiry," Blair said. The newspaper wrote that ministers were secretly told at a July 23, 2002 cabinet meeting that the United States and Britain were set on "regime change" in Iraq and that Goldsmith, who attended the meeting, strongly expressed his disagreement with the policy in July 29 letter he wrote to Blair. In the letter, Goldsmith pointed out that war could not be justified purely on the grounds of "regime change", the newspaper reported. Goldsmith eventually gave qualified legal backing to the conflict days before the war started in March 2003 in a brief, carefully drafted statement. But Blair refuted the newspaper account yesterday, telling CNN he would have more to say on the matter when he testifies before an inquiry currently probing Britain's involvement in the war. I've been through these issues many, many times over the past few years and I'm very happy to go through them again. But I think probably the appropriate place to do that is in front of the inquiry," the former prime minister said. The inquiry heard in its first week that Britain's ambassador to the United Nations at the time, Jeremy Greenstock, believed the invasion to be "of questionable legitimacy". The inquiry, Britain's third related to the conflict, is looking at its role in Iraq between 2001 and 2009, when nearly all its troops withdrew and is to report its findings by the end of 2010.

### **Economic front:**

### **Social front:**

### **Iraq civilian deaths drop to lowest level since start of war**

The Peninsula December-01-2009- The civilian death toll in Iraq fell to its lowest level in November since the 2003 US-led invasion, defying predictions of a spike in violence before next year's parliamentary election, officials said yesterday. Eighty-eight civilians were killed this month in violence, Health Ministry data showed, the first time the monthly body count has dropped below 100. "These statistics are the lowest since the invasion," an Interior Ministry official, asking not to be identified, said.

### **Southern Iraqi city removes ban on alcohol**

Azzaman, December 3, 2009- The authorities in the southern city of Basra have removed a ban on the sale of alcohol, which was imposed due to pressure from religious groups. The decision to lift the ban, taken last week, has led to the reopening of liquor shops across the city. The decision came following weeks of deliberations. The reopening of alcohol shops signals a retreat in the influence of militant Islamist factions. But observers say there are fears of reprisals against alcohol shop owners who are mostly Christian.

Several alcohol shops have been burned and shopkeepers kidnapped or killed in several cities in the southern and central parts of the country. Hashem Laibi, the spokesman for the provincial council said the decision banning alcohol had to be revised "because it was taken in the absence of the council's president. Laibi said the discussions in the council were free and democratic. The members had first to take the constitution into considerations which "guarantees civil rights and freedoms for all citizens regardless of their religious or social affiliation." He admitted that there were groups who did not want to see the ban lifted. "However there are some who also express fear that banning alcohol might be interpreted as a violation of personal freedoms," he said.

## **Lebanon**

### **Political front:**

#### **Lebanon: March 14 wins pharmacists' election**

November 30, 2009 Lebanonwire - The March 14 alliance secured on Sunday a 14 to nil win at the Pharmacists Order's elections during which 2,428 out of 4,400 members participated in the process under a calm atmosphere. The list under the slogan of the "professional conscience" backed by March 14 won the elections of the Pharmacists' syndicate. "As a pharmacy school, we are capable of winning the elections democratically since what matters to us is the pharmacists' interests first and last and I thank those who voted for me as well as those who refrained," newly elected head of the syndicate Ziad Nammour said Sunday. Three lists, "Profession Conscience" backed by March 14 forces, "Dignity" backed by the opposition and a third independent list competed for 14 seats, including eight for the order's council, four for the retirement funding board and two for the disciplinary council. Nammour voiced hope that pharmacists would "keep a distance between politics and their professional career in order to preserve the best interests of the order's members." Nammour won by more than 350 votes over his competitor Jihane Abou Jaoude, who was supported by opposition parties the Free Patriotic Movement, Hizbullah as well as the Amal Movement. Pharmacist Ziad Nassour was elected President of the syndicate after gaining 1349 votes. The members of the syndicate are comprised of Douri Baddoura (1344 votes), Tony Youssef (1347 votes), Fadi Kaadi (1259 votes), Tony Aoun (1313 votes), Chaoki Shammas (1233 votes), Ziad Damerji (1307 votes) and Adib Shayya (1317 votes).

#### **Hezbollah declares manifesto, calls for abolishing political sectarianism**

November 30, 2009 Lebanonwire- Hezbollah Secretary-General Sayyed Hassan Nasrallah on Monday declared the party's new manifesto, the second in the group's history after the "Open Letter" in 1985 which called for the establishment of Islamic rule in Lebanon. This time, Hezbollah wants a country for all faiths. At a press conference held at al-Jinan hall in Beirut Southern Suburbs, Nasrallah addressed the public through a giant screen. Nasrallah was re-elected head of Hezbollah earlier this month following a congress that also adopted the new manifesto, which was not revealed at the time. Hezbollah's first manifesto in 1985 called for the establishment of Islamic rule in Lebanon, but the party leadership has toned down its rhetoric in recent years as it gained political clout. Political sectarianism is blocking the development of the Lebanese political regime and standing

as an obstacle in the face of a democracy where the majority rules and the minority opposes," stressed Nasrallah and added that abolishing political sectarianism is a "basic condition" for the implementation of the majority-minority rule. Nasrallah said that Hezbollah's new manifesto aims to define the political vision of the party and includes its visions, stances, and aspirations. Nasrallah said that Hezbollah rejects any kind of segregation or federalism in Lebanon, whether explicit or disguised. He added that his party wants Lebanon to be strong, active, and present in the geopolitics of the region. "Our vision for the State that we should build together in Lebanon is represented in the State that preserves public freedoms ... the State that is keen on national unity, the State that protects its land, people, and sovereignty," added Nasrallah declaring Hezbollah's new manifesto. Hezbollah's number one added that Lebanon's presence "at the borders of occupied Palestine obliged it to bear national and pan-Arab responsibilities." "In the absence of strategic balance, the Israeli threat obliges Lebanon to endorse a defensive strategy that depends on a popular resistance participating in defending the country and an army that preserves the security of the country -- in an integrated manner," added Hezbollah's Secretary-General. On the other hand, Nasrallah said that "U.S. terror is the root of all terror in the world", adding that the current historical transformations "signal the retreat of the U.S. role and the demise of the Hebrew State." "Hezbollah does not underestimate the size of current challenges and threats or the severity of the confrontation path. However, Hezbollah has now clearer choices and more trust in its people," added Nasrallah. Hezbollah's leader said that the "resistance movements are at the heart of international transformations" and that they emerge as a strategic factor after performing a central role in producing those transformations in the region. -with Naharnet

### **Sleiman underlines need to strengthen national unity**

Daily Star staff- Tuesday, December 01, 2009: President Michel Sleiman stressed on Monday the need to work on strengthening national unity and stability in order to promote Lebanon's economic and growth. Sleiman who is expected to arrive on December 12 in the United States, would hold talks with US President Barak Obama two days later during which he is expected to underline the Palestinian refugees' right of return as well as Lebanon's rejection to undertake any direct peace negotiations with Israel separately from Syria. Sleiman's stance concerning Lebanon's refusal to unilaterally undertake peace negotiations has been coordinated with Syrian President Bashar Assad during the Lebanese president last visit to Syria earlier this month, the Central News Agency reported on Monday. Sleiman is also expected to tackle an increase in US military aid to Lebanon. Prior to Sleiman's visit, the Cabinet is scheduled to convene on Wednesday to approve the government's policy statement as March 14 Christian parties would express their reservations on article six of the document. The Lebanese Forces and the Phalange Party along with Labor Minister Butors Harb rejected article six of the statement – a clause which grants the resistance the right to liberate occupied territories – saying it allotted the resistance a separate and independent status from the Lebanese state and its people, a reference to Hizbullah. In a statement issued on Monday, the Phalange Party stressed its rejection to equalize between the arms of the Lebanese Army and that of Hizbullah as well as the sharing of sovereignty over Lebanese territories which contradicts Lebanon's best interests and its commitment to international

resolutions. “The Phalange Party calls for the preservation of the principles of the Cedar Revolution principles and its goals which represented the beliefs of a sweeping majority of the Lebanese,” the statement said following the party’s politburo meeting headed by Amin Gemayel. The statement also called for the re-establishment of balance between constitutional powers particularly amending the prerogatives allotted to the presidency in order to allow the president to assume his role in preserving the Constitution and independence. Similarly, Labor Minister Butros Harb said on Monday that he and March 14 Christian parties would express their reservations over the ministerial statement but would not obstruct the Cabinet’s work in light of the positive atmosphere of cooperation. Meanwhile, the meeting of Christian ministers on Monday did not result in a united stance regarding the statement as the attendants ended the gathering by expressing their support to Prime Minister Saad Hariri’s efforts to head a Cabinet with a minimum level of unity among its members. Pharaon added that some positive additions were incorporated in the statement such as granting the state monopoly over the country’s general policy. Information Minister Tarek Mitri, who participated in the meeting, said the ministerial statement reflected the disagreement between different political parties over article six since it stressed on one hand Lebanon’s right to resist by means of its army, people and resistance and on the other hand highlighted the state’s unity and monopoly. Mitri added that he attended the meeting to exchange ideas and discuss the different stances on the issue.

#### **Aoun dismisses need for Christian reconciliation talks**

Daily Star staff Monday, November 30, 2009: Free Patriotic Movement (FPM) leader MP Michel Aoun said on Saturday that there was no need for a reconciliatory meeting with Lebanese Forces (LF) leader Samir Geagea prior to a change in the LF political stances. He added that the FPM and the LF continued to diverge on an array of political issues. “There is no need for reconciliations or meetings; the meeting [will] take place once a change in political stances [has taken place], but currently we compete politically, based on different agendas,” Aoun said. Following his meeting with Lebanese Democratic Party leader MP Talal Arslan in Khaldeh on Saturday, Aoun stressed his alliance with Arslan, while adding that the implementation of the Cabinet’s policy statement was more important than drafting the document itself. Aoun said he discussed with Arslan issues such as the naturalization of Palestinian refugees and the weapons of the resistance. Aoun visited Arslan on the occasion of Eid al-Adha, the Feast of the Sacrifice, which commemorates the Prophet Abraham’s willingness to sacrifice his son as a test of his faith in God. Eid al-Adha also marks the end of the annual pilgrimage to the Saudi holy city of Mecca. Aoun said he had not yet evaluated the final draft of the ministerial statement, despite taking part in its formulation. When asked whether his visit to Arslan would instigate some tensions with other Druze figures, Aoun expressed his party’s content with all reconciliations that took place. The FPM leader added that he sent his best wishes for Eid al-Adha to Progressive Socialist Party leader MP Walid Jumblatt. Aoun and Jumblatt met Friday under the sponsorship of President Michel Sleiman. Both leaders described the meeting as positive, saying it would lay foundations for coexistence in the Chouf region in order to assist the return of the displaced. Sectarian clashes between Druze and Christian militias during Lebanon’s civil war forced scores of Christians to flee their homes in the Chouf. Aoun also praised Arslan, stressing that the



latter was a major partner to the FPM in domestic and national politics, adding that his visit was not a reconciliatory one, given the normal relationship with Arslan. The FPM leader also denied any reproach by Arslan regarding negotiations during the Cabinet formation, while stressing that “at certain times exceptional circumstances necessitate certain political stances.” Meanwhile, Arslan stressed his strategic alliance with Aoun away from any personal or tactical interests. Arslan also underlined its commitment to preserve coexistence in Mount Lebanon in partnership with the FPM.

### **Geo strategic front:**

#### **Germany hands over Maritime Task Force in Lebanon to Italy**

November 30, 2009 Lebanonwire- Germany handed over Monday command of the United Nations Interim Forces in Lebanon Maritime Task Force (MTF) which monitors the Lebanese seawaters, to Italy for the next six months. In a ceremony aboard German flagship FGS Schleswig-Holstein at Beirut harbour, Rear Admiral Paolo Sandalli of Italy assumed command from Germany's Rear Admiral Juergen Mannhardt. UNIFIL Commander Major-General Claudio Graziano paid special tribute to Germany for its competent leadership of MTF over the past months. He also praised the Lebanese navy's performance. "The combined employment of Lebanese army, navy patrol craft and coastal radar in interdiction operations, the navy's involvement in hailing merchant vessels and in the boarding and inspection of suspicious vessels at sea, including at night, have significantly contributed to securing Lebanese maritime borders," Graziano said. UNIFIL-MTF assists the Lebanese navy in securing the territorial waters and help in preventing unauthorized entry of arms or related material by sea into Lebanon, especially to the Shiite Lebanese movement Hezbollah. Since the start of its operations on October 15, 2006 in the wake of the 33-day war between Israel and Lebanon, MTF has stopped around 28,000 ships and referred nearly 400 suspicious vessels to Beirut authorities for further inspection, a UNIFIL press release said. After Monday's command changeover, UNIFIL-MTF now comprises naval units from Germany (3 ships), Greece (1 ship), Italy (1 ship) and Turkey (1 ship). –DPA

#### **US embassy denies feltman lebanon visit**

The United States Embassy in Lebanon denied on Monday media reports about a possible visit this week by US Foreign Assistant for Middle Eastern Affairs Jeffery Feltman to Lebanon as well as other reports about the appointment of a new US ambassador to Beirut to replace Michele Sison. The Central News Agency had reported on Monday that Feltman would pay a visit to Beirut by the end of the week during which he would hold discussions with top Lebanese officials and leaders of the March 14 coalition to discuss the US administration outlook on the resolution of the Palestinian-Israeli conflict ahead of US president's special envoy to the Middle East George Mitchell's visit to the region. – The Daily Star

#### **Nepal bans migration to Lebanon amid abuse fears**

Daily Star staff- Monday, November 30, 2009: Nepal reintroduced last week a work deployment ban for Lebanon, highlighting growing international concern over the treatment of migrant domestic workers following a wave of suicides over the last two

months. According to a report published Saturday by Nepalese newspaper The Himalayan Times, Nepal's Department of Foreign Employment reintroduced the ban, lifted in May, because of the recent suicides of two female nationals. Sunit Bholan, 22, allegedly committed suicide October 8, and Mina Rokaya, 24, died in hospital on October 23. A police report seen by Human Rights Watch (HRW) says she died from a heart attack. The women are among at least 10 migrant domestic workers to have died since October. "The ban ... is a necessary emergency step in the face of an alarming rise in the number of suicides by domestic workers in Lebanon," said Fatima Gomar, editor of Migrant-Rights.org. "There is a growing understanding among Asian governments that they need to step up and bar their citizens from working in countries where their rights are not protected." Still, Gomar doubted the ban would halt Nepalese workers travelling to Lebanon illegally. Nepalese workers, the majority of them women, count for some 17,000 out of approximately 200,000 migrant workers in Lebanon. While many are treated with respect by employers, a number encounter abuse. Studies by the American University of Beirut and HRW have shown many women are forcibly confined to their employer's house, made to work without a day off, subject to sexual or psychological abuse, have their passports confiscated and their salaries withheld. Migrant workers are not protected under Lebanese labor law. Passport retention can be a tool to hold workers in exploitative and/or difficult work conditions," said Azfar Khan, senior migration specialist at the International Labor Organization's Regional Office for the Arab States. "Despite our best efforts the situation seems to be going from bad to worse." The Himalayan Times said the ban was also influenced by the failure of Nepalese recruitment agencies to fulfill promises to establish shelters and to monitor their clients' treatment by calling them every fortnight. It added nine Nepalese migrants had committed suicide in Lebanon since March this year. Recruitment agencies often target women in poor rural areas and give misleading information about what to expect abroad, said Nadim Houry, senior researcher at HRW. One Nepalese woman who broke her leg trying to escape her employer, told him "she saw the snow on the mountains and thought if she could cross the mountain, she'd be in Nepal." The ban follows on from similar deployment restrictions enforced by Sri Lanka, Philippines, Ethiopia and Madagascar.

### **Economic front:**

#### **Dubai crisis won't drastically affect the Lebanese economy - experts**

November 30, 2009 Lebanonwire- Lebanon will not be drastically affected by the looming financial crisis in Dubai but Beirut should derive news lessons from the experience of the once-thriving emirate, economists and bankers said on Sunday. There was also a consensus that one should wait to see what kind of action the oil-rich Abu Dhabi will take to help its neighbor Dubai. It is premature to assess the impact of the crisis in Dubai on Lebanon. But I don't think the country will be gravely affected," Jihad Azour, former finance minister and presently a senior executive at Booz & Allen company, said. But Azour warned that in the short run, the markets will be nervous until things in Dubai become clearer. Almost every stock market in the world was hit by the shocking news that Dubai World has notified its creditors that it would default in the payments of its \$59 billion loan. Financial analysts agree that Dubai's image as one of the leading financial hubs in the world has been badly tarnished by reports that the emirate is

in dire need of massive cash injection to bail out its economy. It is estimated that close to 80,000 Lebanese are working in the United Arab Emirates (UAE), and nearly 30,000 of them in Dubai emirate alone. Most of the Lebanese expatriates are white-collar employees with professions ranging from engineers to top managers in leading firms. The global financial crisis less than two years ago has left its traces on Dubai's booming real estate sector. But despite this crisis very few Lebanese have been laid off so far by their companies in Dubai, Abu Dhabi, Qatar and Saudi Arabia. There was also some concern that the size of the remittances sent by Lebanese in the UAE in general may decline if some companies started dismissing their expatriates' workforce. The central bank said recently that up to \$7 billion in remittances have entered Lebanon in the first 10 months of 2009, representing 25 percent of the country's GDP. Azour said the Lebanese market has rallied after the formation of the Cabinet but has not noticed any big improvement in the size of assets. Analysts seem to agree that even if Abu Dhabi rushed to the rescue of Dubai, the era of mega projects which some describe as a white elephant project in the emirate will be over. Joe Sarrouh, adviser to the chairman of Fransabank, said that Abu Dhabi is expected to help Dubai in its economic crisis but this assistance will most likely be conditional. He added that Dubai needs more transparency and good governance. "Do we really know who owns Dubai. Is it 15 to 20 families? All these things need to be clear," he said. Sarrouh said that the recent events in Dubai should serve as a wake-up call for everybody. He doubts that Gulf real estate firms will pull out from Lebanon due to the crisis in Dubai. Elie Yashoui, an economist, argues that Lebanon and other countries should learn lessons from the collapse of the markets in Dubai. "Most of the projects in Dubai were enormous and frankly unrealistic. The planners of these projects hoped that investors will rush to buy a stake in these properties but their dreams were quickly dashed by the global financial crisis," Yashoui said. He expressed confidence that Abu Dhabi will not leave Dubai alone at this critical moment. "But this assistance will be attached to rough conditions such as more conservative spending, more transparency and above all limiting social liberalism in Dubai," Yashoui said. Others pointed out that two Abu Dhabi based Islamic banks have issued \$5 billion in bonds to help Dubai in its crisis. But observers believe Islamic banks and financial institutions may ask Dubai to apply Islamic principles in the liberal emirate. He added that Lebanon should not venture into unrealistic projects or it will have the same fate of Dubai in the future. He stressed that the new government must come up with bold economic policies in order to create jobs and achieve growth. "The ministerial statement has nice titles but they lack proper mechanism to implement these thoughts in order to achieve real economic growth," Yashoui said. -Daily star

### **Refugees now view Lebanon as the enemy**

The National, November 29, 2009 Lebanonwire- In a child's picture pinned on a damp wall at the Palestinian Children and Youth Institute, an aeroplane emblazoned with the Lebanese cedar drops bombs on a house covered by a Palestinian flag. Melad Salameh, the institute's director, explains that the ragged children running around him no longer see Israel as the enemy. A generation is growing up who see their suffering stemming from Lebanese authorities. This is the Palestinian refugee camp Nahr al Bared, 18 months on from a conflict between the Lebanese army and Fatah al Islam militants that destroyed the heart of the camp. Now what remains is a hotchpotch of ruined buildings and

prefabricated houses, into which displaced families have crowded and live in squalor and, increasingly, anger. And all under the watch of the Lebanese army, which has maintained a presence at the camp since the fighting. Both the camp and its surrounding area – or the “new camp” as it is known – have now been declared military zones. Since a treaty signed in 1969, the government of Lebanon has allowed Palestinian forces to control security within the camps, but after the 2007 conflict, the Lebanese army assumed control of Nahr al Bared and its surrounding area. Security is now tight and every Palestinian not resident full-time in Nahr al Bared needs to apply monthly for a permit to enter the camp. After the conflict, the 5,500 families living in the camp – approximately 27,000 people – were made homeless, of whom 3,280 families have moved back to the new camp’s tumbledown buildings. The remainder are crammed into nearby Beddawi camp or are struggling to live elsewhere in Lebanon. “Some families are split,” said Yasser Daoud, of Nabaa NGO, which works in the camp. “Half are in Nahr al Bared, and half not,” he said, stressing that people sometimes had to apply for permits and submit to searches to see their own family in a place where they used to live. “It is like Israel,” said Bassam Jamil Hubeichi from the Palestinian Human Rights’ Group. “You need permission to get into your house – permission from the [Lebanese] army. They say that we are brothers and we are refugees, so why do they treat us like terrorists?” Charles Higgins, the head of the United Nations Relief and Works Agency (UNRWA) in the north of Lebanon, said the presence of the army and internal security forces, who now work together in Nahr al Bared, was holding up recovery efforts. Moreover, an idea now being put forward by politicians to use the reconstruction of Nahr al Bared as a model for the rest of the country’s camps – meaning the presence of Lebanese security forces in all the camps – would be highly unpopular with Palestinians, Mr Higgins said. “If the plan is to work it needs to be accepted by the people and that’s not happened,” he said. There has been no consultation with Palestinians so far and “the future isn’t promising anything different yet”. Nahr al Bared is one of Lebanon’s 12 Palestinian refugee camps, and was home to 5,500 families before it became the focus of fighting in 2007 between the Lebanese army and the extremist group Fatah al Islam, based in the camp. As tens of thousands of Palestinians fled the violence, aerial bombardment reduced the original camp to rubble, also destroying many of the buildings on the outskirts where the camp had overspilled its boundaries. Large areas were left riddled with unexploded ordnance. The displaced people took shelter in the homes of fellow refugees in nearby Beddawi camp, which is much smaller, and on the fringes of Nahr al Bared, in houses, garages and in temporary shelters provided by UNRWA. Ms Moussa, from Nahr al Bared, now shares a one-room home with her sister after losing her house and her clothes shop in the violence. “It is so crowded and difficult,” she said. “We are visitors here in Lebanon, but it’s our human rights to go back” to a rebuilt version of the camp. While much of the rubble has been cleared and many unexploded bombs have been removed in the 18 months since the end of the fighting, there has been little sign of reconstruction in Nahr al Bared. Frustration at squalid living conditions and lack of progress has grown – along with unemployment, truancy and resentment toward the government – and there were a number of protests over the summer. “We have lost hope in rebuilding the town,” said Aziza Wehbe, a 42-year-old mother of 10 who struggles to feed her children, even with UNRWA help. Although there are few weapons in the camp, political factions express fury and are gathering support, particularly among young people. There is a feeling that Lebanon has

replaced Israel as the enemy, something expressed in graffiti linking 2007 with 1948; people call the 2007 war as the second “Nakba”, or “catastrophe”, as the events surrounding the creation of Israel in 1948 are commonly known. Lina Makdeshi of the Lebanese-Palestinian Dialogue Committees said she was concerned by the growing anger among Palestinians. “For someone living in a temporary shelter the conditions are not adequate and they feel their lives have been put on hold,” she said. Epic political wranglings, including a five-month post-election fight to form a cabinet, have played a large part in delaying reconstruction efforts. In August, for example, the prominent opposition MP, Michel Aoun, succeeded in halting the concreting of the ground in Nahr al Bared on the pretext that Roman ruins found in the area had to be investigated first. Work was suspended for 60 days, only resuming this month. It is widely believed Mr Aoun was merely using the site’s history as a political tool, invoking Lebanon’s heritage in order to garner public support as he fought for greater cabinet representation for his allies. Currently, a master plan for Nahr al Bared still awaits government approval, as officials and experts debate how to rebuild a place that over decades had become an overpopulated warren of unplanned building. Fitting tens of thousands of people back into such a small space means that some building regulations have to be disregarded, and all plans have to be approved by the army, who stipulate, for instance, that basements or partial basements were a security risk as they could provide hiding places for insurgents. The best-case scenario is that 423 families displaced by the violence will be moved into the first of eight new apartment blocks in the camp in the first quarter of 2011. But financing is also a problem, with the current UN funds available only enough to pay for two and a half of the eight sectors due to be rebuilt. UNRWA officials are currently trying to raise more money and are regularly taking potential donors on tours of Nahr al Bared. Meanwhile, social problems in the camp fester. The resultant trauma is clear among children, said Mr Salameh, the director of the children’s institute, from bed wetting, to difficulty in learning to a tendency to fight or even – he pointed out one little boy dressed in camouflage – to set fire to things. Mrs Wehbe, the mother of 10, is worried for the younger generations. “The most important psychological effect on our children is that they’ll become children who attack each other.”

### **Lebanon successfully issues \$500 million in Eurobonds - Hassan**

Daily Star staff- Wednesday, December 02, 2009: New Finance Minister Raya Haffar Hassan said Tuesday that the government has successfully issued \$500 million in Eurobonds to refinance the public debt and stressed that all ministers are keen to implement economic reforms. The minister also suggested that the government may consider raising taxes or value added taxes if more investments in infrastructure such as building more power plants become crucial. In her first press conference since she assumed her new post, Hassan said that the new bond issue was quickly oversubscribed by Lebanese and foreign investors. The new bond is split into two categories, the first with a five year maturity and the second is for 15 years. But Hassan said that the rates and yields on these bonds are still being negotiated with the investors. The Finance Ministry has repeatedly said it won’t have any problem in refinancing the maturing Eurobonds and treasury bills in 2010 because the Lebanese market is very liquid. The successive Lebanese governments have been tapping the local and international markets to cover the cost of debt servicing which represent more than

45 percent of the total spending of the Finance Ministry. "We are benefitting from the fall of interest rates both in the local and international markets and this will make it easier for us to seek loans at low rates," Hassan said. Commenting on the ministerial statement, Hassan said that all ministers have demonstrated readiness to cooperate with Prime Minister Saad Hariri to implement the remaining items in the Paris III donor conference paper as well as to speed up the privatization of state owned assets. She denied that Telecom Minister Cherbel Nahas is against privatization of the telecom sector in Lebanon. "Actually, Nahas to my surprise never said that he opposes privatization but he wants a specific mechanism to sell part of these assets to the private sector," Hassan said. Privatization is a key element in the Paris III paper but the previous cabinets failed to achieve this goal due to sharp political differences, security incidents and the ravaging Israeli war on Lebanon in July 2006. She noted that Nahas had not yet decided what scenario for privatization he would choose. The minister admitted that privatizing electricity cannot be accomplished soon because the first thing needed is the restructuring of Eelectricite du Liban. She added that Energy and Water Minister Jebran Bassil had promised during the discussions he would raise production in a certain period of time. Hassan said that if increasing electricity production would cost \$1 billion to \$2 billion then Bassil and his team must find proper financing because the government is unable to assume this task. As for the possibility of new taxes, she said this step depends on whether spending on investment projects rises substantially. She noted that the prime minister was also keen to push for the improvement of social benefits in order to reduce poverty in Lebanon. Hassan is also working on modernizing the tax system and unify tax procedures.

### **French banking boss lauds Lebanese prudence**

Daily Star staff- Tuesday, December 01, 2009: The governor of the Banque de France, Christian Noyer, praised Lebanon's stringent banking regulations for their good practice as he addressed a select audience of Lebanese bankers at Banque du Liban's headquarters in Beirut on Monday. Noyer's remarks came as he spoke about the need for governments to reform their financial and budgetary policies to create lasting plans to haul their respective economies from the devastating effects of the financial crisis. "In a certain way, the entire world will converge toward the Lebanese regulations," Noyer said, referring to the severe banking regulations that famously characterize Lebanon's banking sector, an accolade to which the audience reacted with a sudden outburst of applause.

Noyer also offered a quick insight on his perspective of the looming financial crisis in Dubai, following shocking news last week that state-owned investment giant Dubai World told creditors it would default on payments of its \$59 billion loan. His comments, coming in response to a question from the audience, were guarded. In his address, Noyer expressed his belief that world economies were surfacing, at last, from the financial malaise that rocked world economies for the last two years. Concerning the French economy, Noyer said the Bank of France was expected to confirm its revival during the fourth quarter of this fiscal year. But Noyer warned that the current upswing of the global economy resulted, in part, from a series of conjectural factors and short-term policies that would offer a temporary fix rather than a permanent cure. In order to sustain their growth in the long-term, the central bank governor pointed to the need for governments to reform their budgetary and economic policies. In Europe, he called for a more comprehensive

integration of the economies of the eurozone through liberal structural reforms. Worldwide, Noyer said strategies were needed to replace the emergency policies adopted as a temporary salve to the economic crisis. Noyer said that conclusions reached by world leaders at a recent G20 meeting should serve as a benchmark to help design domestic reform policies, which governments need to adopt in order to achieve long-term economic viability. While meeting in Pittsburg last April, world leaders agreed on a "road map" of economic reforms, which focused on the reinforcement of financial regulations, the strengthening of multilateral oversight, and of renewed assistance to strong international financial and banking institutions. Referring to a counter-example, the banker took a quick jab at China as he warned against the country's controversial monetary policy. Western economies have vehemently accused China over the last years of boosting its competitive edge on the world marketplace by artificially undervaluing its currency, the yuan.

### **Social front:**

#### **Lebanon: Skewed policies widen urban-rural divide**

November 30, 2009 Lebanonwire - The luxury brands and fashion powerhouses that line the streets of the Lebanese capital seem to suggest that this country is enjoying an hour of glory as the world is in the throes of a severe recession. Reality is different. Away from downtown's glittery sidewalks, people live in abject poverty, begging on the streets throughout the country's main cities. In stark contrast to the opulent cobblestone streets of the Beirut Central District, home to the likes of Fendi, Gucci and Cartier, in one of the back alleyways off the main Arab University road, a man in his sixties, lives out of his rundown, old car. According to a study published in 2008 by the United Nations Development Programme (UNDP), extreme poverty rates are at about eight percent in Lebanon. "People living under the line of extreme poverty spend less than 2.4 US dollars per day, which means that they can't afford even the most basic of food needs," underlines Raghed Assi, poverty programme manager at the UNDP. Another 20 percent of the Lebanese population lives under the upper poverty line, meaning that they have less than four dollars to spend per day. As one drives out of Beirut and into the beleaguered suburbs of Tripoli, Lebanon's second largest city, the sight of decrepit buildings inhabited by populous families is common. Ali, a member of the Alawite community (a Muslim minority) residing in Jabal Mohsen, explains: "I have been out of a regular job for over three years. I work part time as a mechanic in one of the city's garages and barely earn enough to feed my family." The UNDP study has put forth significant disparities between the poverty levels in various Lebanese regions. "For example, less than one percent, or more specifically 0.67 percent of Beirut residents, live under extreme poverty levels, while this figure reaches 17 percent in the north, 11.64 percent in the south, and 10.81 percent in the Bekaa area. Another 5.85 percent of the capital's population lives under upper poverty levels, while this figure climbs up to 52.57 percent in the north and 42.21 percent in the south," points out Assi. Yearly per capita expenditure reaches 2,650 dollars in Beirut, plummeting to 1,688 dollars in the north and 2,000 dollars in the south. "Pockets of poverty also exist in areas like Dennyeh, Akkar and Minieh in the north as well as around the suburbs of Beirut," says Assi. The UNDP programme manager explains that the disparity in poverty levels can be partially linked to

government policies which benefit the Lebanese capital in comparison to other regions, providing investors in Beirut with more incentives and facilities. Economist Ghazi Wazni attributes several other reasons to the significant regional disparities. "Lebanon's political instability and permanent bickering slow down growth and discourage investors from coming to Lebanon. It has prohibited the implementation of the 2007 reforms envisioned by the Paris III conference, which targeted poverty pockets through the enactment of new social, economic and educational policies." The growing deficit plaguing Lebanon, reaching nearly 50 billion dollars in debt, further exacerbates the problem. "Many of the reforms have been postponed because of the lack of funds, as about 45 percent of the government's yearly budget is earmarked for servicing the debt. However, only 46 million dollars are needed to alleviate the state of extreme poverty in Lebanon," Wazni says. Another reason accounting for Lebanon's current poverty problem is low income levels. The average salary in the country has not been adjusted in accordance with galloping inflation (projected at eight percent for 2010) and the erosion in consumer spending. "This is more significant in less stable sectors, such as the agriculture and manufacturing industries," says Assi. In the years before the 1975-1990 Civil War, Lebanon was one of the rare countries in the Middle East with a thriving middle class, but the UNDP study shows that today that is no longer the case. He goes on to add that about 10 percent of the population controls 70 percent of the country's wealth. According to Assi, 20 percent of the population accounts for 43 percent of national consumption. The reality of the Lebanese political system, built on allegiance to war lords and tribal figures who perceive revenue generating ministries as their personal piggybanks, only aggravates the problem of poverty. "In some Lebanese regions, any individual or government investment effort is systematically hindered by the local zaim (lord) in order to keep a tight rein on the local population," says one researcher on condition of anonymity. With the government turning a blind eye to poverty in Lebanon, a large percentage of the population is left to live without sufficient basic needs, such as food, water and electricity. Meanwhile, Beirut continues to bustle with activity and prosperity, crowded with big spenders and tourists who seem not to know or care how people live beyond the capital's fancy streets.

### **Political sectarianism 'responsible' for emigration**

Daily Star staff- Monday, November 30, 2009: Development and Liberation bloc MP Hani Qobeissy said on Sunday that political sectarianism in the country has led many Lebanese youth to emigrate in pursuit of stability. He added that abolishing political sectarianism would enable emigrants' return and share their experience abroad to strengthen Lebanon. Parliament Speaker Nabih Berri's proposal to abolish political sectarianism has drawn huge debate on Lebanon's political scene. Qobeissy said Berri's recent proposal to abolish sectarianism "aims to limit those willing to advance personal interests at the expense of Lebanon's higher interests." – The Daily Star

### **Israel and Palestine:**

#### **Sheikh Sabri Barred From Al Aqsa Mosque For Six Months**

Thursday December 03, 2009- IMEMC & Agencies- The Israeli Authorities in Jerusalem handed Sheikh Ekrima Sabri, head of the Higher Islamic Committee in Jerusalem, a restriction order preventing him from entering the Al Aqsa Mosque, in East



Jerusalem, for six months. Sheikh Sabri is also the Khatib of the Al Aqsa Mosque. The Sheikh was handed the new order on Wednesday directly after he returned to the country after conducting pilgrimage in Mecca. He was ordered to head to the Police Station in the city to officially receive the order, but his lawyer, Khalid Zabarqa, demanded the police to grant him more time as he needs to rest following extended hours of travel. The police rejected the request and threatened to arrest the Sheikh which forced him to go to the Al Maskobiyya interrogation center to receive the order. Preventing Palestinian Muslims and Christians from entering the holy places in Jerusalem is an illegal act that violations the International Law and the freedom of religion.

**Jordan: “Settlement Freeze Must Include Jerusalem”**

Sunday November 29, 2009- IMEMC & Agencies- Jordan’s Foreign Minister, Nasser Joudah , stated Saturday that the Israeli declaration of a temporary freeze of settlement activities, excluding in Jerusalem, is an insufficient step that does not help in reaching a two-state solution, as settlement freeze must include occupied East Jerusalem. Joudah added that the International Community is trying to achieve peace based on a two-state solution, so the Palestinians can have their state in the West Bank and the Gaza Strip, with East Jerusalem as its capital. The Jordanian FM added that the peace process should be resumed from where it was halted, and should tackle all major issues, mainly Jerusalem, borders and refugees. He said that the United States must be actively involved in the peace process and should set a clear timeframe under international guarantees for a full Israeli withdrawal to the borders of June 4, 1967. Joudah further said that Jordan rejects the illegal Israeli activities in Jerusalem, and the attempts to affect the demography of the city in addition to the ongoing Israeli violations against Muslim and Christian Holy sites. He also stated that Jordan rejects the unilateral Israeli decisions that mainly aim at altering the status of Jerusalem as an occupied city, and called for halting all Israeli settlement activities until a permanent peace deal is reached and clear borders are set.

**Barak: “Settlements Part Of The State Of Israel”**

Wednesday December 02, 2009- IMEMC & Agencies- He added that settlements in the occupied Jordan Valley and the Dead Sea are very important to Israel and will never be evacuated. Israeli Ynet News reported that Hasdai Eliezer, head of Alfie Menashe settlement council, Mutzo Dahnam, head of Megliot settlement council, David Elhayani, head of the Jordan Valley Regional Council, and Oranit Settlement Council head Shumu Langer, attended the meeting. Several settlement council leaders in the West Bank rejected Barak’s call to attend the meeting. Barak said that the appeals committee, which was formed on Wednesday to receive applications rejecting settlement freeze, will provide official responses within 14 days. He added that the government recruited 40 inspectors to enforce settlement freeze, which does not include Jerusalem and the Jordan valley. He told the settlers that it is difficult for the government to issue a freeze order, but added that it is the government’s responsibility and the responsibility of settlement heads to abide by the law. Barak added that some constructions and the constructions of pergolas and technical infrastructure for the settlements can be done with the authorization of settlement council heads. The Israeli Defense Minister held a separate meeting with Hasdai Eliezer, head of Alfie Menashe settlement council, and told him that

settlement blocs are not “up for any negotiations”, and will always remain as an integral part of Israel.

### **Jordan Protests Over Excavation At The Church Of Holy Sepulcher**

Thursday December 03, 2009 - IMEMC & Agencies Jordan filed an official complaint to Israel demanding it to stop the excavations and renovations at the Church of Holy Sepulcher in East Jerusalem. The letter was handed to the Israeli Ambassador to Jordan on Thursday after he was summoned to the Jordanian Foreign Ministry in Amman. The Hashemite Kingdom said that the excavations and renovations violate the status quo of Jerusalem, and demanded Israel to stop its unilateral actions at the Church. The Jordanian government demanded Israel to immediately halt the excavations. But Israel claims that the work does not harm the integrity of the church of the Old City, and added that the renovations started following coordination with all related parties, including officials of the church. The AFP reported that sources within the Catholic Church in Jerusalem said that Israel started the excavations on November 23. The ongoing Israeli excavations under the Al Aqsa Mosque in Jerusalem, the excavations near the Church of Holy Sepulcher and the ongoing policies of demolishing Arab and Palestinians homes, constitute a war crime and a direct attack against the holy sites in the city. This is being carried out while the Jerusalem Municipality is demolishing Palestinian homes in East Jerusalem and facilitating settlers' control of Arab and Palestinian property.

### **Report # 95 & 96**

**BUSINESS AND POLITICS IN THE MUSLIM WORLD  
GULF COOPERATION COUNCIL  
NEWS MONITORING REPORT  
MADIHA KAUKAB  
21<sup>ST</sup> NOV 2009 TO 4<sup>TH</sup> DEC 2009  
PRESENTATION DATE: 9<sup>TH</sup> DEC 2009**

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Following news monitoring report is based on the important political, social, economic and Geo-strategic events occurred in Gulf Cooperation Council States along with a short summary of the report.

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## **SUMMARY**

### **International Front**

Italian Foreign Minister Franco Frattini said Tuesday the current foreign policy of his government focused on strengthening the relations with the Gulf Cooperation Council (GCC) six member states. Frattini made the remarks in a press conference at the Foreign Press Association in Italy on the occasion of the start of the enforcement of Lisbon Treaty. The treaty on European Union (EU) reforms, signed by the EU member states on December 13, 2007, takes effect on December 1, 2009.

Relations between *Saudi Arabia* and the European Union entered a new phase with the Riyadh-based European Commission Delegation changing its name to the "Delegation of the European Union to Saudi Arabia." EU officials also announced that Abdulrahman H. Al-Atiyah, secretary-general of the six-nation Gulf Cooperation Council (GCC), would pay an official visit on Dec. 22 to Sweden, which currently holds the EU's rotating presidency. On the other side Saudi Arabia said that it had taken control of a strategic mountain on the Saudi side of the border with Yemen, clearing the area of Yemeni Shia rebels.

### **Social Front**

A *Saudi* religious cleric has issued a fatwa (religious edict) proscribing the hiring of runaway housemaids. Saudi-based cleric, Shaikh Obaikan did not cite any specific reasons for issuing the fatwa, but some religious scholars have suggested that it could be based on the fact that fleeing one's job is considered a breach of contract.

The cost of the flood damage in Jeddah is now estimated at SR3.5 billion as of Wednesday, said a source with the committee charged with estimating total losses incurred by the city following last week's floods. Of this total, SR1.5 billion will be provided to citizens in the form of indemnities, the source said. The remaining SR2 billion is the damage estimated to the city's infrastructure which includes buildings and roads. More than 35 field committees are working round-the-clock to evaluate the extent of the losses caused by the floods.

US President Barack Obama hailed Saudi efforts to tackle the swine flu virus among over two million people gathered for Islam's holy ritual of Hajj, according to a Saudi report.

### **Economic Front**

Qatari stocks rose for a second session yesterday on sound fundamentals that attracted investors despite negative sentiment in the region over Dubai World's debt concerns. Bahrain and Kuwait — the only other markets open in the Gulf region — also logged gains as world stocks hit a fresh 14-month high, helping boost investor sentiment. "There is more to the Middle East than Dubai and this is what the investors are realising," said Shakeel Sarwar Butt, head of asset management at SICO in Manama. "The Qatar market is following its own fundamentals." The index rose 1.2 percent to 7,034 points as Qatar Gas Transport Co (Nakilat) and Qatar National Bank advanced 3.9 percent and 2.1 percent respectively. "The real estate and financial sectors in countries not exposed to Dubai will follow their own dynamics, not the negative impact of Dubai," said Butt. United Arab Emirates markets are closed to mark the country's national day and bourses in Saudi Arabia and Oman remain closed as the two countries observe an extended holiday to celebrate Islam's Eid Al Adha feast. In Kuwait, Zain gained 2.1 percent and National Bank of Kuwait 1.9 percent as the country's benchmark closed 0.7 percent higher at 6,698 points. Bahrain's index edged 0.2 percent higher to 1,439 points. **QATAR** index rose 1.2 percent to 7,034 points. In **KUWAIT** the benchmark advanced 0.7 percent to 6,698 points. **BAHRAIN** index edged 0.2 percent higher to 1,439 points.

Malaysia is working on speeding up the procedures for the free-trade deal with GCC countries, said an official here on Monday. Mukhriz Tun Mahathir, Deputy Malaysian Minister of International Trade and Industry (Trade), told the press on the sideline of the Malaysian-GCC business forum that Malaysia was very eager to do trade with the GCC, revealing that the overall amount of mutual investments had reached USD 27.08 billion.

Massive investments to expand bus networks in Saudi Arabia and the UAE are highlighting the potential for major growth in the commercial vehicles market in the Middle East as regional economies rebound from the global economic downturn.

The aluminium industry in the region is expected to meet around a quarter of the international market requirements by 2015. That was the message to delegates at the 12th Industrialists Conference: The Future of Industry in GCC Countries - 2020, which was

held at Doha last month from Aluminium Bahrain (Alba) chairman Mahmood Hashim Al Kooheji.

*Saudi Arabia* could escape its first fiscal deficit in seven years and bask under another surplus in 2009 because of the improvement in oil prices, according to an investment company in the kingdom. Announcing its 2009 budget in late 2008, Riyadh projected a budget shortfall of SR65 billion (Dh64.3bn) but the actual balance could turn into a surplus of around SR5bn at the end of the year, said NCB Capital, an offshoot of the Saudi National Commercial Bank.

## **DETAILED REPORT**

### **GCC**

#### **Italian diplomacy prioritizes relations with GCC members: Frattini**

Kuwait News Agency

Italian Foreign Minister Franco Frattini said Tuesday the current foreign policy of his government focused on strengthening the relations with the Gulf Cooperation Council (GCC) six member states. Frattini made the remarks in a press conference at the Foreign Press Association in Italy on the occasion of the start of the enforcement of Lisbon Treaty. The treaty on European Union (EU) reforms, signed by the EU member states on December 13, 2007, takes effect on December 1, 2009. Asked by KUNA on the main features of the Italian policy for the GCC, he said the development of the Italian-GCC ties is one of the main axes of the Italian diplomacy. In 2009 Italy restarted to strengthen its presence in the Gulf area after a period of absence, the minister underscored. The two sides have doubled the senior-level visit exchanges out of their shared desire to enhance the relationship in all fields, he pointed out. Frattini noted that the meeting between Italian Prime Minister Silvio Berlusconi and His Highness the Kuwait Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Jaber Al-Sabah here last week was part of the friendly exchanges between the two countries. Frattini plans to visit the State of Kuwait and the United Arab Emirates (UAE) in January, 2010, after visiting Saudi Arabia and Qatar earlier in 2009. Italy is Saudi Arabia's largest trade partners among the 27 EU member states. It is also a leading trade partner Kuwait, Qatar and the UAE, he pointed out. The GCC member states share Italy the desire to bolster up the friendly relations in all fields particularly in the domain of mutual investment, he said, recalling the GCC decision to choose Rome as the host of the GCC Week cultural activities in October. During their meetings, the Italian and the GCC leaders focussed on four major issues of common concern namely, the Iranian nuclear dossier, the EU-GCC relationship, the dialogue among civilizations, and the bilateral economic ties, he revealed.

#### **Tight security for GCC summit in Kuwait**

Kuwait Times

Kuwait is taking all security arrangements and preparations for the coming Gulf summit due in Kuwait on Dec 14 and 15, a high-ranking security officer said yesterday. The

security information department has already worked out a program for airing daily security messages ahead of the gathering entitled "Kuwait Summit and Gulf Ambition", Col Mohammad Al-Saber, the department chief and spokesman for the interior ministry, said. "The security information unit will send security messages to citizens and residents through official mass media, in collaboration with the supreme information committee, operation command," he said. The unit will also escort media representatives who will cover the two-day summit bringing together the leaders of the Gulf Cooperation Council (GCC) member countries, the officer added. He urged everybody in the country to help Kuwaiti security organs ensure a successful gathering in Kuwait. Meanwhile, Lebanese economists expressed hope that the summit would shore up regional stability and Arab cooperation. The economists hoped that the gathering "would come up with recommendations and resolutions that could lead to resolving several regional economic issues.

### **GCC summit comes in crucial timing - Lebanese journalists**

Kuwait News Agency

The upcoming summit of the Gulf Cooperation Council (GCC) scheduled to take place in Kuwait comes in a critical time for the Gulf and the Arab region, Lebanese journalists said Thursday. This event which was preceded by a successful economic summit that had the signature of Kuwaiti leadership, might come up with a mechanism that would help face crises the region might encounter, a number of Lebanese journalists told KUNA. GCC with its huge oil resources played a great role in the international economy; therefore, developments in the region were highly effective to economies such as that of the US, writer at Al-Nahar gazette said. The Gulf region was surrounded by hot spots such as Iran with its nuclear program and restless Iraq, he said adding that there were some "talks" about a strategy set by His Highness the Amir Sheikh Sabah Al-Ahmad Al-Sabah that might provide a comprehensive solution for the region's unrest. The summit would also "help boost relations among GCC countries," journalist at Assafir newspaper Satei Nour Al-Din said, and noted that issues such as Iranian nuclear program, Yemenis Houthi militias, and Iraqi unrest were "overrated." He hoped that the summit would mainly tackle boosting economy and educational institutions, along empowering the GCC to face challenges. Meanwhile, Secretary of the national council for media and Director of Lebanese daily Al-Anwar said that the summit under the wise leadership of HH the Amir would help the Gulf face regional and international challenges in the political and economic domains.

### **Economic Front**

#### **Gulf markets rally despite Dubai woes**

Reuters

Qatari stocks rose for a second session yesterday on sound fundamentals that attracted investors despite negative sentiment in the region over Dubai World's debt concerns. Bahrain and Kuwait — the only other markets open in the Gulf region — also logged gains as world stocks hit a fresh 14-month high, helping boost investor sentiment. "There



is more to the Middle East than Dubai and this is what the investors are realising,” said Shakeel Sarwar Butt, head of asset management at SICO in Manama.

“The Qatar market is following its own fundamentals.” The index rose 1.2 percent to 7,034 points as Qatar Gas Transport Co (Nakilat) and Qatar National Bank advanced 3.9 percent and 2.1 percent respectively.

“The real estate and financial sectors in countries not exposed to Dubai will follow their own dynamics, not the negative impact of Dubai,” said Butt. United Arab Emirates markets are closed to mark the country’s national day and bourses in Saudi Arabia and Oman remain closed as the two countries observe an extended holiday to celebrate Islam’s Eid Al Adha feast.

In Kuwait, Zain gained 2.1 percent and National Bank of Kuwait 1.9 percent as the country’s benchmark closed 0.7 percent higher at 6,698 points. Bahrain’s index edged 0.2 percent higher to 1,439 points.

## HIGHLIGHTS

### Qatar

The index rose 1.2 percent to 7,034 points

### Kuwait

The benchmark advanced 0.7 percent to 6,698 points

### Bahrain

The index edged 0.2 percent higher to 1,439 points.

## **Malaysia to speed up free-trade deal with GCC**

Kuwait News Agency

Malaysia is working on speeding up the procedures for the free-trade deal with GCC countries, said an official here on Monday. Mukhriz Tun Mahathir, Deputy Malaysian Minister of International Trade and Industry (Trade), told the press on the sideline of the Malaysian-GCC business forum that Malaysia was very eager to do trade with the GCC, revealing that the overall amount of mutual investments had reached USD 27.08 billion. He revealed that Malaysia was trying to promote Islamic oriented products to the GCC region, adding that Kuala Lumpur was eager to develop the notion of Islamic trade and business in the country. Malaysia is still looking at the GCC region as a place where good economic cooperation could exist, despite the ramification of the recession on the major financial hotspots in that region namely Dubai, affirmed the minister. The two-day Malaysia-GCC forum will focus on means to expand commercial and economic cooperation between the two sides in various sectors.

## **Commercial vehicles mart in Gulf expands**

Gulf Times

Massive investments to expand bus networks in Saudi Arabia and the UAE are highlighting the potential for major growth in the commercial vehicles market in the Middle East as regional economies rebound from the global economic downturn. In Riyadh, international public transport specialists LRTC from Germany have been called in to undertake an ambitious bus master plan for the Saudi capital. Dramatic expansion of regional bus services is shown best in Abu Dhabi which is expected to have more than 1,725 public transport vehicles on its roads by the middle of 2010 compared with around a dozen bus services just a few years ago. In Dubai, the Roads and Transport Authority (RTA) is continuing to expand its public bus services, adding more routes to link in with the new Metro system having completed a AED845 million deal in June to buy 518 new buses. Expansion of public bus services points to the region being an increasingly lucrative market for manufacturers who can now look forward with new optimism to the launch of the region's first specialized trade event for commercial vehicles in Dubai on March 9-11, 2010 at the Dubai International Convention and Exhibition Centre. Organized by Streamline Marketing Group, Commercial Vehicles Middle East, the event is designed to position the UAE as a focal point for the commercial vehicles industry in the Middle East, which is aiming for significant growth as the market recovers from the effects of the global economic crisis. The timing of the exhibition's launch has been welcomed by the Dubai Chamber of Commerce and Industry. "Recent studies and analysis suggest that the UAE is starting to recover from the global economic downturn, and the outlook for 2010 is promising," said the Chamber's Director General Eng Hamad Buamim. "Oil prices are near the highest level in a year and auto sales in the UAE are expected to rise five per cent in 2010, as easing liquidity conditions boosts confidence in the sector. We are confident that the commercial vehicles market will be one of the next to benefit from the UAE's general economic recovery." Manufacturers will have been encouraged by calls from experts at last month's International Association of Public Transport (UITP) congress in Doha for Middle East governments to pay more attention to strengthening public transport networks as a solution to population growth issues and traffic congestion. By 2020, Dubai 's population is expected to exceed five million, with mobility demand set to quadruple to 22 million daily passenger trips. In response, the RTA's master plan is designed to increase the modal share of public transport from 6 percent currently to about 30 percent over the next 10 years, at the expense of private cars. For the major players in the commercial vehicles sector, meanwhile, more opportunities are emerging as the requirements of private and public sector fleet managers increase. Proof of this was provided in the UAE last month when Fast Rent A Car announced it was investing AED45 million to more than double the size of its fleet of vehicles. –

### **Oman to host first GCC e-gov conference**

Oman Daily Observer

The Sultanate will host the first GCC e-governance conference due to begin at Al Bustan Palace Hotel on December 21 and continue for three days. The conference will see the participation of officials and specialists concerned with information and communication technology from GCC states and international organisations. The aim is to monitor the achievements of other parties in this field, while at the same time pondering on the

progress achieved in member states in the field of digital economy. The conference will allow IT-related departments in GCC states to exchange expertise and hold a meeting to address the challenges of implementing e-governance, giving priority to educational, health and social security services. The conference calls for innovative proposals on e-governance, including the preparedness of networks in GCC states to implement the project and to train employees of the government sector in utilising information and communication technology (ICT), as well as the contribution of the ICT sector to the gross domestic product, government-private sector partnership and the development of social awareness about digital technology.

### **Expansive GCC policies urged to ensure enough liquidity**

Emirates Business 24/7

Prudent measures taken by the UAE to protect its banking sector during the global financial crisis have won praise from the Arab Monetary Fund (AMF). The banks have been supported with a Dh120-billion package for ensuring liquidity and guaranteeing deposits. An AMF study said the UAE is the Arab country that's most open to foreign banks in the region and this has led to the development of the market. The UAE has taken measures to encourage foreign investment and remove or alleviate restrictions on the movement of capital. The study called on Arab Governments to continue pursuing expansive monetary policies to ensure liquidity in markets and help encourage local investment through relatively low interest rates. They should offer facilities to banks to allow them urgent access to loans from central banks when needed, it added. The study pointed out that before the crisis, Arab banks saw positive developments because of the huge liquidity leap resulting from steep rise in oil revenues, increases in capital flows and expansion of private sector. All this led to banks having greater resources. Banks' assets rose to \$ 1.4 trillion (Dh5.14trn) from \$ 6.2 billion over the five-year period from 2003 to 2007. Bank deposits jumped to \$ 898.5bn from \$ 441.3bn in 2003. The ratio of total loans and credit facilities given by Arab banks to private sector to the total Arab gross domestic product rose to 45.1 per cent in 2007 from 36.8 per cent in 2003.

Currently, there are 500 Arab banks, 81.5 per cent of them are commercial followed by Islamic banks with a weightage of 11.9 per cent and specialised banks with 6.5 per cent. The banks made good profits between 2003 and 2007. Rates of capital adequacy ratio also improved. The level of doubtful loans has fallen and the quality of portfolios improved. Interest margin rates, which reflect the degree of competitiveness of the market, were close to those of Southeast Asia. The ratio of operating costs to the operating income of banks, which was previously considered high, has started to go down. This shows Arab banks are increasingly using technology to boost the efficiency of their operations.

This good performance was expected to continue, but the global financial crisis has hampered the growth of the Arab banking sector. The downturn made it clear that the Arab financial sector is closely interwoven with the world financial markets in terms of loans to finance development projects and capital transactions. The study said the banking sector in Arab countries is linked to the global industry through two channels.

The first involves loans obtained from international banks by Arab banks and institutions and the second channel is that pertains to the presence of foreign banks in Arab markets, it added. Arab countries over the past few years witnessed a rise in loans from foreign banks. This was coupled with a considerable increase in economic activity in most countries. Loans rose by 18 per cent during the first nine months of 2008 to about \$ 309bn or 18 per cent of the total GDP of Arab countries. These included \$ 254.7bn loans from European banks, \$ 24.1bn from the US banks \$ 17.6bn from Japanese banks and \$ 12.5bn from other banks.

Member states of the Gulf Co-operation Council (GCC), the countries most open to the world financial market, topped in terms of loans from international banks. The UAE stood first with loans worth \$ 121.9bn by end-September 2008, followed by Saudi Arabia (\$ 38.3bn), Qatar (\$ 32.5bn) and Kuwait (\$ 20.8bn). The largest share of loans, \$ 222bn by end-September 2008, went to the non-banking private sector (60 per cent). Loans taken by the GCC banking sector accounted for 31 per cent of the total foreign debt of Gulf economies, according to the Bank of International Settlements (BIS). The study says that following the global financial crisis, Arab banks are unable to obtain loans from international banks to finance large projects, especially those underway in a number of GCC states. Also many of the loans due this year are in need of refinancing, which makes many banks in some GCC states subject to rollover risk.

The global liquidity crisis could affect the local banking sector in Arab countries, where foreign banks have a large presence or where foreign banks acquire a large share of the local market. The latter could threaten the local banking system if any of the foreign banks withdraw from the market or foreign banks absorb local liquidity to boost the financial situation of their mother institutions abroad. The study said all Arab financial markets have been affected by the worries in the global financial markets. Foreign investors are refraining from taking the risk of investing in Arab and other developing financial markets. This could be seen in the increase in the rate of credit default swaps (CDSs). The rate has increased steadily since the outbreak of the global financial crisis, but to varying degrees. For instance, the CDS for Dubai went up from its lowest level before the crisis to the highest level of 977 basis points in February 2009 from 131 basis points in June 2007. Then it went down to some 666 basis points on March 18, 2009. The CDS rate jumped to 800 basis points in Egypt and 714 basis points in Bahrain on February 18, 2009, from 68 basis points and 166 basis points respectively in July 2008. The rate then retreated to 505 basis points in Egypt and 571 basis points in Bahrain on March 18, 2009. Indices of stock markets in a number of Arab countries retreated in 2008 and early 2009 and the fall in many of these countries exceeded, when compared with world stock market indices. The GCC markets suffered the greatest falls in 2008. The fall ranged from 72 per cent in Dubai to 28 per cent in Qatar, while the Egyptian index declined by 54 per cent.

The lack of liquidity in Arab countries led to a retreat by foreign investors from financing real estate projects and buying property. And this, in turn, led to a drop in local demand for property, causing prices to fall and negatively affected the value of real estate assets in the investment portfolios of banks operating in those countries. Some banks in GCC

states were affected because of their direct or indirect investment in the US real estate sector or in stocks of companies that provided real estate mortgages, or because they invested in international banks or institutions that went bankrupt.

But according to the study, the losses suffered by some banks were generally not great. Large losses by some Gulf banks were seen only in the last quarter of 2008.

### **Aluminium industry 'a vital force in region'**

Gulf Daily News

The aluminium industry in the region is expected to meet around a quarter of the international market requirements by 2015. That was the message to delegates at the 12th Industrialists Conference: The Future of Industry in GCC Countries - 2020, which was held at Doha last month from Aluminium Bahrain (Alba) chairman Mahmood Hashim Al Kooheji. He said the industrial sector was a major contributor to the economic development in GCC countries. Co-operation, joint efforts and shared expertise is vital for improving such a vital sector and enable it to be a main foundation for the success of GCC economies especially with the fluctuations caused by the global economic crisis, he said. And he called for joint efforts to provide an ideal working environment that attracts the talented personnel from different GCC countries to improve the industrial sector and raise it to international levels of excellence. "The aluminium industry is increasingly becoming a vital force in the region and is expected to meet around 25 per cent of the international market requirements by 2015," he said. "This is being made possible with the increasing number of aluminium smelters and downstream industries in the region," he said.

## **SAUDI ARABIA**

### **International Front**

#### **Saudi-EU ties enter new phase**

Arab News

Relations between Saudi Arabia and the European Union entered a new phase with the Riyadh-based European Commission Delegation changing its name to the "Delegation of the European Union to Saudi Arabia." EU officials also announced that Abdulrahman H. Al-Atiyah, secretary-general of the six-nation Gulf Cooperation Council (GCC), would pay an official visit on Dec. 22 to Sweden, which currently holds the EU's rotating presidency. Ambassador Luigi Narbone, chief of the Delegation of the European Union to Saudi Arabia, said on Tuesday that the new name of the local EU office reflected the changes that would enhance external representation provided by the Lisbon Treaty. Narbone pointed out that the Delegation of the European Commission was established in Saudi Arabia in 2004 and is also accredited to Bahrain, Kuwait, Oman, Qatar and the UAE. He pointed out that the Riyadh-based delegation would work to enhance the visibility of the EU in the Gulf region and promote closer ties with the GCC states.

### **Saudi-Yemeni Border Issue**

## **Saudis claim key mountain win over Yemeni rebels**

Khaleej Times

Saudi Arabia said on Saturday it had taken control of a strategic mountain on the Saudi side of the border with Yemen, clearing the area of Yemeni Shia rebels. “The Saudi forces have taken control of Jabal (Mount) al-Dood ... These men have cleared this area,” Defense and Aviation Assistant Minister Prince Khaled bin Sultan told al-Ekhbariya Television, describing the peak as strategically important. He was shown speaking at what appeared to be an area near the frontline, and sounds of artillery fire could be heard. “Where we are now is less than 3 km (2 miles) away from the border (with Yemen) ... We are within our borders .. The (Saudi) forces are destroying all infiltrators,” Prince Khaled said. “We try to keep losses at a minimum ... and not be drawn into a war in the mountains.” Saudi Arabia started fighting Yemeni Shia rebels — known as Houthis — earlier this month after it announced that they had killed two border guards in a cross-border incursion. A Yemeni military official told Reuters that Yemeni forces and Houthi rebels waged pitched battles on the outskirts of the northern city of Saada on Saturday after regular troops thwarted an attempt by the insurgents to enter the city.

Saudi Arabia, the world’s largest oil exporter, fears growing instability in Yemen could turn into a major security threat by allowing al Qaeda to gain a stronger foothold in the poverty-stricken country. The Houthis belong to the Zaidi sect of minority Shi’ite Islam, and complain of social, economic and religious marginalisation by the government. Both sides deny their aims are sectarian. Saudi media frequently mention an al Qaeda presence among the Houthis and Yemen sees Iran’s hand behind the rebels. Iran denies involvement and has called for Yemen’s government to end the fighting through negotiations.

## **Saudis taking lead in battling Houthi rebels**

The Peninsula

Saudi Arabia appears to be taking the lead in Yemen’s effort to crush Houthi rebels, despite Riyadh’s insistence that it only aims to secure its porous border, security analysts say. One month after Saudi forces struck back after rebels carried across the border in a brief but deadly raid, Saudi jets, helicopters and artillery continued to attack Houthi positions along the Yemeni frontier early this week, according to Saudi press reports. On Sunday, Deputy Prime Minister Prince Nayef bin Abdulaziz stressed that the goal of the biggest Saudi military mobilisation since the 1990-91 Gulf War is protecting Saudi sovereignty, not encroaching on Yemen. Saudi Arabia “will not allow anyone to gain a foothold on its land,” he said. But analysts say the kingdom’s goals are much broader, and they expect the fighting to continue for some time. The conflict has crystallised two deep Saudi concerns, they say. Firstly, there are fears that regional rival Iran could gain a foothold on Riyadh’s southern flank. Yemen and Saudi Arabia have accused Tehran of backing the Houthis, but there is scant evidence to support such charges. Secondly, the Houthi incursion exposed the ease with which anyone, including the Yemen-based Al

Qaeda on the Arabian Peninsula (AQAP), could sneak in to launch attacks against Saudi targets.

### **Saudi king visits area of Yemen border conflict**

Gulf Times

Saudi King Abdullah ordered yesterday that 10,000 new housing units be built for people relocated from the Yemeni border because of fighting with Shia rebels, SPA news agency reported. The king visited front-line troops and other installations in the southern province of Jizan, where Saudi forces have been battling the Yemeni militants along the frontier for four weeks.

### **Social Front**

#### **Fatwa against hiring runaway maids**

Kuwait Times

A Saudi religious cleric has issued a fatwa (religious edict) proscribing the hiring of runaway housemaids. Saudi-based cleric, Shaikh Obaikan did not cite any specific reasons for issuing the fatwa, but some religious scholars have suggested that it could be based on the fact that fleeing one's job is considered a breach of contract. "I would like to believe that this fatwa was issued because of the fact that many are violating their employment contracts, which is against Islamic law," said one religious scholar speaking on condition of anonymity. But there are many reasons why housemaids run away, mostly because they have been abused and maltreated. In that sense, re-hiring them could be more risky than good. So to help an employer who is contemplating re-hiring a runaway housemaid, a religious edict is issued, just like Shaikh Obaikan's fatwa. In the Islamic faith, a fatwa is a religious opinion concerning social/Islamic law issued by an Islamic scholar. This is not necessarily a formal position laid down for the entire Muslim community, but Muslims argue that anyone trained in Islamic jurisprudence may offer an opinion (fatwa) on its teachings. Abdulhadie Gumander, the Executive Director of the Kuwait Philippine Cultural Center, which is affiliated with the Islam Presentation Committee (IPC), explained: "A fatwa is official when the government and the majority of Muslim clerics (scholars) approve it. Believers can follow it depending on its merit. I haven't read [Shaikh Obaikan's fatwa] yet, so, I cannot elaborate more.

#### **Suicide cases in Saudi Arabia increasing at a worrying rate**

Arab News

Despite being taught that God punishes most severely those who commit suicide, some people, because of pressure and stress, nonetheless do so. According to a recent Ministry of Interior statement, there were 295 cases of suicide in the Kingdom last year. The statement added that 259 were men and 36 were women. Among the men, 134 were Saudis and 125 were expatriates. There were 266 suicide cases in 2006, out of which 100 were Saudis and 166 expatriates. According to research on suicide, women usually commit suicide by milder means such as overdosing on pills or drinking a toxic

household product, while men hang themselves, overdose or, in some cases, shoot themselves. Many suicides committed by Saudi men have their roots in financial problems.

### **Jeddah Flood**

#### **Jeddah flood damage estimated at SR3.5b**

Saudi Gazette

The cost of the flood damage in Jeddah is now estimated at SR3.5 billion as of Wednesday, said a source with the committee charged with estimating total losses incurred by the city following last week's floods. Of this total, SR1.5 billion will be provided to citizens in the form of indemnities, the source said. The remaining SR2 billion is the damage estimated to the city's infrastructure which includes buildings and roads. More than 35 field committees are working round-the-clock to evaluate the extent of the losses caused by the floods.

#### **Lack of disaster-management planning led to present crisis in Jeddah**

Arab News

At a meeting of charity and civil society organizations involved in providing assistance to the victims of the Nov. 25 Jeddah flash flooding, everyone came to the same conclusion: A lack of disaster-management planning was a key component to the extent of the damage and loss of life. Seventeen charity and civil society organizations met Wednesday evening at the Jeddah Chamber of Commerce and Industry (JCCI) to organize their efforts after a few days of spontaneous but much appreciated mobilized work to collect and distribute donations in the affected areas. This followed a warning issued by the Makkah Governorate cautioning individuals and groups against donating haphazardly and instead directed them to give their donations through registered charity organizations, which are supposed to coordinate their distribution work with the Jeddah Governorate to ensure that the donations reach those who need them.

#### **Saudi King orders massive inquiry into Jeddah rainstorm disaster**

Saudi Gazette

King Abdullah, Custodian of the Two Holy Mosques, has ordered a massive investigation into the Jeddah catastrophic rainstorm to establish the precise cause and try to determine responsibility for the death of over 100 people, a royal statement carried by Saudi Press Agency said Monday.

#### **King Abdullah orders probe, compensation**

Arab News

Custodian of the Two Holy Mosques King Abdullah ordered an immediate payment of SR1 million to the family of each person who died in last week's flood in Jeddah. The king also ordered the setting up of a high-level committee that will be headed by Makkah



Gov. Prince Khaled Al-Faisal and will consist of Jeddah Gov. Prince Mishaal bin Majed and representatives of various ministries. The committee will study the extent of the damage due to the calamity. It will also study the causes of the crisis and recommend ways to ensure that it does not happen again.

## **Hajj/ Swine Flu**

### **4 foreign pilgrims die of swine flu**

Four foreign pilgrims have died of swine flu, the Health Ministry announced on Saturday. It identified the dead as a Moroccan woman, a Sudanese man, an Indian man (all aged 75), and a 17-year-old Nigerian girl, the Saudi Press Agency reported.

### **Saudi Arabia says pilgrim dies from H1N1 virus**

Reuters

Saudi Arabia said on Saturday a pilgrim had died of the H1N1 flu virus on the third day of the Haj which experts fear could trigger new waves of the pandemic. The victim was a 70-year-old man from Pakistan, the Health Ministry said in a statement on the official news agency. Saudi Arabia reported four pilgrim deaths from the H1N1 flu virus in the days leading up to the start of the Haj rituals, which began on Wednesday.

### **Obama hails Saudi efforts against swine flu during Hajj season**

Kuwait News Agency

US President Barack Obama hailed Saudi efforts to tackle the swine flu virus among over two million people gathered for Islam's holy ritual of Hajj, according to a Saudi report on Friday. Saudi Arabia has been practicing strict inspection methods on pilgrims arriving at the holy city of Makkah to perform Hajj rituals, Saudi Arabia's state news agency, SPA mentioned. Saudi authorities have also for the first time, taken on board teams from the US Centre for Disease Control (CDC) and the World Health Organization (WHO), who are aiding the kingdom in its fight against the pandemic. So far, only four confirmed cases of the disease have been discovered among pilgrims, the report added. President Obama in an address to his nation on the occasion of the first day of Eid Al-Adha today, praised the cooperation between the CDC and the Saudi Health Ministry. The CDC has provided Saudi authorities with an advanced technological temperature-reading system, making the Gulf country the third in the world to possess such equipment.

## **Economic Front**

### **Saudi Arabia stands by WTO commitments: Alireza**

Arab News

Saudi Arabia said it will stand by its commitments to the World Trade Organization (WTO) with regard to the trade of commodities and services and expressed its hope that all member countries would do the same.

Speaking at a WTO ministerial conference currently being held in Geneva, Minister of Commerce and Industry Abdullah Zainal Alireza said, "The G20 has urged all countries not to resort to protective measures, review their negotiating stands and look at the flexibility they could offer in order to end the Doha Round talks as early as possible." He added that the Kingdom has been an active and committed member in the activities of the WTO, particularly being a country with a vast energy source. It has also been standing for the interests and views of energy exporting countries in various WTO discussions, he said.

The Kingdom recently suggested the release of commodities involved in major technologies and related to carbon capture and gas emissions from other active technologies in the trade and environment discussions. The minister viewed that the climate issue should not be discussed in the WTO as it has an extremely vital role in the running of the world economy as a whole. He added that Arab countries intending to join WTO should be allowed in under fair conditions, particularly less developed states. Meanwhile, ministers at the meeting moved on Tuesday to bridge a gap between emerging and developed nations which has long delayed a global trade pact ahead of a 2010 deadline set by world leaders.

### **Oil rise to turn Saudi fiscal deficit into surplus**

Emirates Business 24/7

Saudi Arabia could escape its first fiscal deficit in seven years and bask under another surplus in 2009 because of the improvement in oil prices, according to an investment company in the kingdom. Announcing its 2009 budget in late 2008, Riyadh projected a budget shortfall of SR65 billion (Dh64.3bn) but the actual balance could turn into a surplus of around SR5bn at the end of the year, said NCB Capital, an offshoot of the Saudi National Commercial Bank.

Revising its earlier estimates of a lower deficit this year, NCB Capital also expected a sharp increase in the fiscal surplus in 2010 due to an expected increase in crude prices and the country's oil output. "A small fiscal surplus is likely in 2009.... the average Opec basket oil price for the year is already at around \$ 58 a barrel and is expected to average nearly \$ 62 during 2009 as a whole, with prices hovering around \$ 75 for the remainder of the year," NCB Capital said in its weekly economic bulletin.

## **UAE**

### **International Front**

#### **NATO hails UAE's cooperation, role in Afghanistan**

Khaleej Times

The Secretary-General of North Atlantic Treaty Organisation, Anders Fogh Rasmussen, hailed Abu Dhabi's hosting of the alliance's International Conference on "NATO-UAE Relations and the Way Forward in the Istanbul Cooperation Initiative" last October. The UAE's peacekeeping and humanitarian role in Afghanistan which started three years ago

is “vital and contributes to restoring stability to Afghanistan and further backs the international reconstruction and rehabilitation efforts for a better life and brighter future away from terror and destruction,” he said.

### **Economic Front**

#### **UAE banks have sufficient capital, says Al Suwaidi**

Emirates Business 24/7

Central Bank Governor Sultan bin Nasser Al Suwaidi said UAE banks have not relied on international banks for loans as was the case in the past. Deposits retreated by only five per cent in comparison with assets, he said. Al Suwaidi told Abu Dhabi Television he sees no reason for fear since UAE banks have increased capital. Al Suwaidi called on the local investors to verify the feasibility of investment opportunities offered before starting the project. "I also direct my advice to foreign investors that they should study the feasibility of investment opportunities available and to make sure that investment opportunities are real ones rather than an adventure." Meanwhile, UAE banks are not rushing for the central bank's new emergency facility for now as they face no liquidity shortages despite concern over Dubai World, treasurers said yesterday.

#### **IMF hails UAE decision to 'shore up' banking system**

Khaleej Times

The International Monetary Fund said that it welcomes the decision by the UAE central bank to pump liquidity into its banking sector. The IMF issued its comments after the central bank announced it had told UAE banks and foreign banks operating in the UAE “that is was making available to them a special additional liquidity facility linked to their accounts at the central bank.” The notification was widely seen as a move to calm markets and investor fears after state-controlled Dubai World prompted economic jitters by requesting a halt to its debt payments until at least May 2010. “The UAE is a strong resource-based economy and we welcome today’s announcement by the central bank of the UAE making available to banks a special additional liquidity facility,” a statement from the IMF said on Sunday. The IMF said it was “continuing to monitor the situation following the unexpected announcement regarding a standstill on the debt of Dubai World and its Nakheel subsidiary, which has had an adverse impact on financial markets.” The central bank announcement came just before stock markets in Dubai and neighbouring emirate Abu Dhabi have their first chance to react to the debt payment request, after a four-day break for Eid Al Adha holiday.

#### **UAE banks' net earnings down 16.3% in nine months**

Emirates Business 24/7

An intense wave of bad debt provisioning allied with slackening domestic demand depressed the combined net earnings of the UAE's national banks by nearly 16.3 per cent in the first nine months of 2009. But analysts expect the decline will be offset by higher

profits in the fourth quarter as a result of better economic conditions, strong oil prices and an expected slowdown in provision build-up. Balance sheets of 19 national banks listed on the official bourse showed their combined net profits dipped to about Dh15.687bn in the first nine months of 2009 from about Dh18.743bn in the first nine months of last year. Their earnings also slumped by nearly 11.6 per cent to Dh4.831bn in the third quarter of 2009 from Dh5.47bn in the third quarter of 2008.

The balance sheets showed 10 of those banks reported lower earnings in the first nine months while eight recorded higher profits and one gave no results. In the third quarter, nine banks saw their profits decline while nine reported higher earnings. Ajman Bank again recorded losses during that period. In contrast with their earnings, the combined assets of the 19 banks swelled by about 7.3 per cent to Dh1,244bn at the end of September 2009 from nearly Dh1,159bn at the end of September 2008, the report showed.

### **Banks should have known Dubai risks: Alwaleed**

Arab News

Prince Alwaleed bin Talal, chairman of Kingdom Holding Company, said banks that loaned money to Dubai World can't claim to be victims of the emirate's debt crisis because they should have understood the risks. "These banks are very mature banks, and they have to differentiate between a corporate loan and a sovereign loan," Alwaleed said Tuesday in an interview on Bloomberg Television. "When things go sour, you can't have some banks in the West going to Dubai and saying 'oops' and crying wolf and saying, 'You should have guaranteed those loans.'" Dubai World, the state-controlled investment firm whose assets include a stake in Las Vegas company MGM Mirage, is seeking to reschedule payments on about \$ 26 billion of debt.

### **Asian banks have little exposure to Dubai**

The Peninsula

Banks across Asia have minimal exposure to Dubai and its debt-laden conglomerate Dubai World, Moody's Investors Service said. Asian banks have lent billions of dollars to entities in the United Arab Emirates, of which Dubai is a part, but these represent a small portion of their assets, the credit rating agency said in statement late Wednesday. "To date, we have found no Asian bank to have sufficiently high levels of exposure to members of the Dubai World group to warrant any ratings actions," it said. Moody's said that even for Asian banks with outstanding loans to state-controlled Dubai World and its entities, their profitability was not expected to be at risk from the group's plan to freeze repayments.

### **Dubai World 'will pay debts'**

Gulf Daily News

It is only a matter of time before Dubai's troubled conglomerate Dubai World restructures its debt and meets its obligations, the UAE economy minister said. Sultan bin Saeed Al

Mansouri, in remarks carried by the official WAM news agency, also attacked "this negative campaign" against the UAE and Dubai. "Dubai is an integral part of the UAE, the second largest Arab economy," WAM quoted the minister as saying. "Dubai World's debts do not affect the economic performance of Dubai or the UAE and it is a matter of time before the company restructures its debts and honours its commitments as per a scheduled plan." Dubai shook global markets last week when it asked for a six-month repayment freeze on debt issued by government-owned Dubai World, which has led the emirate's breakneck transformation into a financial, trade and tourism hub.

## **KUWAIT**

### **International Front**

#### **Kuwait, UK discuss bilateral relations**

Kuwait News Agency

Undersecretary of the Kuwaiti Foreign Minister Khaled Al-Jarallah met Wednesday with UK Ambassador to Kuwait Michael Aron. The two diplomats discussed bilateral relations and the latest developments on the regional and international fronts.

#### **Iran, Kuwait reaffirm ties**

Iran and Kuwait pledged to boost economic cooperation and bilateral ties yesterday during the first visit to Tehran by a prime minister from the Gulf US ally in more than 30 years. Kuwaiti Prime Minister HH Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah also handed over a letter from HH the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah to Iranian President Mahmoud Ahmadinejad. During a meeting at the presidency headquarters in Tehran, Sheikh Nasser handed over the letter to Ahmadinejad which dealt with means of boosting bilateral relations in all domains for the best interest of both countries and their people". In a possible reference to the disputed Arash gas field in the Gulf, Iranian First Vice President Mohammad Reza Rahimi and Sheikh Nasser called for "cooperation in connection to the resolution of the continental shelf issue," state broadcaster IRIB said.

### **Political Front**

#### **Kuwait court bails scribe critical of prime minister**

Gulf Times

A Kuwaiti judge yesterday ordered the release on bail of journalist Mohamed Abdulqader al-Jassem who had been detained on charges of slandering the Gulf emirate's prime minister. The misdemeanours court judge also ordered that Jassem pay the 1,000 dinar (\$ 3,500) bond that he had refused to pay when the public prosecutor initially set bail terms 12 days ago. Jassem, also a well-known lawyer, said after his release that he had paid the bond this time because it was a court order that he had no choice but to comply. The journalist told the court that he was illegally detained for 12 days by the public

prosecutor's office, adding that he will file a lawsuit against the prosecutor who ordered his detention.

### **Economic Front**

#### **Kuwait is working in full harmony with WTO - Minister**

Kuwait News Agency

Kuwait's Minister of Commerce and Industry Ahmad Al-Haroun said Tuesday that the Kuwaiti government and the private sector have been working in full harmony ensuring respect of its obligations as a member of the World Trade Organization (WTO). He added, in his speech to the 7th WTO Ministerial that he would like to highlight the following issues which are of special importance in Kuwait at this time. "First, from a geo-economic standpoint, the State of Kuwait is a bustling harbor situated in a strategic location. Therefore, the Kuwaiti society and its State were founded on the basis of free trade, therefore ties between free trade and Kuwait are very close and extremely important," said Minister Al-Haroun. Al-Haroun said that in addition, the outstanding democracy of Kuwait was based on adhering to the full dimension of economic and political freedoms. As a result, he said, the Kuwaiti trade system became very open to international trade. Second: Kuwait is fully cooperating with the WTO in its pursuit to liberalize its trade in services. Furthermore, it is currently considering the introduction of reforms to its existing commercial and economic legislations to ensure compatibility with the WTO requirements. "In this context, I am pleased to inform you that the Kuwait National Committee, in charge of following up the implementation of the WTO agreements, has recently formed a high level technical team to examine all aspects of these reforms," he said.

## **BAHRAIN**

### **International Front**

#### **Call to resolve Palestine row**

Gulf Daily News

Bahrain yesterday called for a strong political movement to settle the Palestinian-Israeli conflict. Speaking during a debate on Palestinian cause in New York, Bahrain's deputy permanent representative to the United Nations Jamal Al Rouaie said that the kingdom backs the movement for an independent Palestinian state. "Palestinian people must regain their rights and live in peace with its other neighbours within the internationally-recognised boundaries," he said. "Bahrain has been calling for a separate Palestinian state and will exert further efforts to achieve the goal."

### **Social Front**

#### **Public acceptance of AIDS patients in Bahrain**

Khaleej Times

Bahrain has shown progress in public acceptance of AIDS/HIV patients within three years of the implementation of the UN five-year plan to improve their lives. The manager of the National Sexually Transmitted Diseases Programme Dr Somaya Al Jowder told Khaleej Times on Tuesday on the occasion of the World AIDS Day that the main objective of the plan is to protect the health and human rights of all AIDS/HIV patients through easy access to treatment and integration into society.

## **Economic Front**

### **Bahraini banks hit by Dubai woes**

Reuters

Profit at Bahraini banks will likely be affected by Dubai's debt woes due to provisions booked on their exposure and hits on their investment portfolios, an analyst and a banking executive said yesterday. Bahrain has established itself as a regional banking centre alongside Dubai, catering to investing the region's oil wealth abroad and mostly in regional private equity and real estate.

A large chunk of Dubai's debt is related to billions of investments in property it made before its real estate bubble burst late last year. "Banks in Bahrain are likely to have some sort of exposure to Dubai, so profitability will be affected depending on the specific exposure of each bank," said Suleman Soorani, a banking analyst at Bahrain-based SICO Investment Bank. "The extent depends on the level of provisioning the central bank will require banks to book and which loans they'll have to book as NPLs (non-performing loans)," he said. The Central Bank of Bahrain (CBB) could not be reached for comment yesterday, a government holiday in Bahrain. The Bahrain Stock Exchange has been open for two days since Dubai's announcement last week, but trading has been light with only a few stocks being traded, while bourses elsewhere in the Gulf region saw losses.

### **Bahrain offers 'quality of life for expats'**

Arab News

Bahrain Economic Development Board (EDB), which has the overall responsibility for creating the right climate to attract foreign investment, has created an attractive business environment for international companies looking to access the trillion-dollar market of the Gulf, according to one of the top executives at the EDB. Kamal Ahmed, chief operating officer at the EDB said this commitment continues to create exciting opportunities for both expats and Bahrainis alike.

In response to the findings of a recent survey, in which Bahrain has been voted as one of the best locations for expats in the world, he said Bahrain has adopted a long-term strategy of economic diversification which together with the enviable economic growth rates still enjoyed by the Gulf and Middle East and North Africa (MENA) region holds significant opportunities for international business. Bahrain has been voted one of the

best locations in the world to live and the top choice in the Middle East and Africa in the world's largest global survey of expats.

### **Bahrain's economy 'has survived global crisis'**

Gulf Daily News

Bahrain has succeeded in withstanding repercussions from the global economic meltdown. "The financial situation remains stable and assuring thanks to our balanced economic policies," His Royal Highness Crown Prince Salman bin Hamad Al Khalifa said yesterday. He was speaking as he chaired a meeting of the Economic Development Board's (EDB) executive committee. He also highlighted the importance of precautionary measures to protect Bahrain's solid financial standing. "Contrary to most countries, the impact of the meltdown was less detrimental to this region," he said. He expressed his confidence in the capacity of UAE officials to deal with the current crisis competently. He also highlighted the remarkable developments achieved by the UAE and other GCC countries.

## **QATAR**

### **Social Front**

#### **Education reforms in Qatar paying off, says report**

Qatar's ongoing education reforms have started paying off, albeit slowly. The latest annual assessment of the Independent School students shows that there is a significant improvement in the performance of students as compared to the previous years. The Qatar Comprehensive Educational Assessment (QCEA) that covered about thirty-six thousand students revealed that the performance of some students has peaked. The number of students in the "below standards" level has fallen, the report released by the Evaluation Institute of the Supreme Education Council (SEC) said.

The results show many positive indicators from year-to-year. For instance, there is an improvement in mathematics and science in comparison with a high percentage of students in the third level of "Below Standards" level as compared with last year where a high percentage of students fell in the second and first levels of the "Below Standards". "This gives a clear indication of the possibility of further improvement in the coming years and a rise in the number of students who will approach standards, especially in light of the efforts undertaken by the Evaluation Institute in collaboration with schools to stress the importance of national testing for students and motivate them to perform their best in dealing with it", the report said.

#### **10 Aids cases diagnosed in Qatar every year**



## The Peninsula

An average of 10 HIV/Aids positive cases is diagnosed in Qatar annually and at least 80 cases are closely followed by the healthcare facilities here. With the World Aids Day being observed today, 33.4 million people are living with HIV/Aids around the globe. "In Qatar the incidence is stable because of increased awareness," said Dr Abdul Latheef Al Khal, head of the Communicable Diseases Section at the Hamad Medical Corporation (HMC). "Around 80 of the HIV/Aids cases are being attended by the hospitals here. This includes both Qataris and non-Qataris." A cumulative number of 231 cases have been diagnosed in Qatar, according to the 2008 report on Country progress Indicators towards Implementing the Declaration of Commitment to HIV. "This is a cumulative number and most of the cases have left Qatar. Many were diagnosed even before the 90s," he told The Peninsula. The 2008 report also shows that 78 people are living with Aids in Qatar and 76 of them were above the age of 15. Qatar has been successful in preventing mother to child transmission of the virus during pregnancy. All the people with advanced HIV infection have been receiving anti-reteroviral (ARV) combination therapy and there has been 95 percent survival after 12-months on ARV therapy.

### **Qatar stresses on need for global environment pact**

The Peninsula

Qatar has stressed the need for a global agreement on the issue of environment and climate change to be reached outside the framework of the World Trade Organisation (WTO) and underscored the importance of developing the efficiency and performance of the WTO and its activities. This came in a speech given by the Minister of State for International Cooperation and Acting Minister of Business and Trade, H E Dr Khalid bin Mohammed Al Attiyah, before the Seventh Session of the WTO Ministerial Conference in Geneva. The Minister said that in order to achieve this goal which is the development of efficiency and performance of the organisation efforts must be based on the WTO's basic principles (full participation, inclusiveness and transparency). Dr Al Attiyah called on the WTO to ensure the participation of all states in the activities of the organisation, pointing out that there are many countries that their membership are still being discussed, including seven Arab countries.

### **Economic Front**

#### **Qatari economy likely to grow six per cent in 2009: QNB**

Emirates Business 24/7

Qatar's economy will surge by six per cent in 2009 at a time when the economies of other Gulf oil producers are projected to shrink or record slow growth because of the global fiscal turmoil, semi official data showed yesterday. And the gross domestic product (GDP) of the world's third largest gas power could gallop by more than 18 per cent in 2010 as oil prices start to recover and Qatar's LNG exports swell close to the 77-million-tonne target. Figures by the government-controlled Qatari National Bank (QNB) showed

the country's nominal GDP would contract by five per cent this year, while it has already tumbled by nearly 17.5 per cent in the first quarter.

In its quarterly report, QNB noted a sharp rise in Qatar's production of liquefied natural gas (LNG) has allied with higher oil prices and output to expand the nominal domestic economy by 32.9 per cent annually during 2004-2008, one of the highest nominal growth rates in the world.

But a steep decline in oil prices and production following the eruption of the global crisis depressed the country's GDP by 17.5 per cent in the first quarter, with the hydrocarbon sector plummeting by nearly 41.4 per cent.

### **Qatargas delivers 1st LNG cargo to Canada**

The Peninsula

Qatargas yesterday delivered Qatar's first ever liquefied natural gas cargo to Canada and North America at the Canaport LNG Terminal in Q-Flex LNG carrier 'Mesaimeer'. The gas was produced at one of Qatargas' latest 7.8mn tonnes per annum mega LNG trains, which are the world's largest. Currently, Qatargas has two such trains – Train 4, which started production in May 2009 and Train 5 in September. Two more 7.8mn trains are currently under construction and expected to begin production in 2010.

### **Qatar Central Bank sees inflationary pressure easing**

The Peninsula

Qatar's inflation will keep well below last year's record peak in 2009 despite breakneck economic growth and interest rates should remain stable, Central Bank Deputy Governor Sheikh Fahad bin Faisal Al Thani said. Inflation has slowed sharply in the Gulf after oil and property prices plunged. Qatar's economy enjoyed strong growth rates, unlike the rest of the Gulf, as the world's top natural gas exporter kept its oil and gas output intact. "Inflationary pressures in Qatar are also expected to be lower as demand pressures are low," Sheikh Fahad said yesterday in an e-mailed response to questions. "Overall, inflation is expected to be significantly lower than the high levels of 2008, despite some pressure from international oil prices," he said without giving a specific forecast. Qatar is likely to see consumer prices fall by 3.5 percent on average in 2009 from the previous year, a Reuters poll showed last month after a 15 percent jump in 2008.

### **Qatar oil production capacity increases 4.2%**

Gulf Times

Qatar's oil-production capacity increased 4.2% to an estimated 1mn barrels a day in 2009, the US energy department said in a report. "Though Qatar's petroleum production has grown steadily since 2002, Qatar's fields are maturing," the energy department's Energy Information Administration said in the report. "To offset anticipated declines, enhanced oil recovery techniques are being considered for several fields." Through a production sharing agreement with Maersk Oil, Qatar aims to increase the capacity of its Al Shaheen

offshore oil field to more than 500,000 barrels a day from 340,000 currently, the energy department said.

## OMAN

### Social Front

**Amendments to Oman's labour law target illegal workers** New amendments to Oman's Labour Law governing employment of illegal labourers will come into force by the end of the year, the Manpower Ministry has reminded employers in the country. They have time until then to regularise their workers, after which legal steps will be initiated, it added. Manpower Minister Shaikh Abdullah bin Nassir Al Bakri, who held a meeting with labour officials from all the governorates and regions here on Saturday, said the government was keen to safeguard the interests of both employers and employees. The changes in the Labour Law, he added, were meant to achieve this.

### International Front

#### **Start serious negotiations, Oman urges Israel**

Khaleej Times

Oman has called upon Israel to withdraw from all occupied Arab lands and start serious negotiations with the parties concerned to solve the Palestinian issue. Addressing a meeting at the United Nations in Geneva, Mohamed bin Oqail Ba Omar, Deputy Permanent Delegate of the Sultanate at the UN, said Oman remained worried about the poor living conditions of the Palestinians in the occupied territories and the continued seizure of land and settlements by Israel. This, he added, had forced the Palestinians to live in 'inhuman conditions'. Ba Omar also denounced illegal actions of Israeli troops. The special meeting was held to commemorate the 32nd anniversary of the International Day of Solidarity with the Palestinian people. Ba Omar expressed anguish over Israel's continued occupation of Golan Heights in Syria, and some land in South Lebanon. "The Sultanate," he underlined, "still believes in peace and requests the Security Council to ask Israel to accept the Arab Peace Initiative, which calls for a peace conference to be attended by Arabs, Israel and the five permanent members of the Security Council."

#### **Oman, Netherlands sign health agreements**

Khaleej Times

Oman and the Netherlands have signed a Memorandum of Understanding and a Covenant on Cooperation in the health sector in general and in fighting HIV/Aids in particular. The documents were inked by Mohammed Hassan Abdawani, Under-secretary at the Ministry of Health for Planning Affairs, and Ed Kronenburg, Secretary-general of the Netherlands Ministry of Foreign Affairs. The agreements cover cooperation in several fields, including capacity building in comprehensive care, treatment and rehabilitation of drug users. The accords also include, better health approaches for vulnerable groups exposed to HIV risks, specific training in areas like behavioural change, counseling and promoting cooperation between the public health institutions and non-governmental organisations.

## **Business and Politics in Muslim World**

**India**

**Sadia Khanum**

**21<sup>st</sup> November to 4<sup>th</sup> December 2009**

**Presentation Date: 9<sup>th</sup> December 2009**

**(Outline)**

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**Summary**

BJP and its allies are in trouble as Liberhan Commission clearly indicates their involvement and active participation in planning and executing the destruction of Babri Mosque 17 years ago. BJP declare it the move of government to scattered the opposition while Congress denies all such charges. CPM general secretary Parkash Karat opposes

government increasing relations with US as he considered capitalism a curse for Indian society and the recent economic crisis an obvious example of failure of capitalism. All political parties condemned 1984 Sikh massacres in Lok Sabha and government assured to take possible action against culprits and relieve for victims. BJP, Left and SP opposes central team for West Bengal for dialogue with different segments of society to analyse the root causes of violence and disturbance in the state. BJP and Left parties are also cautious on central government's move to introduce bill to check the communal violence in the states. Both parties want discussion on the bill before its approval.

Liberhan Commission report on the demolition of historic Babri Mosque is presented in parliament for discussion. Report clearly indicates the hand of than BJP government in centre and in UP in planning and executing the whole programme. Sangh Parivar including RSS, VHP, Bajrand Dal and Shiv Sena provoked people to demolish the mosque and replace it with Ram mandir. BJP administration intentionally did not take any step to prevent destruction and then communal violence instead it helped them and enhanced their power. BJP used this issue for political benefit. AB. Vajpai, L.K Advani, Kalyan Singh and other so many leaders were directly involved in planning. The report also accuses Muslim elites for consciously ignoring and mishandling the issue. Report clearly indicates the names of responsible for the tragedy but does not demand any punishment for the culprits and there are so many concerns regarding the implication process. Past fact finding mission reports never implemented and according to analysts Liberhan Commission Report is probably will have the same fate.

Shiv Sena's Chairperson Bal Thackarey declared fundamentalist Muslims a threat to Indian society. According to him it is obligation of Hindu nation to be united against Muslim fundamentalism. Sangh Parivar's internal dispute over Babri Mosque demolition issue came in to scene. BJP declared it an unfortunate incident while RSS and VHP's members consider it a moment of proud for the hindu nation. BJP is also annoyed on RSS interference in party politics especially in choosing new head.

Maoist and Naxal rebels destroyed school buildings, railway station and other government property in different areas of Chattisgarh, Bihar and Jharkhand while BSF is deployed in some districts of Jharkhand to counter insurgents' activities.

According to US-based internationally recognised foreign-policy think tank Carneige Endowment India is going to be the world's third largest economy in 2050 after China and US. But it has to overcome some problems like poor infrastructure, food inflation and poverty to maintain its higher growth rate. India surprisingly has achieved 7.9 growth rate in the second quarter of this fiscal year. World Bank president said India will achieved 8 to 9% growth rate in next two years.

Agni II missile failed to reach the target in night trial. Obama administration is fully committed to implement civil nuclear energy transform pact with India. Canada finally signed civil nuclear energy agreement with India after long negotiations.



Hurriyat conference's moderate segment under Mir waiz Umar Farooq is indulged in secret talks with Delhi for some suitable resolution of Kashmir dispute. Mirwaiz set some conditions before Delhi to fulfill for a constructive dialogue and goodwill.

A report by local NGOs shows pilgrimage centre in India are the centers of illicit activities and most of the victims are children. According to Indian Space Research Institution fourth of Indian area is turning in to deserts due to fastly reducing water resources and change in rain pattern. Almost 55 workers of the Kaiga Atomic Power Station in Uttara Kannada, Karnataka, had to undergo medical treatment after they were exposed to an excessive radiation dosage when they drank water that had been mixed with tritium, a highly radioactive substance.

Manmohan Singh said during his visit to US that his country gives higher priority to relations with US and wants to enhance relations further in different field. President Obama praised India's growing economy and its role in Asia and in the world. Manmohan Singh said he do not know who to deal with in Pakistan after Musharraf government as democratic government is not all powerful and army controls and dictates all policies.

### **Regional Summary**

Peaceful polling was observed in Jharkahnd amidst strict security, 52% turn out recorded.

In Madhya Pradesh malnutrition caused causalities among children and 25 children has been died.

BJP workers damaged government property after getting violant on some political issue in Kolkata. In two blasts 7 people died in Assam.

Vishwa Hindu Pareshad wants action against Raj Thackarey for his anti Hindi stance in Maharashtra.

### **National Report**

#### **Politics:**

### **We are not against minorities: BJP**

The BJP on Sunday debunked claims that it is against minorities, with senior leader L K Advani terming them "motivated propaganda". Citing examples to debunk this "motivated propaganda," BJP leader L K Advani said "it is an important enough occasion for me to respond to the consistent propaganda that my party, the BJP, is anti-minorities and anti-Christian." "Let me go back into history and cite a few examples to debunk this motivated propaganda," he said while addressing the golden jubilee celebration of the Archdiocese of Delhi. Recalling the early days he said, "the BJP's predecessor was the Bharatiya Jana Sangh which was formed by Dr Shyama Prasad Mookerjee in 1951. Dr Mookerjee was an eminent freedom fighter who also served as India's first industries minister in Pandit Nehru's Cabinet." "In the course of building the party in different parts of the country in the early fifties, he (Mookerjee) appointed Barrister V K John as the chief of the Jana Sangh in Madras province. The same propaganda was also heard at the time. Barrister John was asked: 'How can you, a Christian, accept to be an office-bearer of a communal party?' His answer was forthright: 'I know Dr S P Mookerjee very well. He cannot be the president of a communal party'." Giving another example from his political life, Advani said "Because of my school background, I often use Christian metaphors even in my political communication. When the Bharatiya Janata Party was born on 6th April 1980, it was Easter Sunday, the Day of Resurrection of Jesus Christ." (The Times of India)

### **Karat opposes strategic ties with U.S.**

The Communist Party of India (Marxist) on Sunday warned the United Progressive Alliance government against allying with the U.S.-led NATO forces in Afghanistan and promised to launch joint struggles with its counterparts in the region against increasing American intervention in South Asia. As Prime Minister Manmohan Singh reached Washington to meet President Barack Obama, CPI(M) general secretary Prakash Karat reinforced the opposition of the Communist and Left parties in the country and the world to imperialist forces. "We have to continue our struggle against capitalism, put an end to it and establish socialism as the real alternative. At the same time, we also oppose the India-U.S. strategic ties economic and military," Mr. Karat said at a public rally at the end of the 11th International Meet of Communist and Workers Parties here. Mr. Karat said the U.S. had already declared that it wanted India to change the foreign direct investment limit in the fields of insurance and defence production. The pressure would increase on India to do so, and as decided in this meeting, the Left parties would fight against the imperialist designs. He said Washington wanted New Delhi to be a strategic partner in its grand plans to establish hegemony in the world. "We have to work to break the strategic ties and as Communists, we have always raised our voice against imperialism anywhere in the world." Referring to South Asia, he said, the U.S., with over 1 lakh NATO forces, was firmly entrenched in Afghanistan and now attacking Pakistan. "Communist parties in Bangladesh, Pakistan, Nepal and Sri Lanka, representatives of whom are here, together we will fight against imperialist forces in the region." He said if Vietnam was a graveyard for the Americans earlier, Mr. Obama would soon realise that his country would meet the same fate in Afghanistan. Mr. Karat also demanded that the

Manmohan Singh government not buy arms from Israel and stop indirectly funding Tel Aviv to launch military offensive against the people of Palestine, with whom India had always expressed solidarity. CPI general secretary A.B. Bardhan charged the UPA government with being dormant and hoping that the global economic crisis would blow away. The rally, he said, also witnessed the bonds between the Communist representatives of Israel and Palestine, both of whom jointly denounced occupation and wanted it to end, as also the warm embrace between representatives of Cuba and the U.S., with both expressing the view that while they were not against each other's people, they stood united against imperialism. Mr. Bardhan mocked at those who raised questions on the relevance of Communism and said the present global crisis showed that the capitalist solution resulted in exploitation and attacks on working class. RSP general secretary T.J. Chandrachoodan described the meeting as "epoch-making" and said that in India, besides fighting imperialist forces, the Left parties had to counter fundamental elements. (The Hindu)

### **Bid to undo Opposition unity: BJP**

The Bharatiya Janata Party on Monday charged the government with deliberately leaking the Liberhan Commission report on the Babri Masjid demolition to undo opposition unity on the sugarcane price issue, on which the Left and Right forces together cornered and forced it to go on the back foot. However, BJP leaders were not able to convincingly respond to repeated questions why the government needed "to leak" the report when it could very well table it in Parliament, as it has to do this in any case within a few weeks at most. BJP deputy leader in the Lok Sabha Sushma Swaraj said the report might also have indicted the Narasimha Rao government, which was at the Centre in 1992 when the Babri structure was demolished. "It was a Congress government then. The Congress would also have to answer." Hence the report was leaked before it was tabled, she said. After each adjournment of both Houses of Parliament, senior BJP leaders were closeted in the chamber of Leader of the Opposition in the Lok Sabha L.K. Advani, apparently discussing the party strategy. On Tuesday morning, at its weekly parliamentary party meeting, the strategy will be made known to its MPs. Ms. Swaraj, who was part of the discussions, refused to share any information with journalists. However, she did indicate that it might be counter-productive for the BJP to allow the focus to remain on the demolition of the structure at Ayodhya and the indictment of its leaders as mentioned in the "leaked" report. "We would prefer to discuss the Madhu Koda scandal and the 2G spectrum issue." The government wanted to prevent discussions on these scandals on which the Opposition would have again been united against it, Ms. Swaraj claimed. At the same time, the BJP could not remain silent and "live with" accusations that all its leaders, including the former Prime Minister, Atal Bihari Vajpayee, were indicted by the Liberhan Commission, Ms. Swaraj said. She said the inclusion of Mr. Vajpayee's name — as indicated in the leaked report — put a question mark on the credibility of the report itself. Ms. Swaraj and other party leaders made the same point that they could not tolerate the suggestion in the leaks that Mr. Vajpayee was indicted. "We want the report tabled at the earliest," was the common refrain of party leaders, from Murli Manohar Joshi to Arun Jaitley and M. Venkaiah Naidu. They said the "leak" was a grave affront to the dignity of Parliament. As for Mr. Advani, he said in the House that had he been indicted he would

have accepted that as a challenge, but when Mr. Vajpayee's name had been mentioned, he felt, it was his duty to demand that the truth be made available to all and the report placed in Parliament. (The Hindu)

### **Public perception already holds BJP guilty: Congress**

Whatever the Liberhan Commission report might say, the matter has already been settled in the public perception which holds the Bharatiya Janata Party and its affiliates guilty of the demolition of the Babri Masjid, the Congress said on Monday. Questioning the disruption of Parliament, Congress spokesman Manish Tiwari pooh-poohed the charge that the leak was motivated to divide the Opposition, which had stood as one on the sugarcane price issue. The Congress counter to this charge was that the government did not have to leak the report to divide the Opposition. "Had the government wanted to divide the Opposition as is being made out, it could have just tabled the report," said a senior Minister, indicating that the party might well opt for this route now to contain the controversy. The Congress top leadership had swung into action by evening, with Prime Minister Manmohan Singh calling up from the U.S. and asking Finance Minister Pranab Mukherjee to convene a meeting of the Cabinet to clear the report, the Action Taken Report (ATR), and table it in Parliament without delay. Cabinet clearance is mandatory for such reports. The Congress had contemplated all day whether to call the Cabinet or not in the absence of the Prime Minister. There were also some practical considerations pertaining to procuring enough copies of the voluminous report and the ATR for circulation to all members. Given the limited time at the government's disposal, plans were afoot to table just a few copies in Parliament and then upload the entire report and the ATR on the Internet for all to access. Add to this the issue of translation into Hindi. In the Rajya Sabha, Home Minister P. Chidambaram, in fact, attributed the delay in tabling the report to the fact that the Hindi translation was not complete. However, this requirement can be side-stepped with the consent of the presiding officers of the two Houses. BJP leader Sushma Swaraj made it clear that her party would have no problem with the absence of Hindi copies as long as the report was tabled. (The Hindu)

### **Lok Sabha debate on December 1**

As decided at a meeting of party leaders on Tuesday, the Lok Sabha will discuss on December 1 the Liberhan Commission report on the demolition of the Babri Masjid. The demand for discussion was made by the Bharatiya Janata Party's Sushma Swaraj at the Business Advisory Committee meeting and accepted by other parties and the government. Apparently, no subject for discussion has been listed for December 2. Although the Commission report is expected to be taken up under rule 193 for a short duration discussion, members from all parties would like to speak on the contentious issue and therefore it has been decided to keep the schedule flexible, lest the debate spill into the next day. It is expected to be a no-holds-barred affair as the parties prepare to discuss the 1992 Ayodhya incident that many leaders feel affected Indian polity as no other since the assassination of Mahatma Gandhi. (The Hindu)

### BJP, Left, SP oppose central team to Bengal

In a rare show of solidarity, BJP, Left and SP on Monday got together in both Houses of Parliament to put the government on the mat for sending a central team to West Bengal. Home minister P Chidambaram told both the Houses that he had a good working relationship with WB chief minister Buddhadeb Bhattacharjee. He said the team was sent to Kolkata to hold discussions with the state government. In LS, the home minister said every step by the Centre need not be viewed from the 'prism' of Article 356. "Post-Bomma, there is no scope," he said, explaining that in the light of the Supreme Court observations in a case moved by the then Karnataka CM S R Bommai, the Centre could in no way dismiss a state government resorting to Article 356. "This is not in spirit of confrontation but to help state government so that law and order is maintained." In Rajya Sabha, question hour was adjourned after Left members raised the issue as soon as the House started. Left members trooped into the well of the House. CPM leader Sitaram Yechury in RS and Basudeb Acharia in LS wondered whether despatching such a team was a prelude to the imposition of Article 356 to sack the Left Front government. Yechury said, "We have been victims of Article 356 thrice in West Bengal and twice in Kerala. Law and order is a state subject. State government has cooperated with the Centre on Maoist issue but it is inter-party clash. Political atmosphere in which it is being done there is a projection that Centre is intervening in law & order." Yechury also said that despite PM calling Maoists the biggest threat to the nation, a member of the council of ministers was defending them. Support from BJP came immediately. In LS, leader of Opposition L K Advani said that though his party had differences with the Left on many issues, he would still oppose any move if that construed any attempt to impose President's rule on a state dismissing an elected state government. In RS, leader of Opposition Arun Jaitly reiterated Advani's point of view and demanded that the House be assured that it was only consultation and not interference. In LS, SP chief Mulayam Singh said the move was fraught with suspicion since it was not clear what purpose the team's visit would serve. Acharia wondered whether despatching such a team was a prelude to imposition of Article 356 to sack the Left Front government. Admitting there was a law and order problem in the state, he said some of the other states faced similar problems. "Can law and order problems be equated with internal disturbances," he said, claiming that the Centre was preparing a case for central rule in Bengal. Acharia and his party colleagues came into the well protesting the Centre's move. Some SP members also joined the protests. Trinamool Congress members on the other hand demanded that in view of the unprecedented violence in Bengal the state should be immediately placed under President's rule. In the din the chair adjourned the House. (The Times of India)

### Anti-Sikh riots one of the most tragic events, says Pranab Mukherjee

Amid opposition demands for immediately bringing to book culprits of the 1984 anti-Sikh riots, government on Wednesday described the incident as "one of the most tragic events" and assured Lok Sabha that it would do its best under the given circumstances. "Everyone among us feels ashamed that this happened... We cannot get back the lives we lost, we cannot remove the agony (of those affected) ... We can take a vow and draw a lesson that in future this does not happen," Leader of the Lok Sabha Pranab Mukherjee said. He was responding to Harsimrat Kaur (SAD) who raised the issue spiritedly during the Zero Hour, lamenting that 25 years after the ghastly incidents in which, she claimed,

7,000 Sikhs were killed, no one has been punished. Mukherjee admitted that Kaur had brought back memories of "one of the most tragic events". Kaur was supported by the entire opposition, led by Leader of Opposition L K Advani, following which Mukherjee assured them that he would speak to Prime Minister Manmohan Singh and other colleagues and see "what best can be done under the given situation". She regretted that despite the Nanavati Commission recommending registration of cases against Congress leader Sajjan Kumar and others in 2005, no case was registered. "CBI has still not filed a single chargesheet." Amid cries of 'shame, shame' from opposition benches, Kaur said so many commissions and committees have been appointed but no guilty has been brought to book so far. Noting that this has happened despite 11 eye-witnesses giving statements before magistrates, she said "no community in our country should ever live by the fear of another community". Kaur asserted that all communities had equal stake in the country and steps should be taken to "uphold secularism". Advani suggested that government set up a small parliamentary committee to go into the issue for quick action, "leaving aside all old issues". JD(U) leader Sharad Yadav, along with leaders of Left parties, BSP, SP and BJD, also supported early action in the case. (The Times of India)

#### Left, BJP cautious on communal violence bill

As the government prepares to table in parliament a bill to check communal violence, political parties on Friday reacted cautiously to the development, saying they want to study the new legislation, which was originally drafted in 2005. "We have not seen the bill. Let the draft come to us... We will study it and spell our strategy accordingly," Bharatiya Janata Party (BJP) Lok Sabha member Syed Shahnawaz Hussain told IANS. The union cabinet Thursday cleared the re-drafted Communal Violence (Prevention, Control and Rehabilitation of Victims) Bill for introduction in parliament. The cabinet decision comes a week after the government tabled the Action Taken Report (ATR) on the Liberhan Commission report on the 1992 Babri Masjid demolition. The ATR had promised that the government will bring the bill soon. A controversial clause in the legislation allows the central government to declare an area in a state as "communally disturbed", giving it a leeway to put a state government under a scanner. Another clause stipulates three years' imprisonment for violation of section 144 of the Criminal Procedure Code - illegal assembly of more than five persons at a time and at a place - in a communally disturbed area. The parliamentary Standing Committee, scrutinising the bill, had raised certain queries stalling the United Progressive Alliance (UPA) government's plan to introduce the legislation in 2005. A section which empowers the central government to send forces to communally disturbed areas was the bone of contention. Almost all political parties, including the Left, had expressed reservation about this provision. Hussain said the BJP will oppose any move that aims at intruding into the states' domain. "Law and order is a state subject. It should be left with the state government to deal with. Communal violence should be stopped but without interfering in states' affairs," he said. Left parties are also waiting to read the draft before drawing up their policy response on whether or not to oppose the bill. "Let them table it. The cabinet, I am told, has cleared it. As of now, my party won't be able to comment as we have not read the new draft," Communist Party of India (CPI) Rajya Sabha member D. Raja told IANS. He said the bill is not new but the Left parties would study if the government has accepted the recommendations of the standing committee over some controversial

clauses. "It is not a new bill. Let's see what they have accepted and rejected. We had raised our dissent over some controversial clauses. We have to see if our reservations have been accommodated," Raja said. (The Times of India)

### **Liberhan Commission Report:**

#### **Babri demolition meticulously planned, says Liberhan, indicts Atal with Advani and Joshi**

Calling them "pseudo-moderates," the Justice Manmohan Singh Liberhan Commission of Inquiry has indicted former Prime Minister Atal Bihari Vajpayee along with current Leader of Opposition in the Lok Sabha L K Advani and former BJP president Murli Manohar Joshi, among others, for the demolition of the Babri Masjid on December 6, 1992. Citing the evidence it gathered, which includes witness statements and official records, one of the key conclusions of the Commission is said to be that the entire build-up to the demolition was meticulously planned. And there was nothing to show that these leaders were either unaware of what was going on or innocent of any wrongdoing. The one-man Commission probed the "sequence of events leading, and all facts and circumstances relating, to the occurrences at Ram Janmabhoomi-Babri Masjid complex on December 6, 1992" the day the Babri Masjid was brought down by kar sevaks. Sources in the Union Home Ministry have confirmed that the report is also severely critical of many Muslim leaders representing organizations such as the Babri Masjid Action Committee and the All India Babri Masjid Action Committee. The elite leaders of these Muslim organizations, the report is learnt to have observed, constituted a class of their own and were neither responsible to nor were they caring for the welfare of those they claimed to represent. These leaders failed the community by failing to put forth a logical, cohesive and consistent point of view on the dispute, both inside and outside the courts, the Commission is said to have stated. The Home Ministry, which is giving final touches to the action taken report (ATR), intends to table the ATR in Parliament along with the report of the Commission during the ongoing Winter Session. The Commission was set up 10 days after the demolition as communal riots rocked several parts of the country. After 17 years and 48 extensions, it submitted its report on June 30 this year. It is learnt that among others indicted and found culpable for what the Commission calls pushing the nation to the brink of communal discord are the entire top brass of the Sangh Parivar. These include the leaderships of the RSS, VHP and Shiv Sena. It is learnt that Justice Liberhan has not come down heavily on the then Union Government headed by P V Narasimha Rao. Its argument: as per the Constitution, the Union Government can act only after it receives the recommendation of the state Governor. In this case, the Governor didn't do much and also didn't seek the Centre's intervention. The report is learnt to have said that despite claims to the contrary, the Ayodhya campaign did not enjoy the willing and voluntary support of the common masses, particularly Hindus. In fact, Liberhan is learnt to have said that the demand for a temple never became a mass movement. The campaign only ended up silencing the voices of sanity and shaming them into joining the movement. Liberhan is learnt to have said that despite claims by Advani and Vajpayee that they had no role in the demolition, the two leaders cannot be absolved of their responsibility for the same. When he appeared before the Commission, Advani

had said he was pained by the events at Ayodhya on December 6, 1992. Liberhan is said to have stated that while Vajpayee, Advani and Joshi could have been used by the Parivar as the publicly acceptable faces of the movement, they were still party to all decisions. And that none of them had the capacity to defy the orders of the RSS without damaging their political future. In fact, the Commission calls them tools in the hands of the RSS. However, drawing from history, particularly from the trials of Nazi soldiers, at which the plea of having acted on the orders of superiors was not accepted, the Commission is learnt to have concluded that these leaders can't be given the benefit of doubt or absolved of culpability. Vajpayee, Advani and Joshi have also been indicted for having violated the trust of voters. Rath yatra by Advani and Joshi, Liberhan is learnt to have concluded, were targeted at making the emotionally-charged common man join the movement. In sharp contrast to the BJP and the Sangh Parivar stand that the demolition was a spontaneous outburst, Liberhan is said to have argued that the events resulting in the demolition were carefully planned. The Commission is also said to have concluded that diversion of funds to Faizabad and Ayodhya just before the kar seva, mobilization of kar sevaks as well as arrangements made at the site with military-like precision, clearly proves that the plan was not just limited to symbolic kar seva, as stated by Sangh and BJP leaders. To substantiate this argument, Liberhan is learnt to have pointed to the mode of assault on the disputed structure as well as easy availability of instruments and material. The small number of kar sevaks who actually carried out the demolition, the hidden faces of such kar sevaks, the removal of idols and cash boxes from under the domes and the eventual installation in the makeshift temple clearly show that demolition was carried out with painstaking preparation and planning, he is learnt to have said. The report is said to suggest that the emergence of a host of leaders to lead the movement from among the ranks of the BJP, RSS, Bajrang Dal and other Sangh Parivar groups was because of the lure of wealth and power rather than ideology. Liberhan is learnt to have written that these leaders saw the Ayodhya movement as their road to success, and they acted as executioners wielding swords provided by the ideologues. Referring to the funds collected by leaders of the Ram Janmabhoomi movement, the Commission has reportedly said that many tens of crores of rupees collected from the people were deposited into bank accounts operated by these leaders. These funds were used to provide infrastructure and other amenities for kar sevaks in the days leading to the demolition. (The Indian Express)

### **Proof of planning, conspiracy a big blow to BJP, RSS**

Once the dust from the unnecessary debate over who leaked the Liberhan Commission's findings settles down, the country will be in a better position to reflect upon the political consequences of the enquiry report on one of independent India's most sinister mass crimes: the demolition of the Babri Masjid at Ayodhya on December 6, 1992. Though it is not yet clear whether Mr. Liberhan has fixed criminal or merely political responsibility on top Bharatiya Janata party leaders like Atal Bihari Vajpayee, L.K. Advani and Murli Manohar Joshi, the commission report seems to have concluded that the demolition was no act of spontaneous vandalism but a pre-planned conspiracy. The circle of conspirators may well have been small but it is impossible to imagine that leaders like Mr. Advani were completely unaware of what was underfoot. Either way, the Manmohan Singh



government is duty-bound to get to the bottom of the matter and to do so without any further delay. For years, the BJP walked a fine line on the demolition. Senior leaders like Advani sought to avoid direct culpability for what was, after all, a criminal act, while also exploiting the communal polarisation the masjid/mandir issue caused for political gain. The strategy worked fine at first. The demolition was used by the BJP, the Rashtriya Swayamsevak Sangh and the Vishwa Hindu Parishad to spread the sangh parivar's influence beyond the Gangetic plains and into Karnataka, Maharashtra, Madhya Pradesh, Rajasthan and Gujarat. By the time the BJP came to power in Delhi as part of the National Democratic Alliance, however, the signs of mandir fatigue were already apparent, especially in Uttar Pradesh and Bihar. As the communal virus of the 1990s slowly exhausted itself and robbed Ayodhya of its political potency, the BJP moved on to other issues. With Mr. Liberhan content to drag out his enquiry, the legal fallout of the demolition was managed by petty clerical fiddles at the Central Bureau of Investigation and the U.P. bureaucracy. The end result: many senior leaders of the party, including Mr. Advani, extricated themselves from the demolition cases which were, in any case, progressing at snail's pace. The problem for the BJP today is two-fold: First, Mr. Liberhan chose to complete his labours and that too during the tenure of a Congress-led government; and second, the scope for whipping up religious sentiments and rallying Hindus around the prospective martyrdom of leaders like Mr. Advani is extremely limited. Indeed, ordinary Hindus know that the Babri Masjid's demolition, like the Gujarat massacres of 2002, is part of the backstory of urban terrorism, including the rise of homegrown terrorist outfits like the Indian Mujahideen. They also know instinctively that religious polarisation of the kind the sangh parivar has sought to engineer has made India a more dangerous and violent place. Any campaign the BJP mounts now will be marked by the desperate search for legal loopholes, alibis and fixes, not defiance and bravado in the service of Lord Rama. Ironically, the best hope for the BJP lies in the Congress' reluctance to press ahead its political advantage. At the best of times, the party has never been too enthusiastic about ensuring punishment of those involved in communal crimes. The findings of the Srikrishna Commission of Enquiry into the 1992-1993 communal killings in Mumbai, for example, have remained largely unimplemented. Going by the law of probability — since the probability of law is so low — there are good reasons to believe the Liberhan findings will also meet the same fate. (The Hindu)

#### Feuding Parivar leaders may rally behind Advani

The "indictment" of the entire Sangh Parivar by the Liberhan Commission may result in its squabbling ranks coming together to deal with the challenge, if only for the time being. The report, said to identify RSS as the chief protagonist of the demolition conspiracy, comes at a time of unhappiness in BJP ranks over Sangh's "takeover" of the party, as well as when there is no end to the feuding among its own members. However, the debate in Parliament and outside will see BJP playing the defence attorney for RSS, while rallying behind L K Advani and other leaders who have been directly held responsible for the demolition. It will also, for once, see the rival factions who have enlisted the support of RSS leaders to further their interests, singing from the same sheet. Interestingly, it is the same set of leaders -- Arun Jaitley, Sushma Swaraj, Venkaiah Naidu and Ananth Kumar - whom the RSS turned down for the leadership of the party, who are likely to be fielded to defend the attack on the "communal" Parivar from the

Congress, the Left and other "secular" formations. To Advani, the fresh focus on his role as the leader of the Ayodhya movement may not be entirely unwelcome. It recalls his role as the senior most leader in BJP's political pantheon, and can push the controversy over his praise for Pakistan's founder M A Jinnah into the background. On Monday, the leader of Opposition seemed ready to play the role of leader of the temple movement. He protested against the "indictment" of former PM A B Vajpayee, but did not seem discomfited by his own. "I can understand that," he said stoically. Advani repeated that he had termed December 6, 1992 -- the day of the demolition -- as the "saddest day" of his life, but asserted that he was proud of his participation in the temple movement. He vowed to redeem his pledge to build a magnificent temple of Lord Rama at the "spot he was born". The switch to basics may compel RSS to be more accommodative on the issue of when Advani should quit as leader of Opposition. But the truce is not expected to last for long. BJP sources acknowledge that fissures that have developed in the party are too deep to be bridged. Moreover, Ayodhya cannot cause rivals in the party to bury the hatchet because it has lost its political potency and cannot guarantee returns for concessions that the contending sides would be required to make for organisational harmony. (The Times of India)

### **Centre to expedite mosque demolition cases**

The 13-page Action Taken Report tabled in Parliament on Tuesday, along with the report of the Liberhan Commission that probed the Babri Masjid demolition, said the government accepted the recommendation for a law to prevent misuse of religion. The government "accepted" recommendations 1.7 and 1.9 for "a special separate law providing exemplary punishment for misuse of religion, caste, etc.," and that there was need for "swift prosecution and effective implementation of the law..." The government also accepted a recommendation that the Election Commission take serious note of complaints by citizens of misuse of religious sentiments by political parties through an appeal to their faith. The ATR says the government will refer the matter to the Election Commission. It said enactment of a Communal Violence Bill to prevent and control riots and setting up special courts to deal with them were under consideration. The ATR makes no reference to the indictment of top BJP leaders, including L.K. Advani, Murli Manohar Joshi, Kalyan Singh and leaders of various Sangh Parivar outfits made in the report. The Commission said the constitutional scheme to separate religion from politics was intended to insulate issues of governance from those of theology. The government said it would "take steps to expedite" the hearing of existing cases related to the demolition of the Babri Masjid in the special courts in Rae Bareilly and Lucknow. The recommendations cover 19 pages and are grouped under seven main heads, each with several clauses. There is no specific recommendation to prosecute anyone. The report itself indicts 68 persons but the recommendations do not point to even a single name fit for prosecution or any other action. In response to recommendations relating to weeding out communal elements in recruitment to civil and police services and not allowing them to seek political patronage, the government simply "noted" the recommendation and said the procedure of review of an officer's performance would be strengthened. The government agreed with the recommendation that Parliament, the Legislatures, the elected governments and the political parties must rededicate themselves to ensure a

secular India, whether by strengthening the existing provisions in the Codes of Conduct or in election related laws. The ATR says, “Whether the code of conduct and whether election-related laws require amendments will be referred to the Election Commission.” (The Hindu)

### **RSS ran a parallel government, says Liberhan**

The Liberhan Commission report has come down strongly on the Rashtriya Swayamsevak Sangh and the Vishwa Hindu Parishad, accusing them of manipulating the common masses and turning them “into a frenzied mob, capable of acts of the greatest depravity... unparalleled in recent times.” The report charges the RSS with running a parallel government that minutely supervised the smallest detail in the events leading up to the demolition of the Babri Masjid. The RSS, Shiv Sena, Bajrang Dal, the BJP etc. collectively formed an “immense and awesome entity with a shrewd brain, a wide encompassing sweep and the crushing strength of a mob.” To the “core group of thinkers” in this vast network, “the destruction of the disputed structure was only one victorious battle in their ongoing campaign against secularism and multicultural society, clothed in the garb of religion, regions, reservations, castes etc.” Simultaneously, the report rubbishes the notion that the destroyers of the masjid were driven by any kind of lofty idealism or goal. Indeed, Mr. Justice Liberhan says the Commission came upon “indisputable evidence” that a rank of leaders had emerged in the BJP, RSS, VHP, Shiv Sena, Bajrang Dal etc., who saw the Ayodhya issue as their road to success and “sped down this highway mindless of the casualties they scattered about. “These leaders were the executioners wielding the sword handed to them by the ideologues.” Mr. Justice Liberhan is also emphatic that the Ayodhya campaign was not a people’s movement, as made out by its architects. Further, it did not enjoy the willing and voluntary support of the common person, who remained silent for fear of being labelled atheist or anti-Hindu, or worse, unpatriotic. The judge has divided the organisations and persons responsible for the demolition into three groups. The first one comprises radicals, who were instrumental in the assault on the masjid and who had the means to prevent the assault: “Without their participation, none of the events of, and leading up to, December 6, 1992, would have occurred.” The second group consists of people who were not decision-makers but who were nonetheless guilty by virtue of “their sins of commission and omission.” These “pseudo-moderates,” among them Atal Bihari Vajpayee, L.K. Advani and Murli Manohar Joshi, “portrayed the benign face of the Ayodhya campaign and gave false reassurances to the courts, the people, and the nation as a whole.” In the third group, the judge places those who were “required by their statutory duties as officers of the State or as responsible leaders of the people to prevent [the demolition] or at the very least to register vociferous protests, in which they failed.” The judge criticises the “pseudo-moderates,” for whom defying the diktat of the RSS was impossible because that will endanger their careers. Mr. Justice Liberhan attributes their complicity in the events leading up to the demolition to their eagerness to “inherit the political successes engineered by the RSS.” (The Hindu)

## **Searing indictment of RSS, BJP, but action to be taken: nothing**

There is a phrase in Hindustani — khoda pahad, nikli chuhiya — to describe the underwhelming outcome of an exercise over which one has laboured long and hard. Justice M.S. Liberhan worked diligently for 17 years through more than 40 extensions of his initial three-month brief to produce a 1029-page report full of facts and details about the events and circumstances leading up to the demolition of the Babri Masjid in 1992. His conclusion is unsurprising but unequivocal and bold: the demolition was part of a well-thought out plan — a “joint common enterprise” — hatched by the top leadership of the Rashtriya Swayamsevak Sangh, the Vishwa Hindu Parishad, the Shiv Sena and the Bharatiya Janata Party, the last organisation correctly described as a “front organisation” of the RSS. Unfortunately, the recommendations which emerge out of his daring excavations are so mousy that they bear no resemblance whatsoever to the forthright conclusions which precede them. After having indicted 68 individuals for bringing the country to the brink of communal disaster, Justice Liberhan doesn’t call for the filing of charges against those that have escaped being arraigned so far in the demolition case, nor does he speak of expedited criminal proceedings. This is surprising given his repeated use of the phrase “joint common enterprise” to describe the conspiracy. Ever since the 1999 Tadic judgment of the International Criminal Tribunal for the former Yugoslavia, international criminal law has developed the notion of ascribing liability for mass crimes to those who might not have been direct participants but who willingly facilitated the commission of criminal acts through the positions they occupied in the hierarchy of the organisation involved. Had Justice Liberhan developed the concept in his recommendations and pushed for an end to the pervasive impunity enjoyed by politicians, police officers and bureaucrats, he would have earned the gratitude of the nation. But he has done nothing of the sort. Other than calling for the separation of religion and politics and making some other tepid suggestions, the report steers clear of recommending either short-term steps to ensure justice in the demolition case or long-term measures to protect the country from a repeat of the tragedy. Perhaps the fault lies not so much with Justice Liberhan and his commission as with the inability of the police and justice delivery system in India to reach the same conclusions he did and then to act upon them with speed and impartiality. In Chapter 10, Justice Liberhan makes a definitive statement about culpability: “It stood established before me beyond reasonable doubt that the Joint Common Enterprise was a preplanned act for demolition under the immediate leadership of Vinay Katiyar, Paramhans Ramchander Dass, Ashok Singhal, Champat Rai, Swami Chinmayanand, S.C. Dixit, B.P. Singhal and Acharya Giriraj. They were the local leaders on the spot and the executors of the plan conceived by the RSS. The other leaders [L.K. Advani, Murlī Manohar Joshi and others] cannot be absolved of their vicarious liability and were willing collaborators playing the roles assigned to them by the RSS. Their informed support for the Ayodhya campaign, fortified by their physical presence during the grand finale of the prolonged campaign is irrefutably established. “I conclude that the RSS, BJP, VHP, Shiv Sena and their office bearers as named in this report, in connivance with Kalyan Singh, the then Chief Minister of U.P., entered into a Joint Common Enterprise for the purpose of demolition of the disputed structure and the construction of the temple in its place. They practised intermingling of religion with politics as a well thought out act to subvert democracy.” The demolition of the mosque was the “zenith of

a concerted and well laid-out plan which encompasses an entire pantheon of religious, political and mob leadership.” Justice Liberhan noted, correctly, that “some leaders were consciously kept out of the operational area or planning in order to protect them and preserve their secular credentials for later political use.” Mr. Advani and Mr. Joshi may have been part of the second tier in this joint common enterprise but they cannot escape political or legal liability despite the “plausible deniability” the sangh parivar gave them as a shield. Seventeen years later, many of the criminals involved in this joint common enterprise are dead. But many flourished, secure in the knowledge that they were above the law. No matter how much the country will now vilify Justice Liberhan for the little mouse he has produced by way of recommendations, the body of his report provides a wealth of material that any investigating agency worth its name ought to be able to spin a watertight conspiracy case out of it. Many of the dramatis personae who had memory lapses before the commission would find it harder to resist the interrogation techniques our police force now excels in, including narco analysis. If the UPA government is serious, it can do no better than file supplementary charge sheets and fast-track the Babri Masjid demolition case so that justice is finally done. (The Hindu)

#### **“U.P. administration abetted in demolition”**

The bureaucracy in Uttar Pradesh during the Babri Masjid demolition has come in for severe criticism in the report of the Liberhan Ayodhya Commission of Inquiry. It found that all institutions of governance in the State “abetted in the demolition” and the aftermath to help the Bharatiya Janata Party execute its political agenda. That the U.P. police and administration remained mute spectators is an oft-repeated observation in the report. “The veering away of the executive and the State administration or the bureaucracy from independent constitutional administration is too obvious to be ignored,” Justice Manmohan Singh Liberhan observed. “By their presence, acts of omission and commission, the State’s highest officers endangered the security of the disputed structure and the safety of their own people. What a travesty of circumstances! The State specifically refused to take the responsibility for implementing the Court’s orders. It also stonewalled the intervention of the Central government by relying on the federal structure of the Constitution,” Mr. Justice Liberhan said while wrapping up a 45-page account of the role played by “The Administration” on that crucial day. While conceding the difficulties the bureaucracy and the police may have faced in standing up to their political bosses, Mr. Justice Liberhan drew attention to the fact that they were handpicked by the then Chief Minister, Kalyan Singh — who had assumed all powers to transfer officials — because of their political leanings. “The people who mattered in the administration, either knowingly or otherwise, having or had strong views on Hinduism and about the partition of the country and were put on key posts specially.” As a result, “no preventive steps were taken to forestall the demolition of the disputed structure nor to prevent or stop the vandalism or the spread of communal hatred and frenzy against the minority community.” And, there were no hurdles in the way of the kar sevaks and others to the disputed structure at any place between Faizabad and Ayodhya. Not only were RSS workers deployed as organisers at the disputed structure, — “most damningly and demonstratively, the administration even handed over security and discipline of kar sevaks to the organisers” — the government facilitated access by reducing the height of

the security wall by placing earth around it. Further, the Chief Minister took all steps to ensure that no force of any nature was used against the kar sevaks and leaders of the movement. He even issued an order in writing not to open fire on kar sevaks and others in any eventuality, Mr. Justice Liberhan pointed out in his indictment of an administration that “deliberately allowed itself to be sidelined, bypassed, emasculated and rendered irrelevant.” (The Hindu)

### **Role of Arun Nehru, Rajiv in opening masjid ignored**

Missing from the otherwise detailed sequence of events recounted by the Liberhan report into the Babri Masjid’s demolition is an account of the role played by the Congress leadership in getting the mosque, which had remained locked for decades, opened for Hindu worshippers in 1986. When the Babri Masjid-Ram Janambhoomi dispute first flared up in 1949, the authorities decided to lock the disputed premises so that neither Hindus nor Muslims could use the act of worship to press their claims. Tracing the rise of the Sangh Parivar’s anti-Babri Masjid campaign from 1984 onwards, Justice Liberhan describes how the central focus of the Vishwa Hindu Parishad’s movement was to get the mosque unlocked so that they could appropriate the space as a site of worship for Lord Ram. On page 87 of his report, Mr. Liberhan describes the decision of the Faizabad district judge to unlock the mosque on February 1, 1986. One of the reasons the judge cited was a statement by the District Magistrate which said that the reopening of the mosque would not lead to any law and order problems. What Justice Liberhan left out of his narrative was any consideration of the role played by the Congress Chief Minister of Uttar Pradesh, Bir Bahadur Singh, and Rajiv Gandhi, who was the Prime Minister at the time. According to reports at the time, the Congress leadership, acting through Arun Nehru, ensured that the locks of the mosque were opened within an hour of the Faizabad judge’s ruling. What is more, television cameras were on hand to record the triumphant entry of Hindu worshippers. The Congress strategy was to undercut the BJP’s temple campaign, but it backfired as the Sangh Parivar quickly seized the initiative. (The Hindu)

### **Liberhan’s list of culpable officials: most are retired, 2 dead**

Most of the bureaucrats and police officers of Uttar Pradesh, who served under the Kalyan Singh regime, and whose names find a place in the list of 68 persons, culpable of “leading the country to the brink of communal discord,” in the Liberhan Commission report, are leading a retired life, barring two, who have died, and one, currently on Central deputation. The two dead are V.K. Saxena and D.B. Rai. The former was the Chief Secretary when the Babri Masjid was demolished and the latter the then Faizabad Senior Superintendent of Police. The then Commissioner of the Faizabad Division S.P. Gaur is the one on Central deputation. S.V.M. Tripathi, who was the Director-General of Police in 1992, went on to become the Director-General of the Central Reserve Police Force and retired in 1996. He is based in Lucknow. Another senior police officer holding a key post then was A.K. Sharan, Inspector-General, Lucknow Zone (he has been mentioned as IG Security in the Liberhan report). When The Hindu contacted Mr. Sharan in Patna, where he is leading a retired life, he recalled that security arrangements fit to control a “mela”-like gathering, such as traffic and access control, were made at

Ayodhya. He said that till the morning of December 6, 1992 there was no apprehension that the mosque would be demolished. Mr. Sharan later became the ADG, Crime Branch, CID (CB-CID) in Uttar Pradesh and retired as the DGP of Uttarakhand (he had opted for Uttarakhand when the hill State was formed). Rai was suspended along with District Magistrate of Faizabad R.N. Shrivastava on December 7, 1992. After his retirement, he contested and won the 1998 Lok Sabha election from Sultanpur on a Bharatiya Janata Party ticket. He died this year. Mr. Shrivastava was reinstated by the Central Administrative Tribunal in 1993 and he retired from service in 1996. Based in Lucknow, he is facing prosecution in the Special CBI court in the Babri demolition case. Another senior bureaucrat was the then Principal Secretary, Home, Prabhat Kumar. He became the Cabinet Secretary in 1998. He was made Jharkhand Governor by the National Democratic Alliance government but had to quit in controversial circumstances in February 2002. Alok Sinha (his name has been mentioned as “Ashok Sinha” in the Liberhan report) was Tourism Secretary when the notification (number 3914/41-33/96) dated October 7, 1991, pertaining to the acquisition of 2.7744 acres of land near the Babri Masjid-Ram Janmabhoomi complex was issued by the Kalyan Singh government. The notification was issued under Section 4 of the Land Acquisition Act for “development of tourism purposes and for providing amenities to the pilgrims at Ayodhya.” Subsequently, by a second notification, dated October 10, 1991, the government dispensed with the inquiry necessary under Section 5 of the Act. Both the notifications were quashed by a Special Bench of the Allahabad High Court (Bench of Judicature at Lucknow) on December 11, 1992, five days after the demolition of the masjid. Mr. Sinha served as the Principal Secretary, Home, in the Mulayam Singh regime of 2003 and then went on Central deputation before retiring. The then DIG, Faizabad Range, Uma Shankar Bajpai, and the then ASP, Faizabad, Akhilesh Mehrotra, retired from service in 1995 and 2008 respectively. (The Hindu)

### **Dispute beyond jurists, politicians: Liberhan**

The Liberhan Commission has made it clear that the Ram temple-Babri Masjid dispute cannot be resolved by jurists. In its recommendations, the Commission said: “The disputes among various groupings on the provenance of monuments, temples and other structures have survived to this day and age, and like in the case of the Ram Janambhoomi-Babri Masjid issue, are capable of fomenting unnecessary and unwanted trouble and disharmony.” The question whether a structure was a temple or mosque could be answered only by a scientific study by archaeologists, historians and anthropologists, the Commission said. “No politician, jurist or journalist, learned though they may be, can provide a comprehensive answer to such questions, and any attempt to hijack the issue can only result in the chaotic consequences which resulted in the events of December 6, 1992.” The government’s Action Taken Report (ATR) simply says “agreed” without elaborating. The Commission wanted the government to appoint a statutory national commission, composed of acknowledged experts, to delve into the questions of provenance of historical monuments and artefacts, and their determination should be deemed definitive and final. On this recommendation, the ATR says: “The mandate of the Archaeological Survey of India is to undertake archaeological studies and preservation of the archaeological heritage of the country under various Acts of

Parliament. The ASI's function is also to explore, excavate, conserve, preserve and protect the monuments and sites of national and international importance. Hence it is not necessary to appoint another national commission, and it would suffice to strengthen the functions of the ASI." The Liberhan report said there should be no hesitation in associating the finest historians, anthropologists and archaeologists from within and outside the country with the exercise. These experts should be equipped with the latest and most sophisticated tools in an attempt at not only finally answering the question of the historical legacy of places but also at ensuring that their findings contributed to harmony and peace among communities, castes and regions. The ATR says: "The ASI will be requested to associate reputed historians, anthropologists and archaeologists both from within the country and outside." The Commission said it was inherently unfair, immoral and legally dubious to hold democracy hostage to religious and casteist blackmail. "The separation of state and religion has been debated at great length in every age and has found favour in almost every organised civilised society." The ATR says, "Agreed."

### **Liberhan: nothing illegal in naming Vajpayee in my report exclusive**

Breaking his silence on the political controversy his report has triggered, Justice M.S. Liberhan on Saturday said there was nothing "illegal" or "improper" in naming the former Prime Minister, A.B. Vajpayee, as one of the leaders culpable for leading the country to the brink of communal discord in the demolition of the disputed structure in Ayodhya on December 6, 1992. Bharatiya Janata Party leaders and others, such as Anupam Gupta, former counsel for the Commission, have said Justice Liberhan was wrong to have indicted Mr. Vajpayee without issuing a formal notice to him. Speaking to this correspondent from his Chandigarh home, Justice Liberhan said the Commission issued notice to the BJP and many of its leaders were examined as witnesses. He said, "Nobody can dispute that Mr. Vajpayee is a tall leader in that party, which is a legal entity. Just like a Managing Director is responsible for the misdeeds of a company, a leader is equally responsible for the misdeeds of a party." When it was pointed out that Mr. Gupta was of the opinion that notice under Section 8-B of the Commissions of Inquiry Act ought to have been issued to Mr. Vajpayee and he should have been examined before any reference was made to him, Justice Liberhan said, "I don't think so. You read my report. I have not said anything about Mr. Vajpayee in his individual capacity. What I have said is applicable to him as a leader of a party. How can you say that a leader is not responsible? Once a notice is issued to the party, no separate notice is necessary to an individual." In his conclusions in the report, Justice Liberhan said: "It cannot be assumed even for a moment that Mr. L.K. Advani, Mr. A.B. Vajpayee or Mr. M.M. Joshi did not know the designs of the Sangh Parivar. Even though these leaders were deemed and used by the Parivar as the publicly acceptable faces and the articulated voices of the parivar and thus used to reassure the cautious masses, they were party to the decisions which had been taken. These people, who may be called pseudo-moderates, could not have defied the mandate of the Sangh Parivar and more specifically the diktat of the RSS, without having bowed out of public life as leaders of the BJP." Justice Liberhan, in his report, said there was no manner of doubt admissible in the culpability and responsibility of Chief Minister Kalyan Singh and other icons of the Ayodhya temple



movement including Mr. Vajpayee. These leaders could not be given the benefit of the doubt and exonerated of culpability, he said in his report. Talking to The Hindu, Mr. Gupta, however, said that under Section 8 B of the COI Act notice was necessary if the reputation of any person was likely to be prejudicially affected by the enquiry. He also pointed out that a specific request to summon Mr. Vajpayee as a witness was rejected by the Liberhan Commission on July 29, 2003. He said the Commission, in its 17-page order, had held that no useful purpose would be served by summoning the (then) Prime Minister at this stage. While so, Mr. Gupta wondered “how can Justice Liberhan now say that notice is not necessary?” (The Hindu)

### **Minorities’ issues:**

#### **Sikh diaspora seeks explanation for injustice to victims of 1984 carnage**

On the eve of Prime Minister Manmohan Singh’s arrival in the U.S., different advocacy, human rights groups, networks and Sikh organisations, have put up a coordinated campaign across North America and Europe to expose the denial of justice to the thousands of victims of the November 1984 anti-Sikh carnage. According to a release on Saturday, these groups have appealed to President Barack Obama, members of the U.S. Congress, human rights organisations, the media and the people of the U.S., to ask Dr. Singh to explain the events of November 1984 and their aftermath. They demanded that Dr. Singh should tell the world community how continuous mistreatment, abuse and killings of Sikhs, Dalits and other religious minorities, did not establish an ongoing pattern of targeting minorities in a “supposedly democratic India.” They asked the international community to negate India’s claim of respect for human rights, justice for all, and democracy. One such campaign is spearheaded by a New York-based attorney, Gurpatwant Singh Pannun, who is the legal adviser to Sikhs For Justice (SFJ), a U.S.-based human advocacy, which in collaboration with the All-India Sikh Students Federation and its president Karnail Singh Peer Mohammad, want to disseminate true and correct information, statistics, figures and data regarding the “Genocide of Sikhs in November 1984.” In the appeal to President Obama, the SFJ emphasised that the aftermath was worse than the riots themselves as successive Indian governments not only failed to prosecute the guilty, but continued to shield those leaders indicted by inquiry commissions. Most of them were given seats in parliament and positions in the Union Cabinet. (The Hindu)

#### **President, Ansari greet nation on Id-ul-Zuha**

President Pratibha Patil on Friday greeted the nation on the eve of Id-ul-Zuha and said the festival would strengthen the unity and harmony in the country. In her message, the President said, “On the auspicious occasion of Id-ul-Zuha, I extend my greetings and good wishes to all my fellow citizens. Vice-President Hamid Ansari said: “The festival commemorates the spirit of sacrifice shown by Prophet Ibrahim and reaffirms the truth that from man’s complete willingness to sacrifice springs divine grace and compassion.” (The Hindu)

### Centre asks states to remain on alert on Babri Masjid demolition eve

The Centre on Friday advised all states to remain on high alert on the eve of 17th anniversary of Babri mosque demolition, warning that some misdirected elements may try to disturb communal peace and harmony in the country. The government said it was possible that some misdirected elements may wish to disturb communal peace and harmony on the eve of December 6, the day when the Babri masjid was demolished in Ayodhya 17 years ago. "Hence, all state governments have been advised to remain on high alert. Security forces will be deployed for maintaining law and order in sensitive places," the Home Ministry said in a statement. On the eve of December 6, the statement said, government wishes to appeal to all sections of the people to maintain communal peace and harmony. "The year 2009 has been remarkably free of any communal conflict. All religious festivals were celebrated peacefully. People from all walks of life participated in the celebrations. "It is the Government's desire that this exemplary sense of unity and fraternity should prevail in the remaining part of the year as well as in the future," it said. Government also said it sincerely hoped that all sections of the people will heed this appeal and co-operate with the Central and state governments to maintain communal peace and harmony. (The Times of India)

### **Hindu Fundamentalism:**

#### **Fundamentalist Muslim is the biggest threat to India: Thackeray**

Ram temple at Ayodhya is a symbol of Sena's sacrifice for Hindutva and the party would fulfil the promise of constructing it fully, Shiv Sena chief Bal Thackeray has said. Crediting Sena for bringing down the Masjid, Thackeray said, "Kothari brothers, who demolished the domes of Masjid and hosted a saffron flag there were Shiv Sainiks and I am proud of them." Referring to SP MLA Abu Asim Azmi's announcement to rebuild Babri Masjid at Ayodhya, Thackeray said, "if someone is dreaming of rebuilding Babri Masjid, Sena has the power to shatter those dreams." Thackeray described the assault on Azmi in Maharashtra Assembly by MLAs belonging to MNS as a "mild slap". Azmi was attacked for taking oath in Hindi, ignoring a warning by Raj to take the oath in Marathi. Thackeray indicated that taking up the Hindutva issue would not be at the cost of 'Marathi mannos'. "The 'sons of the soil' issue would remain in Maharashtra, but when the country faces threat from Islam, Hindus must stand up," he said. "Fundamentalist Muslim is the biggest threat to the country and we need to fight against it. Except some like Salim Khan, Javed Akhtar, Mukhtar Abbas and Farooq Abdullah, the rest are trying to destroy our country," he said. (The Indian Express)

#### **Differences show up in Sangh Parivar**

Many in the Bharatiya Janata Party had openly voiced their hope that the Liberhan Commission report would somehow reunite the Sangh Parivar, even if it led to the dissipation of the new found opposition unity seen in Parliament on the sugarcane issue. But within hours of the tabling of report in Parliament, there were radically different reactions from various elements of the Rashtriya Swayamsevak Sangh affiliates, known as the Sangh Parivar. While the Bharatiya Janata Party continues to maintain that the

demolition of the “Babri structure” was “unfortunate” and its leader L.K. Advani describes the day it fell, December 6, 1992, as the “saddest day of my life,” Vishwa Hindu Parishad general secretary Pravin Togadia on Tuesday said it was the “proudest day” for him. He claimed that Hindus in general were also “proud” that Babri, a “symbol of Hindu humiliation,” had been levelled to the ground. The first hint that the Commission may not help the ailing BJP came from Ms. Sushma Swaraj. She said on Monday that the party would not like to focus on the report for the next few days in Parliament as it would prevent it from raising other important issues. The party would prefer to talk about the scandal of the former Jharkhand Chief Minister Madhu Koda — now under investigation by the Enforcement Directorate — allegedly amassing hundreds of crores of rupees and the multithousand-crore 2G spectrum scam. That the Liberhan report may be used by members of the Sangh Parivar to continue to settle scores was evident on Tuesday when, at a BJP parliamentary party meeting, Uday Singh, MP from Purnia, Bihar, attacked the RSS and decried the impression that the new BJP president was being chosen by the Sangh bosses. He said a wrong political message had gone out; the BJP should select its own leader. The reference was to Nitin Gadkari, apparently anointed by the Sangh. While Mr. Advani, in the chair, did not respond, party president Rajnath Singh sought to pacify the MP, saying the BJP would elect its own chief, but not before it became clear to all present that the Liberhan report, due to be tabled in a few hours, would be used by some in the party to bolster their own fallen image. Those close to Mr. Advani have already begun saying that after the tabling of the report, it would not be right for him to step down as Leader of the Opposition, a move that was being considered. Answering questions on the propriety of Mr. Advani continuing in a constitutional position after having been indicted by a judicial commission, Ms. Swaraj said: “Where is the question of his resignation? The trial [of Mr. Advani] is on in the courts ... the indictment of Mr. Advani [by the Commission] is perverse.” She said Mr. Advani asked her “to demand the resignation of the Home Minister because the Liberhan report has been leaked by him,” but the party would not stall Parliament on this issue. Separately, Mr. Togadia said he was already drawing up plans for yet another mass mobilisation programme in the cause of a Ram temple. Individuals, even if “some go to jail” or “others are hanged,” did not matter. Sacrifice would have to be made; whether Atal Bihari Vajpayee or Mr. Advani was indicted by Justice Liberhan was unimportant. It was the cause of Lord Ram which was uppermost in the mind of the VHP. That, he said, was the considered view. (The Hindu)

### **Insurgency Movements:**

#### **Maoists blast government building**

Maoists blasted a government building near the Kharakpur sub-divisional office in Bihar’s Munger district on Tuesday night. Over 55 persons assembled at the building and blasted it with dynamites last night and escaped. A combing operation has been launched to track the culprits. (The Hindu)

#### **Maoists blow up railway station**

Two persons were killed in an explosion triggered by Maoists, who also blasted a railway station, uprooted tracks and blew up school buildings during their two-day bandh in Jharkhand, which began on Sunday. (The Hindu)

### **BSF battalions for anti-naxal operations**

The Border Security Force has committed 13 battalions for anti-Maoist operations, which are likely to begin anytime in December. Talking to reporters BSF Director-General Raman Srivastava said five battalions had already been trained and positioned in Chhattisgarh, while the other eight were deployed for election duties in Jharkhand, where the Assembly polls are under way. “The BSF battalions will be deployed, along with those of other Central paramilitary forces, in a Special Task Force (STF) being commanded by Vijay Raman, Special Director-General, Central Reserve Police Force. It is up to the STF commander to decide on the timing, duration and location of the operations, but I think such operations will be launched at the junction or tri-junction of the worst-affected States such as Orissa, Chhattisgarh and Maharashtra,” Mr. Srivastava said. However, Mr. Srivastava made it clear that the Central forces would assist the State police, which would remain the mainstay of the anti-naxal operations. (The Hindu)

### **Economic Front:**

#### **Reliance bid to make India's largest global acquisition**

The country's largest company, Reliance Industries (RIL) has offered to buy a controlling stake in the world's third largest chemical company LyondellBasell, RIL announced on Saturday. LyondellBasell filed for bankruptcy in the US in January. RIL did not disclose how much it had bid but a senior merchant banker said it would have to pay at least \$ 12 billion. This is the gap between LyondellBasell's assets and liabilities. But RIL might have to pay more, making this the biggest acquisition ever by an Indian company. Till now, the biggest overseas acquisition was Tata Steel's 2006 purchase of Corus for \$ 12.2 billion. In 2008, LyondellBasell's market capitalisation was \$ 58 billion, while its earning before interest, depreciation and amortisation (EBIDTA) was \$ 1 billion. A banker said that RIL would have to make a fresh infusion of capital in LyondellBasell in order to pay its debtors. It's learnt that RIL has already offered to acquire fresh shares in the company to infuse capital. The acquisition will take RIL higher up the Fortune 500 list, where it is currently ranked 264th. In a statement RIL said that the company is reviewing a number of global opportunities for growth of its core business. “This review is ongoing and there can be no assurance of the outcome with respect to any of the opportunities under review, including with respect to LyondellBasell,” the statement said. The acquisition would make RIL one of the world's largest petrochemical companies and it will also be able to penetrate developed markets. LyondellBasell is headquartered in the Netherlands but based in the US. It was created when Basell Polyolefins merged with Lyondell Chemical Company in December 2007. It is one of the world's largest polymers, petrochemicals and fuels companies. It filed for bankruptcy in the US under Chapter 11 because of the global financial crisis. A LyondellBasell confirmed it had “received a preliminary non-binding offer from Reliance Industries Limited.” (The Times of India)

### India to be third largest economy by 2050: Carnegie Endowment

India will be the third largest economy in the world after China and United States by 2050, a US-based internationally recognised foreign-policy think tank has said. An article "The G20 in 2050", carried in November bulletin of the Carnegie Endowment for International Peace said, "China, India, and the United States will emerge as the world's three largest economies in 2050. Their total GDP, in real US dollar terms, will be over 70% more than that of the other G20 countries combined." Other main findings include, China will become the world's largest economy in 2032, and grow to be 20% larger than the United States by 2050. Over the next forty years, nearly 60% of G20 economic growth will come from Brazil, China, India, Russia, and Mexico alone. The article was written by Uri Dadush and Bennett Stancil. A Frenchman and former director of World Bank, Dadush is the director of the International Economics Programme at the Foundation, and Stancil is a Fellow at the Programme. "In China and India alone, GDP is predicted to increase by nearly \$60 trillion--the current world GDP--but the wide disparity in per capita GDP among these three will persist," they noted. India's annual average GDP growth between 2009-2050 is predicted to 6.19 per cent, and these emerging markets will not rise among the world's richest countries in per capita terms--their average income in 2050 will still be 40% below that of the G7 nations presently. Stressing that the world's economic powers are shifting dramatically, the economists noted that the "G20's recent transformation into the world's principal economic forum highlights the beginning of a more integrated and complex economic era." Over the next 40 years, the G20 GDP is expected to grow at an average annual rate of 3.6 per cent, rising from USD 38.3 trillion in 2009 to USD 161.5 trillion in 2050, in real US dollar terms. Nearly 60 per cent of this USD 123 trillion dollar expansion will come from Brazil, Russia, India, China and Mexico (BRIC+M). The experts also find that out of the G20 countries, "India is predicted to grow most rapidly, but its current modest size will prevent it from surpassing either China or the United States in real US dollar terms." The authors observe that the growth could be even faster, but the low quality of education, infrastructure, governance, and business climate will hold back progress in developing countries. Technological convergence is expected to be lower in India and Indonesia than in China and Russia. India's Purchasing Power Parity (PPP) will be 97 per cent as large as that of the United States by 2050. India is expected to become the world's most populous nation in 2031--and an average exchange rate appreciation of 0.9 per cent per year will push annual GDP growth to an average of 6.2 per cent, according to the study. "India's US dollar GDP will balloon to USD 17.8 trillion in 2050, sixteen times its current USD 1.1 trillion level," write Dadush and Stancil. On the future of Europe, the report stresses that "to retain their historic influence, European nations will increasingly need to conduct foreign policy under an EU banner, a shift implied by their recently ratified constitution." It warns that the once great power Russia may be marginalised in the new economic order if it remains outside regional coalitions. Currently, Germany, the UK, France, and Italy are the fourth through seventh largest economies in the world. By 2050, the UK, helped by demographic trends, will be the largest of the four, ranking seventh in the world. Italy will be the smallest, ranking fifteenth. PPP GDP in these four countries will be less than half of that in India and less than one-fourth of that in China, the report finds. (The Times of India)

## **Manmohan signals expansion of liberalisation policies, calls for American investment**

Prime Minister Manmohan Singh, addressing a prestigious gathering of top ranking American CEOs and business leaders on Monday, made a strong pitch for American business to increase investment in crucial areas such as infrastructure. He invited it to explore the public-private partnership projects in infrastructure that are being set up in India. He was speaking at the U.S. Chamber of Commerce. In a significant indication of a possible expansion of his government's liberalisation policies, Dr. Singh said American business was welcome to invest in other areas such as agriculture-based businesses, including cold chains, agricultural marketing and food processing, manufacturing and mining. He also mentioned retailing and tourism in this regard. Acknowledging the role of the American business community in persuading the U.S. Congress to support India's civilian nuclear agreement, Dr. Singh announced that both India and the U.S. were now "finalising the details that will make the agreement fully operational." Once that is done, "it will remove restrictions on the flow of technology in nuclear and many other areas." This would open a large area of commercial opportunities for U.S. business. Dr. Singh's remarks make it clear that the agreement on fuel reprocessing will be a major initiative emerging from his visit. Confirming earlier indications that the issue of climate change was being prioritised on the Indo-U.S. dialogue agenda and was linked to the issue of energy security, the Prime Minister said that while India was addressing the problem domestically through a National Action Plan for Climate Change, it was interested in exploring areas of cooperation with the U.S. on energy efficiency and clean energy. He announced that in his meetings with President Obama and others on Tuesday, India would sign a Memorandum of Understanding on Energy Security, Clean Energy and Climate Change. This would provide a framework for pursuing bilateral cooperation in specific areas, he said. Dr. Singh also assured the gathering of his commitment to economic reforms. "You should have no doubt on that score," he said, adding that his government planned to push ahead on key reforms, especially "aimed at bringing the deficit under control while ensuring a strong expansion in investment in infrastructure." At this meeting hosted by the U.S.-India Business Council, Dr Singh said he and President Obama have reconstituted the Indo-U.S. CEO's Forum with Ratan Tata and David Cote as co-chairs. With several Indian business leaders arriving here to give a push to the drive to get American business to invest in the Indian economy, the U.S.-India CEO Forum held its meeting on Monday afternoon. (The Hindu)

## **Food inflation creeping up to high levels**

Food inflation soared to 15.58 per cent for the week ended November 14 in the wake of an unprecedented rise in the prices of potato and other essential items. Official data based on the Wholesale Price Index (WPI) released on Thursday for the week revealed that while potato prices have more than doubled in the past 12 months, other basic food articles such as onions and pulses were also over 25 per cent dearer in wholesale markets. With food inflation creeping up to incredibly high levels each week — ostensibly as a fall-out of the recent drought — the overall WPI inflation may well overshoot the Reserve Bank's projection of 6.5 per cent by the end of the fiscal in March next year. In

the event, the apex bank may be forced to step in with some monetary tightening measures during its policy review in January to contain the inflationary pressures. For the one-year period ended November 14, the prices of potato, as per the inflation data, surged by 111 per cent while pulses were up 35 per cent and onions by 27 per cent. Staple food articles such as wheat and rice were also dearer by 12 per cent each during the period as were vegetables by the same margin. The only respite for consumers during the year was the decline in petroleum-based fuel prices with petrol being cheaper by 12 per cent, cooking gas by seven per cent and diesel by six per cent. However, while the overall primary articles index rose by 1.2 per cent on a weekly basis and by 11.04 per cent on annual basis, food inflation — which affects the common man the most — was markedly higher during the week ended November 14 as compared to the previous week. The official data revealed that, among other food items, urad and poultry chicken were costlier by 15 per cent each, eggs by eight per cent, moong by six per cent, arhar by five per cent, and fruits and vegetables by three per cent during the week. The price of barley, however, was down two per cent, as was tobacco by three per cent. (The Hindu)

### **Dubai crisis “will not have much of an impact” on India**

The Centre on Friday reacted cautiously to the developments in Dubai, asserting that the financial crisis in the Gulf country would not have much of an impact on the Indian economy including real estate and exports. However, it was closely watching the situation. The RBI may ask all banks to disclose their exposure in the Dubai World, the government investment company with liabilities of \$59 billion. The firm has sought rescheduling of its debt repayment. Union Commerce and Industry Minister Anand Sharma told journalists: “The Indian economy is large and I don’t think developments in the real estate sector in Dubai are going to impact it. Besides, the Indian real estate is doing well.” The United Arab Emirates is one of India’s largest export destinations with shipments of about \$24 billion in fiscal 2008-09. The Finance Ministry said the crisis, triggered by a slump in real estate, might not impact remittances sent by Indian expatriates in the Gulf. “Remittances from expats didn’t suffer during the period when the larger crisis was on. So whether this should have an impact in terms of employment, in terms of salaries and therefore in terms of remittances is somewhat unlikely,” Finance Secretary Ashok Chawla told journalists here. India gets nearly a quarter of its total remittances from the UAE. (The Hindu)

### **Robust 7.9% GDP growth, a pleasant surprise**

Taking the authorities by surprise, the Indian economy notched up a healthy growth of 7.9 per cent in the second quarter (July-September) this fiscal, powered in large measure by a robust, stimulus packages-aided industrial expansion. The unexpectedly high GDP (gross domestic product) growth not only way above the 6.1 per cent increase clocked in the first quarter this fiscal but also more than the 7.7 per cent growth posted in the second quarter of 2008-09 prompted the government, the Reserve Bank of India (RBI) as well as other economic think tanks to toy with raising their ‘conservative’ growth projections to more than 7 per cent for the entire fiscal year. While the manufacturing sector witnessed a smart 9.2 per cent expansion during July-September as compared to a 3.4 per cent

growth in the first quarter this fiscal and 5.1 per cent in the second quarter of 2008-09, the services sector also saw a turnaround with community, social and personal services growing by a healthy 12.7 per cent. More surprising was the performance of the farm sector, which logged a growth of 0.9 per cent as against an apprehended contraction on account of the erratic monsoon. (The Hindu)

#### India to grow 8-9% in next two years: World Bank

India's growth rate over the next couple of years will be 8-9%, World Bank president Robert Zoellick said on Friday. "India's growth rates could over the next one to two years see a return to the 8-9% envisaged in the country's 11th (Five-Year) Plan," Zoellick told reporters at the end of a four-day visit to India. The government has been pegging the economy's growth rate for this fiscal around 6.5-7%. "India has emerged from the economic crisis with a clear vision of what it will take to accelerate back to earlier growth rate and beyond," said Zoellick, who also met Prime Minister Manmohan Singh and Finance Minister Pranab Mukherjee during the visit. "Its strong fiscal and monetary policies had helped counter the decline in exports and withstand some of the external shocks brought on by the multiple food, fuel and financial crisis." According to Zoellick, India's crisis management measures and the sustained global demand from its \$1.2-trillion economy is playing an important role in helping the world recover from the meltdown. The World Bank has already delivered around \$5.3 billion to India this fiscal with commitments to power, roads, banking, rural development and water. Zoellick said future resources will be aimed at supporting India's urban development, additional infrastructure needs in transport and power, elementary and secondary education, and development in agriculture and the rural sector. India became the largest portfolio last fiscal for International Finance Corp (IFC), the World Bank's private sector arm, at more than \$3.4 billion. Maintaining that his discussions with Indian ministers had revealed a dramatically increased demand from India for World Bank engagement, he said he hoped to respond with not just financing but also help India access global sources of knowledge. Zoellick identified literacy rates, quality of education, nutrition and social service delivery as challenges for India. He also raised concerns over the rise in food prices, saying: "I'm concerned about the food prices, the way they are going up. If you look at the pattern of the price rise in agriculture, it is growing up at alarming rate, especially in developing countries." In the areas of agriculture and rural development in India, the World Bank plans to raise its commitment between 2009-12 to \$5.3 billion, including \$300 million from IFC. This more than doubles the level of support in the past three years, and will help to support irrigated agriculture, sustainable watershed management and rain-fed agriculture as well as development of livelihood in the hinterland. (The Times of India)

#### Geo-strategic developments:

##### Agni-II missile fails to clear night trial

India's nuclear-capable intermediate range Agni-II missile, test-fired for the first time after sunset on Monday, reportedly failed to get the desired results. The Army test-fired the surface-to-surface Intermediate Range Ballistic Missile (IRBM) from the Integrated Test Range (ITR) from Wheeler's Island, Bhadrak district, around 7.50pm. "The liftoff and the first stage separation was smooth. But it faltered just before the second stage separation and behaved erratically, deviating from its coordinated path. Further analysis



is on to ascertain the cause,” said a source. The entire trajectory of Monday’s trial was tracked by a battery of sophisticated radars, telemetry observation stations, electro-optic instruments and a naval ship. The launch, originally scheduled in the first week of this month, was deferred due to some technical snags in its pneumatic system. Though the snags were rectified, another glitch surfaced during Monday’s test, leading to the fiasco, the source claimed. The nuclear capable 2,000-km-plus range missile has a length of 20 meters, a diameter of one meter, weighs 17 tonnes and can carry a payload of around 1,000 kg. It was first tested on April 11, 1999. The test launch was significant from India's strategic point of view because for the first time since the beginning of DRDO’s missile development programme, a missile was put under trial during night. The user trial was conducted by Army officials while scientists from DRDO were present to provide necessary logistical support. (The Times of India)

### **India doesn't see China as a threat: Tharoor**

Minister of State for External Affairs Shashi Tharoor has said that Central Government does not view China or China's development as a threat of any kind. Speaking at a function on Sunday, Tharoor said: "The government of India does not view China or China's development as a threat of any kind. We always tried to develop a friendly and cooperative relationship with China which is our largest neighbour and with which we cannot afford to have relationship of antagonism." Tharoor urged scholars from both countries to broaden and deepen their understanding of each other. "India is not an obstacle to China's aspirations, far less an instrument for its containment, as was wrongly suggested by some. It would certainly help if Chinese scholars and commentators broaden and deepen their understanding of India, equally knowledge and scholarship of China in our country needs to be augmented. We need to understand China better," Tharoor added. On the issuance of multi-entry visa to suspected militant Tahawwur Rana and his wife; Tharoor said an investigation into the case is on. "Some fairly thorough investigations which is not complete but which is making headway into what exactly happened when the visa was issued, there is certain amount of discretionary authority that is given to each of our consulates and there are certain requirements that they have to consult headquarters, we have to make sure the things are done in the particular case as well," Tharoor added. (The Indian Express)

### **Fully committed to implementing civil nuclear deal, says Obama**

The summit meeting between Prime Minister Manmohan Singh and U.S. President Barack Obama, taking place on a grey and rainy day at the White House, ended on an optimistic note with the U.S. President reaffirming that he believed that the relationship between the two countries was one of the “defining partnerships of the 21st century” and that the U.S. welcomes India’s leadership role in Asia. There were indications however evidenced in part by the delay in the finalisation of the joint statement that is customarily produced after the delegation talks, and the delayed start of the press conference by the two leaders, that there were still some issues to be resolved in the negotiations. It also seemed that the expected agreement on fuel reprocessing was not coming through in this visit, while both sides once again swore their commitment to its full implementation. But there was no doubting the cordiality and the determination of both sides to keep the bilateral relationship in high gear. Mr. Obama said that he had reaffirmed to the Prime

Minister his administration's "commitment to fully implement the U.S.-India civil nuclear agreement" which he said would "increase American exports and create jobs in both countries." In his remarks at the press conference, Dr. Singh also said, "we agreed on the early and full implementation of our civil nuclear cooperation agreement." He added that "our strategic partnership should facilitate transfer of high technologies to India". Sources said that the delay in finalising a reprocessing agreement did not mean anything and that this would come through soon if not during this visit. Mr. Obama was lavish in his praise for India's leadership role in Asia which he said had expanded peace and security across the region. Calling India a "rising and responsible global power," he said that his commitment to India could be seen in his personal partnership with Dr. Singh and that they had worked together on economic matters at various G20 summits. Making a specific reference to the "horrific attacks in Mumbai one year ago this week," Mr. Obama said that to prevent future attacks, the two sides had agreed that the law enforcement and intelligence agencies will work even closer. India and the United States have agreed, according to Dr. Singh, that the meeting on climate change at Copenhagen to take place in December should have a "substantive and comprehensive outcome that would cover mitigation, adaptation, finance and technology." The Prime Minister said that the two countries should become partners in developing the "green economy" and that India wanted to benefit from clean and energy efficient technologies from the U.S. For his part, Mr. Obama said that it was essential that all countries do whatever necessary to reach "a strong operational agreement" that would serve as a "stepping stone to a legally binding treaty" and to that end, the Prime Minister and he had made "important progress." Dr. Singh said that India would work with the U.S. for the success of the Nuclear Security Summit which the U.S. President is hosting next April. In what appears to be an outflow from Mr. Obama's traditional views on the dangers of outsourcing American jobs, the U.S. President said that the partnership envisaged was also in the context of his top economic priority — "creating good jobs with good wages for the American people." The two leaders also agreed to step up the educational exchanges including "dramatically expanding the Fulbright-Nehru program." (The Hindu)

### **We are better prepared now, says Chidambaram**

India hopes that international opinion and its pressure, combined with the refusal to engage in a dialogue, will force Pakistan to change its attitude towards terror groups operating from its soil, Union Home Minister P. Chidambaram has said. Mr. Chidambaram said there were several attempts by terrorists from across the border as well as modules within the country to launch terror attacks like 26/11 and these were successfully foiled by the security agencies with better intelligence inputs. "I can't change Pakistan's attitude. I can only hope that international opinion, Indian pressure and India's refusal to engage Pakistan in a dialogue, will force Pakistan to change its attitude," he said in a CNN-IBN programme. "We have said that always," on Pakistan not abandoning its policy on supporting terror groups post- 26/11. Looking at Islamabad's attitude, India strengthened its security manifold and was now better prepared than what it was a year ago, he said. "All I can say is given Pakistan's attitude, am I better prepared? Have I built more capacity and more competence? I think I have." Mr. Chidambaram dismissed as "misplaced criticism" the allegation that Rs. 31 crore was

spent on protection of Ajmal Amir 'Kasab', lone surviving Mumbai gunman. "He is a lead that finally made Pakistan admit that the terrorists were Pakistanis; masterminds were Pakistanis and forced Pakistanis to start a trial. What course the trial will take, I can't say," he said. Had 'Kasab' also been killed along with the other terrorists, Pakistan would have been in a state of total denial and there would not have been trial at all. Asked whether trial of 'Kasab' was taking too much time, Mr.Chidambaram said a murder trial normally took time and in his case the trail had indeed been fast-tracked as all prosecution witnesses were being examined. "I am proud of the fact that we are a country wedded to the rule of law. That we do not try 'Kasab' in a kangaroo court and hang him overnight, like they do it in some other countries." The Minister said: "Kasab's trial shows India in [a] great light, that this is a country, regardless of the great pain it suffered, is willing to put the sole terrorist, who has been apprehended, on a fair and open trial." Asked whether he should get the capital punishment, Mr. Chidambaram said: "Kasab must first be pronounced guilty. It's not what you think he is or what I think he is. Each one has got a view but 'Kasab' must first be pronounced guilty by competent court." "Kasab must be allowed all judicial options available to him. After that, when the sentence is finally pronounced, we will take a call on your question." (The Hindu)

### **India, Canada clinch civil nuclear deal**

India and Canada have reached a landmark agreement on civil nuclear cooperation after months of hectic negotiations, paving the way for supply of Canadian atomic technology, equipment and uranium to India after a gap of 34 years. The negotiations on the deal were concluded at a meeting between Prime Minister Manmohan Singh and his Canadian counterpart Stephen Harper on the margins of Commonwealth summit, with the two leaders describing the development as a "milestone" opening up "tremendous opportunity" for their countries. "The civil nuclear agreement is a very important step forward, a milestone for the development of our relationship," Dr. Singh said. Canada, the world's largest producer of uranium, is the eighth country to have reached a civil nuclear agreement with India since the Nuclear Suppliers Group lifted the 34-year-old ban on India to join the global nuclear trade in September last year. (The Hindu)

### **Indian Occupied Kashmir:**

#### Mirwaiz lays down terms for dialogue

In an apparent attempt to appease two of his key aides who have criticised his "quiet parleys" with the Centre, moderate Hurriyat chief Mirwaiz Umar Farooq laid down conditions for his return to the negotiating table. Mirwaiz said the government should meet Hurriyat's six demands before kicking off the negotiations. "It must withdraw security forces from civilian areas; repeal the Armed Forces Special Powers Act; release political prisoners; lift the Disturbed Areas Act; stop human rights abuses; and, allow the Hurriyat to interact with PoK-based separatists," said the Mirwaiz. Two senior leaders, Nayeem Khan of Nationalist Front and Shabir Shah of Democratic Freedom Party, have rejected the Mirwaiz's "quiet diplomacy" saying tripartite dialogue involving Pakistan and recognition of "Kashmir's disputed nature" were the only ways to resolve the issue.

The duo's defiance has made things complicated for the Hurriyat leadership, who have been far from secretive about their back channel engagement with the Centre. (The Times of India)

### **As cracks surface in Hurriyat, Mirwaiz issues gag order**

With discordant voices within the Hurriyat Conference threatening to erode credibility of the separatists' behind-the-scenes engagement with New Delhi, chairman Mirwaiz Umar Farooq Monday asked Hurriyat members not to issue "any statement to the media independently" and abolished several posts. The gag order comes in the backdrop of some leaders within the Hurriyat making "controversial statements" about the "quiet dialogue" underway between Hurriyat and New Delhi, and, along with the abolition of various posts, is seen as a move to silence these voices. Now on, only Mirwaiz would be authorised to talk to the media "after consultation with the Executive Council and the General Council". The abolition of posts means chief spokesman Prof Abdul Gani Bhat, who had raised a storm by saying Hurriyat was ready to sit with mainstream political parties like National Conference and Peoples Democratic Party to find a solution to Kashmir dispute, has lost his post. And, Nayeem Khan, who had criticised Mirwaiz for his approach to the dialogue with Centre will no more be provincial president. Khan, along with Shabir Shah, had also rejected Bhat's idea of sitting on the table with the mainstream politicians. Mirwaiz has also dissolved several other key posts including that of the media advisor. The Human Rights Cell and the Legal Cell has also been abolished. Sources said the Hurriyat chairman was unhappy with the "contradictory statements" made by some leaders. On Sunday, some members of Hurriyat's General Council had raised objections against the ongoing dialogue, saying the Executive Council of the conglomerate can't take "any decision on dialogue" without taking them into confidence. (The Indian Express)

### **Hurriyat: EU stand inconsistent**

A day after the European Union delegation termed Kashmir an "integral part of India," a faction of the Hurriyat Conference, led by Syed Ali Shah Geelani, said on Wednesday that this was inconsistent with the EU's earlier stand. (The Hindu)

### **Omar favours triangular talks**

In a shift of stand, Jammu and Kashmir Chief Minister Omar Abdullah on Sunday favoured triangular talks among India, Pakistan and separatist leadership and also offered to be a facilitator if militant outfit Hizbul Mujahideen wanted to come to the negotiating table. The 39-year-old Chief Minister, however, had a word of caution for moderate Hurriyat Chairman Mirwaiz Umer Farooq asking him to take his other members on board for talks as "otherwise all they will do is [to] jump on to the hard-line bandwagon and threaten the process." "I think again [it is] realistic. You are not going to get a situation where New Delhi, Islamabad and the Hurriyat are going to be sitting at the same table — it is not going to happen. Therefore, if you can work a system wherein you engage with Islamabad and you engage with New Delhi, both at the same time, I see no harm in it." "We have done it from the mainstream point of view. I have had engagement with the

government of Pakistan as well as the government of India, and I don't think anything harmful has come out of that," Mr. Abdullah told Karan Thapar in 'Devil's Advocate' programme of CNN-IBN. Mr. Abdullah also chose to make it clear that his government would not only like to play the "role of facilitator" for Hurriyat Conference only but also for militant groups like Hizbul Mujahideen "as long as they give up the wrong side, the path of violence." "Yes, I don't see any problem because we have done that not only in J&K, as I said, but also in the other States," he said. To a question about "secret talks" going on between the separatists and the Centre, he said there was no harm in having a dialogue away from the glare of media. (The Hindu)

### **Social front:**

#### **In 20 yrs, India's water need to be double the supply**

In the next two decades, global water consumption will increase from the present 4,500 billion cubic metres (bcm) to 6,900 bcm. This will be 40% more than the estimated reliable and sustainable supply today, if no action is taken to conserve water and use it more efficiently. This is the conclusion of a study on the global water scenario by international consultancy McKinsey, in collaboration with the World Bank affiliate, International Finance Corporation. The study, released on Monday in Washington, was sponsored by several global food and beverage corporations who have often faced criticism by development activists for pushing unsustainable water use. The situation in India will be dire as water demand will grow annually by 2.8% to reach a whopping 1,500 bcm while supply is projected at only about 744 bcm, that is, just half the demand, according to the report. This increase will be driven by domestic demand for rice, wheat, and sugar for a growing population, and a growing demand for a better diet. As a result, most of India's river basins could face severe deficit by 2030, with some of the most populous, including the Ganga, the Krishna, and the Indian portion of the Indus facing the biggest absolute gap. Four countries/regions have been studied in greater detail in the report: India, China, South Africa and Sao Paulo state in Brazil. Together, they represent 30% of world GDP and 42% of global water demand projected for 2030. The looming water crisis is closely tied to food availability with 71% of current water usage going for agriculture. India and sub-Saharan Africa, where the bulk of the world's poor live, are also areas where nearly 66% of global water use for agriculture takes place. According to the report, the total gap between demand and supply will be about 2,800 bcm in 2030, if everything remains as it is today. About 40% of the gap will be closed by improvements in water production and efficient usage of the kind that is taking place today. So, the report predicts, an additional effort is needed to bridge the remaining gap of about 1,680 bcm. What can be done to bridge the gap? The report says concerted efforts are needed to

use water more efficiently in mainly three major areas of consumption: agriculture, industry and municipal/domestic. In agriculture, which is the main concern for India, the package of well-known measures includes drip- and sprinkler-irrigation to control present flood irrigation, integrated pest management, rationalization of fertilizer use, genetic crops for both rain-fed and irrigated lands, artificial recharge and scientific drainage systems to use rainwater efficiently. All these are low-cost measures. About 80% of the shortfall in water in 2030 could be covered by these measures, the report suggests. (The Times of India)

#### Pilgrimage centres turning into sex hotspots: Study

The search for the divine has ended at more earthly pleasures. Two independent studies have pointed to a disturbing trend that pilgrimage centres are changing complexion to become hubs for sex tourism. Alarming, it is children that are the most vulnerable. A nationwide study by NGO Gram Niyojan Kendra commissioned by the ministry for women and child development — that studied 68 places of tourist interest — found that after major cities and places for sightseeing, pilgrim centres were a growing hub. Incidentally, the report said that domestic tourists were “overwhelmingly involved” in sex with commercial sex workers while foreign tourists were “engaged” in paedophilia and sex with minors through short-term marriages. The study, however, clarified that foreign tourists visiting India for sex were restricted to a few places rather than the entire country. A study by Bangalore-based NGO Equations earlier this year has said that increasing number of cases of child abuse were being reported from pilgrim sites like Tirupati, Guruvayoor and Puri. The study — ‘Protecting Children from Sexual Exploitation in Tourism: The Indian Context’ — looked into exploitation of male children, but pointed out that the same was true for women as well. Both reports have also pointed to the lack of legislation at the state level or detrimental measures to control sex offenders from revisiting sites. Troubled by reports of such blatant violations, the Union tourism ministry is now working on a code of conduct for ethical tourism. (The Times of India)

#### **Fourth of India turning into desert: ISRO**

No less than a fourth of India’s geographical area, or 81 million hectares, is undergoing a process of desertification, reveals a first-of-its-kind ‘desertification status map’ of the country created by the Indian Space Research Organisation (ISRO) in collaboration with several scientific institutions across the country. A host of reasons are responsible for this phenomenon, including changes in rainfall pattern and over-exploitation of natural resources, says a research paper based on this data and published in the latest issue of Current Science. The spatial inventory, which uses satellite imagery from an Indian Remote Sensing Satellite, Resourcesat, also reveals that a third of the country’s area (or 105.48 million hectares) is degraded. At least eight processes were at work, of which water erosion is the most pronounced (affecting 10.21 per cent of the total geographical area), followed by reducing vegetation cover (9.63 per cent) and wind erosion (5.34 per cent). Together 32.07 per cent of the total geographic area is being transformed by land degradation. State-wise, Rajasthan has the largest area (21.77 per cent of the total geographical area) undergoing land degradation, followed by Jammu and Kashmir (12.79 per cent), Maharashtra (12.66 per cent) and Gujarat (12.72 per cent). “There is

tremendous pressure on our land-based natural resources” say the authors of the paper, adding that this information could serve as baseline data to monitor and develop strategies to arrest desertification. “There has been a long-pending need for a scientific status mapping of desertification and land degradation of the entire country.” ISRO’s Space Applications Centre in Ahmedabad served as the nodal coordinating organisation for the study. The spatial inventory, at national and regional levels, will be integrated to generate a desertification status map of the world as envisaged by the United Nations Convention to Combat Desertification. The research paper adds that about 15.8 per cent of the country’s geographical area is arid, 37.6 per cent semi-arid and 16.5 per cent falls in the dry sub-humid region. Put together, about 228 million hectares, or 69 per cent of the country constitute ‘dry land.’ ( The Hindu)

#### India’s forest cover rises to over 21%

Continuing the commendable trend of the past decade, India's forest cover increased by 728 sq km during 2005-07 a marginal rise of 0.03%. Overall, 21.02% of the country's geographical area is now under green cover. In the 10 years, forest cover in the country has increased by 3.31 million hectares, showing an average 0.46% increase every year. These figures are contained in the State of Forest Report 2009, released by environment minister Jairam Ramesh on Monday. The biennial report is based on satellite imagery up to 2007. Ramesh said India's increasing forest cover deserved praise, especially when compared to the loss of 2.5 million ha of forests in Brazil every year. India, however, lagged behind China's achievement of gaining 4 million ha of forests annually. While India seemed to be doing well in protecting dense forests, the report indicated that moderately dense forests weren't faring too well. These are forests which lie mostly outside the national parks and sanctuaries. Between 2005-07, dense forest area increased by 38 sq km but 936 sq km of moderate forest got degraded. The report will add weight to India's demand at the Copenhagen climate talks that countries increasing their forest cover which work as sinks to capture carbon should be rewarded. The debate in climate negotiations has till now tended to favour rewarding only nations which are able to reduce their rate of deforestation typically countries such as Brazil and Indonesia. But India and others have contended that this provides a perverse incentive to others to first cut their forests and then reduce the rate of destruction. Indicating that some benefits may come the way of hill states, the minister said Himalayan states were carrying much of the burden of maintaining the green lungs for the country. For the first time, the assessment report brought out data of forest cover as percentage of geographical area that can actually bear forests. Regions above 4,000 metres from sea level ecologically do not have forests. This significantly alters the forest cover in five hill states. If areas above the tree line are kept out of calculations, forest cover in Himachal Pradesh increases to 44% from 27%, Arunachal Pradesh to 88% from 82%, Jammu and Kashmir to 33% from 12%, Sikkim to 84% from 46% and Uttarakhand to 59% from 47%. The presence of Vijay Kelkar, chairman of the 13th Finance Commission, at the release of the report indicated that the Centre might again suggest a formula to share some revenues based on forest cover as was done under the 10th Finance Commission. The biggest losses in forest cover, in absolute terms, were recorded in Andhra Pradesh (129 sq km), Assam (66 sq km) and Chhattisgarh (59 sq km). The Northeast, which contains one-fourth of India's forest cover, is peculiar due to traditional practices of shifting cultivation which make a

steady assessment difficult. While Mizoram saw a gain of 640 sq km and Manipur of 328 sq km, Nagaland suffered a loss of 201 sq km and Tripura 100 sq km to swidden agriculture. West of the chicken neck region, Jharkhand surprisingly showed the most impressive gains by adding 172 sq km of forest in two years. Orissa also added 100 sq km. But officials clarified that the methodology followed in reporting the forest cover was unable to discern between natural forests and plantations. This required more expensive and higher resolution satellite imagery. Experts have for years contended that the increase in forest cover as a standalone parameter is not a good measure of the health of forests as increase in commercial plantations does not add as much value to biodiversity in the country.

### Growing Green.

Forest Cover in 2007 - 21.02% of geographical area.

Tree Cover in 2007 - 2.82%

Forest cover growth in a decade: 3.13 million ha

Out of the 728 sq km increase in 2005-07, 690 sq km gained in the 188 tribal districts of the country

The forest cover in the hill states is 53.72% of the possible forest area (The Times of India)

### 196 Indian languages are endangered: Sibal

The Centre admitted in Rajya Sabha that 196 Indian languages were endangered and their degree of endangerment varied from 'vulnerable' to In a written reply, HRD minister Kapil Sibal said out of 196 languages, 84 were vulnerable, 62 were definitely endangered, six were severely endangered, 36 were critically endangered and nine were extinct. The reply also said that US was second on the list with 192 languages under threat followed by Brazil (190), Indonesia (147), China and Mexico (144 each). (The Times of India)

### **55 workers at Kaiga receive excessive radiation**

About 55 workers of the Kaiga Atomic Power Station in Uttara Kannada, Karnataka, had to undergo medical treatment after they were exposed to an excessive radiation dosage when they drank water that had been mixed with tritium, a highly radioactive substance. Top officials of the Nuclear Power Corporation of India Limited blamed the incident on "an insider's mischief." They alleged that "an insider had mixed tritium in drinking water in a cooler kept in the operating island of the first unit" at Kaiga. The incident took place on November 25, when the first unit (220 MWe) was under shut down for maintenance. Asked specifically whether security was so lax at the plant that a worker could access a bottle containing tritium, an authoritative official said there were sampling points in the reactor building from where workers took vials containing radioactive substances to the chemical laboratories for analysis. "There are standard protocols for handling and managing the transportation and depositing of such radioactive substances. Some insider has played the mischief," the official said. The incident was detected when the workers' urine samples showed an excess of tritium. (The Hindu)



## **42% professor posts vacant in Central universities**

As many as 42 per cent of professor posts in Central universities are lying vacant at a time when the government is attempting a mega exercise in expanding higher education. Giving details of faculty vacancies in universities across the country to a question in the Rajya Sabha on Monday, the Human Resource Development Ministry said that in respect of both Central and State universities, "it may be generally stated that teaching as a career has been unable to attract suitable candidates due to comparatively more attractive remuneration in the other avenues in a growing economy." According to information collected by the University Grants Commission from a sample of 14 Central universities, the percentage of vacancies in the lecturer category is 29 and it increases at the higher levels. Among readers, the vacancies are in the vicinity of 34 per cent and professors, 42 per cent. (The Hindu)

### No police officer deputed to visit US to question terror suspect Headley: Govt

The government said it has not deputed any police official to go the US to question David Coleman Headley, who was planning to target key installations in the country at LeT's behest. "As per available information, no police official has been deputed yet to visit USA to question David Coleman Headley," Minister of State for Home Affairs Ajay Maken told Rajya Sabha in reply to a question. "There exists a Mutual Legal Assistance Treaty in criminal matters between India and the USA. Cooperation is extended in terms of the provisions of this Treaty, on a case to case basis," Maken said. (The Times of India)

### Toxic gas effects may be seen in future generations

The deadly methyl isocyanate (MIC) gas released by the Union Carbide pesticide plant in Bhopal on 2<sup>nd</sup> December 1984, 25 years ago affected even the unborn, researchers say. The toxic gas altered the immune system of those who were still in their mothers' wombs when the disaster struck, according to a recent study by researchers at the Bhopal Memorial Hospital and Research Centre (BMHRC) in Bhopal. "Our study shows, for the first time, that in-utero MIC exposure during the Bhopal gas tragedy has caused a persistent immune system hyper-responsiveness in affected individuals," Pradyumna Kumar Mishra told IANS. The findings have been published in the journal Occupational and Environmental Medicine. Whether this "immune hyper-responsiveness" has any clinical implications will be clear only after follow-up of the exposed individuals, the BMHRC researcher said. The release of 30-40 tonnes of MIC spreading over approximately 75 sq km killed at least 3,500 and injured thousands more. There are more than 500,000 registered survivors of the tragedy, Mishra said. The survivors continue to experience higher incidence of health problems, including respiratory, neurological, psychiatric and ophthalmic symptoms, Mishra said. To understand the long-term implications of MIC exposure, doctors at BMHRC have conducted chromosomal studies in cultured mammalian cells using MIC as an experimental agent. "The results of the study have provided evidence to hitherto unknown molecular mechanisms of immunotoxic consequences of MIC exposure at a genomic level," he said. According to Mishra, MIC had played havoc with the reproductive health of women and their girl children. Menstrual abnormalities, vaginal discharge and premature menopause have emerged as common problems. "Besides affecting the reproductive health of the women,

these conditions are also leading to social problems in conservative communities," he said. Mishra said that investigations conducted so far at BMHRC and other places have raised a new question: for how long the gas victims would continue to suffer from multi-system disorders and whether future generations would also be affected by these abnormalities. "In-depth molecular studies of ocular, respiratory, reproductive, immunological, genetic and psychological health must be continued if we wish to understand the extent and severity of long-term effects associated with the disaster," Mishra said. He pointed out that the importance of such experimental studies cannot be understated "since any alterations at genomic level can have long-term health consequences that may range from accelerated ageing, carcinogenesis, immuno-compromised states and, more importantly, vertical transmission of genetic aberrations." (The Times of India)

### **All-party team for Copenhagen**

Even as Prime Minister Manmohan Singh is yet to decide on his visit to Copenhagen for the climate change meet beginning next week, India will send an all-party team of Parliamentarians there. It will not be part of the official delegation but will meet Parliamentarians from other countries to discuss the issue of global warming and climate change on December 16. The MPs include Sitaram Yechury (CPI-M) and M.S. Swaminathan — both from the Rajya Sabha — and Murli Manohar Joshi of the BJP , Hamdullah Sayeed of the Congress and Bhartruhari Mahtab of the Biju Janata Dal — members of the Lok Sabha . (The Hindu)

### **Foreign Relations:**

#### **Saudi envoy walks out over Jethmalani's remarks**

The former Union Law Minister and senior lawyer, Ram Jethmalani, caused a flutter at an international conference on terrorism on Saturday by alleging that Wahabism was responsible for terrorism, provoking a walkout by Saudi Arabia's Ambassador to India Faisal-al-Trad. In his address, Mr. Jethmalani, who is president of the All-India Senior Advocates Association, said: "Unfortunately in the 17th century, they produced an evil man in Saudi Arabia by the name of Wahab, who was concerned about the decline of the Muslim world, but he hit upon a wrong remedy." He alleged that the Wahabi terrorism instilled rubbish in the minds of young people to carry out terrorist attacks. When he said "India had friendly relations with a country that supported Wahabi terrorism," Saudi Arabia's Ambassador Faisal-al-Trad was seen walking out of the conference held at Vigyan Bhavan. Adish C. Aggarwala, chairman, All-India Bar Association and joint organiser of the conference, said the Ambassador returned after Union Law Minister M. Veerappa Moily clarified that Mr. Jethmalani's views were not those of the government. Mr. Jethmalani said: "It was unfortunate that entire Islam as a religion was being blamed for terrorism. There are also Hindu terrorists and Buddhist terrorists." He said he was a student of all religions, including Islam, and had the highest respect for the Prophet, who he said was a man of peace. Describing the Non-Aligned Movement and Panchsheel as evil, he said India should align with the forces of good to combat evil forces. "India and

its Foreign Ministers must learn to reassess the doctrines of the past. India's foreign policy establishment should be courageous to shun the country's relationships with its enemies." Mr. Jethmalani, who is representing the Anil Ambani group RNRL in the Ambani brothers' gas dispute in the Supreme Court, said the government, in its arguments, had said it intended bringing gas from the country which supported terrorism, an apparent reference to the Iran-Pakistan-India gas pipeline project. Taking exception to Mr. Jethmalani's remarks, Mr. Moily said: "India's commitment to the Non-Aligned Movement would not be shaken by any country or any individual. The views expressed by my senior colleague Mr. Jethmalani are not the views of the government." He said: "Terrorism cannot be attributed to any particular religion, as no religion teaches terrorism." The government was against any attempt to link terrorism to a particular religious community, but it stood for "inclusive development" of all. In July, Prime Minister Manmohan Singh proposed a comprehensive convention on international terrorism at the Non-Aligned Movement summit in Egypt, and the government was committed to dealing with trans-border terrorism in that spirit, he said. Justice Awn S. Al-Khasawneh, judge of the International Court of Justice, asked Mr. Jethmalani not to make sweeping statements. He decried any attempt to link terrorism to any religion, thus creating a fear psychosis. "The message from this conference must not be fear-mongering, but tackling terrorism within the framework of law. Combat it with methods such as combination of cooperation among countries by preaching the message of law and peace rather than fear mongering." (The Hindu)

### **High priority to relations with U.S., says Manmohan**

Prior to his departure for the first state visit under the Obama Administration, Prime Minister Manmohan Singh on Saturday said India attached high priority to its relations with the U.S. In a statement, Dr. Singh said India looked forward to building its Strategic Dialogue with the U.S. by adding greater substance to cooperation in areas such as trade and investment, services, energy, science and technology, defence, education, agriculture and health. Dr. Singh would exchange views with Mr. Obama on the major global threats and challenges such as international terrorism, climate change, the global economic slowdown, the Doha round of trade negotiations, and nuclear disarmament and non-proliferation. He would also discuss the situation in Afghanistan and other regional issues. Noting that the last several years have witnessed a transformation in relations, the Prime Minister said the bilateral agenda covered almost all areas of human endeavour. The U.S. was India's largest trading partner in goods and services and the economic ties ran deep. There is also a large Indian American community and robust people-to-people exchanges. "Above all, we share common values and commitment to democracy, pluralism and human rights," he said. After visiting Washington, Dr. Singh will travel to Port of Spain. (The Hindu)

### **I don't know who to deal with in Pakistan: Manmohan Singh**

With power virtually resting with the army in Pakistan even in a democratic regime, Prime Minister Manmohan Singh wonders "who to deal with" or negotiate with in Islamabad. "I think the most important force in Pakistan is the army," he said in a TV

interview on Sunday coinciding with his four-day state visit to US when asked who he thought was running Pakistan right now? "And there is democracy. We would like democracy to succeed and flourish in Pakistan. But we have to recognize that the power today rests virtually with the army." Asked if he felt he had a partner in Pakistan right now with whom he can negotiate, Manmohan Singh said: "Well, I don't know whether we have a partner right now." The Prime Minister said when General Pervez Musharraf was the president of Pakistan, "I used to ask him. And he said, 'Well, I am the army. I represent the armed forces. I represent the people.' Now I don't know who to deal with." Asked if looking at the situation in Pakistan, he was worried about the collapse of the state and the nuclear weapons moving into the hands of either some radical element within the army or terrorists, Manmohan Singh said: "Well, we worry about all these contingencies." "But we have been assured by the Americans that they are satisfied that's not going to happen." Asked if he saw any prospects for productive negotiations on Kashmir with Pakistan as he was reportedly close to some kind of a deal with Musharraf, he reiterated that while there can be no redrawing of borders, greater people-to-people contacts would make borders irrelevant. "Well, I have publicly stated that there can be no redrawing of borders," he said "But our two countries can work together to ensure that these are borders of peace, that people-to-people contacts grow in this manner in which people do not, I think, worry whether they are located on this side of the border or that side. "If trade is free-trade, people-to-people contacts and our both countries competing with each other to give a life of - to enable the people on both sides to lead a life of dignity and self-respect - those are issues which we can discuss. We can reach agreement." (The Times of India)

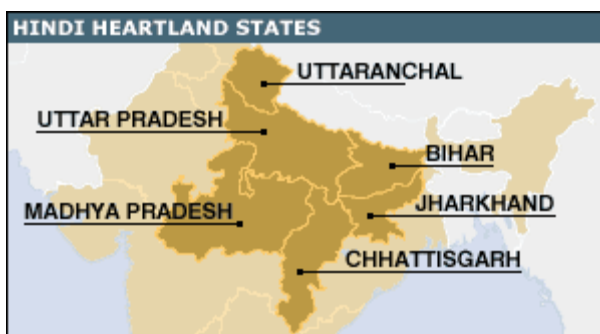
### **India indispensable to a future we want to build: Obama**

United States President Barack Obama on Tuesday warmly welcomed Prime Minister Manmohan Singh, telling him that India was "indispensable" to a future "we want to build." Mr. Obama and First Lady Michelle Obama personally received Dr. Singh, the first State Guest of the 10-month-old Obama Administration, and his wife Gursharan Kaur at the White House. "Yours is the first official state visit of my presidency, it's fitting that you and India be so recognised," Mr. Obama told the Prime Minister. He said: "we want to build a future in which India is indispensable. India and the U.S. can strengthen the global economic recovery. As nuclear powers, we can be full partners in preventing the spread of the world's most deadly weapons, securing loose nuclear materials from terrorists and pursuing our shared vision of a world without nuclear weapons." On his part, Dr. Singh said, "We should cooperate in addressing global challenges of combating terrorism, making our environment cleaner, and moving towards a world free of nuclear weapons." The ceremonial welcome, which was planned at the White House lawns, had to be shifted to the sprawling mansion due to rain. A 19-gun salute was given to Dr. Singh. As Dr. Singh, dressed in a black "bandgala" and his signature blue turban, and Mr. Obama, attired in a formal black suit, walked in together into the East Room of the mansion, a Marine Band played the national anthems of both nations. Ms. Michelle Obama accompanied Ms. Kaur for the ceremony. From the U.S. side, Vice-President Joseph Biden, Secretary of State Hillary Clinton, U.S. Ambassador to India Timothy Roemer and White House Chief of Staff Rahm Emanuel were present.

India was represented by External Affairs S.M. Krishna, IT adviser Sam Pitroda, Foreign Secretary Nirupama Rao and Indian envoy to the U.S. Meera Shankar. From the corporate world, Ratan Tata, Sunil Mittal, Chanda Kochhar, Deepak Parekh, Kiran Majumdar-Shaw attended the ceremony, among others. “This visit reflects the high esteem in which I and the American people hold your wise leadership. It reflects the abiding bonds of respect and friendship between our people, including our friends in the Indian-American community, who join us here today,” Mr. Obama said. Noting that India and the U.S. shared a “common story” of two “proud people,” who struggled to break free from an empire and declare their independence, Mr. Obama pointed out that they were two great republics dedicated to ideals of liberty, justice, equality, and the “never-ending work of perfecting their union.” Dr. Singh said though India and America were “separated by distance,” they were bound together by the values of democracy, humanism, rule of law, and respect of fundamental human freedoms. “Over the years, we have built upon these values and created a partnership that is based upon both principle and pragmatism. Our relations have been transformed, and today they encompass cooperation in all areas of human activity.” He said, “I’ve come today to build upon these successes and to strengthen our multi-faceted relationship,” he said adding, India sought to broaden and deepen the strategic partnership and to work with the U.S. to meet the challenges of a fast-changing world in this 21st century. (The Hindu)

## **Regional Report**

### **Central India (Hindi Heartland)**



## **Politics:**

### **Peaceful polling in Jharkhand Phase I elections**

Over 52 per cent of the 65,32,234 voters exercised their franchise in Phase-I of the five phases of Jharkhand Assembly elections on Wednesday. Polling was held in 26

constituencies amidst tight security and surveillance by six helicopters. Due to Maoists' threat, polling ended at 3 p.m. itself instead of 5 p.m. Deputy Election Commissioner Alok Shukla described the polling as "peaceful" barring a few stray incidents of violence. In the Poreyhat constituency, in a clash between Jharkhand Mukti Morcha (JMM) candidate Suraj Mandal and some locals, Mr. Mandal's personal security officer fired five rounds in the air. About 591 tribal voters, spread over Khirwasari, Pesarpur and Padanbona villages in the Deoghar constituency, abstained from voting, saying their areas were yet to be provided with electricity under the Rajiv Gandhi Rural Electricity Programme. A total of 470 candidates, including 34 women, were in the fray. While the Godda and the Tundi constituencies had the maximum of 25 candidates each, the Jugsalai (SC) seat had only 11 contestants. Polling was held through 8176 polling booths and the JMM fielded a maximum of 25 candidates. It was followed by the BSP-24, the BJP-23, the RJD-19 and the Congress-18. The second phase will be held on December 2, third phase on 8th, fourth on 12th and the fifth one on 18th of the month. The results will be announced on December 23. The high-pitch campaigning for the first phase saw the multi-crore money laundering case allegedly involving the former Chief Minister, Madhu Koda, and his associates raised by different parties, with the Congress and the BJP blaming each other for "nurturing" Mr. Koda. (The Hindu)

### **Social front:**

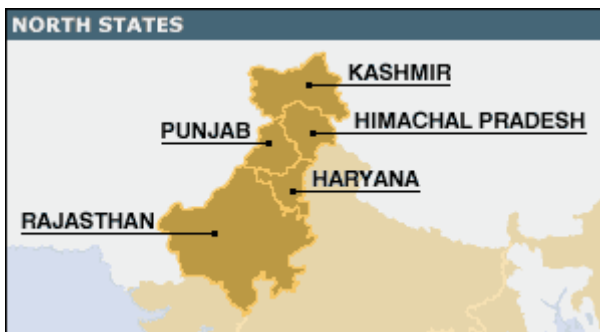
#### **Malnutrition reaches epidemic proportions in Madhya Pradesh**

Malnutrition has reached epidemic proportions in most parts of Madhya Pradesh, with children being the most vulnerable group. This, along with a general deterioration in the health conditions of children and continuing government apathy towards tribal regions, has resulted in a large number of child and infant deaths being reported. Over 25 children died in two villages of the Jhabua district in the past four weeks. Agasia and Madarani villages, falling in the Meghnagar block of the predominantly tribal district, registered 27 deaths since October 19. Alarmingly enough, most of these children were in the 0-6 age group and most weren't even registered at the local anganwadi centre. Agasia and Madarani are just a small part of the larger story that has emerged. Recent reports from Sidhi district mention the death of 22 children in 48 days since August 2009. Malnutrition, especially among the tribal populations of the State, according to the reports of the Supreme Court Commissioners and the United Nations International Children's Emergency Fund, is much higher than in sub-Saharan Africa. According to the National Family Health Survey (NFHS)-III, 60 per cent of the children in the 0-3 years category in Madhya Pradesh are malnourished, while 82.6 per cent in this category are anaemic. The Infant Mortality Rate (IMR) in the State stands at 70/1,000, while the same indicator for tribal areas is 95.6/1,000. In October, *The Hindu* first reported severe malnutrition among the Kol tribal group in Jawa block of Rewa district. Recently, the Hong Kong-based Asian Human Rights Commission (AHRC) issued an international appeal to several organisations urging them to persuade the State government to address the issue. The AHRC report mentions that over 80 per cent malnourished children are in Rewa. The deaths in Jhabua have reportedly been caused due to symptoms resembling those of dengue and malaria along with high incidence of anaemia. However, the

alarming levels of malnutrition in the region could be the primary cause, leading to a fall in immunity levels. “We have discovered 14 deaths till now and the primary causes are severe malnutrition, anaemia and falciparum malaria,” says Meghnagar Block Medical Officer (BMO) Vikram Verma. “Anganwadis are located far from these regions and the ANMs [Auxiliary Nurse and Midwives] too hardly ever reach there. This, along with the remoteness of these tribal regions, compounds the problem. We are taking this seriously and efforts are on to address the situation.” While the BMO’s statements acknowledge the seriousness of the situation, the ambiguous position of the Health Department comes to the fore with an entirely different version of the story from the joint director of Health. “There have been only four deaths and that too, in early October. I have ordered action against the supervisor and the ANM and served a show cause notice on the BMO over the delay in reporting this situation,” said K.K. Vijayvargiya. He refuted any role of malnutrition in the deaths. “Although the reasons are not clear, there definitely is no malnutrition, maybe just seasonal fever.” The apathy and indifference displayed by the health officials have led the villagers to seek medical help from quacks and private practitioners. “The children here appear extremely weak and show malaria and dengue like symptoms and die within an average span of four days,” says Ajit Singh, a local journalist. While the Health apparatus is obviously not serious about handling the issue, other social welfare schemes do not seem to be helping either. The fathers of all the four children who died in Agasia village were not with their families as they had migrated to seek employment since their National Rural Employment Guarantee Scheme cards were being withheld by the village sarpanch. The displacement of tribal groups from their traditional forest dwellings, where they had access to minor forest produce like berries and other fruits to feed their children, has made matters worse in a scenario where the Public Distribution System shops in tribal areas often open only once a month. The last reports received from the region said one more child died in Madarani. The situation in Agasia, where four deaths have taken place, was deteriorating, with eight children in the 0-6 age group being critical. The district administration’s response, however, continues to be cold. (The Hindu)

### **Economic Front:**

#### **The North**

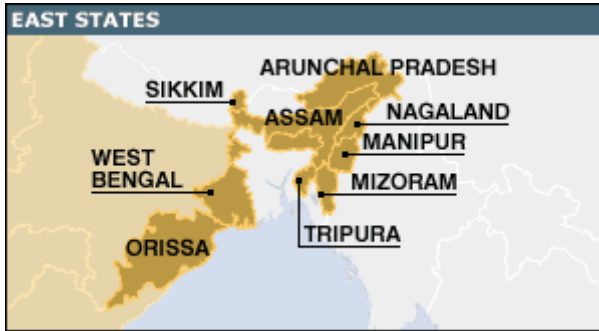


### **Politics:**

## Social front:

## Economic Front:

## The East



## Politics:

### BJP hooligans run riot in Kolkata

Saffron hoodlums ran riot in the city on Monday, burning buses, smashing car windscreens and attacking IT offices in Rajarhat to enforce a 12-hour BJP bandh that no one took seriously. The vandalism in parts of central and north Kolkata and Howrah and on VIP Road went unchecked as the administration looked on. The saffron brigade had its plan well laid out. They started early to spread panic and to ensure that people stayed at home. Shortly after 6 am, two government buses were set ablaze — one at Kankurgachhi and the other outside Howrah station. Elsewhere in the city, a number of state buses were damaged. The arterial VIP Road was blocked, affecting traffic to and from the airport. The next target was the IT hub of Salt Lake's Sector V and Rajarhat. Armed with lathis and iron rods, bandh supporters banged on the gates of IT complexes, smashed glass doors and asked techies to go home. Not a single policeman could be spotted anywhere. While Trinamool Congress chief Mamata Banerjee claimed that the state administration had "aided" the bandh supporters, many said that they had seen dissident Trinamool and Congress workers carry BJP flags and disrupt the flow of traffic at various places. Some claimed to have seen CPM workers as well. State BJP president Rahul Sinha denied these allegations. "All the bandh supporters were BJP workers. Nearly 3,000 of them were arrested. There have been some excesses, particularly in places like Sector V. We are looking into the matter. Action will be taken against those who got involved in violence," Sinha said. (The Times of India)

### **Central team welcome but it must be impartial: Karat**

Communist Party of India (Marxist) general secretary Prakash Karat said on Saturday that any Central team could visit West Bengal but it should look at things impartially. He also said the demand for bringing the State under President's rule through Article 356 went against the basic democratic principles. In an informal interaction with journalists before the CPI(M) State secretariat meeting, he said: "As far as we are concerned,



everybody knows the situation in West Bengal and who is trying to destabilise the situation in the State. Let any Central team come, and if they look at the situation impartially, they will understand.” He was responding to a question on Railway Minister and Trinamool Congress chief Mamata Banerjee’s demand that a Central team be sent to West Bengal. As for Ms. Banerjee’s persistent demand that the State be brought under President’s rule, Mr. Karat said: “Anybody who makes this demand knows that this goes against the basic democratic principles.” The Supreme Court had said “again and again that invoking Article 356 against an elected government is unconstitutional.” Ms. Banerjee recently renewed her demand that a Central team visit West Bengal after the clashes that left one killed and six injured at Khanakul in Bardhaman district. She also said that she had spoken to Union Home Minister P. Chidambaram. (The Hindu)

### **Social front:**

#### **Twin blasts rock Assam, 7 dead**

Within a week of blowing up several wagon-tankers of a train laden with fuel, suspected Ulfa militants triggered two back-to-back bomb explosions outside a police station killing seven people and leaving over 40 wounded in lower Assam’s Nalbari town on Sunday. The blasts took place barely 24 hours after Assam police had posted pictures and details on its website of nine Ulfa rebels who had sneaked into the state with plans to strike terror. The first explosion that rocked Nalbari at 09.55am was triggered by a bomb on a bicycle outside the Nalbari police station. The second, strapped to another bicycle, went off around 15 minutes later, killing five people on the spot and leaving several others injured. The site was barely 20 feet away from the police station. SP (Nalbari) Jitmol Doloi said the militants used a low-intensity bomb to trigger the first explosion. The government has sounded a red alert across Assam, fearing Ulfa might try to strike in other places, including Guwahati. Police claim they had prior information about the attacks by Ulfa that, according to them, is desperately trying to carry out such strikes in the run-up to November 27, which they observe as “black day” to protest against Army operations that began on that day in 1991. The police also suspect that Sunday’s blasts could be in retaliation to the arrest of two top Ulfa leaders. The duo was held in Bangladesh and pushed back to India recently. It took only a few minutes for the pretty picture of a Sunday morning to turn into a devastating canvas of blood and gore. The twin blasts in Nalbari town left bodies lying on the pavement, the injured crying in pain, burning motorcycles and shards of broken windowpanes strewn on the road. (The Times of India)

### **Economic Front:**

#### **The South**



### Politics:

### Social front:

#### Search for Google ends in Karnataka

You can't google in Google. For, Google, a tiny village about 510km north-east of Bangalore, doesn't have internet connectivity. This village on the banks of the Krishna river in Raichur district, with just about 1,000 residents, is far removed from the search engine company based in Mountain View, California. And how you spell the name in English is left to you as all signboards here, including those of government offices, are in Kannada. When the government tried to put up English boards, activists stopped them. "We asked officials if anyone from Cambridge University would come here to read these boards," laughs Kannada activist K P Yallayyanayaka. No wonder then that only a few villagers have heard of their famous namesake in cyberspace. "My grand-daughter told me that two boys have named a website after our village. I feel happy and proud," says landlord Basavarajappa Gouda Police Patil. "Who'll not be happy to know the name of our village is so popular in the cyber world? But this is just a pleasant coincidence. Americans will have totally different reasons for naming their company Google," reasons native Sharana Gouda, an agricultural scientist who works in Bellary. The story goes that 12th century saint poet Allama Prabhu stopped by in the village while travelling from Basava Kalyan to Shreeshailam in Andhra Pradesh. The cave he stayed in has been described as 'Gavi Gallu' (cave of stone), say villagers. "Our village was hence called Gavi Gallu. Over the years, it became Googallu and now it's Google," says Gouda. As proof, residents point to the temple atop the underground cave now. Devotees crawl through a hole in the ground to enter the cave, which has an idol of Allama Prabhu and a small well. Experts, however, point to a piece of history that they say is closer to the truth. "The Helavas, who went around telling people about their ancestral history, say the village was named after rocks that seemed to sing," says writer Chidananda Sali. The name comes from 'Kooguva Kallu' (stones that make a pleasant sound when river water strikes them), he says. "The sound wasn't produced by river water but by people who wanted to communicate with villagers in far-off places," explains S K Aruni, assistant director of Indian Council of Historical Research. "In ancient times, people would send signals to far-off villages by hitting rocks with small sonorous stones. This produced cup-like marks in the rocks. Prehistoric rocks with such cup marks are found in several places in the Krishna river basin, such as Watkal, Hunasagi, Hebbal Burj and other villages in Gulbarga and Raichur districts. So, it's possible that a village with such rocks was called Kooguva Kallu," he adds. (The Times of India)

## **Economic Front:**

### **West India**



## **Politics:**

### **VHP demands action against Raj Thackeray for anti-Hindi stance**

The Vishwa Hindu Parishad (VHP) severely criticised MNS president Raj Thackeray for his stance against Hindi saying he is indulging in vote bank politics and dividing the country. “It is vote bank politics and Raj Thackeray will not succeed in dividing the country in the name of opposition to the Hindi language. Those humiliating the ‘lingua franca’ in Maharashtra should be punished,” VHP international president Ashok Singhal said at a press conference on Sunday. Humiliating Hindi is open treason and such treacherous persons should be given the hardest punishment, Mr. Singhal said referring to the incident in the Maharashtra Legislative Assembly where the newly-elected members of the MNS disrupted oath-taking in Hindi. He said Mr. Thackeray has not only insulted Hindi but the ‘rashtrabhasha’ and this cannot be tolerated. He has a small identity and is trying to create hatred among the people, he added. Mr. Singhal, who aired his views on different subjects was furious on the Deoband resolution banning the singing of Vande Mataram which he charged was passed in the presence of Union Home Minister P. Chidambaram. “The people of the country do not want a Home Minister in whose presence the Jamiat-E-Ulema moved a resolution not to sing Vande Mataram,” Mr. Singhal said. He also demanded making public the assets of the Trimala Tirupati Devasthanams. “The public wants to know what are the assets of the Balaji temple and what is the worth of the real estate, and the jewellery held by the TTD and whether it has been properly recorded,” he said. (The Hindu)

## **Social front:**

## **Economic Front:**

### **Business and Politics in Muslim World**

**China**

**Fareeha Sarwar**

**29<sup>th</sup> to 5<sup>th</sup> December 2009**  
**Presentation Date: 9<sup>th</sup> December 2009**

**REPORT PATTERN:**

**Outline**

**National report**

**Political front**

- Hu calls for better Party building
- Secrets and rights: experts weigh up China's legal moves towards transparency (29<sup>th</sup> November)
- China appoints new provincial Party chiefs (30<sup>th</sup> November)
- Younger officials on the rise in China (1<sup>st</sup> December)
- Senior Chinese leader calls for media support for inspiring the public (2<sup>nd</sup> December)
- China regulates military headquarters to adapt to information age (2<sup>nd</sup> December)
- Reshuffle hints at future leadership in China (2<sup>nd</sup> December)
- Mainland, Taiwan to negotiate schedule for cross-Strait talks (3<sup>rd</sup> December)
- 
- Top legislator calls for better understanding of "one country, two systems" policy, Basic Law (4<sup>th</sup> December)
- CPC tightens supervision over Party officials (4<sup>th</sup> December)
- Taiwan vote could impact Straits ties (5<sup>th</sup> December)

**Foreign relations**

- China urges India to maintain peace in border areas (1<sup>st</sup> December)
- China's ties with Canada "to thaw" (2<sup>nd</sup> December)
- Thai PM meets Chinese defense minister (2<sup>nd</sup> December)
- Chinese VP meets Hungarian guests (2<sup>nd</sup> December)
- China calls for early resumption of Palestinian-Israeli peace talks (2<sup>nd</sup> December)
- China donates \$700,000 to UN peacekeeping missions (2<sup>nd</sup> December)
- Premier Wen on influential U.S. top-10 list (3<sup>rd</sup> December)
- China expects Iran to work with IAEA on nuclear issue (3<sup>rd</sup> December)
- China hopes for peace, development in Afghanistan: spokesman (3<sup>rd</sup> December)
- Highlights of China-Canada joint statement (3<sup>rd</sup> December)
- Chinese vice premier meets Japan's JICA president (3<sup>rd</sup> December)
- China, Russia to hold fourth round security talks in Beijing (3<sup>rd</sup> December)
- DPRK top lawmaker meets senior Chinese legislator on ties (3<sup>rd</sup> December)
- China hopes for peace, development in Afghanistan: spokesman (3<sup>rd</sup> December)
- Botswana receives aid of \$3 mln from China (3<sup>rd</sup> December)
- Ruling parties of China, Bangladesh pledge more exchanges (3<sup>rd</sup> December)

- China opens consulate-general in Lyon (3<sup>rd</sup> December)
- China strongly condemns suicide attack in Somali (4<sup>th</sup> December)
- Chinese top legislator meets Kazakhstan's first deputy PM (4<sup>th</sup> December)
- China,Uzbekistan vow to boost sustainable development of trade relations (4<sup>th</sup> December)
- Chinese naval forces visit Vietnam (4<sup>th</sup> December)
- China, Africa to further cooperation in science, technology (4<sup>th</sup> December)
- Indian defense minister meets with Chinese military delegation (4<sup>th</sup> December)
- Canadian B.C. premier applauds approved destination status with China (4<sup>th</sup> December)
- Liu Qi meets with Malaysian PM (4<sup>th</sup> December)

### **Economic front**

- China to review anti-dumping measures against EU, ROK, U.S. chloroform (29<sup>th</sup> November)
- EUCTP born out of China's WTO entry (30<sup>th</sup> November)
- European experts recognize China's trade reform progress (30<sup>th</sup> November)
- China to increase imports from Europe to address trade imbalance, says Premier Wen (30<sup>th</sup> November)
- Protectionism, yuan pressure "unfair": Wen (1<sup>st</sup> December)
- Tough job ahead to conclude Doha Round trade talks in 2010: Chinese commerce minister (2<sup>nd</sup> December)
- China, Japan should team up on tackling global financial crisis: Vice President (2<sup>nd</sup> December)
- GM, Chinese partner join forces in India (4<sup>th</sup> December)
- China opposes EU proposal extending anti-dumping duties on shoes (4<sup>th</sup> December)
- China to float 15 bln yuan T-bonds next week (4<sup>th</sup> December)
- China XD Plastics listed on NASDAQ (4<sup>th</sup> December)
- China allocates first batch of rural pension subsidies (4<sup>th</sup> December)
- ChiNext stock index down (4<sup>th</sup> December)
- Chinese shares close up 1.61% (4<sup>th</sup> December)
- Chinese firms eye Balla Balla stake (5<sup>th</sup> December)
- China opens key economic work meeting, policies expected to continue (5<sup>th</sup> December)
- "Made in China" ad campaign wins applause in China (5<sup>th</sup> December)
- Chinese shares close up 1.61% (5<sup>th</sup> December)
- GM stake in China venture dips (5<sup>th</sup> December)

### **Social front**

- Chinese president vows to mobilize society to improve AIDS control (30<sup>th</sup> November)
- China may lift ban on HIV/AIDS foreigners (30<sup>th</sup> November)

- Senior Chinese leader urges to purify social environment for minors' healthy development (30<sup>th</sup> November)
- 23,600 cultural sites "disappeared" in 3 years (1<sup>st</sup> December)
- Premier Wen encourages HIV sufferers to live with hope on World AIDS Day (1<sup>st</sup> December)
- Mainland, Taiwan theaters increase exchange (1<sup>st</sup> December)
- China to lift tuition for rural students in vocational schools (2<sup>nd</sup> December)
- Chinese engineering academy announces 48 new academicians (2<sup>nd</sup> December)
- China's police head calls for improved information for public (2<sup>nd</sup> December)
- China says human rights action plan implemented well (3<sup>rd</sup> December)
- China's supreme court hosts first open house for public (4<sup>th</sup> December)
- Chinese embassy donates books to Ukraine's national library (4<sup>th</sup> December)

### **Ethnic issues**

- China joins hands with Mongolia to protect folk songs of Mongolian ethnic group (29<sup>th</sup> November)
- Three sentenced to death for murder in Urumqi riot (4<sup>th</sup> December)
- Riot woman sentenced to death for killing (5<sup>th</sup> December)

### **Environmental front**

- China hopes Copenhagen conference will achieve "fair and feasible" results (1<sup>st</sup> December)
- Chinese vice premier stresses environmental protection in water diversion project (2<sup>nd</sup> December)
- China backs India on emissions cut stance (3<sup>rd</sup> December)
- Chinese media take environment awareness mission to Copenhagen (4<sup>th</sup> December)
- Chinese rise to the climate challenge (5<sup>th</sup> December)
- China's emissions cut target praised at forum in Greece (5<sup>th</sup> December)

## **Regional report**

### **North**

#### **Politics**

#### **Social front**

- Bird's Nest snow festival to woo winter sports fans (30<sup>th</sup> November)

#### **Economic front**

### **Northwest**

#### **Politics**

- Laws, regulations in Uygur language published (30<sup>th</sup> November)

#### **Social front**

- Xinjiang singing and dancing performance charms Sydney Audience (4<sup>th</sup> December)

#### **Economic front**

#### **Northeast**

##### **Politics**

- Wang Rulin appointed acting governor of NE Jilin Province (2<sup>nd</sup> December)

#### **Social front**

#### **Economic front**

#### **Southwest**

##### **Politics**

- French official hails Tibet's remarkable progress (3<sup>rd</sup> December)

##### **Social front**

- Chongqing's prime district aims for cultural success (30<sup>th</sup> November)
- Yunnan culture enthralls Londoners (4<sup>th</sup> December)

##### **Economic front**

- New vision for Jiangbei sees it emerging as foremost business hub in southwest China (30<sup>th</sup> November)

#### **South central**

##### **Politics**

- Senior CPC leader urges to address public concerns (29<sup>th</sup> November)
- Public officials penalized over commercial bribery in S China province (4<sup>th</sup> December)
- China faces rising corruption at grassroots level (2<sup>nd</sup> December)

##### **Social front**

- Shipwreck relics of "Nanhai One" on show in Guangdong (4<sup>th</sup> December)

##### **Economic front**

- Senior Chinese leader calls for stable, fast economic development (1<sup>st</sup> December)

#### **East**

##### **Politics**

- European Commission President Barroso arrives in Nanjing (29<sup>th</sup> November)

##### **Social front**

##### **Economic front**

- Nanjing Special: 'Nanjing-style' development pays off (30<sup>th</sup> November)
- Vice Premier Li stresses on economic structural adjustment (30<sup>th</sup> November)
- Shanghai to recruit overseas financial talents (4<sup>th</sup> December)
- Canadian PM reveals Canadian pavilion for 2010 Expo in Shanghai (5<sup>th</sup> December)

## **HONGKONG AND MACAU**

### **Politics**

- Macao thanks central government for land reclamation approval (30<sup>th</sup> November)
- China to mark 10th anniversary of Basic Law of Macao SAR (3<sup>rd</sup> December)

### **Social front**

- Over half of reclaimed land "earmarked for public facilities": Macao official (1<sup>st</sup> December)
- Hong Kong to step up ozone layer protection with regulation amendment (4<sup>th</sup> December)

### **Economic front**

- AIG chooses HK as AIA listing venue (4<sup>th</sup> December)
- Hong Kong stocks close slightly lower (4<sup>th</sup> December)

## **National report**

### **Political front**



- Hu calls for better Party building

Chinese President Hu Jintao has urged unswerving efforts to improve the building of the Communist Party of China (CPC) to secure the Party's role as the steel core of the country's leadership.

Hu, also general secretary of the CPC Central Committee, made the call at a group study of the members of the Political Bureau of the CPC Central Committee on Friday.

With more than 75 million members and 3.7 million grassroots organizations, the CPC shoulders a tough task of Party building and management to lead the country's 1.3 billion people in economic and social development, Hu said.

To promote a democratic and scientific decision-making mechanism for the Party and government is a crucial task for the Party, he said.

In an era of great development and major transformation, Hu stressed, the CPC is facing long-term, complex and severe tests of challenges it would encounter as a ruling party in the process of reform, opening up, and implementation of market economy.

To improve Party building is also an urgent requirement of coping with the international financial crisis and maintaining the country's economic growth, Hu said.

He urged CPC organizations at all levels to promote organizational construction, improve regulations and fight against corruption.

The Party should also establish and improve an institutional system based on the Party's Constitution and the principles of democratic centralism...and ensure the Party's unity and strengthen the Party's vigor of innovation, Hu said.

- Secrets and rights: experts weigh up China's legal moves towards transparency (29<sup>th</sup> November)

When 26-year-old Li Detao filed applications for the disclosure of budgets on Oct. 9 to the governments of Shanghai and Guangzhou, he got two surprisingly different results.

Eight days later, the Guangzhou municipal government published its budget online, whereas Shanghai refused, claiming the budget was a state secret.

Under new legal guidelines, however, Li might be able to take the Shanghai municipal government to court to force the publication.

"Local policies" and "local interests" can no longer be used as excuses for courts to throw out suits against local governments, and governments must prove that information is "secret".

A guiding opinion issued by the Supreme People's Court on Nov. 15 prohibits judges from dismissing a case before a hearing because they have predetermined whether the plaintiff will be successful or not.

Courts are legally bound to observe the opinion, which stresses that the people's right to bring suits against governments, including claims for information disclosure, are

protected and free from excessive conditions on which the judiciary decides whether to accept them.

The scope of acceptable cases provided in the Administrative Procedure Law and other judicial interpretations must be strictly observed, it said.

It lays out the policy for cases where uncertainty exists over whether courts should accept a case: they should accept first and let superior courts decide, rather than rejecting them.

The Supreme People's Court also published a draft judicial interpretation on Nov. 2, clarifying details on the procedure of government information disclosure cases.

The grounds for acceptability are clearly listed, law experts say.

"That means some complaints that might have been previously rejected by courts can be accepted in the future," says Beijing lawyer Zhang Gang.

The draft makes it clear that people are entitled to sue governments for denial of information disclosure.

The regulation on open government information took effect in May 2008, ensuring access of the public to administrative and regulatory information.

The central and local governments must publish, at their own initiative, information such as economic statistics and progress of infrastructure construction projects.

Members of the public can also apply for access to other government information they claim is necessary for their business, life or research.

The regulation and Administrative Procedure Law provide the right to bring lawsuits if a government's failure to disclose information constitutes a violation.

However, such cases are still new to the courts, which lack detailed rules on the procedure, says Tan Zongze, head of the administrative law office of Southwest University of Political Science and Law.

In the past, a lack of clear definition of acceptable cases sometimes misled courts into believing that only those who suffered real losses from non-disclosure had the right to sue, Zhang says.

Lawyer Yan Yiming's claim against the National Development and Reform Commission was dismissed under a final appeal to the Beijing Higher People's Court in July.

He brought the suit after his request for information on details of China's economy stimulus package was not considered.

In November last year, the government unveiled a 4-trillion-yuan stimulus package to be spent over the next two years to bolster the economy, but only a guideline of the programme was released to the public.

"We feel sometimes uncertain about the eligibility of the case, so some courts simply reject complaints they doubt," one Beijing judge told Xinhua on condition of anonymity.

This problem would hopefully be solved after the draft becomes binding, the judge said.

Another highlight of the draft is its attempt to distinguish government information from "state secrets," says Tan.

The draft stipulates that the burden of proof in such cases rests squarely on the government.

If the government insists that certain information is a "state secret," they will have to present convincing evidence in court, the draft says.

The government cannot use "state secrets" as a pretext to refuse information disclosure arbitrarily, Tan says.

However, the unclear definition of "state secret" is still an obstacle to achieving government transparency, Zhang says.

According to the Law on State Secrets, if officials are unsure whether a matter is secret, such information should be treated as classified before determination by the responsible government agency, Tan says.

So there may be no great progress in information transparency if the Law on State Secrets remains unchanged, Tan says.

- China appoints new provincial Party chiefs (30<sup>th</sup> November)  
The Central Committee of the Communist Party of China (CPC) announced on Monday the latest reshuffle of provincial leaders.

Former Party chief of Fujian Province Lu Zhangong was appointed secretary of the Henan Provincial Committee of the CPC, replacing Xu Guangchun.

Sun Chunlan was appointed secretary of the Fujian Provincial Committee of the CPC.

Former Party chief of Jilin Province Wang Min was appointed secretary of the Liaoning Provincial Committee of the CPC, replacing Zhang Wenyue.

Former Minister of Agriculture Sun Zhengcai succeeded Wang as the Party chief of Jilin Province.

Former governor of Hebei Province Hu Chunhua was appointed Party chief of Inner Mongolia Autonomous Region, replacing Chu Bo.

- Younger officials on the rise in China (1<sup>st</sup> December)

Two 46-year-old officials Monday became China's youngest provincial-level Party chiefs as the country announced major leadership reshuffles ahead of the 18th Party Congress in 2012.

Former Hebei governor Hu Chunhua and ex-minister of agriculture Sun Zhengcai, both born in 1963, took the Party chief posts in the Inner Mongolia autonomous region and Jilin province respectively.

The Central Committee of the Communist Party of China (CPC) also announced that Sun Chunlan, deputy chairwoman and Party secretary of All-China Federation of Trade Unions (ACFTU), replaced Lu Zhangong, 57, as secretary of the Fujian Provincial Party Committee.

Lu, who was Fujian's Party chief for nearly six years, was named Party chief in Henan, the most populous province.

Former Jilin provincial Party chief Wang Min, 59, was appointed to the same post in Liaoning province.

Three of the five officials who were succeeded by the younger leaders - namely, Zhang Wenyue, Chu Bo and Xu Guangchun - were 65 this year, the standard age at which minister-level cadres must retire.

Appointments have not yet been made to the posts left vacant by the Suns - ACFTU deputy chairperson and minister of agriculture.

Hu Chunhua was governor of Hebei for a year. He had previously studied at Peking University, worked in Tibet and served as the First Secretary of the Secretariat of the Central Committee of the Communist Youth League of China.

Sun Zhengcai had worked in the Beijing Academy of Agriculture and Forestry Sciences and was head of the capital's Shunyi district. He holds a doctorate degree in agriculture and was minister of agriculture for three years.

"Hu and Sun's appointments as provincial Party secretaries are important steps toward selections of Party officials at younger ages," said Wang Yukai, a professor with the National School of Administration. "It was rare in the past for such younger officials to be named provincial-level Party chiefs."

Vice-President Xi Jinping said the training and selection of young cadres was "of great importance for the lasting stability of the Party and the state".

Wang said all five newly appointed Party chiefs will be younger than 65 when the CPC holds its 18th plenary congress in 2012.

"They will have more promotion chances."

Wang also noted that Hu has governing experience in regions populated by ethnic minorities.

As to Sun, he has experience related to agriculture, and Jilin is a big agricultural province.

In a related development, the Central Committee of the CPC yesterday removed Wang Hongju from his post as mayor of Chongqing, China's largest municipality.

The widely influential 64-year-old had been mayor for six years.

Huang Qifan, a vice mayor for eight years, has been nominated as a candidate for Chongqing mayor.

Huang, 57, had three decades of studying and working in Shanghai.

- Senior Chinese leader calls for media support for inspiring the public (2<sup>nd</sup> December)

Senior Chinese leader Li Changchun has called on publicity departments and media organizations to "vigorously" disseminate the core values of socialist China and inspire the public to achieve the Party's development goals.

Li, member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, said during his inspection tour to Hunan Province that China's achievements in the reform and opening up and modernization cause should be well presented, as well as the country's successful experience in dealing with the financial crisis.

Li's five-day tour ended Wednesday, during which he urged publicity departments and news media to "spread China's practices in keeping economic development steady and relatively fast amid the international financial crisis."

- China regulates military headquarters to adapt to information age (2<sup>nd</sup> December)

The People's Liberation Army (PLA) of China has issued nine categorized provisions on the duties and operational procedures for its headquarters of different branches or at regional levels.

Under the order of the Central Military Commission Chairman Hu Jintao, the new provisions took effect on Tuesday, the CMC said in a statement Wednesday.

The new statutes are detailed replenishment to the regulations on the PLA headquarters' commanding work issued in 2006.

The Headquarters of the PLA General Staff said the new provisions aimed at improving the contents and commanding methods of headquarters to better handle military operations in the information age and speeding up emergency response of China's armed forces.

- Reshuffle hints at future leadership in China (2<sup>nd</sup> December)

Younger officials' accession to provincial-level Party secretaries, especially the emergence of the two youngest Party chiefs in history, could be the initial move for future senior leadership selections, and some nominees could rise to the country's top positions, analysts said, following a major official reshuffle Monday.

The reshuffle came three years ahead of the 18th Communist Party of China (CPC) Congress, when incumbent Party leader Hu Jintao, 67, finishes his second five-year term in 2012, the maximum tenure according to Party rules, and the Standing Committee of the Political Bureau will have a new make-up, based on the Party's conventional practice.

Monday's Party-secretary appointment in five provinces involved officials all born after the founding of the New China in 1949, with an average age of 54. The oldest are new Henan Party chief Lu Zhangong, 57, and Liaoning Party chief Wang Min, 59.

Another highlight is Sun Chunlan, 59, who became the first female provincial Party secretary in more than two decades. She replaced Lu Zhangong as secretary of the Fujian Provincial Party Committee.

"The reshuffle could be seen as a preparation for the rejuvenation of the party's leadership in the run-up to the 18th Party Congress in 2012," Zhang Liangui, professor at the Party School of the Central Committee of the CPC, told the Global Times Tuesday.

According to the Party's latest policy, leaders of provincial and ministry-level departments should have an average age of around 55, and at least one to four top officials should be younger than 48.

What impressed the public most is the appointment of Hu Chunhua and Sun Zhengcai, both 46. The two have now been crowned the youngest provincial party chiefs following their nomination as Party chief of Inner Mongolia Autonomous Region and Jilin Province, respectively.

As minister-level officials can work until the age of 65, the two are believed to have ample time and space to rise up.

Hu rose to stardom after he was appointed the youngest provincial governor of northern Hebei Province last year.

When he was acting governor of Hebei, his tackling of the high-profile tainted-milk scandal that caused illness in nearly 300,000 children and killed six others last year won wide applause from the public.

Just days ago, two people involved in the case were executed for selling tainted food.

The other rising star, Sun, was appointed minister of agriculture in 2006 at the age of 43, a surprisingly young age for a ministerial-level official.

Both Hu and Sun received much publicity in State media as young examples of officials born in the 1960s.

These younger and better-educated faces have become the pillars in China's political arena, Mao Shoulong, a professor at Renmin University of China, told the Global People magazine recently.

Hu Chunhua is now on the fast track to being China's future leader, Bo Zhiyue, of the East Asian Institute in Singapore, told the Strait Times Tuesday.

A graduate majoring in Chinese from the prestigious Peking University, Hu worked in Tibet for nearly 20 years as an official with the Central Committee of the Communist Youth League of China (CYLC), and later as a Party official.

President Hu Jintao was the Party chief of Tibet, from 1988 to 1992, and served in the CYLC from 1982 to 1985.

Unlike previous practice that senior officials, especially those in the Standing Committee of the Political Bureau, were largely selected from among officials with experience in developed regions such as Guangdong and Shanghai, professor Zhang said,

top officials promoted in recent years have experience in posts in remote areas of hardship such as Tibet.

"This shows the change of mindset in high-level staffing. Posts in areas of hardship help train officials faster and cultivate their sense of responsibility and pioneering spirit,"he said.

After almost three decades, the market economy has gained its firm foothold in China and has great adaptability to changes, therefore officials who excel at economic management appear less needed than before, he said.

"What is much more urgent is to promote officials who are determined to lead a clean government and combat corruption so as to improve the image of government officials and win people's hearts,"he said.

Ex-agriculture minister Sun Zhengcai has also enjoyed a speedy rise.

Sun graduated with a master's degree in agriculture from the Beijing Academy of Agriculture and Forestry Science in 1987. He was later appointed Party secretary of Shunyi District in 2002, a suburban district of Beijing, where agriculture plays a bigger role in the economy.

"Sun invigorated the district's agricultural development in his post by implementing his broad knowledge and extensive experience in this area,"a staff member in the Shunyi District government was quoted as saying by the Beijing Times Tuesday.

Jilin boasts rich grain resources and the State Council has drawn up a plan to accrue 5 billion kilograms of grain in five years, with an investment of 26 billion yuan, Sun's nomination is a perfect choice, the newspaper Ta Kung Pao said.

- Mainland, Taiwan to negotiate schedule for cross-Strait talks (3<sup>rd</sup> December)

Senior leaders of the Chinese mainland's Association for Relations Across the Taiwan Straits (ARATS) and Taiwan's Straits Exchange Foundation (SEF) will hold a preparatory discussion to decide the schedule for an upcoming cross-Strait talks.

Zheng Lizhong, standing vice president of the ARATS, will meet Kao Kung-lian, vice chairman and secretary general of the SEF, on Dec. 10 in Fuzhou, capital of southeastern Fujian Province, which stands on the opposite side of the Strait from Taiwan.

They are going to exchange views on the agenda, topics and content of agreement for the talks between the ARATS and the SEF, which are authorized by authorities in the mainland and Taiwan to handle cross-Strait issues.

According to a preliminary agreement, ARATS President Chen Yunlin and SEF Chairman Chiang Pin-kung will meet later this month in the island's Taichung, for the fourth round of talks since they resumed negotiations in June last year following a 10-year suspension.

- Top legislator calls for better understanding of "one country, two systems" policy, Basic Law (4<sup>th</sup> December)

China's top legislator Wu Bangguo Friday called for more efforts to improve public understanding of the "one country, two systems" policy and the Basic Law of the Macao Special Administrative Region (SAR) to ensure Macao's long-term prosperity and stability.

Wu told a symposium marking the 10th anniversary of the implementation of the Basic Law of the Macao SAR that the Basic Law was the legal embodiment of the "one country, two systems" policy, a legal assurance for the long-term prosperity and stability of Macao, and a legal foundation for governing Macao by law.

More efforts should be made to improve public understanding of the "one country, two systems" policy and the Basic Law so that they would enjoy popular support, said Wu, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee.

Wu, also chairman of the Standing Committee of the National People's Congress (NPC), said since the Basic Law took effect on Dec. 20, 1999, when the government of the People's Republic of China (PRC) resumed the exercise of sovereignty over Macao and setup the Macao SAR, Macao had been governed by Macao people with a high degree of autonomy under the policy of "one country, two systems."

The great practice of "one country, two systems" should be greatly advanced, he said.

He also called for more efforts to strengthen institution building to guarantee the implementation of "one country, two systems" policy and the Basic Law in Macao.

All the institutional rules in Macao must follow the Basic Law, he said.

Wu said the Macao SAR government, and the region's legislative and judicial organs, which shoulder key responsibility for safeguarding the proper implementation of the Basic Law and maintaining Macao's stable development, should strictly abide by the Basic Law and improve their governing capacity.

He said efforts should be made to improve the capabilities of Macao's civil servants so that they would be familiar with, faithful to and abide by the Basic Law, safeguard the Basic Law and contribute their wisdom and talent to the nation and Macao.

Wu also called for more efforts to seriously study and resolve the deep-seated contradictions and problems that might block Macao's economic and social development, properly handle appeals of the people, balance the interests of different groups, and continuously enhance the level of scientific and democratic decision-making to promote Macao's sustainable economic development and comprehensive social progress.

Wu said there were also inspirations drawn from the implementation of the Basic law.

The Macao people upheld the PRC government's resumption of the exercise of sovereignty over Macao, agreed with the principle that Macao affairs were China's internal affairs, consciously safeguarded the nation's core interests and the central government's authority, and resolutely opposed and resisted interventions of external forces, he said.

They believed "the socialist motherland firmly supported Macao." They actively participated in the mainland's reform and opening-up as well as its modernization, he said.

Macao also enacted laws to further enhance "the concept of one country" in Macao and forcefully safeguarded the nation's core interests, he said.

Wu said since the founding of the Macao SAR, it had exercised a high degree of autonomy in line with the law and properly handled relations with the central government.

The SAR has firmly upheld the power which the law granted to the central government, he said.



Wu said the SAR administration, legislature and law enforcement branches attended to their own duties and bore their own responsibilities.

"Only social stability can guarantee economic prosperity and development; and only economic prosperity can enable prolonged social stability," he said

Practice has proven and will continue to prove that the "one country, two systems" policy and the Basic Law are compatible to the realities of Macao, and it can be tested by practice and history, he said.

Macao SAR Chief Executive Edmund Ho Hau Wah told the symposium that the Basic Law was an institutional and legal guarantee of Macao's development over the past decade, a foundation of the region's laws, institutions and policies, and a source of wisdom for the SAR to overcome challenges.

"The successful implementation of the Basic Law should be attributed to the nation's full support," he said. "The law itself has also won common understanding and popularity among local people."

The symposium in the Great Hall of the People was hosted by the Commission for the Basic Law of the Macao SAR of the NPC Standing Committee.

State leaders, including Vice President Xi Jinping, also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, and more than 180 officials and representatives from all walks of life from the mainland and Macao, attended the symposium.

In another development, more than 80 legal experts and representatives of all walks of the mainland and Macao society reviewed the implementation of the Basic Law at a seminar Friday afternoon.

Experts agreed that the law has been successfully implemented in Macao and the law should be better publicized, understood, implemented and respected if Macao wants to maintain its stability and the development in economy, livelihood and democracy, according to a press release issued after the seminar.

They said Wu's speech reflected the central government's resolve to adhere to the policy of "one country, two systems" and act strictly in line with the Basic Law, as well as its confidence in and expectation to the Macao people.

- **CPC tightens supervision over Party officials (4<sup>th</sup> December)**

The General Office of the Communist Party of China (CPC) Central Committee has issued a guideline on tightening supervision and management of Party officials, noting that officials unfit for their current positions should be reshuffled.

The measures were "aimed at addressing the current problem that the supervision and management of Party officials is lax and soft-handed," according to a statement of the General Office published Friday.

The guideline stated that officials whose capabilities do not fit their current posts, who lack the sense of responsibilities or are incompetent for their jobs, should be transferred to proper posts or demoted.

Those breaching duties should be "severely punished" and those who are "sick" (morally corrupt or deficient in capabilities) should be prohibited from promotion, said the document.

Superior departments should step up discipline education on officials and nip their out-of-line tendencies in the bud through exhortative conversations, letters or tentative punishments, said the document.

- Taiwan vote could impact Straits ties (5<sup>th</sup> December)

Voters in Taiwan will elect local officials on Saturday in the first test of the island's mainland-friendly leader Ma Ying-jeou a year-and-a-half after he came to power.

The election result could have an impact on the cross-Straits policy of Ma's ruling Kuomintang (KMT) and on upcoming cross-Straits talks that will be held in Taichung, experts said on Friday.

If the KMT holds its current majority or gains seats, Ma's already strong position will be cemented, adding momentum to his efforts to broker stronger ties with the mainland through trade pacts.

"Certainly, if they do well, that would please Beijing," Lin Chong-pin, strategic studies professor at Tamkang University in Taipei, was quoted as saying by Reuters on Friday.

The local elections are being held to select county magistrates, city mayors, county and city councilors and township chiefs.

If the pro-independence opposition Democratic Progressive Party (DPP) adds to the three seats it holds out of the 17 at stake in the elections, the result might indicate that voters are upset about such issues as the perceived slow response to the deadly typhoon in August and to the lifting of a ban on US beef imports.

"I know our competitor, the DPP, has always hoped to raise this vote to the level of a central election and teach us a lesson," Ma told a news conference on Friday.

The DPP supports the island's formal independence from the mainland and upset Beijing when it held the "presidency" from 2000 to 2008.

Campaigning dominated by roadside posters, blaring trucks and non-stop TV ads reached a crescendo on Friday.

Mindful of the mainland, the island government this week announced new rules that forbid mainland tourists from attending political rallies or appearing on TV talk shows, local media said.

About 38 percent of Taiwan's electorate can vote, with elections in major cities and counties set for next year. Winning mayoral and magistrate candidates will take office on Dec 20. The terms will last four years.

"If the KMT lost one or two seats to the DPP in this election, I am afraid it will opt to take a more conservative stand in its cross-Straits policy," said Chen Xiancai, a senior researcher at the Taiwan Studies Center in Xiamen University.

Ma and the KMT have been pushing for closer ties with the mainland, including the resumption of semi-official cross-Straits talks, the establishment of a direct postal service and more direct links for shipping and air travel.

Both the KMT and the DPP have tried hard to sharpen their distinct images among voters, with the KMT advocating better cross-Straits ties and a stronger economy and the

DPP casting itself as the defender of Taiwan that is seeking formal independence for the island, Chen Xiancai said.

The election on Saturday will give both parties an opportunity to see if their popularity is growing, he added.

Li Jiaquan, a senior researcher with the Institute of Taiwan studies at the Chinese Academy of Social Sciences, agreed with Chen.

"Saturday's election will be the skirmish before next year's election for municipality heads and the 'presidential election' in 2012 and the KMT will adjust cross-Straits policies if they fail to win enough support this time, including the cross-Straits policy," he told China Daily.

## **Foreign relations**

- China urges India to maintain peace in border areas (1<sup>st</sup> December)

China on Tuesday urged India to maintain peace and stability in border areas as commenting on a road construction by the Indian side in disputed area.

The two sides should make joint efforts to this end before the border issue gets final settlement, said Foreign Minister spokesman Qin Gang at a regular press conference here Tuesday afternoon.

It is reported that a road was being built by authorities of Indian Kashmir in a disputed area near the line of control. The construction stopped after objection from the Chinese side.

- China's ties with Canada "to thaw" (2<sup>nd</sup> December)

Canadian Prime Minister Stephen Harper will start what his country's media says is his "most important foreign visit" when he arrives in China Wednesday.

Harper is hoping to reenergize stagnated ties with Beijing and inject vitality into the Canadian economy.

Chinese experts said that, despite the shadow cast by Ottawa's high duty on Chinese steel imports, the visit is likely to show Canadian goodwill and could be a turning point in the relationship between the countries.

It is Harper's first visit to China since he took office in 2006.

Ottawa has aggressively criticized Beijing for its human rights record and for alleged spying. Harper was not among world leaders at the 2008 Olympics in Beijing, and he irritated China by embracing the Dalai Lama.

However, an aide to the prime minister signaled a shift in Ottawa's China policy ahead of the visit, telling media "new global realities demand a modernized Canada-China relationship".

"The prime minister's visit will be a key opportunity to extend our presence in China and to promote Canadian interests," Dimitri Soudas, said on Sunday.

In another positive sign, the spokesman avoided responding to a question about whether Harper will ask for the value of the yuan to be allowed to rise, a request that Premier Wen Jiabao rebuffed during Monday's summit with European leaders.

"Just like he doesn't comment on the value of the Canadian dollar, he doesn't comment on the value of other currencies," Soudas said.

Chinese experts have said the apparent change in Ottawa's attitude was driven by criticism from Canadian businesspeople seeking opportunities in China in the face of losses brought about by the sluggish US economy.

Pang Zhongying, an international affairs expert at Renmin University of China, said that following the financial crisis and US President Barack Obama's four-day visit to China, Canada had "second thoughts about its attitude toward China".

The visit comes after China-Canada trade reached a historic high of 50.3 billion U.S. dollars last year. China is now Canada's second-largest merchandise trading partner and is expected to become Canada's second-largest merchandise export market this year.

"China's huge domestic market and its role as one of the world's largest exporting nations will be an essential element of the global recovery," Soudas said.

China's Foreign Ministry spokesman Qin Gang told reporters "China attaches great importance to the visit" and expects it to promote relations.

Canada has carefully paved the road for Harper's visit by sending four ministerial visits.

Harper will take his agriculture and trade ministers to meetings with President Hu Jintao and other leaders.

But Zhu Feng, an international relations professor with Peking University, cautioned that the visit is happening at a bad time, with a new preliminary duty of up to 182 percent on Chinese steel imports casting a shadow.

"The duty will be temporarily good for the Canadian economy but it will definitely impact the warming relations," Zhu said. "I think Canada should turn to other channels, such as the World Trade Organization, for a better result."

The Canadian Press, Canada's national news agency, pointed out that "reaction to a similar move by the US (after it imposed duties on Chinese goods) indicates Canadian-Chinese trade relations could suffer as a result".

Soudas has downplayed the possibility of major agreements during the trip.

"We will not transform the bilateral relationship overnight," he said.

Former Canadian trade minister David Emerson, however, told Canadian Press on Sunday that success for Harper should not be judged by whether he comes away with deals. Emerson said it will be measured by whether he can secure hard commitments on a "process to pursue fundamental arrangements we need for concrete progress over a long period".

- Thai PM meets Chinese defense minister (2<sup>nd</sup> December)

The Chinese military is willing to further cooperate with its Thai counterpart in various areas, said the Chinese defense minister Wednesday at his meeting with Thai Prime Minister in Thailand's Government House.

Liang Guanglie, the Chinese Defense Minister who is on an official visit to Thailand, told Thai Prime Minister Abhisit Vejjajiva that China highly appreciates the firm support from Thailand on many issues including Taiwan, Tibet and Xinjiang.

The Chinese military attaches importance to boosting the friendship and cooperation between the two sides, Liang told Abhisit.

Abhisit expressed his welcome to Liang's visit and said he hoped the Chinese and Thai governments would continue the joint efforts to enhance bilateral relationship and to maintain the regional peace and development.

Liang also met his Thai counterpart Prawit Wongsuwan in the morning and discussed some issues of common concern.

The Chinese defense minister will finish his visit and leave Thailand on Thursday.

- Chinese VP meets Hungarian guests (2<sup>nd</sup> December)

Chinese Vice President Xi Jinping met with Orban Viktor, chairman of the Hungarian main opposition party Federation of Young Democrats (Fidesz) and former prime minister of Hungary, here Wednesday.

Xi, also member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, said party exchanges are an important channel to enhance friendship between the two peoples and promote bilateral cooperation.

Xi expressed appreciation of Hungary's efforts in enhancing relations between China and the EU, saying China supports the EU to play a greater constructive role in international affairs.

Orban said that the most important gains of his current visit is that his party established formal exchange relations with the CPC.

Orban said China is an important force in safeguarding world stability, and his party welcomes China to participate in Hungary's economic construction, and is willing to promote the comprehensive strategic cooperative partnership between the EU and China.

- China calls for early resumption of Palestinian-Israeli peace talks (2<sup>nd</sup> December)

China on Tuesday called for an early resumption of the peace talks between Palestinians and Israelis, and called upon the two sides to refrain from any moves that may undermine mutual trust and the peace process.

The statement came as Zhang Yesui, the Chinese permanent representative to the United Nations, was taking the floor at the UN General Assembly on the question of Palestine and the situation in the Middle East.

"It is the common expectations of the international community to achieve the comprehensive, just and endurable peace in the Middle East," Zhang said. "We always maintain that the political negotiations are the only correct way to solve the Middle East question, and there is no way out to engage in violence."

Against the backdrop of all kinds of challenges encountered in the Middle East peace process, Zhang voiced his hope that the Palestinians and Israelis can stand firm by the peace talks, stick to the road of peace, overcome all sorts of difficulties and reinvigorate the peace talks at an early date.

The Committee on the Exercise of the Inalienable Rights of the Palestinian People on Monday convened a meeting to mark the International Day of Solidarity with the Palestinian People, which falls on Nov. 29, and Chinese Premier Wen Jiabao sent a congratulatory message to this year's UN activities to observe the Day to express China's firm support for the just cause of the Palestinian people, Zhang noted.

"China firmly supports the demands of Palestinian people for the restoration of their legitimate national rights and for the establishment of an independent state," the Chinese premier said in his message.

Just one day later, the General Assembly convened its plenary session on the question of Palestine and the situation in the Middle East, "it is of particular significance, and we hope this meeting can inject new impetus into the resumption of the Middle East peace process," he said.

Meanwhile, Zhang voiced grave concerns at the security and humanitarian situations in the occupied territories, the Gaza Strip in particular. "With the arrival of winter, the humanitarian situation in Gaza may continue to get worse," he said.

Therefore, he called on all parties concerned to fully implement the resolution 1860 adopted by the UN Security Council, and urged Israel to heed the appeals of the international community by fully opening the transit points and allowing uninhibited entry into Gaza of the relief and reconstruction goods, so as to promote the progress of the reconstruction in Gaza as soon as possible.

Meanwhile, Zhang also showed his sympathy with the Palestinian people living in the West Bank and East Jerusalem, and called on Palestinians and Israelis to engage in independent and credible investigations into the alleged serious violations of international humanitarian law by the two sides.

In early November, the 192-nation UN General Assembly voted 114-18 to adopt a resolution to call upon both Israel and Palestine to conduct "independent and credible" investigations of the alleged war crimes during the 22-day Gaza conflict which broke out on Dec.27, 2008.

The General Assembly "requests the secretary-general to report to the General Assembly within a period of three months, on the implementation of the present resolution, with a view to considering further action, if necessary, by the relevant United Nations organs and bodies, including the Security Council," the resolution said.

- China donates \$700,000 to UN peacekeeping missions (2<sup>nd</sup> December)

China on Tuesday donated 700,000 U.S. dollars to several UN funds on peacekeeping to support the mediation efforts of the United Nations.

Liu Zhenmin, China's deputy permanent representative at the UN, presented a 700,000-dollar check to Alain Le Roy, under-secretary-general on peacekeeping at the UN headquarters in New York.

Liu said China has always attached great importance to the vital role the United Nations has played in peacekeeping and peace-building and actively supported the UN Secretariat in these areas.

He said China decided to donate another 500,000 dollars to the Trust Fund for the AU-UN Joint Mediation Support Team for Darfur in a bid to support efforts of the UN and the African Union (AU) in promoting the political process in the region.

China donated 500,000 dollars in March 2008 to the Trust Fund which was set up in September 2007.

Besides, China also provided 100,000 dollars to the Trust Fund for Preventive Action and a trust fund on supporting political affairs respectively so as to back the UN's efforts on preventive diplomacy and political mediation, Liu said.

Liu also told Le Roy that China will soon present the UN Peace-building Fund 1 million dollars, completing the 3-million-dollar donation that it promised in September 2006.

Le Roy appreciated China's full support to the United Nations, hailing China's contribution to world peace and stability. He said the UN Secretariat will ensure the effective use of the donation China has made and further strengthen its cooperation with China in peacekeeping areas.

There are now about 2,100 Chinese troops serving in UN peacekeeping missions around the world, making China the largest contributor of troops among the five permanent UN Security Council members, or the 14th largest contributor among all UN members, according to Le Roy, who visited China late November for an international symposium on reforming the UN peacekeeping system.

As a developing country, China is the seventh largest financial contributor among all UN members to support the peacekeeping operations of the United Nations, Le Roy told reporters in Beijing.

- Premier Wen on influential U.S. top-10 list (3<sup>rd</sup> December)

Premier Wen Jiabao is the only non-American on a new top-10 list compiled by United States broadcasting giant ABC that names people with the most influence on the U.S. economy.

The American Broadcasting Company said Wen's influence was massive, despite the 67-year-old Chinese premier's geographical distance from the United States.

The TV broadcaster said the big 10 are the people who have had the most impact on the world's largest economy since 2000.

Wen was listed behind U.S. regulators Henry Paulson, Ben Bernanke, Timothy Geithner, Sheila Bair and Alan Greenspan. Former AIG CEO Maurice Greenberg also made the list just ahead of Wen.

ABC explained why it included Wen by saying: "Wen Jiabao, the premier of China, is driving a roaring engine."

The article that accompanied the list said China will be increasingly important to the United States.

"The world's most populous country is quickly rising to the top of the global economic heap, with a growth rate that has barely been touched by recession," the article said. "In fact, China recently overtook Germany to become the world's third-largest economy."

ABC said the 10 people on the list all have either great power or control a vast fortune - or both.

The top 10 list is completed by JPMorgan Chase chairman Jamie Dimon, former Bank of America CEO Kenneth Lewis and investment guru Warren Buffett.

Chinese experts said yesterday the fact that Wen made the list was further proof of improved Sino-U.S. ties. They said the United States was acknowledging China's rise as an economic power, in part because it wanted to urge Beijing to compromise on issues, including currency and climate change.

"Apparently, China's rising economic strength prompted the ABC to vote for Wen," said Fan Ying, a professor of economics at the Beijing-based China Foreign Affairs University. "Wen collected the title on behalf of China."

Fan said China had influenced the U.S. economy because of its massive exports and its significant purchases of Treasury bonds.

The fact that Americans consumed so many Chinese products expedited the outflow of labor-intensive industries from the United States and changed its industrial landscape, she said.

Beijing is now Washington's largest foreign creditor, holding \$800 billion in U.S. government bonds at the end of September.

"Washington has never been in such a dire need of Chinese funds," she said.

"It wants Beijing to not massively cut the Treasury holding so the United States has sufficient capital to continue doling out the ailing financial sector," Fan said.

He Maochun, director of the Research Center of Economy and Diplomacy at Tsinghua University, said Wen is widely believed to be the driving force behind the \$586-billion stimulus package launched by Beijing a year ago, which has helped keep Chinese economy afloat during the global economic recession.

Wen's inclusion on the list was welcomed by many Chinese.

"This shows the Chinese economy carries a great deal of weight," a netizen named "dongxue" said on 163.com, a major online news site.

But experts warned that the United States might be expecting Beijing to shoulder more responsibility for global finances.

- China expects Iran to work with IAEA on nuclear issue (3<sup>rd</sup> December)

China on Thursday expressed the hope that Iran will work with the International Atomic Energy Agency (IAEA) to promote dialogue and negotiation for a proper solution to the Iran nuclear issue at an early date.

Chinese Foreign Ministry spokesman Qin Gang made the remarks at a regular press briefing.

The IAEA in Vienna on Nov. 27 passed a resolution, which called for the "full cooperation" of Iran to clarify all outstanding issues involving its nuclear program. China voted for the resolution.

Qin said China's vote was consistent with its position on the Iran nuclear issue, which urged the parties involved to resolve the issue through dialogue and negotiation.

China supported the international nuclear non-proliferation regime and believed that the peace and stability in the Middle East should be safeguarded, Qin said.

He said China would, as always, push forward the process of a diplomatic solution to the Iran nuclear issue.

A draft agreement, presented by chief of the IAEA Mohamed El Baradei, had called for shipping most of Iran's existing low-grade enriched uranium to Russia and France to be processed into fuel rods with a purity of 20 percent as fuel for Tehran's research reactor.

The United States, Russia and France approved the draft deal.

Iran's President Mahmoud Ahmadinejad said Wednesday Iran would produce 20-percent enriched uranium itself.

- China hopes for peace, development in Afghanistan: spokesman (3<sup>rd</sup> December)



A Chinese Foreign Ministry spokesman Thursday said China was hoping to see peace and stability in Afghanistan after U.S. President Barack Obama announced his administration would deploy an extra 30,000 troops there.

Spokesman Qin Gang told a regular press briefing, "China has noticed President Obama's speech, and we are willing to see peace, stability, development and progress in Afghanistan."

China hoped the efforts by the international community on Afghanistan would be conducive to achieving those goals, Qin said.

He also reaffirmed China's position by saying each country's independence, sovereignty and territorial integrity should be fully respected.

President Obama at the West Point military academy on Tuesday announced he would deepen the U.S. involvement in Afghanistan by raising U.S. troop numbers to almost 100,000.

- Highlights of China-Canada joint statement (3<sup>rd</sup> December)

China and Canada issued a joint statement in Beijing on Thursday after the official talks between Chinese Premier Wen Jiabao and visiting Canadian Prime Minister Stephen Harper.

Following are the highlights of the joint statement:

#### CORE-INTEREST

Both sides reaffirmed the fundamental principle of respecting each other's sovereignty and territorial integrity, core interests and major concerns. Neither side supports any attempt by any force to undermine the principle.

The Chinese side emphasized that the question of Taiwan concerns China's sovereignty and territorial integrity.

The Canadian side reiterated its consistent and long-standing one-China policy, which was established at the founding of diplomatic ties. The country underlined its support for the peaceful development of cross-Strait relations, including the efforts from both sides to increase dialogue and interactions in economic, political and other areas.

#### TRADE, INVESTMENT

The two countries reiterated commitment to maintaining an open investment and trade policy, opposing protectionism in all its manifestations, reducing barriers to investment and encouraging cooperation between the two countries' enterprises.

Both sides undertake to expedite negotiations of a China-Canada Foreign Investment Promotion and Protection Agreement, to offer predictable and stable legal framework to boost confidence of investors.

The two countries also agreed on the need to encourage further growth of bilateral trade from its current levels, increasing trade in goods and services in all sectors, including energy and resources, infrastructure, telecommunication and transportation, advanced technology, tourism, agriculture and financial services. They also agreed to enhance cooperation on clean energy.

#### CROSS-BORDER CRIMES

The two sides pledged to strengthen cooperation on combating transnational crime and repatriating fugitives in accordance with their respective laws.

They agreed to sign a MOU on cooperation on combating crime at an early date and carry out negotiation on an agreement on the sharing of the proceeds of crime.

## HUMAN RIGHTS

Both sides acknowledged that differing histories and national conditions can create some distinct points of view on issues such as human rights. They agreed to increased dialogue and exchanges on human rights, on the basis of equality and mutual respect, to promote and protect human rights consistent with international human rights instruments.

## VISIT DESTINATION STATUS

China and Canada welcome two new channels to increase people-to-people interaction, through the opening of a new Chinese Consulate General in Montreal, and China's announcement of approved destination status for Canada during Harper's visit.

## CLIMATE CHANGE

The two sides agreed to enhance policy dialogue and cooperation on climate change and clean energy technologies as a complement to the United Nations Framework Convention on Climate Change and its Kyoto Protocol.

## VANCOUVER OLYMPICS, SHANGHAI EXPO

China welcomes the approaching of Vancouver 2010 Winter Olympic Games and will send a large team of athletes to the games.

The Canadian side expressed its support for 2010 Shanghai World Expo. Starting in May of 2010, the Canada Pavilion at the Expo will provide large numbers of Chinese citizens the opportunity to visit and enjoy numerous Canadian arts, cultural and other public events.

- Chinese vice premier meets Japan's JICA president (3<sup>rd</sup> December)

Chinese Vice Premier Li Keqiang met here Thursday with Sadako Ogata, president of the Japan International Cooperation Agency (JICA).

Li said China-Japan strategic and mutually-beneficial relationship has entered into a new stage and it is in the fundamental interests of the people to stick to China-Japan friendship and mutually-beneficial cooperation.

Li said that the two countries should respect and take care of each other's major concerns, enhance pragmatic cooperation and increase mutual understanding between the two peoples in a bid to push forward bilateral ties in a long-term, healthy and stable manner.

The two governments, via the JICA, Japanese government's overseas aid agency, have conducted effective cooperation since the normalization of bilateral ties, said Li, calling for more exchanges of youth and scientists between the two countries.

Ogata visits China as guest of China's Ministry of Science and Technology.

- China, Russia to hold fourth round security talks in Beijing (3<sup>rd</sup> December)

China and Russia will hold their fourth round of strategic security talks next week, a Chinese foreign ministry spokesman announced on Thursday.

"At the invitation of Chinese State Councilor Dai Bingguo, Russian Security Council Secretary Nikolai Patrushev will come to China to attend the fourth round of China-Russia strategic security talks from Dec. 7 to 8," said Qin Gang at a regular news briefing.

The security talks, initiated in February, 2005, are a platform for the two nations to enhance political trust and cooperation in various fields, especially in the law-enforcement and security fields.

- DPRK top lawmaker meets senior Chinese legislator on ties (3<sup>rd</sup> December)

The top lawmaker of the Democratic People's Republic of Korea (DPRK) Thursday met with a senior Chinese legislator on efforts to further the friendly ties and legislative cooperation between their two countries.

The DPRK-China relations had withstood the test of history since their diplomatic links were established 60 years ago, said Kim Yong Nam, president of the Presidium of the Supreme People's Assembly (SPA) of the DPRK, during talks with Chen Zhili, vice-chairperson of the Standing Committee of the National People's Congress (NPC) of China.

The relations not only benefited the two peoples, but also contributed to the peace and stability of Asia and the world, he said.

This year marked the "Year of DPRK-China Friendship" and had witnessed frequent high-level visits between the two countries, Kim said.

He said the DPRK attached great importance to the exchanges between the legislatures of both countries, which he said would help boost their traditional friendship. The China-DPRK friendship, fostered by the older generation of leaders of the two countries, had prospered despite constant changes in the international situation, said Chen.

China would work with the DPRK to further their relations and bring benefit to the two peoples, she said. The NPC would continue to strengthen exchange and cooperation with the SPA and inject new vitality into their bilateral ties, she added.

- China hopes for peace, development in Afghanistan: spokesman (3<sup>rd</sup> December)

A Chinese Foreign Ministry spokesman Thursday said China was hoping to see peace and stability in Afghanistan after U.S. President Barack Obama announced his administration would deploy an extra 30,000 troops there.

Spokesman Qin Gang told a regular press briefing, "China has noticed President Obama's speech, and we are willing to see peace, stability, development and progress in Afghanistan."

China hoped the efforts by the international community on Afghanistan would be conducive to achieving those goals, Qin said.

He also reaffirmed China's position by saying each country's independence, sovereignty and territorial integrity should be fully respected.

President Obama at the West Point military academy on Tuesday announced he would deepen the U.S. involvement in Afghanistan by raising U.S. troop numbers to almost 100,000.

- Botswana receives aid of \$3 mln from China (3<sup>rd</sup> December)

Botswana has received yet another grant of 20 million yuan (3 million U. S. dollars) from China in support of the development of the diamond rich southern African country, the government said on Thursday.

China's new offer made on Wednesday brings the total to 30 million yuan (4.5 million dollars) this year.

In May, Botswana received 10 million yuan (1.5 million U. S. dollars) as part of the Chinese technical assistance program to African countries.

Speaking at the signing ceremony, Botswana Finance Minister Kenneth Matambo welcomed the grant especially at the time when Botswana, like most mineral dependent African economies, has been affected by the financial crisis.

"This grant agreement will most certainly go a long way in strengthening further our bilateral cooperation with China," Matambo said.

The money will be used to help Botswana implement some of its priority projects in its seven-year master development plan, the National Development Plan Ten (NDP 10).

The minister said consultations were still ongoing regarding projects to be implemented with the earlier grant.

The Chinese Ambassador to Botswana, Liu Huanxing, said although his country was not spared by the economic crisis, it would keep its pledge made to the African country.

Botswana has been a recipient of Chinese grants since 1973. The Chinese government has increased the support to 73 million yuan (11 million dollars) in grants and close to 1.2 billion yuan (178 million dollars) in soft loans to the country.

"The grants and loans have been used to implement projects in sectors including transportation, education, energy, agriculture and housing," the minister said.

- Ruling parties of China, Bangladesh pledge more exchanges (3<sup>rd</sup> December)

The ruling parties of China and Bangladesh on Thursday pledged to learn from each other on party and state governance.

The pledge came out of the meeting between Chinese Vice President Xi Jinping and Secretary General of Bangladesh Awami League (BAL) Syed Ashraful Islam at the Great Hall of the People Thursday afternoon.

Ashraful is leading a four-member BAL delegation for a week-long visit to China, the first since BAL, as part of a larger alliance, won the national election in 2008.

Xi, member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, praised the positive role that ruling party cooperation had in strengthening China-Bangladesh ties.

Xi expressed the hope that "the two ruling parties will increase exchanges and learn from each other on how to build the party and run the state."

Ashraful said his party was eager to learn and draw on the CPC's experience in party and state governance.

Xi said that since the two countries forged diplomatic ties in 1975, they had developed political trust, trade and people-to-people cooperation and communication on international issues.

Xi appreciated the Bangladeshi government's adherence to the one-China policy and support on issues concerning China's core interests.

Ashraful highlighted the solid foundation of Bangladesh-China friendship and the mutual trust between the BAL and CPC.

He said Bangladeshi Prime Minister Sheikh Hasina and her government staunchly supported China's efforts to seek national reunification and ensure social stability.

Ashraful said the government would like to advance exchanges in government, party, legislative and non-government sectors and boost cooperation in politics, economy, foreign affairs and culture.

Ashraful and his delegation will also travel to southwest China's Yunnan Province.

- China opens consulate-general in Lyon (3<sup>rd</sup> December)

China on Wednesday officially opened its consulate-general in Lyon, southeastern France after nearly two years of preparation.

When unveiling the nameplate of China's third consulate in France, Kong Quan, Chinese ambassador to France, said that the Chinese government attaches great importance to Sino-French cooperation, and that with joint efforts of both sides, the consulate-general in Lyon will play an important role in promoting the Sino-French relationship.

The new consulate-general will cover 12 provinces in southeastern France, with a population of 7 million, which equals to one tenth of the total French population. There are 20,000 overseas Chinese and 4,000 Chinese overseas students living in this area, said Li Ping, the first consul-general in Lyon.

"The opening of the consulate-general, which coincides with the 60th anniversary of the founding of the People's Republic of China as well as the 45th anniversary of the establishment of bilateral diplomatic relations between China and France, is of great significance. In the future, it will do its utmost to provide services to the Chinese living in France, safeguard the Chinese interests in France, promote the mutual understanding and exchanges between the two peoples and enhance Sino-French cooperation in all fields," Li added.

To mark its opening, the consulate-general in Lyon held a reception on Wednesday evening. Prominent local politicians, including Jean-Jack Queyranne, chief minister of the Rhone-Alpes region; Jacques Gerault, prefect of the Rhone-Alpes region as well as Gerard Collomb, mayor of Lyon, were invited to attend the event.

They said the establishment of the consulate-general is of historic significance and they hoped to enhance Sino-French cooperation in such fields as economy, trade and culture through the opportunity of the 2010 Shanghai Expo.

- China strongly condemns suicide attack in Somali (4<sup>th</sup> December)

China was shocked by and strongly condemned the suicide attack in the Somali capital Mogadishu, Chinese Foreign Ministry spokeswoman Jiang Yu said here Friday.

When asked to comment on the terrorist attack, Jiang said the suicide bomb explosion in Mogadishu Thursday had caused serious casualties and property losses. She expressed deep condolence to the victims and sincere sympathy to their families and the injured.

China has always supported the peace process of Somali and the efforts of the Somali interim government to resume domestic peace through dialogue, said Jiang.

She expressed hope that parties involved could give top priority to the interests of the country and its people and actively participate in dialogue and negotiation to realize national reconciliation and peace at an early date.

As many as 60 people, including three Somali government ministers, were killed and nearly 200 others were wounded after a suicide attacker detonated an explosive vest at a graduation ceremony in the Somali capital Thursday.

- Chinese top legislator meets Kazakhstan's first deputy PM (4<sup>th</sup> December)  
China's top legislator Wu Bangguo met here Friday with Kazakhstan's First Deputy Prime Minister Umirzak Shukeev.

Wu, chairman of the Standing Committee of the National People's Congress (NPC), said China and Kazakhstan are friendly neighbors and strategic partners.

He said the Chinese side set a high value on firm support from Kazakhstan on issues of Taiwan, Tibet, and fighting "East Turkistan" forces.

China will continue as always to support Kazakhstan in safeguarding national sovereignty, security and promoting socio-economic development, he said.

Shukeev visits China to co-chair the fifth meeting of the China-Kazakhstan Cooperative Commission with Chinese Vice Premier Wang Qishan. During the meeting, more than 20 Chinese, Kazakh officials, ranging from trade and energy to environment and transportation laid out plans for future cooperation.

Wu said the commission has played an active role in promoting bilateral cooperation. He hopes the consensus and agreements reached in the fifth meeting can be carried out as soon as possible to deepen cooperation between the two sides in various fields.

Shukeev said Kazakhstan attaches great importance to relations with China, and is willing to work with China to give full play to the role of the committee, in order to promote the strategic partnership between Kazakhstan and China.

- China,Uzbekistan vow to boost sustainable development of trade relations (4<sup>th</sup> December)  
Chinese Vice Premier Wang Qishan met here Friday with his Uzbekistan counterpart Elyar Ganiev, pledging to promote the healthy and sustainable development of economic and trade ties.

Wang conveyed congratulation on the success of the eighth session of the China-Uzbekistan Economic and Trade Cooperation Committee.

He said since the two countries forged diplomatic ties, high-level exchanges were frequent and the cooperation in such areas as economic and trade, energy and security were ever expanding.

He called on governments of both sides to actively create conditions for exchanges and cooperation between entrepreneurs and people of various walks of life of the two countries and strengthen energy resource cooperation as well as cooperation outside the resource field.

Ganiev spoke positively of the development of Sino-Uzbek relations. He said Uzbekistan was willing to further enhance cooperation with China in various areas.

- Chinese naval forces visit Vietnam (4<sup>th</sup> December)

Two Chinese naval ships named Cheng Hai and Chao Yang arrived at Vietnam's northern Hai Phong port on Friday for a four-day visit to the country.

Chinese naval forces on the ships were warmly welcomed by the naval forces of Vietnam, the embassy of China to Vietnam, and the municipal government and people of Hai Phong.

Speaking at the welcoming ceremony, Colonel Nguyen Huu Vinh, Vice Chief of Staff of Navy Forces of Vietnam said the visit of Chinese naval forces is the first one to Hai Phong.

The visit will help further enhance the cooperation between the two naval forces of the two countries, increase understanding, and promote traditional friendly relationship of Vietnam and China and peoples of the two countries, said Vinh.

Vinh said that the naval forces of Vietnam will increase cooperation and coordination with the Chinese naval forces to effectively conduct joint patrol on the Beibu Gulf, thus enhancing cooperation between the two countries' militaries.

Colonel Zhang Leyi, commander of the Chinese naval fleet visiting Vietnam said in an interview with Xinhua here on Friday that the friendly and cooperative relationship between Vietnamese and Chinese militaries is an important part of the two countries' relations.

Since 2006, the naval forces of China and Vietnam have coordinated with each other in conducting joint patrol on the Beibu Gulf, making important contribution to the security and stability in the region, said Zhang.

The first visit of Chinese naval forces to Hai Phong city of Vietnam is an important event in the exchange of visits of the two countries' naval forces, according to Zhang.

Zhang said that the visit offers a good opportunity for Chinese naval forces to understand more about Vietnamese culture and customs, thus promoting friendly relationship between the two countries and increasing mutual confidence.

The visit of the Chinese naval fleet to Vietnam is made following the eighth joint patrol of Vietnam and China on the Beibu Gulf.

- China, Africa to further cooperation in science, technology (4<sup>th</sup> December)  
China and Africa look forward to deepening cooperation in various fields, especially science and technology, industry, agriculture and environment, said Egyptian and Chinese officials at a science and technology expo, which opened here on Thursday.

In the opening ceremony of China Exhibition on Innovative Technologies and Products in Egypt, Minister of Higher Education and the State for Scientific Research of Egypt, Dr. Hani Hillal, said that his country reaffirms the support for scientific and technological cooperation between China and Africa.

"China exhibition is an important forum to know more about the progress China has reached in scientific and technological fields, and it is also an important forum for the convergence of scientists and researchers with the men from industry and innovation," Hillal added.

"Egyptian-Chinese relations are steadily growing and several weeks ago Egyptian President Hosni Mubarak and Chinese Premier Wen Jiabao opened the 4th ministerial conference of the Forum on China-Africa Cooperation (FOCAC)," said Magid George, Egypt's Minister of State for the Environment.

George said that the expo is an important event to present Chinese technology to African and Arab countries because China is considered a leading nation in development, expressing hope that the exhibition will provide an opportunity for the countries to get acquainted with progress in technology and innovation amid great challenges.

This exhibition is held in line with the eight measures announced by Chinese Premier Wen Jiabao during the 4th ministerial conference of FOCAC held last month in Sharm el-Sheikh to promote technological cooperation between China and Africa, said Special Representative of the Chinese Minister of Science and Technology Zheng Guoan, noting that it could transfer technological expertise and experience to African countries.

"This exhibition is part of a technological partnership program aimed at strengthening China-Africa relationship and helping African countries raise the technological capability," he added.

The Chinese Ambassador in Cairo, Wu Chunhua, pointed out that China is the largest developing country in the world and Africa has the most developing countries in the world, stressing that such cooperation would benefit both sides.

"This exhibition is a good platform and mechanism to achieve mutual understanding between China and Africa," he added.



The China Exhibition on Innovative Technologies and Products in Cairo, held from December 3 to 5, is cosponsored by the Ministry of Science and Technology of China and the Ministry of Higher Education and Scientific Research of Egypt and organized by China Science and Technology Exchange Center and the Torch High Technology Industry Development Center.

The event aims at promoting science and technology and trade flow between China and Egypt as well as other African countries, and boosting the mutual understanding and friendship between the Chinese and African people.

Representatives from nearly 150 research institutes, universities, producers and science and technology agencies from 19 Chinese provinces attended the exhibition.

- Indian defense minister meets with Chinese military delegation (4<sup>th</sup> December)  
Indian Defense Minister A.K. Antony Friday met with visiting Vice Chief of General Staff of the People's Liberation Army (PLA) of China Major General Ge Zhenfeng and his military delegation.

Antony expressed his welcome to Ge. He said that it is in the interests of regional and world peace, stability and development for India and China to develop friendly and cooperative relations as two major developing nations.

Antony said over the past several years, India and China have been carrying out relatively close cooperation in economy, culture and science and technology. As the improvement of relations between the armed forces of the two countries is helpful to the development of bilateral relations, India wishes to seek close exchanges and cooperation between the armed forces of the two countries, in order to increase trust and understanding between the two armed forces.

Ge said that over the past several years, China and India have seen their relations developing with a good momentum. It is in the fundamental interests of the two countries and two peoples for China and India to maintain peaceful co-existence, carry out mutually beneficial cooperation and seek common development. This will also help maintain peace, stability and prosperity in Asia and even the whole world

He said that Chinese government and people pay great importance to having good relations with the Indian government and people, and are willing to work with India to safeguard the good momentum of development of bilateral relations, in order to push forward a sustainable and healthy development of Sino-Indian Strategic Cooperative Partnership.

Ge said that on the whole, the relations between the armed forces of China and India have seen smooth development over the past several years. China wishes that through common efforts, the two armed forces can further develop cooperation to enforce the healthy and stable development of bilateral relations.

Arriving in New Delhi on Tuesday, Ge and his military delegation also met with Chairman of the Combined Chiefs of Staff of the Indian Armed Forces and Army Chief Deepak Kapoor.

- Canadian B.C. premier applauds approved destination status with China (4<sup>th</sup> December)

Premier Gordon Campbell of Canadian British Columbia Thursday applauded Approved Destination Status (ADS) with China, describing it as "a major economic and cultural step in terms of building our important relationship with China."

The decision was announced in Beijing earlier Thursday in a joint communique from both governments as Canadian Prime Minister Stephen Harper made his first visit to China.

"As Canada's Pacific Gateway, British Columbia is in a position to capitalize fully on this new agreement between our nations," Campbell said in a press release. "I also want to thank the Chinese government for accepting Canada's Approved Destination Status."

Congratulating Harper for successfully securing ADS with China, Campbell said, "achieving Approved Destination Status with China is a major economic and cultural step in terms of building our important relationship with China, particularly as we prepare to host the 2010 Olympic and Paralympic Winter Games."

According to the premier's office, it is anticipated that ADS could increase Chinese tourism to British Columbia by 25 percent annually over the next few years.

A representative for B.C.'s Ministry of Tourism, Culture and the Arts told Xinhua that the estimation was more than 100 million U.S. dollars per year in tourism revenue with ADS.

Kenny Zhang, Senior Researching Analyst with Asia-Pacific Fund of Canada, told Xinhua the significance ADS was to bring to B.C. and Canada as well would be much greater than the increase of tourism revenue as ADS would not only revitalize Canada's tourism industry, but also add to the flourishing of education and immigration in Canada.

The ADS also made Canada enable to participate in the competition with the United States and Australia in China's tourism market, according to Zhang.

Currently, most visitors from China are business travelers, students, or people visiting friends and relatives. In the first nine months this year, British Columbia has welcomed 79,845 Chinese visitors, of the 127,787 who came to Canada.

B.C. government believed the growth potential with ADS is substantial and expected the number of Chinese visitors to be doubled within three years.

"We have been waiting for ADS for a long time," said Kathy Ng, head of Silway Travel Vancouver.

Kathy said that her agency had been preparing for this announcement and was ready to deliver its services to Chinese tourists.

- Liu Qi meets with Malaysian PM (4<sup>th</sup> December)  
Malaysian Prime Minister Najib Tun Razak met here on Thursday with Liu Qi, member of the Political Bureau of the Communist Party of China (CPC) Central Committee and Secretary of the Beijing Municipal Committee of the CPC.

The two sides exchanged views on the China-Malaysia ties and the relations between the CPC and the United Malays National Organization (UMNO) as well as economic cooperation between the two countries.

Liu said that the relationship between China and Malaysia develops smoothly since the two countries established the diplomatic ties 35 years ago, with increasing mutual trust in politics and remarkable achievements in economic and trade cooperation.

Chinese President Hu Jintao's recent visit to Malaysia enhanced strategic cooperation between China and Malaysia to a new height, Liu said.

He also noted that China attached great importance to pushing ahead its friendly cooperation ties with Malaysia and is willing to work together with Malaysia to further deepen and expand the cooperation between the two countries in various fields.

Liu also spoke highly of interactions between the CPC and the UMNO.

Najib, who is also president of Malaysia's leading ruling party UMNO, agreed with Liu's comment on the ties between the two countries.

He said that Malaysia and China reached many consensus when Chinese President Hu Jintao visited Malaysia last month.

He hoped that the two sides work together to carry out pragmatic cooperation.

Najib also said that UMNO attached great importance to its inter-party relationship with the CPC, hoping that the two parties to further strengthen their interactions and cooperation.

Liu arrived here on Wednesday on a friendly visit to Malaysia after winding up his visit to Indonesia.

## **Economic front**

- China to review anti-dumping measures against EU, ROK, U.S. chloroform (29<sup>th</sup> November)

China would launch a review of the anti-dumping measures against chloroform imports from the European Union, the Republic of Korea (ROK) and the United States on Monday.

The Ministry of Commerce (MOC) announced the decision on its website Sunday one day before the measures were due to be ended, after it received applications for reviewing the measures from two Chinese chemical enterprises representing the Chinese chloroform producers.

The measures against Indian chloroform would be terminated on Monday as no applications were filed, the MOC said in the statement.

China started to levy tariffs of 32 percent to 96 percent on chloroform imported from the four places for five years on Nov. 30, 2004, after finding the imports caused essential damages against domestic industry.

The review would normally be ended by Dec. 30, 2010, before which the duties would remain in place.

- EUCTP born out of China's WTO entry (30<sup>th</sup> November)

China's accession to the WTO on December 11, 2001 was a milestone in the country's transition from a centrally planned to a socialist market economy. As part of its WTO accession commitments, China agreed to implement a series of reforms in almost all sectors of its economy. Against this background the European Union and the Chinese government jointly committed 20.6 million euros to the EU-China Trade Project (EUCTP).

In operation since 2004, the EUCTP, recognized as one of the EU's most important trade-related technical assistance projects world-wide, has supported China's continued integration into the world trading system. The EUCTP has provided technical expertise in support of China's policy, legislative and regulatory reform process as required by China's WTO membership commitments.

At the bilateral level the EUCTP has also delivered technical support under EU-China cooperation agreements, and the many trade dialogues and working groups which exist between the EU and the Chinese government.

With an in-house team of trade experts and project managers, and with the support of a strong pool of European and Chinese experts covering all major areas of trade, the project has successfully implemented over 300 technical assistance activities designed primarily to support China-EU win-win objectives in meeting China's WTO commitments. The EUCTP has been in operation during a crucial period of EU-China relations. The most notable landmark was in 2005 when Europe became China's number one trading partner and China became Europe's second-largest trading partner.

EUCTP work has covered a whole range of trade issues. For example, it has supported China's efforts, as required by its WTO entry, to achieve a greater degree of openness and predictability in how it makes and implements laws, regulations and other measures related to trade.

EUCTP expertise has supported efforts in building new mechanisms and channels for public information, public comment and public involvement in rule making.

This work included the drafting of general guidelines at the national level regarding the mechanisms of public comment systems. The current phase of the EU-China Trade Project ends in December 2009 after six years and its success, has laid the groundwork for a new five-year EU-China trade project, due to start in 2010.

- European experts recognize China's trade reform progress (30<sup>th</sup> November)

"Reforming an economy as large as China's can't be done overnight and China still has some way to go in its trade reform agenda," said Team Leader Bartley, stressing that: "There are notable examples of progress, pointing to China's Anti-Monopoly Law (AML). Establishing a fair competition regime in China was a key requirement of China's WTO membership and was necessary to govern China's growing market economy."

The Anti-Monopoly Law, which entered into force on August 1, 2008 is China's first unified legislation regulating competition and is a milestone in the development of China's legal system.

"As competition policy is already well established in the EU," said Bartley, "so then it was possible for China to tap into the EU's experience. The EUCTP therefore played a significant role by supporting both China's National People's Congress and the State Council during the crucial drafting phase of this competition legislation, resulting in contributions from European law in structure, terminology and concepts.

Expertise has been provided to China's anti-monopoly enforcement authorities, MOFCOM, National Development and Reform Commission (NDRC) and State Administration for Industry & Commerce (SAIC), to support the implementation and enforcement of the AML.

In addition, the EUCTP has also supported the Supreme People's Court in their efforts to draft the judicial interpretation of the AML by organizing a study visit to Europe for Chinese judges.

EU-China cooperation is on a firm footing now as Chinese officials have completed a series of internships in Europe's Competition authority and as China and the EU have already organized two EU-China AML Weeks since the AML entered into force."

Expert Li Zhongzhou added that: "China's WTO commitments required the simplification and standardization of customs practices allowing for an easier flow of goods and lower import tariffs and this has helped to reduce trade barriers. Again it is clear that having strong experience in customs reform from the EU Customs Union and initiatives such as the EU Customs Blueprints, the EU has been well placed to provide expertise in customs reform in China, with notable contributions from the EUCTP."

"It's not all plain sailing, however," said Bartley. "When trade disputes arise between the EU and China it is EUCTP experts who can play a useful role in examining the problems and studying the options. Challenges in levelling the playing field still exist. The European Union Chamber of Commerce in China, while consistently recognizing the progress in trade reform that China has made, points out that some sectors remain off limits to European companies and further and faster reforms are required. Market access and procurement rules are two important areas and priorities requiring further attention from the Chinese government."

- China to increase imports from Europe to address trade imbalance, says Premier Wen (30<sup>th</sup> November)

China will continue to take active measures to increase imports from Europe to address the trade imbalance between China and the European Union (EU), said Premier Wen Jiabao on Monday.

"China does not seek a trade surplus that is beyond a reasonable level, " Wen said when delivering a speech at the closing ceremony of the fifth China-EU Business Summit.

"To address the trade imbalance, China has sent several missions to European countries to promote trade and investment and will continue to take active measures to increase imports from Europe," Wen said.

Stressing the size of China-EU trade in goods cannot reflect the depth and scope of the economic ties, Wen proposed that China and the EU should look at the current trade and its prospects from a strategic and overall perspective.

"We should make the most of our complementarity, promote trade and investment liberalization and facilitation, and commit ourselves to not taking protectionist measures against each other," Wen said.

Wen said China and the EU should increase coordination and consultation in the WTO Doha Round negotiations, and press for a comprehensive and balanced outcome at an early date.

The Premier said China strictly abides by its commitments upon WTO accession. "China has taken active steps to open its market and adopted foreign trade and financial policies consistent with WTO rules."

European Commission President Jose Manuel Barroso and Swedish Prime Minister Fredrik Reinfeldt, whose country holds the EU's rotating presidency, also attended the closing ceremony.

The annual business summit, with the theme of "The Green Agenda: Sustaining Growth beyond the Recovery," focused on how to achieve a sustainable recovery from the global financial crisis, climate change as well as the development of China-EU trade relations.

Running in parallel with the annual China-EU summit, the business summit is recognized as the highest-level platform for exchanges between Chinese and EU business leaders.

- Protectionism, yuan pressure "unfair": Wen (1<sup>st</sup> December)

Premier Wen Jiabao Monday rejected "unfair" calls from European countries for faster reform of China's currency policies, despite lobbying from EU financial chiefs at the weekend.

"Some countries demand the yuan's appreciation while practicing various trade protectionism against China. It's unfair and actually limits China's development," Wen told reporters in Nanjing, Jiangsu province.

European Commission President Jose Manuel Barroso and Swedish Prime Minister Fredrik Reinfeldt, whose country holds the rotating EU presidency, were also at the press conference.

Wen's unusually direct response followed a one-and-a-half hour summit between China and the EU, which has 27 member-nations. The summit ended with five agreements mainly on energy and environmental cooperation.

But it also ended without a breakthrough on issues that have brought stalemate between the sides, such as trade disputes and arms embargoes.

Wen said China will keep the yuan basically stable and carry out currency reform at its own, gradual pace.

A stable yuan is not only good for the Chinese economy but the world, Wen said.

The meeting took place against the backdrop of concern about the rising euro and the possibility it might derail the recovery in Europe, which imports heavily from China.

The yuan began gaining against major currencies after a set of exchange rate reforms were introduced in July 2005. After rising nearly 20 percent against the US dollar, it hovered around 6.83 to the US dollar for about a year. In the past month or so, the euro has risen to a 15-month high.

Euro Group President and Luxembourg Prime Minister Jean-Claude Juncker joined other European leaders in lobbying China's senior officials.

The Chinese officials explained that it was difficult to make a case for "immediate renminbi appreciation" in a country where 40 million people live on less than 1 U.S. dollar a day.

The failure of the EU appeal was expected because Europe was only thinking about itself, claimed Wu Baiyi, a European studies expert at the Chinese Academy of Social Sciences.

Zhao Junjie, Wu's colleague, said that while China is not able to quickly change its currency policy, Beijing had made efforts in the past year to fill the EU trade gap.

"Actually, some of the goods bought by the dozen purchasing groups that China sent to the EU during the past year were bought only for the sake of the EU," he said. "But the EU still wants more."

Glenn Maguire, chief Asia-Pacific economist at Societe Generale SA in Hong Kong, told Bloomberg: "China will only adjust on its own terms and in its own time. It's decided that now is not the time to do that."

Despite lingering disputes, including trade protectionism and the EU's ban on the transfer of technology to China, Wen Monday raised expectations for improved relations with Beijing's largest trading partner.

"China and Europe walking together hand-in-hand will make the steps of humankind more steady, and that best illustrates the strategic significance of our ties," said Wen.

Barroso and other EU leaders Monday also applauded fresh Chinese commitments on countering climate change.

Stanley Crossick, founding chairman of the European Policy Centre, said Europe will need to commit to lifting its arms embargo against China.

"Beijing is right that listing China among a handful of embargoed pariah states is totally inconsistent with the treatment of a strategic partner," he said.

Crossick suggested that EU officials be trained in contemporary China and taught Mandarin.

Wen opened the door to better understanding Monday, announcing that 2011 will be the year for China-EU youth communication and the establishment of other youth and cultural exchange mechanisms.

- Tough job ahead to conclude Doha Round trade talks in 2010: Chinese commerce minister (2<sup>nd</sup> December)

It remains very difficult to conclude the Doha Round of global trade talks in 2010, Chinese Commerce Minister Chen Deming said here Tuesday at a ministerial conference of the World Trade Organization (WTO).

"The new deadline of 2010 is a political commitment made by world leaders at the two G20 summits this year. It is supported by all 153 members of the WTO, including China. But it can only be realized through substantive negotiations," Chen said in an interview with Xinhua on the sidelines of the conference.

Chen said China is open to the endgame negotiations at an appropriate time, but each WTO member has to look forward and show more flexibility.

"It remains very difficult to complete the Doha Round in 2010," he warned.

Launched in 2001, the Doha Round of world trade talks has been deadlocked in the past eight years due to differences between developed and developing countries over access to agricultural and non-agricultural markets. A series of deadlines had been missed, which cast doubt on the latest one.

Chen said WTO members are mulling a plan to relaunch negotiations at a time next year, but there are two preconditions.

"New texts on agricultural and non-agricultural trade have to be available, which should be based on what has been agreed by the end of 2008. And the endgame negotiations have to be proceeded with talks among major members," he said.

Chen said there have been no timetable for the negotiations, but a preliminary plan is to finish the preparation of new texts by the spring of next year and to convene a mini-ministerial meeting among major members.

WTO members started to bargain on the new texts in September, but Indian Commerce Minister Anand Sharma said on Monday that negotiations over the past three months had been confined to peripheral issues.

Due to lack of progress, the WTO ministerial conference which kicked off on Monday was defined as a "talking," not a "negotiating" session on the Doha Round, but serious division between developing and developed countries were exposed in ministers' speeches.

U.S. Trade Representative Ron Kirk on Monday urged emerging economies to make more concession in opening their markets for industrial goods, but Sharma said rich countries should temper their demands.

Chen said the Doha Round should fulfill its original goal of helping the development in poor countries.



"The Doha Round is a development round. It should look at how to help developing countries under the new global trade rules," he said.

Chen insisted future negotiations should be based on what had been agreed and any bilateral contact should be no substitute to multilateral negotiations.

"Although about 80 percent has been agreed, the remaining will be the most difficult part," he said.

- China, Japan should team up on tackling global financial crisis: Vice President (2<sup>nd</sup> December)

Vice President Xi Jinping said Wednesday that China and Japan should make concerted efforts to cope with the global financial crisis.

"As major economies in Asia and the world, China and Japan should work closely together and properly deal with the international financial crisis so as to contribute to world economic and financial stability," Xi told a delegation of Japan's Association for the Promotion of International Trade (JAPIT).

Yohei Kono, who served as speaker of the Japanese House of Representatives from November 2003 to August this year, is leading a delegation of about 70 on a four-day visit in China.

Calling JAPIT Japan's major economic organization with regard to China, Xi said the Japanese business community had contributed to boosting the sound and steady growth of bilateral trade ties.

Japan ranked as the third biggest partner of China, after the European Union and the United States, with bilateral trade volume from October to November this year standing at 162.22 billion U.S. dollars.

Xi called for both countries to work to lay a solid foundation for China-Japan strategic mutually-beneficial relations.

Kono said the Japanese business community would like to work with China to address environmental and energy issues and make new contributions to bilateral relations.

The JAPIT delegation is visiting China at the invitation of the Chinese Council for Promoting International Trade.

- GM, Chinese partner join forces in India (4<sup>th</sup> December)

General Motors Co. and its main Chinese partner announced a venture Friday to sell vehicles in India, uniting in the two fastest-growing car markets in a deal that reflects GM's reduced status as a global automaker.

As part of the deal, GM gave majority ownership of its main China joint venture to Shanghai Automotive Industries Corp., which is to invest up to \$350 million in the India initiative. GM said they also would collaborate in future efforts to sell vehicles in other emerging markets such as Southeast Asia.

The deal comes on the heels of GM's board and CEO Fritz Henderson parting ways Tuesday, the board upset that the automaker's turnaround wasn't moving more swiftly and Henderson frustrated with second-guessing, two people close to the former CEO said. Board Chairman Ed Whitacre Jr. has taken over as CEO while a global search is conducted.

Analysts said the moves in China and India reflect the U.S. automaker's pressing need for money as it overhauls operations following a restructuring in U.S. bankruptcy court. The U.S. government owns 60 percent of GM after providing billions of dollars in loans.

"We have an outstanding relationship with SAIC," said Nick Reilly, president of GM's international operations, in a conference call with reporters. "It seemed to us very sensible and a big opportunity to deepen that relationship and broaden that relationship outside of China."

GM agreed to turn over 1 percent of Shanghai General Motors to SAIC, which will give the Chinese partner 51 percent of the company. Reilly said GM valued that 1 percent at \$85 million. He said the transfer will give SAIC the right to approve the joint venture's budget and the appointment of senior managers, but he said the partners already operate that way and both are satisfied with management, so there should be no major changes.

Reilly said bringing in SAIC and its investment meant the Indian venture could develop more quickly. He said SAIC wanted majority ownership of the China venture so its financial results could be reported as part of SAIC's earnings. He said GM agreed to that "to get their full cooperation and the full cooperation of the Chinese government in other things," though gave no details.

"It also helps us, obviously, share the large investment that is behind this program and therefore get it done faster, and bring in other products than we envisaged in our GM-only plan," Reilly said.

Total investment in the India venture is expected to be more than \$650 million, Reilly said. GM was contributing half in the form of factories and a distribution network in India and SAIC would provide the rest, he said, though declined to say whether that would be cash or other assets.

The venture also will sell Chinese-made GM cars and mini-commercial vehicles.

GM's decision to surrender control of its successful China operation and share access to India's promising market is a sign of its financial struggles, said John Bonnell, director of automotive forecasting at JD Power & Associates in Bangkok.

"The only motivation could be money — they need money," he said.

Bonnell said the move in China could reflect a shift in global strategy for GM after it cancelled plans to sell its Opel unit in Europe. He noted that after it entered Chapter 11 reorganization in June, GM held onto its valuable stake in the China joint venture rather than sell it to raise cash.

"They were ready to give up on Opel, give up on Europe if you will, and maintain control in Asia," Bonnell said. "Now it looks like maybe they've decided to maintain their position in Europe at the expense of Asia."

Separately, the U.S. automaker and Suzuki Motor Corp. agreed Friday to end their manufacturing joint venture in Canada, leaving GM without a Japanese production partner after also severing manufacturing links with Toyota Motor Corp.

Like other global automakers, GM has said it wants to use India as a small car production base for export.

GM executives told The Associated Press in June that the company's regional units could no longer turn to their U.S. parent for funding. At the time, GM was in the midst of a \$645 million expansion in India and Thailand.

GM has also run into trouble with its South Korean unit, GM Daewoo Auto & Technology Co., which saw its finances deteriorate due to a sharp drop in sales and large losses on currency hedging bets.

In October, GM pumped 491.2 billion won (\$416 million) from its global operations into GM Daewoo, raising its stake to 70.1 from 50.9 percent through a rights issue that other shareholders, like the state-run Korea Development Bank, declined to participate in.

The GM deal makes SAIC the first Chinese automaker to come to India.

Analysts say the company will have to overcome Indian consumer prejudice against Chinese goods. Products made for China might not work in the Indian market, which is dominated by small, affordable cars, though analysts say GM's Chinese-made Wuling buses might succeed.

GM itself has done a poor job at cracking the Indian auto market.

Deepesh Rathore, chief auto analyst for IHS Global Insight in New Delhi, said GM India is overstaffed and needs to expand its dealer network and invest in new models to compete with market leaders Maruti Suzuki and Hyundai.

"SAIC is a good partner. They can bring in the financial muscle," he said.

GM's sales in India rose about 10 percent last year to 65,702 cars, but the company is still a distant fifth to Maruti Suzuki, which sold 711,818.

GM has invested more than \$1 billion in India, where it sells six models under the Chevrolet brand. Its two factories there can turn out 225,000 cars a year, far more than it sells domestically.

"For them to take on a Chinese partner in India, which is a very nationally proud market, is very interesting. That tells me it's financially motivated," Bonnell said. "I don't think they're taking expertise from Shanghai over to India."

JD Power forecasts that car sales in India will grow from 1.7 million in 2008 to 3.2 million in 2015, while car sales in China will surge from 8.8 million to 16.0 million over the same period.

- China opposes EU proposal extending anti-dumping duties on shoes (4<sup>th</sup> December)

The Chinese government and business groups are strongly dissatisfied with a European Commission proposal to extend dumping duties on leather shoes from China by another 15 months, a spokesman of China's Ministry of Commerce said Friday.

The EU's executive commission had proposed the extension of duties up to 16.5 percent on leather shoe imports from China on Wednesday, said Yao Jian, the ministry spokesman.

He said the EU had been taking protectionist measures for its shoe manufacturing industry for 14 years, but the sector has seen no harm caused by imports from other markets.

He said the commission's proposal, if approved, would damage the interests of Chinese shoe manufacturers.

Yao said the 5th EU-China Business Summit held this week had reached agreement on fighting trade protectionism. He said cancellation of the extension would be in the mutual interests of China and the EU.

China hoped the EU member nations would vote against the extension, he said.

From 1995 to 2005, the EU had implemented quota limits on some shoe imports from China. In 2005, the EU launched an anti-dumping investigation into China's leather shoes. In 2006, the EU decided to impose a two-year anti-dumping duty of 16.5 percent on Chinese leather shoes.

- China to float 15 bln yuan T-bonds next week (4<sup>th</sup> December)

China's Ministry of Finance announced Friday it will issue a batch of short-term book-entry treasury bonds with a total face value of 15 billion yuan (about 2.20 billion U.S. dollars) next week.

With a term of 91 days, the batch of T-bonds will be sold at an issue price of 99.708 yuan for a face value of 100 yuan, with an annual yield of 1.2 percent, said the ministry in a statement on its website.

The batch of T-bonds is the 25th of its kind to be launched by the ministry this year, which will begin a three-day sales on Dec.7, with interest to be calculated on the same day. The bonds will become tradable on Dec. 11.

- China XD Plastics listed on NASDAQ (4<sup>th</sup> December)

China XD Plastics Company Ltd., the largest Chinese manufacturer of modified plastics, went listed on the NASDAQ Market in New York late Thursday, Beijing time, the company said.

The new material producer, through its wholly owned subsidiary Harbin Xinda Macromolecule Material Co. Ltd in Heilongjiang Province, develops, manufactures and distributes modified plastics primarily for use in the automotive applications in China.

The listing indicated that Chinese plastic industries had attracted the international attention, said Zheng Kai, secretary general of China Engineering Plastic Industry Association.

The company produces 70,000 tonnes of plastic products annually with 19 production lines and is expected to increase its output to 300,000 tonnes in 2013, said Han Jie, board chairman and chief executive officer of the company.

- China allocates first batch of rural pension subsidies (4<sup>th</sup> December)

China's Ministry of Finance (MOF) Friday allocated 950 million yuan (or 139 million U.S. dollars), the first batch of subsidies for a new rural pension plan, to pilot counties in 27 province-level administrative regions.

Relevant departments should timely transfer the fund to specified accounts to ensure eligible farmers receive adequate pensions, said the MOC in a statement on its website.

The pilot rural pension program launched in August is expected to embrace 10 percent of the nation's counties by the end of 2009, and expand to cover the whole country by 2020.

The new scheme will be subsidized by the central and local governments.

Farmers over 60 will receive a monthly allowance of varying amounts set according to their area's standard income levels after paying a fee to join the program.

- ChiNext stock index down (4<sup>th</sup> December)

The ChiNext Index closed lower on Friday as only four of the 28 shares at China's start-up board for small and medium-sized enterprises went up.

The board, which is based in Shenzhen and started trading on Oct. 30, 2009, is tailored to the needs of enterprises engaged in independent innovation and other enterprises with great growth potential.

- Chinese shares close up 1.61% (4<sup>th</sup> December)

Chinese equities rose Friday with the benchmark Shanghai Composite Index up 1.61 percent, or 52.42 points, to close at 3,317.04, led by heavyweights.

The Shenzhen Component Index increased 0.91 percent, or 125.09 points, to close at 13,884.93.

Combined turnover rose to 406.55 billion yuan (59.52 billion U.S. dollars) from 314.94 billion yuan on the previous trading day.

Losers outnumbered gainers by 686 to 185 in Shanghai and 697 to 117 in Shenzhen.

Most heavyweights gained. Industrial and Commercial Bank of China Ltd., the nation's biggest listed lender, gained 2.85 percent to 5.41 yuan. China Vanke Co., the country's biggest listed property developer, rose 3.37 percent to 11.97 yuan. PetroChina Co., the country's largest oil producer, was up 3.33 percent to 13.97 yuan.

"Signals from the government reassured investors on the continuity of the positive macro-economic policies and boosted the heavyweights in the banking, chemical and coal sectors," said Zhang Xiang, an analyst with Guodu Securities.

A meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee agreed last Friday that the country would continue the proactive fiscal policy and moderately easy monetary policy next year.

- Chinese firms eye Balla Balla stake (5<sup>th</sup> December)

Australian mineral explorer Aurox Resources Ltd is planning to sell a 50 percent stake in its A\$1.3 billion (\$1.2 billion) Balla Balla magnetite iron ore mine to a Chinese partner to help fund the project.

Hebei Iron & Steel Group, China's second-largest steel mill, and Tianjin-based privately owned RockCheck Steel Group, which had signed sales accords with the Perth-based company, are on the prospective list of financiers, Bloomberg reported, citing Aurox Managing Director Charles Schaus.

Both Hebei Steel and RockCheck could not be reached for their comments.

Schaus said he expects to sew up financing for the project by March next year, and will continue discussions with potential partners next week.

The sale of a 50 percent stake in the project to a Chinese partner would also be in accordance with Australia's foreign investment guidelines, he said.

The company plans to ship 6 million metric tons of magnetite iron ore concentrate a year by 2012 from the project located in Western Australia's Pilbara region. A second-stage expansion of the mine has been planned for A\$720 million.

"There is no doubt that iron ore demand from China would continue to grow," Schaus said in Bloomberg's TV interview. "Our feeling is the price will increase in the future and certainly will be rock solid when we come in to the market in 2012."

Aurox plans to pipe output nearly 110 km from its Balla Balla mine site to Port Hedland in northern Western Australia for shipping.

"The project is not valued as a superior resource as the exploring cost of magnetite iron ore is higher than normal iron ore resources," said Hu Kai, an analyst with Umetal Research Institute.

Many iron ore miners are expanding their production capacities, so there might be a chance that supply would exceed demand by 2012, said Hu.

Putting aside the cost factor of the project, it still does make strategic sense for Chinese steel makers as they scout globally to augment raw material resources, he said.

Chinese investors have been enthusiastically snapping up overseas iron ore resources to break the monopoly of the Vale, Rio Tinto and BHP Billiton.

The latest in this process was Chinese steelmaker Wuhan Iron & Steel Group's \$ 400 million investment for a 21.52 percent stake in Brazilian iron ore miner MMX Mineracao e Metalicos SA, followed by Wuhan Steel's \$247-million investment into Australian iron ore firm Centrex, and Baosteel's acquisition of a 15-percent stake in Aquila Resources.

- China opens key economic work meeting, policies expected to continue (5<sup>th</sup> December)

China's decision makers gathered here Saturday to determine economic policies for 2010, aiming to better deal with the impact of the international financial crisis and consolidate the foundation for economic recovery.

The Central Economic Work Conference, an annual event initiated more than a decade ago, started days after China said it would continue the proactive fiscal policy and moderately easy monetary policy next year.

Analysts with the Development Research Center of the State Council, a government think tank, said coping with further impact of the international financial crisis would remain a major task for China in 2010.

To continue the fiscal and monetary policies and implement and enrich the economic stimulus package would help China achieve full economic recovery, the analysts said.

They expected more efforts to transform the mode of development and in economic restructuring next year.

Meanwhile, they believed the government would further deepen reform and opening up, push forward innovation, and improve people's livelihood.

However, they cautioned China should still prepare for a bumpy ride next year as the road of global economic recovery would be "long and winding."

Increase in the country's exports would still be difficult with a grim forecast of overseas demand, and domestic consumption should be further boosted to drive economic growth, they said.

It is also expected decision makers at the conference would address issues such as tackling overcapacity in some industries and promoting the development of some strategic emerging industries.

Despite the global downturn, China had outperformed other major economies in 2009. Gross domestic product (GDP) had grown by 8.9 percent year on year in the third quarter, and the economic growth for the year is expected to exceed 8 percent.

- "Made in China" ad campaign wins applause in China (5<sup>th</sup> December)

A 30-second TV commercial remains a hot topic in China nearly two weeks after four Chinese industry associations launched a "Made in China" ad campaign on the CNN news network.

The ad, currently airing on the International, U.S. and Headline News channels of the CNN, highlights international involvement in producing high-quality Chinese goods.

It features an MP3 "Made in China with software from Silicon Valley" and clothes "Made in China with French designers," among others.

"It is necessary to let the world know China is not the only country that benefits from 'Made in China.' Those who set trade barriers would themselves suffer from their own measures," a netizen by the name arsw said at the online forum of [www.sina.com.cn](http://www.sina.com.cn), a leading Chinese portal website.

The TV commercial was designed to tell overseas consumers that Chinese companies work with overseas firms to produce quality products, the China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts, one of the ad makers, said in a statement.

The Ministry of Commerce (MOC) has said it was supportive of the ad campaign.

"The global setting and international elements in the ad provide a new angle for the world to reflect on their stereotyped assumptions about Chinese products," said Zhao Yumin, a researcher with the MOC.

Such an ad campaign in international media is rare in China, and it highlights the efforts in image building, said Zhang Yansheng, a researcher with the National Development and Reform Commission.

While benefiting from China's quality and affordable products, some foreign people and media often pointed their fingers at Chinese products when under pressure of unemployment and shrinking market share.

The misreading was intensified by the international financial crisis, and Chinese products were facing more protectionism.

Zhao Jinping, a researcher with the Development Research Center of the State Council, said most of China's exported products were the fruits of cooperation between Chinese and foreign firms.

More than half of China's manufacturing exports were made by foreign funded enterprises, and for high-tech products and electronic products the proportions were 83 percent and 75 percent respectively.

Ninety percent of the high-tech products exported to the United States were made by foreign enterprises, "so China's trade surplus with the United States can be interpreted as the world's surplus," said Zhang Yansheng.

Meanwhile, more than half of China's manufacturing exports were done in processing trade, which means China has to import raw materials, accessories and machines to make the products.

"I think it will be great for foreigners living in the West to learn more about what goes into China products," Nickolas Topjian, an American doing business in Beijing, said after watching the ad.

Fear of job losses was not the only concern arising from "Made in China". "Chinese products are often blamed for quality and safety problems," said Zhang Hanlin, a researcher with the University of International Business and Economics.

"The ad campaign is an effective and sophisticated attempt to reposition China as trusted manufacturer to the world drawing on international expertise," said Martin Mulligan, an observer from London.

"As part of a process to shake off an outdated image of China as a giant manufacturer with safety and quality deficits, the ad is quite valuable. China is still perceived in that way by some so-called developed world audiences so I think the ad has a part to play," he said.

However, different opinions have been voiced, saying the ad might be counter-productive and reinforce China's image as "the world's factory."

"We do need this kind of campaign, but what matters more is to improve the quality of our products and create China's own world-famous brands," a netizen said on China's popular online forum [www.tianya.cn](http://www.tianya.cn).

Another netizen remarked "We would like to see more 'Designed in China' rather than 'Made in China'."

Zhang Yansheng said it was a hard fact that China was now the "world's factory" as its manufacturing output was 15 percent of the world's total, compared with its 6 percent share of the world's total GDP.

He said China's future ad campaigns should focus on the topic of "upgraded 'Made in China'", telling the world that the country was on the way to become the world's innovator and designer.

- Chinese shares close up 1.61% (5<sup>th</sup> December)  
Chinese equities rose Friday with the benchmark Shanghai Composite Index up 1.61 percent, or 52.42 points, to close at 3,317.04, led by heavyweights.



The Shenzhen Component Index increased 0.91 percent, or 125.09 points, to close at 13,884.93.

Combined turnover rose to 406.55 billion yuan (\$59.52 billion) from 314.94 billion yuan on the previous trading day.

Losers outnumbered gainers by 686 to 185 in Shanghai and 697 to 117 in Shenzhen.

Most heavyweights gained. Industrial and Commercial Bank of China Ltd, the nation's biggest listed lender, gained 2.85 percent to 5.41 yuan. China Vanke Co, the country's biggest listed property developer, rose 3.37 percent to 11.97 yuan. PetroChina Co, the country's largest oil producer, was up 3.33 percent to 13.97 yuan.

"Signals from the government reassured investors on the continuity of the positive macro-economic policies and boosted the heavyweights in the banking, chemical and coal sectors," said Zhang Xiang, an analyst with Guodu Securities.

A meeting of the Political Bureau of the Communist Party of China Central Committee agreed last Friday that the country would continue the proactive fiscal policy and moderately easy monetary policy next year.

- GM stake in China venture dips (5<sup>th</sup> December)

U.S. automaker General Motors Co. reduced its 50-percent stake in its main Chinese venture with Shanghai Automotive Industry Corp. Group ( SAIC) to 49 percent Friday in an unexpected move, the company said in a statement.

GM also announced that the two automakers had formed a new venture to manage their joint expansion efforts in India and other emerging markets.

GM said it was transferring 1 percent of its stake in Shanghai GM to SAIC Motor, a Shanghai-listed company.

"This will assist China's leading listed automotive company in consolidating Shanghai GM revenue into SAIC Motor, which will provide investors a clear understanding of its business," the U.S. automaker said.

It is reported that the two automakers will use GM's auto assembly and power train facilities in India to build small cars from the Shanghai GM range and mini-commercial vehicles from the SAIC-GM-Wuling line.

"These products will join GM's global vehicles, allowing GM India to quickly add entries in growing market segments," GM said.

GM and SAIC currently operate eight joint ventures in China that have helped to make GM the No. 2 seller of passenger cars in China. This year, China has overtaken the United States to become the world's largest auto market.

GM and SAIC became venture partners in 1997 and began producing vehicles two years later.

## **Social front**

- Chinese president vows to mobilize society to improve AIDS control (30<sup>th</sup> November)

Chinese President Hu Jintao pledged to mobilize the whole society to improve AIDS/HIV control, when taking part in a gathering of AIDS prevention volunteers here Monday, a day before the 22nd World AIDS Day.

It was the fourth time in six years that Hu met medical staff, researchers, AIDS patients and volunteers ahead the day.

These high-profile moves showcased the government's resolve to tackle the growing AIDS problems in the country and help remove the social stigma against HIV-positive people.

On Monday morning, Hu visited the China National Convention Center, where Beijing volunteers launched a weekly AIDS prevention campaign since Nov. 29, to improve the awareness at schools, communities and construction sites.

Pinned a crimson ribbon on his chest, Hu watched volunteers simulating the AIDS peer education programs at the function, logged on the AIDS control website named Beijing Red Ribbon and joined them to make red ribbon pins.

Beijing now has more than 50,000 volunteers engaged in AIDS prevention and control work.

Hu appreciated their valuable work.

"China still faces a severe AIDS problem and we should mobilize the forces of all social sectors to tackle the problem persistently," he said.

At the function, many young people are registering themselves as volunteers.

"I am very proud of being a volunteer in AIDS prevention programs. As a medical student, I am willing to contribute my share to the cause," Liu Dantong, a postgraduate student of the Beijing University of Chinese Medicine, told the President at the function.

Hu admired her devotion for the cause.

"We must see that there are still tough tasks to prevent and control the spread of AIDS and volunteers have lots of work to do," Hu said.

He called for them to help more AIDS patients and the HIV-positive, especially working to reduce discrimination against them.

Through a video phone at the function, the President talked with doctors and patients at the Ditan Hospital in Beijing, known for AIDS treatment and counseling, which Hu visited last year.

Hu was told that the hospital has initiated 21 research programs concerning AIDS treatment and prevention after the President's visit and the number of volunteers working for the hospital has topped 20,000.

He also learnt that more people came to have HIV tests voluntarily.

Hu also talked to an AIDS patient surnamed Zheng, who he met during last year's visit. Last year, Hu donated 5,000 yuan (735 U.S. dollars) to her after learning she had just given birth to a healthy girl.

Zheng chatted with Hu over the phone, cuddling her 18-month-old daughter.

Hu said he was glad to see both the mother and daughter were in a sound condition and wished her a happy life.

China's first AIDS case was reported in 1985. By the end of October, the country has registered 319,877 AIDS patients and HIV-positive people and reported 49,845 deaths.

- China may lift ban on HIV/AIDS foreigners (30<sup>th</sup> November)

China is thinking about lifting its two-decade-old ban on foreigners entering the country with HIV/AIDS.

The proposed scrapping of the ban comes as the nation prepares for next year's Shanghai Expo, which will likely attract four million overseas visitors.

"I hope China will remove the ban thoroughly and forever by the time of the Shanghai Expo," said Vice-Minister of Health Huang Jiefu ahead of World AIDS Day on Dec 1.

He said the Ministry of Health is working with other central government departments to achieve the goal. If it is not worked out by the time expo begins on May 1, the government will likely grant a special waiver allowing people with HIV/AIDS to enter the country for the event, as it did during the 2008 Beijing Olympic Games, he indicated.

China is among nearly 70 countries worldwide that deny entry to people with the virus, something experts say is unnecessary and discriminatory.

The lifting of the ban will need the cooperation of the General Administration of Quality Supervision, Inspection and Quarantine.

The latest survey from UNAIDS showed that more than 35 percent of government officials in China discriminate against people with HIV/AIDS.

However, insiders say the reason for a ban on people entering the country with the virus, which cannot be transmitted through casual contact, goes beyond simple discrimination and stigma.

Other concerns include potential medical costs for HIV-positive visitors.

China imposed the ban in the late 80s. The country reported its first AIDS case in 1985.

Since the ban was imposed, people entering the country for a short-term visit must declare at the border they are HIV-free.

Those wanting to stay long-term must undergo a blood test. If they are found to be HIV-positive, they are refused entry.

"In the 1980s, the government knew little about the infection and thought the restriction would keep the virus outside the country," said Professor Li Dun, who is with the Chinese Academy of Social Sciences.

In recent years, China has taken great steps in fighting HIV/AIDS and related discrimination and is constantly raising public awareness, said visiting UNAIDS executive director Michel Sidibe.

As part of that effort, the revision to the law on entry restrictions has been underway since 2007, said Hao Yang, deputy director of the disease prevention and control bureau under the Ministry of Health.

"I hope that China, one of the most visited countries in the world, will soon be totally open to people with HIV/AIDS from abroad," he said.

- Senior Chinese leader urges to purify social environment for minors' healthy development (30<sup>th</sup> November)

Senior Chinese leader Li Changchun said on Monday more efforts were needed to purify social and cultural environment to ensure the healthy development of minors in the country.

Li, member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, made the remarks when attending a two-day meeting on ideological and moral development of minors.

Efforts were needed to improve the ideological and ethical standards of minors and make sure they develop in an all-round way, he said.

He underlined the importance of upgrading moral education in primary and secondary schools and providing outstanding cultural services and creating high-quality cultural products for minors.

- Official alarms rapid cultural sites missing (1<sup>st</sup> December)  
China's top relics protection authority has warned that many historic relics in the country had been erased by modern infrastructure projects.

According to a national survey carried out by the State Administration of Cultural Heritage (SACH), as many as 23,600 registered cultural sites "disappeared" in last three years, China Daily reported.

"Most of the disappeared historical sites were demolished during infrastructure construction, for example, highway and reservoir building," Liu Xiaohe, deputy director of the survey was quoted as saying. "The nation will do all it can to preserve as much as it can."

However, Sun Yuexin, founder of the Chinese Cultural Heritage Protection website, said the number of disappeared relics was as large as it was because there had been false reporting and exaggeration of such sites in the past.

"Some local governments would exaggerate the amount of relics they have, so as to ask for more funds from the central government to protect relics," he was quoted by the newspaper as saying.

SACH has been working on the inventory since 2007 and hopes to have a full list of China's historical sites, including ancient tombs, temples and architecture, by 2011.

As of the end of October, 776,200 historical sites had been surveyed and added to the list, said Shan Jixiang, director of SACH.

The last national survey was carried out in 1983. It failed to issue a final report.

- Premier Wen encourages HIV sufferers to live with hope on World AIDS Day (1<sup>st</sup> December)

Chinese Premier Wen Jiabao encouraged HIV/AIDS sufferers to live on with hope and confidence during his visit to a Beijing hospital on the World AIDS Day, which falls on Tuesday.

Chinese Premier Wen Jiabao (3rd L) and Vice Premier Li Keqiang (4th L) listen to HIV researchers' speech during their visit at the Beijing Home of Red Ribbon in Ditan Hospital in Beijing, capital of China, Dec. 1, 2009. (Xinhua/Pang Xinglei)  
Photo Gallery>>>

At the Beijing Home of Red Ribbon in Ditan Hospital, Wen and Vice Premier Li Keqiang visited two AIDS patients and medical volunteers, experts.

Since China reported its first AIDS case in 1985, the world's most populous nation had recorded 319,877 HIV/AIDS cases and 49,845 deaths by October, according to the Ministry of Health.

Yet, the statistics only include cases reported by medical facilities. The ministry and the UNAIDS estimate that China will have 560,000 to 920,000 living HIV carriers, with 97,000 to 112,000 AIDS patients by the end of 2009.

Over the past six consecutive years, Premier Wen inspected HIV/AIDS prevention and treatment work every year and even invited orphans whose parents died of AIDS to tour Zhongnanhai, a compound of buildings for the central authorities in the heart of Beijing.

At the Beijing Home of Red Ribbon on Tuesday, Wen put on a red ribbon, the awareness symbol for the fight against AIDS, and shook hands with two HIV carriers, who are also instructors there.

Wen said that attention should be paid to AIDS prevention not only on the World AIDS Day, but also in daily life and work.

Lao Zhao, an HIV sufferer, told Premier Wen that he was diagnosed HIV positive in 2003 and has received medical treatment thanks to the country's policy of "four frees, one care".

Since the end of 2003, the Chinese government has carried out the policy "four frees, one care" including free blood tests for those with HIV, free education for orphans of AIDS patients and free consultation, screening tests and antiretroviral therapy for pregnant women.

Premier Wen told Lao Zhao that the AIDS patients should keep an optimistic mood, self-confidence and persist in taking the anti-AIDS medicine and therapy.

Wen also encouraged Lao Zhao and other AIDS patients to provide psychological counseling for their ward mates and exchange their therapy experience for mutual encouragement.

"The efforts of the volunteers and the fellow patients will reduce psychological pressure of HIV/AIDS sufferers and help them establish self-confidence so as to live on with optimistic attitude and fight against the disease," Wen said.

The government's "four frees, one care" policy is meant to arouse attention to the AIDS patients and instead of discriminating against them, create an atmosphere that cares about AIDS patients, Wen said.

The Premier also encouraged the volunteers working at the Beijing Home of Red Ribbon to provide more help to the AIDS patients with heart and soul.

In meeting with medical staff and HIV researchers, Premier Wen said that the AIDS is a serious health issue as well as a social issue that the world is facing.

Wen pointed out five measures to prevent and control the disease.

Chinese Premier Wen Jiabao (2nd R, rear) and Vice Premier Li Keqiang (3rd R, rear) talk with AIDS patients and medical volunteers, experts at the Beijing Home of Red Ribbon in Ditan Hospital in Beijing, capital of China, Dec. 1, 2009. (Xinhua/Pang Xinglei)  
Photo Gallery>>>

First, beefing up the prevention knowledge spread among the people and improve medical treatment service.

Second, strengthening AIDS/HIV epidemic monitoring work to accurately learn about the situation..

Third, further implementing the "four frees, one care" policy to ensure all HIV carriers and AIDS patients are cared for and respected.

Fourth, enlarging the coverage of social interference concerning the disease.

Fifth, beefing up research work to improve prevention and treatment capabilities.

Chinese President Hu Jintao pledged mobilizing the whole society to improve AIDS/HIV control, when speaking to a gathering of AIDS prevention volunteers on Monday, a day before the 22nd World AIDS Day.

- 23,600 cultural sites "disappeared" in 3 years (1<sup>st</sup> December)

Historians have sounded the alarm after 23,600 registered cultural sites apparently "disappeared" in three years.

The sites were largely erased because of development - swept aside by construction work and infrastructure projects including reservoir and road projects - says a national survey carried out by the State Administration of Cultural Heritage (SACH), the country's top relics protection authority.

SACH has been working on the inventory since 2007 and hopes to have a full list of China's historical sites - including ancient tombs, temples and architecture - by 2011.

As of the end of October, 776,200 historical sites had been surveyed and added to the list, said Shan Jixiang, director of SACH.

The number of surveyed sites bettered the total in 2007 by 550,300.

"Most of the disappeared historical sites were demolished during infrastructure construction, for example, highway and reservoir building," said Liu Xiaohe, deputy director of the survey. "The nation will do all it can to preserve as much as it can."

For example, in 2002, China spent more than 300 million yuan (\$44 million) to move the 1,700-year-old Zhangfei temple, which was built in honor of a general in Sichuan province. The temple now stands on higher ground, away from the potential damage of the Three Gorges Dam reservoir.

"What we can do now is try our best to protect the significant sites, like the Summer Palace, while for those less important sites, I am afraid they should give way to economic development," he said.

Experts, however, see another reason for the fall in the number of such sites.

Sun Yuexin, founder of the Chinese Cultural Heritage Protection website, said the number of disappeared relics was as large as it was because there had been false reporting and exaggeration of such sites in the past.

"Some local governments would exaggerate the amount of relics they have, so as to ask for more funds from the central government to protect relics," he said.

Governments at all levels had spent more than 1 billion yuan on the survey, an amount Liu said was still insufficient.

"Considering the human resources, travel expense and equipment the survey requires, we need to spend 300,000 yuan to survey a town," he said. But he didn't how much is needed to complete the survey.

He said it would be nice if more people were employed to protect the sites.

"We have about 800,000 historical sites in China, but only 80,000 people are working for relics protection. Places like the Palace Museum take up more than 2,000 of them, which means some places have no one to take care of," he said.

The last national survey was carried out in 1983. It failed to issue a final report. The first survey was conducted 1956. It also failed to produce a complete list of relics.

- Mainland, Taiwan theaters increase exchange (1<sup>st</sup> December)

Visiting theaters and exchanging opinions on the performances have been the talk of the town in the coastal city of Xiamen where the 11th China Theater Festival is going on.

Twenty-eight works, including three from Taiwan and one jointly created by the artistic groups from both sides of the Taiwan Strait, are being staged in theaters throughout the city.

For most local people, it is their first taste of the plays coming from the island, because it's the first time for Taiwan plays to be staged at the event. They are surprised to see what the artists are doing right across the Strait.

"I am surprised the Peking opera could be made this," Gao Hongbin, a local spectator and a gala director told Xinhua after a three-hour Taiwan Peking opera on Saturday when the festival opened. "It was fantastic, just like seeing Hollywood blockbusters."

The play, "The Golden Cangue," an adaptation from Eileen Chang's classic novel, was performed by the island's Guoguang Opera Company.

It was the first Taiwan drama staged at the festival. It features a psychological tale of a woman tormented by desire and greed. The play employs stage partition to create changes of space and time and makes full use of film montage to present Chang's visual imagination and compact plot.

"The play is a successful example of integrating the conventions of cinema and Western drama into the traditional Peking opera," said Ji Guoping, secretary-general of the China Dramatists Association, which organized the event. "And the techniques only help the protagonist shine."

Lin Hsinghui, an assistant professor of National Cheng Kung University in Taiwan, told Xinhua some 1,000 tickets of "The Golden Cangue" were sold out a few days in the university when she released the poster on the campus.

It was very popular among the college students, she said. Gao said he had learned a lot from the play such as the staging and the use of trivial roles as transition.

The traditional art forms like Peking opera have been losing popularity on the mainland. There were some 3,000 state-owned drama groups in the country, but most of them were having a difficult time in the market, said Ji, adding the private troupes, the number of which had not yet been added up, were find it harder in supporting themselves.

The success of "The Golden Cangue" was a good textbook for the mainland artists struggling for appealing to more audiences, Ji said.

The theater exchange had accelerated amid warming ties across the Taiwan Strait. Guoguang company alone had put on plays in Beijing, Xiamen and Fuzhou and scholars like Lin visited the mainland theaters almost every month.

In return, mainland troupes are invited to tour the island. But the learning is not one-way.

Lu Ailing, an associate professor from Taipei National University of the Arts, who staged a modern spoken drama of the ancient tragedy "The Injustice to Dou E" in the festival, said she was enlightened by "The Field" performed by the Tianjin People's Art Theater a few days ago in Taiwan. It was one of the works of the renowned playwright Cao Yu. The play follows a succession of murders and stories of revenge set in a forest.

"The director is really skillful in employing the modern elements to enrich the play and make it a pure drama," she said. Lu's play "Cry Out Doer" also made full use of the Western arts like modern dance and even spoken English to represent a modern Dou E.



Dou E was wrongfully accused of a murder and was proved innocent after she was executed.

"I want the play to appeal to the ordinary people," Lu said, responding to criticism of the lack of Chinese elements in the play. "Without audiences, the theater will die out."

Ramendu Majumdar, president of the International Theater Institute (ITI), said the case was not limited to China alone. Since the advent of TV, theaters are losing audience. He said he was delighted to see that Chinese government were making many arrangement to popularizing theaters like attracting students to theaters by keeping tickets price at a low level for them.

"In order to gain audiences and keep the ancient forms alive, theaters must look back into the past and move forward by finding a new meaning in them," he said.

Liu Housheng, 89, a well-known theater critic, said, the theaters must change, since the times had changed.

Ji said, how to reproduce the classics and carry on the cultural heritage on stage was a common challenge for artists on both sides of the Taiwan Strait, and the interaction between mainland troupes and those in Taiwan would be strengthened in the future.

- China to lift tuition for rural students in vocational schools (2<sup>nd</sup> December)

The Chinese government planned to exempt needy rural students from paying the tuition in government-funded vocational schools, said a statement issued by the State Council here Wednesday.

The policy will be implemented step by step nationwide from autumn semester this year, said the statement issued after a State Council meeting presided over by Premier Wen Jiabao.

Schools will receive government subsidies to compensate their financial loss caused by the policy, the statement said.

They are also encouraged to work with enterprises to increase their revenue, it added.

Students who study in vocational programs related to agriculture will also enjoy the policy. In addition, the qualified students in private vocational schools will receive subsidies from the government though they will not be exempted from tuition.

This is another major move to ensure the equal access to education after the country canceled tuition and other fees in the nine-year compulsory education program (in primary and junior middle schools), the statement said.

Since 2007, the country has provided subsidies for vocational school students from rural areas, each 1,500-yuan (220 U.S. dollars) annually.

Now the program has covered 90 percent of vocational school students in their first and second year, the statement said.

In China, students can continue studying in high schools or go to vocational schools after they graduate from junior middle schools.

- Chinese engineering academy announces 48 new academicians (2<sup>nd</sup> December)  
The Chinese Academy of Engineering (CAE) announced here Wednesday that 48 prominent scientists have been elected academicians, bringing the number of CAE academicians to 756.

CAE vice president Xu Rigan said, "The average age of the newly elected is 56.2, the youngest in CAE's academician election history."

About 66.7 percent of the new academicians were under 60, up from 45.5 percent in 2007. The oldest was 75 and the youngest 41, he said.

The new academicians were elected from 449 candidates. Twenty of the newly elected are from higher learning institutions, 18 from research institutes, six from factories and companies, and four from administrative departments.

A CAE academician is the highest national academic title in engineering science and technology and is a lifelong honor. New members are added every two years, with a quota of no more than 60 for each election.

In addition, six scientists were elected foreign CAE academicians, among whom five were from the United States and one from the United Kingdom.

- China's police head calls for improved information for public (2<sup>nd</sup> December)

China's police head has urged the police at all levels to improve communication with the public and "properly handle emergencies" to maintain social stability.

In an article in Qiu Shi (Seeking Truth), the official magazine of the Communist Party of China (CPC) Central Committee, State Councilor and Minister of Public Security Meng Jianzhu said, "Properly dealing with mass incidents and emergencies concerned people's fundamental interests and the credibility of the Party and the government."

Meng said the police should put people's interests first and foremost, prevent the escalation of mass incidents, calm public concerns and encourage the public to appeal in a rational way.

"The police should enhance communication skills," said Meng.

The Internet should be a platform of communication between the police and the public.

Meng said police information release systems should be improved so that information and facts about emergencies and public incidents were released in time to ensure people's right to know.

He said public security was facing new challenges such as the increase in the number of crimes and public order problems, and hostile forces had used the Internet as a way to penetrate and sabotage society.

- China says human rights action plan implemented well (3<sup>rd</sup> December)

China had made progress in implementing a two-year action plan on human rights since it was published in April, said Wang Chen, director of the Information Office of the State Council, Thursday.

Wang made the remarks in a speech delivered at a meeting on the implementation of the National Human Rights Action Plan of China (2009-2010), which was released by the Information Office of the State Council on April 13 this year.

"Based on the progress made, we are confident of realizing on time the goals set by the action plan," he said.

The action plan is China's first national plan on human rights, and serves as an initial policy on advancing China's human rights cause in a comprehensive way.

The plan set out targets to ensure people's rights, including the rights to employment, basic living necessities, social welfare, health care, education, cultural facilities, clean environment, judicial justice, religious freedom, expression of opinions, and the rights to know about, participate in and supervise political affairs.

For most of the targets and tasks, which were stipulated in the action plan and expected to be finished in two years, 50 percent, or even 65 percent for some, have been accomplished so far, Wang said.

The government had put people's rights to subsistence and development on top of its human rights protection cause, he said.

This year, the Chinese government has adopted major policies and measures to expand domestic demands, restructure economy, and promote economic growth and people's livelihood.

The government has coped with the international financial crisis in a proactive and prudent manner and has upheld people's rights to development, said Wang.

Various channels have been created to help farmers employed in non-farming sectors. Migrant workers' rights and interests were better championed.

Social insurance system has improved with all social insurance compensation being paid in time and in full, Wang said. The population covered by basic insurance has swelled.

Since this year, all the draft laws under deliberations by the Standing Committee of the National People's Congress, the national legislature, have been posted on websites or other media in full text to solicit public opinions.

A national complaint reception center has been set up and efforts to building a national petition information system have been stepped up, Wang said. Collecting and disclosing information via the Internet has become more prevalent.

Efforts to amend the Criminal Law and the Law on State Compensation have been intensified, focusing on protecting citizens' rights, he said.

In the past year, the human rights of minority groups, women, children, senior citizens and the disabled had been further protected, he said. The State Council held the first national conference on minority cultures and promulgated regulations to promote development of minority cultures.

The central government had invested 1.24 billion yuan (182 million U.S. dollars) in infrastructure and housing projects and other efforts to improve minority groups' living standards and incomes, he said.

Despite all the progress, Wang said some problems and defects in the implementation of the plan still existed.

"Some local governments and departments have not paid enough attention to the action plan, the awareness of human rights protection is not strong, and they have not actively included human rights protection into their own responsibilities," he said.

At the same time, Wang warned that the country's economy is still facing many difficulties due to the spreading of the international financial crisis.

"And the country's huge population, unbalanced development between different regions and incomplete social development will bring many new difficulties and challenges to the realization of all goals on time set by the action plan," he said.

- China's supreme court hosts first open house for public (4<sup>th</sup> December)

China's Supreme People's Court (SPC) for the first time hosted an open house to nearly 40 invited public visitors on Friday, to mark the 9th National Day for the Publicity of the Law.

SPC spokesman Sun Jungong said the move was to let the public better know about the SPC, further increase their understanding of China's legal system, and raise their awareness of safeguarding the rule of law.

Sun said the SPC would "regularize" such activities and offer chances for more people to visit the court, get close to the judges and give advices on the development of China's judicial system. More than 1,700 local courts in China have conducted such activities.

- Chinese embassy donates books to Ukraine's national library (4<sup>th</sup> December)

The Chinese embassy on Thursday donated more than 300 books to the National Parliamentary Library of Ukraine in an effort to enhance the country's understanding of China.

Zhou Li, the Chinese ambassador to Ukraine, and Vilegzhanina Tamara, curator of the parliamentary library, attended the donation ceremony.

Zhou said the library boasts a long history and is one of the most popular public libraries in the country.

He said the Chinese embassy in Ukraine is committed to offering assistance to the library to help strengthen bilateral ties between China and Ukraine and to bolster the countries' traditional friendship.

Vilegzhanina spoke highly of the long-term cooperation between the libraries of the two countries, noting that Ukraine has agreed with China on the periodic exchanges of literary resources.

Since China has achieved spectacular economic development and has become an important influence in the global community, Ukrainians are very interested in learning more about the country, Vilegzhanina said.

She said the books donated by China, ranging from such subjects as Chinese culture and history to economics, education and science, will serve as "spiritual food" for Ukrainians.

The parliamentary library, one of the largest book repositories in Ukraine, opened in 1866 in Kiev, the capital of Ukraine, as the city's public library. During its 140-year history, the library has added more than 4 million books to its collection.

### **Ethnic issues**

- China joins hands with Mongolia to protect folk songs of Mongolian ethnic group(29<sup>th</sup> November)

A joint team with experts from both China and Mongolia have "rescued" more than 500 long-tune folk songs of Mongolian ethnic group from being vanished in a two-year field survey that concluded recently, cultural department of northern China's Inner Mongolia Autonomous Region said Sunday.

The activity was based on a field survey agreement made between the two countries in 2007 for protecting the Mongolian long-tune folk songs.

Over the past two years, a team of 10 made survey of 16 counties in Hulunbuir, Tongliao, Ordos cities and the prefecture-level leagues of Xiling and Araxan in Inner Mongolia of China, traveling more than 12,000 kilometers.

The team interviewed 420 local singers of folk songs, recorded video materials in 84 cassettes and "saved" 266 long-tune folk songs that were on the verge of extinguishment.

During the survey in the Republic of Mongolia, the team traveled 6,250 km in nine provinces, made interviews of 118 local singers and "rescued" 246 songs.

Appraised as the "living fossil" of Mongolian music, long-tune folk songs were included in the UNESCO representative list of world intangible cultural heritage in 2005. The inclusion was applied for jointly by China and Mongolia.

- Three sentenced to death for murder in Urumqi riot (4<sup>th</sup> December)

Three people were sentenced to death for murder and other crimes committed in and after the July 5 riot in Urumqi, capital of northwest China's Xinjiang Uygur Autonomous Region, on Friday.

The defendants were Heyrinisa Sawut, Ruzikhari Niyaz and Li Longfei.

Another one was sentenced to life imprisonment by the Intermediate People's Court of Urumqi, while three others were given jail terms.

Heyrinisa Sawut was convicted of assaulting innocent people Wang Jun, Yang Junyan and He Jinwen in front of a local hospital with rod and rock, leaving He in a vegetative condition. Heyrinisa Sawut was also convicted of smashing a car and killing its owner Yu Hai with rocks.

Ruzikhari Niyaz was convicted of killing innocent people Yu Xinping and An Zhigang with pick and rock.

Li Longfei and another man Pei Guofeng were convicted of killing innocent people Memet Tohti, Ahmat Yasin and a man in camouflage uniform with club on July 7, two days after the riot. The third victim was not yet identified. Pei surrendered himself to police and hence had his penalty reduced to life imprisonment.

Three others, convicted of arson and other crimes, were given jail terms of 10 to 18 years.

The trials were heard in open sessions with presence of relatives of the defendants and the victims.

On Thursday five people were sentenced to death by the court, two others were sentenced to life imprisonment while another six were given jail terms.

- Riot woman sentenced to death for killing (5<sup>th</sup> December)

A woman was sentenced to death on Friday for crimes committed during the deadly July 5 riots that left 197 dead and more than 1,700 injured.

Thirty-year-old Heyrinisa Sawut of Kashgar is the only female to face trial so far for involvement in the riot.

Two other defendants were also convicted and sentenced to death on Friday.

Another rioter was sentenced to life in prison while three others were given jail terms ranging from 10 to 18 years.

The latest group of trials - comprising 20 defendants being tried for a range of offences including murder, arson, robbery and malicious injury - was the second round of hearings connected to July's unrest in the Xinjiang Uygur autonomous region.

So far, all defendants have been convicted.

During the first two rounds of trials, 41 people have been convicted. Seventeen have been sentenced to death. Nine of the 17 have already been executed.

Sawut, a mother of four, was sentenced to death for intentional murder and malicious injury at the Urumqi Intermediate Court where seven defendants stood trial on Friday.

She was accused of killing one person and injuring three others on July 5.

One of her victims has been in a vegetative state since the attack because of severe head injuries.

Sawut denied the charges and insisted she had been at home during the riot.

But she could not prove that was the case and two of her victims picked her out during an identity parade.

Video footage of Sawut repeatedly beating victims with a wooden stick and throwing bricks were also shown in court as evidence.

While the video was shown, some in the court were visibly shocked and moved.

In another case, Li Longfei was sentenced to death for murder after he was found guilty of beating three people to death on July 7. Two of the victims were Uygurs and the other person remains unidentified.

Li was accused along with Pei Guofeng, who was given life imprisonment. Pei received the lesser term because his confession helped in the investigation.

Ruzikhari Niyaz was also sentenced to death after he was found guilty of brutally killing two men with a pickaxe.

Mohtar Rehman received 18 years in prison for torching a police vehicle with a self-made incendiary bomb.

Most of the victims of the July 5 riots were ethnic Han Chinese and most of the rioters were Uygurs armed with batons and bricks.

Two days after the initial riot, Han Chinese took to the streets and were engaged in violent protest against rioters.

Police have so far asked the procuratorate to approve the arrests of 575 suspects thought to have been involved in 366 cases. Of the 575 requests, 430 have been granted, the local authority announced earlier.

### **Environmental front**

- China hopes Copenhagen conference will achieve "fair and feasible" results (1<sup>st</sup> December)

China said Tuesday it hoped the upcoming Copenhagen Conference on climate change would achieve "fair and feasible" results.

China has advocated the United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol, and the Bali Road Map, and held the principles of common but differentiated responsibilities, said Foreign Ministry spokesman Qin Gang at a regular press conference.

"All documents or outcomes from the conference should be consistent with the provisions in these agreements, and would pave the way for the cooperation of the international community in the years to come," Qin said.

He also reaffirmed the developed countries and the international community should pay enough attention to the concern of the developing countries.

"The developed nations should honor its commitment to accomplishing or establishing the medium-term emission reduction target on the one hand, and provide the developing nations with financing, technology transfer, and capability building support on the other hand," he said.

Meanwhile, he said the developing nations should take appropriate actions that adapt to and will slow down climate change, in the light of their own national situation and under the sustainable development framework.

Representatives from China, Brazil, India and South Africa along with Sudan, the current chairman nation of G-77, met in Beijing on Nov. 27 to 28 to prepare for the Copenhagen Conference.

They agreed the outcome of the conference should include long-term cooperative actions on climate change, mitigation of greenhouse gas emissions, adaptation to the impacts of climate change, as well as provision of financial and technological support.

"The agreements reflect the concern and advocate of the developing nations, and deserves great attention from the developed nations," Qin said.

The 15th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) will be held from Dec. 7 to 18 in Copenhagen of Denmark. Chinese Premier Wen Jiabao will attend the conference.

- Chinese vice premier stresses environmental protection in water diversion project (2<sup>nd</sup> December)

Chinese vice premier Li Keqiang has called for efforts to build the South-to-North Water Diversion Project into a water-efficient and environment-friendly project.

Li made the remarks at a meeting held by the State Council on Tuesday, saying the government should stick to policies regarding resource-conservation and environment-protection in the construction work.

Li ordered relevant departments to intensify their efforts on pollution control and eco-environment protection in both the water source area and areas along the project in the course of construction.

Li, who is also a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, stressed that a good job on the resettlement of residents is essential.

Addressing the meeting, vice premier Hui Liangyu ordered attaching great importance to quality and safety, strengthening pollution treatment and properly resettling local residents.

Launched in 2002, the South-to-North Water Diversion Project, consisting of eastern, middle and western routes, is designed to divert water from the water-rich south of the country, mainly the Yangtze River, to the dry north.

By the end of October, the government has invested 34 billion yuan (or 4.98 billion U.S. dollars) in the eastern and middle routes, and part of the project has contributed to alleviate the water strain in Beijing.

- China backs India on emissions cut stance (3<sup>rd</sup> December)

China said Thursday that it supports India to take measures to curb greenhouse gas emissions in light of its own situation.

"We understand the current situation in India. China supports India to take adaptation and mitigation measures based on its national conditions and capacity," said Foreign Ministry spokesman Qin Gang at a regular press conference.

"China is ready to strengthen communication, coordination and cooperation with India on climate change," he said.

India announced Thursday night that the country will significantly slow its carbon dioxide emissions by cutting 20 to 25 percent the ratio of pollution to GDP over the next decade.

"China and India are both developing countries and victims of climate change. The two countries do not have the obligation to binding emission reduction targets on climate change," he said.

Last week, China announced it is going to reduce the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 percent compared with the level of 2005.

- Chinese media take environment awareness mission to Copenhagen (4<sup>th</sup> December)

At least 20 Chinese media organizations are to send correspondents to Copenhagen to cover the climate change summit this month, as the nation's interest in environmental issues intensifies.



Xinhua is to dispatch a 15-member team to report the conference for print and broadcast media.

"We will write stories from national and international perspectives," said Yang Jun, a journalist with Xinhua's international news department.

Yang said their primary concern was the willingness and commitment expressed by governments to work out fair solutions.

"This conference is also a good opportunity to raise public awareness of environmental protection," Yang said.

The Beijing News daily newspaper promised a comprehensive view and detailed stories from the summit, which runs from Dec. 7 to 18.

Xie Lai, the paper's correspondent going to Copenhagen, said the Beijing News would report on how the shrinking Arctic ice shelf was affecting the climate and how Europeans were leading low carbon lives.

"An increasing number of Beijing residents are willing to live more environment-friendly lives, and we can learn from other countries on their practical and concrete measures," Xie said.

Xie also planned to cover the latest development of more efficient utilization of clean energies, like solar power.

Sohu.com, one of China's major Internet portals, is also planning extensive coverage.

"We are cooperating with more than 100 journalists, experts, officials and NGO members to cover the conference in diverse dimensions," said Su Su, editor with the "Green Channel" of Sohu.com.

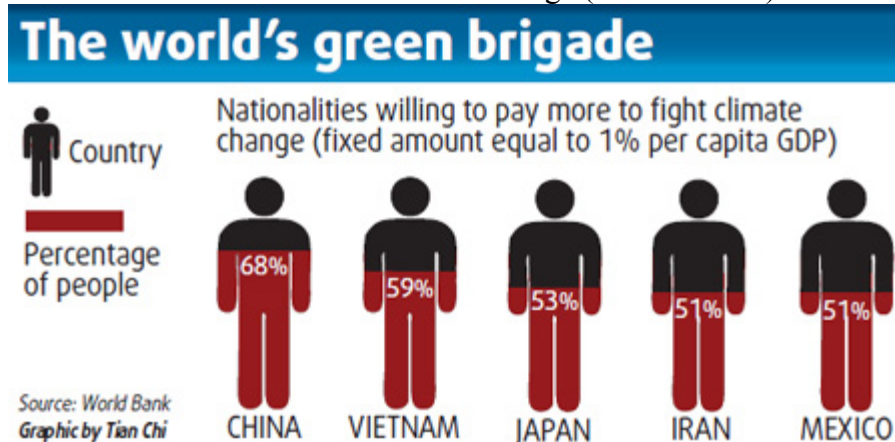
Launched in last June, the Green Channel focuses on energy saving information, climate change, ecology and environmental protection.

"We have been preparing for the Copenhagen summit ever since the beginning of this year. The achievements at the conference are important not only to our country but to everyone of us," Su said.

"I remember that six or seven years ago, few Chinese media organizations were interested in reporting environment issues, but now so many do," Li Gao, an official with the National Development and Reform Commission and a key climate change negotiator representing the Chinese government, said last week.

"This is great progress. The importance of measures to curb climate change is widely recognized," Li said.

- Chinese rise to the climate challenge (5<sup>th</sup> December)



Almost seven in 10 Chinese are willing to pay a higher price for energy and other products to mitigate climate change, even though only about three in 10 think it is a "serious problem".

A World Bank poll that covered 15 nations, however, shows the majorities of the people, especially in the developing world, want their governments to take steps to fight global warming, even if that entails costs.

The majorities in all countries support "limiting the rate of constructing coal-fired power plants, even if it raises the cost of energy." In China, which is highly reliant on coal, 68 percent support the measure. Across the 15 countries, on average 68 percent support the idea (31 percent strongly) and 26 percent oppose it (8 percent strongly).

Pollsters approached 1,010 people in nine provinces and municipalities of China, 68 percent of whom said they were willing to pay a fixed amount equal to 1 percent per capita GDP for energy and other products as part of taking steps to combat climate change. But only 28 percent considered global warming to be a "serious problem", though nearly half saw it as "somewhat serious".

Respondents in the US have slightly higher awareness than the Chinese, with 31 percent saying it was "very serious".

In contrast, about 90 percent of the respondents in Mexico and 85 percent in Bangladesh said it was a "very serious matter".

People said they would support public steps to limit greenhouse gas emissions and expedite adaptation measures. For example, they said they would support higher fuel efficiency standards for cars, preserving or expanding forests and extending funding to vulnerable countries so they could develop hardier crops suited to more severe climates.

"The poll's findings shed light on global attitudes at a particularly important moment: the run-up to the Copenhagen climate conference, which begins on Monday. Hearing from people in the developing world offers a new lens on this issue," said Katherine Sierra, World Bank vice-president for sustainable development.

Commissioned by the World Bank and conducted by WorldPublicOpinion.org, the poll questioned 13,518 people in 15 countries - Bangladesh, China, Egypt, France, India, Indonesia, Iran, Japan, Kenya, Mexico, Russia, Senegal, Turkey, the United States and Vietnam.

The findings were released two days before the UN climate conference in Copenhagen, where developing countries and the biggest historic emitters are expected to heatedly debate on a possible global carbon-governance treaty.

And they come just days after China announced it would cut carbon intensity - the amount of carbon dioxide emitted in production of one unit of GDP - by 40 to 45 percent by 2020 from the 2005 level.

Jing Yunchuan, chief lawyer with Beijing-based Gaotong Law Firm, said the survey showed a confusing picture of Chinese people's awareness about climate change. "They don't realize its seriousness, but they are ready to sacrifice."

Other key findings include: Public concern over climate change is high worldwide, but it's generally higher in developing countries; people, particularly in developing countries, believe climate change is already having negative effects; and support for increased adaptation funding to poor countries is widespread worldwide.

- China's emissions cut target praised at forum in Greece (5<sup>th</sup> December)

Greek EU Commissioner for the Environment Stavros Dimas has called China's latest initiative in the fight against climate change "an act of responsibility" and "a very positive" step in the right direction.

He made the remarks while addressing the 1st Greek-Chinese Forum on the Environment, which was hosted here on Thursday and Friday by the Technical Chamber of Greece and the Beijing Association for Science and Technology.

"China is a major economic power and has to play a predominant role in environmental issues," Dimas said.

Regarding the China-EU summit held on Nov. 30, when the two sides agreed to cooperate more closely on climate change, and the upcoming UN Climate Change conference, Dimas said, "it is an act of responsibility when China steps up environmental partnerships.

Yannis Alavanos, head of Greece's Technical Chamber, stressed in his speech at the two-day event that "all targets should be achievable, measurable, verifiable, ambitious and binding in order to be credible."

In a statement released late last month, the Chinese government pledged a reduction by 40-45 percent of the intensity of carbon dioxide emissions per unit of GDP by 2020 compared with the 2005 level.

Commenting on the announcement ahead of the Copenhagen conference, Takis Grigoriou, head of climate change issues in Green peace's Greek Bureau, called the proposal "a positive start, more serious compared to the U.S. stance so far."

## **Regional report**

### **North**

#### **Politics**

##### **Social front**

- Bird's Nest snow festival to woo winter sports fans (30<sup>th</sup> November)

The Bird's Nest may have been built for last year's Summer Games but Beijing's stunning Olympic stadium will soon be targeting fans of winter sports.

As temperatures have begun to drop in recent weeks, so too has the number of visitors to the 80,000-seater venue, which cost 3.6 billion yuan (\$527 million) to build.

And, fearing another harsh winter, National Stadium Co Ltd, which owns the Bird's Nest, yesterday unveiled ambitious plans to spend 50 million yuan on a spectacular "snow festival".

From Dec 19, visitors will be able to pay 120 yuan to enjoy skiing and snowboarding, among other things, on its newly constructed slopes.

The stadium owners expect to attract more than 20,000 visitors a day - twice as many as it currently does - during the two-month festival, which will include countdown events for both the Western and Chinese new years.

Officials revealed it would take just 5,000 visitors a day to cover the costs of the project.

"It's not a bad idea. You can ski on man-made snow in Dubai, so why not here?" said Heiko Grasse, a tourist from Munich, Germany, yesterday.

Famous outdoor equipment makers and local brands are in talks over sponsorship for the event, the Bird's Nest owners said yesterday, while the capital's television network will also provide 500 hours of coverage.

"The Bird's Nest will not have a cold winter again," Wu Jingjun, the new president of National Stadium Co Ltd, told China Daily yesterday. "We will create seasonal events almost every month from now on with assistance from the government and, importantly, the public."

Yang Cheng, a newly appointed vice-president of National Stadium Co Ltd, said the snow festival would run for five consecutive winters if successful.

The Beijing municipal government took a controlling stake in National Stadium Co Ltd last August in a bid to boost profitability.

Despite the fact that work to build new luxury diners and arcades has been put on hold, as well as a controversial move to sell the venue's naming rights by CITIC Investment Holdings, the company that used to hold a controlling stake, sports industry analysts say a State-controlled company would help the venue get more permits to host profitable events such as the snow festival.

Before the switch, CITIC made 260 million yuan from their post-Games operations, with 70 percent generated by tours given to about 8 million visitors since last October. But as tourist numbers have dropped from 50,000 to just 10,000 a day, the stadium is desperately in need of a new commercial mechanism.

Wei Jizhong, a senior consultant to the Beijing Olympic organizers and chairman of China Sports Industry Co, said it seems operators have finally found the right commercial model for sustainable development.

"The public, especially the growing middle class, will find the idea of having a skiing playground in downtown Beijing innovative. I would consider this a success if the State-run owners can strike a balance, or even subsidize a little," Wei told China Daily.

In an official statement released on its website last week, National Stadium Co Ltd said the venue would seek "more non-profit social benefits" while "hosting top-level events".

In the latest bid to boost popularity, the company is also offering 40,000 yuan to the winner of a global campaign to select a new mascot and logo for the landmark.

The Bird's Nest was recently given a green light by the government to host a friendly soccer match involving Spanish giants Real Madrid next August. The deal followed the news that the Race of Champions will continue to be staged at the venue for at least two more years.

"To sustain growth in the future, the Bird's Nest should create a long-term establishment similar to the Super Bowl in the United States," said Wei.

## **Economic front**

### **Northwest Politics**

- Laws, regulations in Uygur language published (30<sup>th</sup> November)

Two collections of Chinese national laws and local regulations in Xinjiang Uygur Autonomous Region have been published in Uygur language in the northwestern Chinese region.

The collections include 200 national laws passed between 1979 and July 2009 and 98 regional regulations and resolutions passed between 1998 and November 2009, Xinjiang lawmakers said at a launching ceremony of the collections Friday.

"Xinjiang is an area where different ethnic groups live together and has multiple local languages," said Eligen Imibakhi, chairman of the Standing Committee of the Xinjiang Regional People's Congress.

"Many minorities, especially farmers and herdsman, do not understand the Chinese language and characters. They have to study the national laws in their own language," he said.

The publication of the two collections would contribute to the construction of democracy and legal systems in Xinjiang, he said.

### **Social front**

- Xinjiang singing and dancing performance charms Sydney Audience (4<sup>th</sup> December)

China's Xinjiang foreign cultural exchange delegation put on a splendid singing and dancing performance at State Theater in downtown Sydney on Friday night, winning applause and the hearts of more than 1,000 local audience.

Sydney was the first stop by the Xinjiang troupe in Australia and they will also travel to Brisbane, Melbourne and Canberra for the tour show.

During the show, the Xinjiang Uygur artists performed group and solo folk dances, played solo music instruments and sang traditional and folk songs, and some of them are well known to many audience. The final performance, Uygur group dance "Dolang Masherap", had a very strong power of influence with its loud and sonorous singing, intrepid, energetic and some wild gestures. This dance has been performed in the opening ceremony of the 2008 Beijing Olympic Games.

"I was very excited by the excellent traditional folk dance and songs staged by Xinjiang artists which I have never seen before," said Elizabeth, a middle-aged teacher after the show. Her comment was echoed by her friend Mary who said the wonderful show aroused her interest in Xinjiang and she hoped to travel to the place as a tourist next year.

Talking about the performance, the head of the Xinjiang foreign cultural exchange delegation Naiyimu Yasen said that the purpose of putting on the show was to promote mutual understanding between Chinese and Australian people.

"The cultural exchanging activities will promote understanding and form a bridge of friendship between China and New Zealand and Australia," he added.

Before arriving in Australia, the Xinjiang singing and dancing troupe had staged four performances in New Zealand.

### **Economic front**

### **Northeast Politics**

- Wang Rulin appointed acting governor of NE Jilin Province (2<sup>nd</sup> December)  
Wang Rulin was appointed as acting governor of northeast China's Jilin Province on Wednesday at the 16th session of the 11th Jilin Provincial People's Congress.

Wang, 56, takes over from former provincial governor Han Changfu, whose resignation was also approved by the provincial legislature Wednesday.

Born in Henan Province, central China, in 1953, Wang holds a master's degree in economic from Jilin University. He joined the Communist Party of China (CPC) in 1973.

He once served as mayor and party chief of Tonghua City in Jilin, a member of the Standing Committee of the Jilin Provincial Committee of the CPC, vice governor of Jilin and deputy secretary of the Jilin Provincial Committee of the CPC.

The provincial legislature also accepted the resignation of Wang Min from the post of director of the Standing Committee of the Jilin Provincial People's Congress.

The CPC Central Committee announced a reshuffle of provincial leaders Monday, appointing Wang Min, who is also former Party chief of Jilin, as secretary of the Liaoning Provincial Committee of the CPC. Wang was replaced by former Minister of Agriculture Sun Zhengcai.

## **Social front**

### **Economic front**

## **Southwest**

### **Politics**

- French official hails Tibet's remarkable progress (3<sup>rd</sup> December)

A delegation from China's Tibet Autonomous Region met here Wednesday with members of the French National Assembly and officials of the French Foreign Ministry.

Led by Legqog, director of the Standing Committee of Tibet Autonomous Region People's Congress (legislature), the delegation enjoyed a friendly and comprehensive exchange of views with representatives from the French National Assembly's France-China Friendship Group.

Legqog introduced Tibet's huge economic, social and cultural changes after the democratic reform, and expounded on issues of interest to the French side, including the preservation of Tibetan culture, environmental protection, women's status and the national autonomous system.

Legqog invited the French representatives to visit Tibet to experience the region first-hand and obtain comprehensive knowledge of the region.

Michel Herbillon, chairman of the France-China Friendship Group, said Tibet has achieved remarkable progress over the past 50 years. He appreciated the form of direct dialogue between France and China.

During a meeting with Paul Jean-Ortiz, director of the French Foreign Ministry's bureau for Asian and Australian affairs, Legqog disclosed the status quo of social stability and economic development in Tibet, and discussed methods to improve communication and understanding with the French side.

The French director said the Chinese delegation helped improve his knowledge about the situation in Tibet. He said France cherished its friendship with China and has been closely following the development of Tibet. He proposed enhanced communication between the two countries on various topics, including Tibet for better mutual understanding, vibrant ties and promoted bilateral cooperation.

The Chinese delegation arrived in Paris after concluding its visit to Britain.

## **Social front**

- Chongqing's prime district aims for cultural success (30<sup>th</sup> November)

Science, technology, education and healthcare have all benefited from the recent economic successes of Jiangbei, one of the most prosperous districts in the southwestern city of Chongqing. These accomplishments have seen the district designated as a model

area for popularizing science and listed among the first tranche of national pilot urban areas for intellectual property right (IPR) protection by the State Intellectual Property Office.

Within the district, the Wulidian industrial design center has been designated as a national pilot park by the State Intellectual Office, whilst the Shuangxi Village has been named as one of the first of a small number of model villages for new rural construction.

At present, the district has 33 hi-tech companies, making it number one among all the districts and counties of Chongqing.

The district is also rich in educational resources. It is a pioneering zone for quality education in primary and secondary schools and a national training center for teachers. In total, the district has 71 public primary and secondary schools.

Its abundant historical sites have also helped create a distinct cultural dimension for the district.

With a history stretching back more than 2,000 years, Jiangbei has five city-level historical protected sites, including the former residence of Xu Beihong, a renowned painter. It is also home to 18 district-level conservation sites. These rich cultural resources have boosted the development of its local tourism and cultural industries.

In terms of healthcare, the local authorities have improved access to public healthcare services for both urban and rural residents. In 2005, a national residential community model area for healthcare services was established in the district.

In 2007, the district authorities launched a public healthcare service system, upgraded the following year. This was designed to reduce the disparity in healthcare services between urban and rural areas.

In 2008, Jiangbei was selected as one of the four national pilot areas for the provision of basic healthcare system, under a strategy jointly researched by the WHO and the Ministry of Health. Currently, the district has 376 medical organizations, including eight hospitals.

- Yunnan culture enthalls Londoners (4<sup>th</sup> December)

Yunnan, the province with the most ethnic groups in China, has sent a cultural delegation to London, to showcase the people's dazzling life and culture. The varied display created a deep desire for many audience members to visit the mystical wonderland someday.

London residents formed a long queue outside a theater in Notting hill to see the show from Yunnan. Once inside, some had to sit on the ground because of limited seating.

Folk songs performed by singers from Shangrila opened the show, rendering the profound music legacy of Yunnan. And a film by Taiwan female director Ding Naizheng entitled "Finding Shangri-la" was shown at the end of the performance. The film follows a couple who are struggling between revenge and forgiveness after losing their son. The young mom comes to Shangrila, where she gains peace in her soul.

The reason that London audience was deeply absorbed is also because English writer James Hilton had provided a mystified description of Shangrila in his 1933 novel "Lost Horizon". The breathtaking natural scenery captured in the film satisfied their craving for a look at the real land.

## **Economic front**



- New vision for Jiangbei sees it emerging as foremost business hub in southwest China (30<sup>th</sup> November)

As one of the core areas of the Chongqing municipality, the Jiangbei district is one of the most dynamic areas in the city. Its unique location and excellent environment have led it to be highly regarded for both its social and economic achievements.

Jiangbei is located at the point where the Yangtze and Jialing rivers meet. It covers 221 sq km and has a population of 730,000.

With thriving businesses and a sophisticated commercial network, Jiangbei is already one of the key business, trade and service hubs in the city.

In 2008, the retail business of this district generated a record turnover of 14 billion yuan, 2.8 times that in 2004 and representing an annual growth of 34.1 percent.

In the first half of 2009, the Jiangbei district reported a gross domestic product of 12.06 billion yuan, a year-on-year increase of 15.1 percent. The growth rate of its total industrial output value and total retail sales of consumer goods now rank it first among all the districts in Chongqing.

Its success has seen the local authorities commission plans to establish the district as one of the foremost business centers in northwest China.

In April this year, Yan Ping, chief of the Jiangbei district committee of the Communist Party of China, proposed a new initiative for Jiangbei's future development.

According to the plan, Jiangbei's future focus will be to establish itself as a leading financial center, a new business center, the area's largest logistics center, a modern manufacturing base and the preferred site of regional headquarters for both domestic and overseas companies.

Yan said construction of nine key projects, including the construction of the Jiangbeizui Central Business District (CBD), the Cuntan Port and Bonded Area, the upgrading of the Guanyinqiao shopping zone, the building of the Gangcheng Industrial Park and the development of new urban and rural areas will be the key elements of the plan.

Three advantages

According to Yan, the Jiangbei district will play a major role in the next round of the ongoing development of Chongqing. This is due to three unique advantages offered by the district,

Firstly, the Jiangbei district has a special locational advantage. It is set in the core area of Chongqing and neighbors the main navigable waterways of the Yangtze and Jialing rivers.

Following years of construction and development, the district already has an integrated transportation system, comprising water, land and air links. It is home to the three major river ports of Cuntan, Guojiatuo and Guoyuangang - with a combined annual throughput of around 4.5 million containers.

There are also a number of expressways and the Tieshanping freight marshalling yard in the district. It takes only 20 minutes to drive from any area in the district to the airport. Among the six light rail lines under planning and construction in Chongqing, four are scheduled to pass through Jiangbei.

Secondly, Jiangbei enjoys the most preferential policies for business startups in Chongqing. These projects, which include the Jiangbeizui CBD, the Cuntan Port and Bonded Area and two riverside development zones, are priority projects for the city. Businesses in these areas will benefit from a number of incentive packages and policies.

Thirdly, Jiangbei has a well-developed industrial foundation, with particular strengths in the manufacturing and service industries.

### **Commercial hub**

The local authorities now attach great importance to the construction of a commercial hub in Jiangbei.

Since 2005, with the successful introduction of the Guanyinqiao shopping zone, Jiangbei's retail business has enjoyed rapid expansion, maintaining an average annual growth rate of more than 25 percent for four consecutive years. During the Labor Day golden week in 2009, the credit card transactions in the Guanyinqiao shopping zone amounted to 177 million yuan, far more than in any other shopping district in Chongqing. The Jiangbeizui CBD is one of the most important parts of the Chongqing CBD, which includes several other business districts in the city. The development of the Jiangbeizui CBD will also mark a new milestone for Chongqing in its mission to be a truly international metropolis.

### **A logistics center**

Under the proposals, Jiangbei will be the site of Chongqing's largest logistics center, servicing such developments as the Cuntan Port.

The Cuntan Port is expected to become the largest hub in the upper reaches of the Yangtze River, the country's largest inland bonded port and the largest logistics base in southwest China.

Bo Xilai, chief of the Chongqing municipal committee of the Communist Party of China, has high expectations of the Cuntan Port and Bonded Area, saying: "It is a milestone in terms of the opening-up of the inland regions."

At present, Cuntan is the only bonded area in China's inland regions. Designated as the major foreign trade port for Chongqing and the rest of southwest China, Cuntan is also expected to become a considerable asset in the future development of Jiangbei.

Making full use of the rich resources of its neighboring rural areas, Jiangbei will expand and build several large agricultural produce and by-products markets. This will include extensions to the well-known Guanyinqiao Agricultural Produce Market and the Panxi Organic Vegetable Wholesale Market.

Jiangbei's development plan also calls for the establishment of a world-class manufacturing base in Chongqing.

At present, the Yuzui and Fusheng areas are the major manufacturing centers in Jiangbei, specializing in such sectors as equipment manufacturing, new energy, biotechnology and environmental protection technology.

Since 2003, the Jiangbei district has invested a total of 750 million yuan in improving its infrastructure facilities. Its excellent business environment has attracted substantial investment from businesses both at home and abroad.

The most successful example of this is backing secured from the Beijing-based Century Golden Resources Group, which invested around 8 billion yuan in developing the Guanyinqiao shopping zone.

A number of the country's most well-known companies, such as Century Gold Resources, the Taiwan-based Far Eastern Group, the Shenzhen-based Moi Group and Hong Kong-based New World Development, have opened retail operations in the area, making Guanyinqiao the leading commercial street in southwest China, in terms of both its scale and facilities.

## **South central** **Politics**

- Senior CPC leader urges to address public concerns (29<sup>th</sup> November)

A senior leader of the Communist Party of China (CPC) has urged officials and governments at all levels to serve the people by addressing their concerns.

He Guoqiang, member of the Standing Committee of the CPC Central Committee, made the remarks during his visit in Chibi City of central China's Hubei Province on Saturday.

He said officials and governments must solve well the problems that concern people's immediate interests to ensure social harmony and stability.

When visiting a local village and urban community of the city, He urged local officials to help residents increase their incomes and answer the needs required by the people.

He asked the officials to improve their ability of resolving practical problems to bring about more tangible benefits to local people.

He, also secretary of the Central Commission for Discipline Inspection of the CPC, also called on local Party organs to improve their organizational construction, promote intra-party democracy and strengthen the struggle against corruption.

- Public officials penalized over commercial bribery in S China province (4<sup>th</sup> December)

Eighty three officials of county head level or above have been penalized in the first ten months in south China's Guangdong Province for their involvement in commercial bribery, said provincial authorities on Friday.

Eighteen of them got jail terms, said Cao Xiaodong, director of the province's leading group for fighting commercial bribery.

The province cracked 405 commercial bribery cases involving 200million yuan (29.2 million U.S. dollars) in the first ten months, Cao added.

The focus was on project construction, land use, property transactions, medicine procurement and sale, government purchase, financial affairs and investment, Cao said.

- China faces rising corruption at grassroots level (2<sup>nd</sup> December)

Liu Zirong, a village official in south China's Guangdong Province, stood trial Tuesday for allegedly misappropriating almost 24 million yuan (3.5 million U.S. dollars) of public money.

Liu, secretary of the Communist Party of China branch of Zidong Village, was charged with squandering village assets on gambling and loans to his own company, said prosecutors at the hearing at the Chancheng District Court of Foshan City.

Most of the money was compensation for land expropriated from villagers from 2004 to 2006, prosecutors said.

Liu was among the 78 village cadres who were investigated over allegations of abuse of power by prosecutors in Guangdong in the first quarter of 2009.

According to the statistics issued in April by the Supreme People's Procuratorate, a total of 4,968 village cadres in village committees were involved in corruption cases last year, 1,090 more than in 2006.

The country has more than 5 million village cadres, but traditionally focuses only on high-ranking officials in its anti-corruption endeavors.

"Pinned at the bottom of the power pyramid, their appetite somehow has grown insatiable," said Zhong Wendong, director of the commission on criminal justice of Guangzhou Municipal Lawyers' Association.

With the rapid development of China's collective economy, abuse of power by village chiefs had begun to prevail, especially in wealthy coastal villages, Zhong said.

Such cases could involve embezzlement or appropriation of six or seven-figure sums, he said. "In the past, if just thousands of yuan were involved, a case could be identified as 'major'."

From 2003 to 2009, corruption cases involving 50,000 yuan or more accounted for 98 percent of the economic cases in rural areas of the relatively well-off Pearl River Delta, compared with 37 percent in less developed rural areas, according to the provincial anti-corruption bureau.

"Land-related wealth is always prey for greedy village heads," said Fan Baoxuan, an expert on rural issues with the Communication University of China.

They could line their pockets overnight by embezzling government compensation for land use rights or selling out collective property in closed-door deals, Fan said.

The central government has been increasing support for rural public services, which also put great wealth in the hands of village heads.

Lack of supervision over village affairs could explain the ever-increasing corruption at grassroots level, said Wang Jinhua, an expert with the Law School of the Jiangxi University of Finance and Economics.

Since village officials are not civil servants, regulations for civil servants fail to cover them, Wang Jinhua said. "It is a loophole that has made corruption much easier at grassroots level."

Although villagers were endowed with rights to oversee their officials, most would rather submit when their interests were jeopardized for fear of reprisals, said Professor Hu Xuexiang, of the Law School of the South China University of Technology.

Luo, 66, a resident of Zidong village, was unhappy with elections in which Liu was always the sole candidate.

"He is the official and we are nobody. How can we rebel against the official?" he said.

To tackle the problem, anti-corruption officials in Guangdong have been urged to set up supervision teams to keep an eye on government affairs and financial issues at village level, such as the use of funds for poverty alleviation allocated by the central government.

Just and transparent elections of village heads could be equally crucial, Zhong Wendong said.

### **Social front**

- Shipwreck relics of "Nanhai One" on show in Guangdong (4<sup>th</sup> December)  
Spectacular porcelains salvaged from an ancient Chinese merchant ship are on display in Yangjiang City of Guangdong Province. The "Nanhai One," or "South China Sea One" captured the nation's imagination when it was raised from the depths of the sea in December of 2007.

One spectacular highlight was that the ship was laden with fine Chinese porcelain manufactured some 800 years ago.

For the first time, visitors were able to appreciate the fine works that were lost at sea during the height of China's maritime trade centuries ago.

Like many sunken wrecks, "Nanhai One" proved to be a treasure trove. More than four-thousand gold, silver, and porcelain artifacts, and six-thousand copper coins from the Southern Song Dynasty were salvaged. Experts estimate Nanhai One contained more than eighty-thousand valuable relics.

The Southern Song Dynasty marked the first high point of China's porcelain industry. Products were exported to east, south and west Asia. They traveled as far as the east coast of Africa. Those who owned porcelain in those days were seen as holding status.

As the locale where the sunken ship was discovered, the coastal city of Yangjiang has established a special museum to house these retrieved treasures. The Guangdong Maritime Silk Road Museum showcases not only the salvaged works of art, but also displays the ship wreck, stored in a huge transparent case. The museum has officially opened with a ticket price of 80 yuan per person.

### **Economic front**

- Senior Chinese leader calls for stable, fast economic development (1<sup>st</sup> December)  
Senior Chinese leader He Guoqiang called for efforts to achieve "stable and relatively fast" development of the economy during his four-day inspection tour to the central Hubei Province that concluded Tuesday.

He, member of the Standing Committee of the Communist Party of China (CPC) Central Committee Political Bureau, urged local governments, enterprises and people to "earnestly" study and carry out the overall economic plans worked out by the CPC Central Committee Political Bureau recently.

He said local departments should increase "flexibility" of the country's macro-economic policies while maintaining their "continuity" and "stability."

He also urged local governments to increase transparency of Party affairs and solve "notable problems" raised by the people.

During his trip, He listened to reports by the provincial government and visited cities and villages.

## **East**

### **Politics**

- European Commission President Barroso arrives in Nanjing (29<sup>th</sup> November)  
European Commission President Jose Manuel Barroso arrives in Nanjing, capital of east China's Jiangsu Province, Sunday noon.

He was in Nanjing to attend the 12th China-European Union (EU) summit, due to be held Monday morning.

Swedish Prime Minister Fredrik Reinfeldt, whose country currently holds the rotating EU presidency, will arrive in Nanjing later Sunday.

Chinese Premier Wen Jiabao, Barroso and Reinfeldt, will co-chair the one-day meeting, which is believed to focus on Sino-EU relations and other global issues, including economic recovery and climate change.

The China-EU summit is the highest level political consultation mechanism between the two sides.

### **Social front**

#### **Economic front**

- Nanjing Special: 'Nanjing-style' development pays off (30<sup>th</sup> November)  
Located at the center of China's Yangtze River Delta zone and renowned as major economic engines in eastern China, Nanjing has played a remarkable role as one of China's fastest-growing commercial centers in recent years.

Since China's adoption of its reform and opening-up policies in 1978, the city, the provincial capital of Jiangsu province, has established a wide-ranging, all-encompassing development program that embodies a unique "Nanjing-style".

The city has become one of the most successful centers for attracting foreign investment. It has established stable trading relationships with more than 200 countries and regions across the world, achieving an annual trade volume in excess of \$40 billion.

With the global economic downturn widely seen as coming to an end, Nanjing is now planning its "after-the-crisis" business development program. This is part of a bid to better exploit the city's advantages in terms of industrial resources and geographical benefits, as well as to create additional points of economic growth.

The city will also actively engage in promoting a major upgrade for its traditional industries, accelerate the centralization of its business sectors, usher in a period of intensive development, update its overall industrial capacity and integrate its competitive offering.

Nanjing will also push the high-tech development of its most significant sector - the Electronic Information Industry, where the city is most renowned for its provision of ubiquitous flat panel display products.

Over the next three to five years, Nanjing will also cooperate with Japan-based Sharp. This will see the city secure an investment of 65 billion yuan in order to establish a large-scale flat panel display manufacturing center, as well as a Sharp-backed global research and development facility.

According to local officials, Nanjing is now well on the way to accelerating the development of its modern service industry.

As one of the most significant business centers in the Yangtze River Delta, the service industry has played a leading role in Nanjing's economic development. Over recent years, the city has paid considerable attention to nurturing its modern service industry. Its successes in the sector include making considerable in-roads in the software, service outsourcing, finance and insurance, cultural and creative industries.

#### Export-oriented economy

To date, the Nanjing government has approved more than 10,000 foreign investment projects, generating a trade volume in excess of \$70 billion.

Foreign investment has been a key driving force in Nanjing's economic development, according to local officials. Recent years have seen foreign economic and technical cooperation achieve considerable momentum in Nanjing.

In 2006, Nanjing was recognized as one of China's primary National Service Outsourcing Demonstration Cities. A number of the city's regions and development zones - notably Gulou, Xuanwu, Yuhuatai districts, Nanjing High-tech Economic Development Area and the Jiangning Economic Development Area - were also designated as China's service outsourcing industry demonstration areas.

Currently, there are 500 service outsourcing companies in Nanjing. In 2008, the total trade volume from the sector reached \$800 million, representing some 13.6 percent of the total national trade volume of the service outsourcing industry.

#### Software industry

Between the end of last year and the first half of this year, Nanjing sought to establish itself as the primary software center in Jiangsu.

The local government has strived to establish a national Software Industry Park and has continuously promoted the development of its five software industry centers within the city - the Xuanwu, Gulou, Yuhua, Jiangning and Pukou districts.

Statistics showed that, in the first half of this year, revenues from Nanjing's software industry reached 28.339 billion yuan, a 48.2 percent increase compared to the same period last year.

In 2000, there were around 200 software companies choosing to invest in Nanjing, generating a combined annual sales revenue of 1.8 billion yuan. The situation in 2008 is very different. Backed by a far stronger team of software developers looking to invest in the city, the sales revenue of Nanjing's software industry has now reached 47.1 billion yuan, a 30 percent year-on-year increase.

Recently, six of the Nanjing-based software developers were honored as being among the top 100 Chinese companies in the sector.

In light of this, the Nanjing Software Industry Park has attracted a group of the world's leading software giants, including Microsoft, Lucent, Motorola, Siemens and Epson.

Recent policy initiatives have also seen the local government placing greater emphasis on nurturing human resources in a bid to better support the fast-growing software industry.

Over the coming three years, Nanjing will implement a "Focus" strategy - aimed at attracting large-scale software businesses to the city in order to maintain the rapid development of its software operation.

As part of this strategy, the local government will nominate a number of candidate companies for the implementation of a special incentive package as a way of fuelling their rapid expansion.

- Vice Premier Li stresses on economic structural adjustment (30<sup>th</sup> November)

Vice Premier Li Keqiang on Sunday wrapped up his two-day inspection tour in East China's Anhui Province Sunday, calling for the acceleration of structural adjustment and industry upgrade to improve the quality and efficiency of economic growth.

At the plant of Chery, China's largest home-brand automobile manufacturer, Li said he was delighted to see that the company maintained a vigorous growth momentum despite the global downturn.

Li said the government should work to create a better environment for such companies to grow.

He encouraged local enterprises to develop energy-saving technologies for a new competitive edge.



Li also checked on the pollution control program for the Chaohu Lake, one of China's five biggest fresh water lakes, and asked for more investment in environmental protection.

Li also inspected research institutions, hospitals and communities in Anhui Province.

- Shanghai to recruit overseas financial talents (4<sup>th</sup> December)

A delegation of financial organizations in Shanghai started a global recruiting tour Friday afternoon, hoping to fill 115 vacancies by the end of the trip.

The 17 organizations will hold three job fairs overseas, or in New York on Dec. 5, Toronto on Dec. 9 and Singapore on Dec. 13, to recruit high level financial talents.

A similar move last year brought 66 financial talents to the city, of whom five are enlisted in a national program on hiring overseas specialists and each enjoys 1 million yuan (146,400 U.S. dollars) in subsidies from the central government.

Ji Wenguan, head of Shanghai Financial Work Commission, told Xinhua that the Shanghai municipal government was planning to provide support of housing, insurance and education for the talents.

Tax cuts would also be provided for them, said Fang Xing, director of Shanghai Finance Office.

Fang said "Talents and innovation are prerequisite to building Shanghai into an international financial center."

"It is a golden opportunity to do creative work here, work that can really make a difference, as the financial sector is developing rapidly in China," said Hua Lei, who was recruited last year and is now supervisor of high-end wealth management at Orient Securities.

In addition, the education and medical care level in Shanghai was as good as anywhere else in the world, Hua said.

"Our payment package is competitive and flexible in the global market," said Yang Qingzhong, human resource manager of Haitong Securities Co., Ltd.

Yang said his company was very satisfied with the performance of the high level talents recruited last year and was offering seven more important posts this time, including manager of assets management division.

Bank of Communications, Shanghai Stock Exchange, Haitong Securities Co., Ltd and other big names in the Chinese financial sector are among the 17 recruiting organizations.

More information about the job vacancies is available at [www.tcfaglobal.org](http://www.tcfaglobal.org) and <http://www.oceanandsky.org/>.

- Canadian PM reveals Canadian pavilion for 2010 Expo in Shanghai (5<sup>th</sup> December)

Canadian Prime Minister Stephen Harper reveals the Canadian pavilion for 2010 Expo in Shanghai, China, Dec. 5, 2009. Harper visited and revealed the Expo pavilion here on Saturday.

## **HONGKONG AND MACAU**

### **Politics**

- China to mark 10th anniversary of Basic Law of Macao SAR (3<sup>rd</sup> December)

China's top legislature will hold a meeting to mark the 10th anniversary of the implementation of the Basic Law of the Macao Special Administrative Region (SAR) on Friday.

The meeting will be hosted by the Commission for the Basic Law of the Macao SAR of the Standing Committee of the National People's Congress (NPC), said the statement issued by the NPC Standing Committee on Thursday.

State leaders, senior officials of the central government, Macao SAR Chief Executive Edmund Ho Hau Wah, Macao officials and representatives from all walks of life from the mainland and Macao would attend the symposium, the statement said.

But it gave no details of the guests.

A seminar of legal experts would also be held Friday to review the law's implementation, the statement said.

- Macao thanks central government for land reclamation approval (30<sup>th</sup> November) Chief Executive of Macao Special Administrative Region (SAR) Edmund Ho Hau Wah has thanked the State Council for approving a proposal by the local government for a 3.61 square-kilometer land reclamation project, the local Macao Post Daily reported Monday.

The newspaper quoted Ho's statement of thanks as saying that the approval shows the central government's "total support" for Macao and that its decision also ensures Macao's long-term prosperity and sustainable development.

The statement did not give any details of the project, such as its location.

The new project will create "more public facilities and green spaces," as well as set aside plots of land for public housing projects and the development of business sectors promoting economic diversification, the statement said.

Meanwhile, it pledges Macao SAR government's commitment to consulting "all sectors of society" on the project with the aim of "building a better future for Macao."

According to the city's Statistics and Census Service (DSEC), Macao's current land area amounts to 29.2 square kilometers. The land reclamation project will increase Macao's land area by 12.3 percent.

## **Social front**

- Over half of reclaimed land "earmarked for public facilities": Macao official (1<sup>st</sup> December)

Over half of Macao Special Administrative Region (SAR) government's future land and reclamation areas approved by the central government have been earmarked for the development of public facilities, the local Macao Post Daily reported Tuesday.

The SAR government would set aside "suitable areas" of the reclaimed land for the development of industries in line with its economic diversification goals, as well as for the construction of public housing units, Secretary for Transport and Public Works LauSi

Io was quoted as saying. The public facilities will include transport infrastructure and green spaces.

The local government announced on Monday the central government's approval of its proposed 3.61-square-kilometer land reclamation projects for the creation of "new urban zones" in line with environmental protection requirements.

According to Lau, the actual land reclamation area will be about 3.5 square km, covering five different areas. The land reclamation project will raise Macao's land area by 12.3 percent, from 29.2 square km to 32.8 square km.

Lau did not say when the land reclamation project will get off the land.

- Hong Kong to step up ozone layer protection with regulation amendment (4<sup>th</sup> December)

An amended regulation will come into force in Hong Kong, starting from next year, to enable the city to comply with the new requirements under an international protocol, local authorities said Friday.

The import of products, including air-conditioners containing HCFC-22, would be banned in phases starting from 2010.

"The ban will encourage a switch to more environmentally friendly air-conditioners such as those operating with refrigerant R-410A and R-134A, etc., which are readily available in the market," a spokesman for the Environmental Protection Department of the Hong Kong Special Administrative Region (HKSAR) government said.

The Ozone Layer Protection (Products Containing Scheduled Substances) (Import Banning) (Amendment) Regulation will come into effect from January 1, 2010. It was passed by the HKSAR Legislative Council on Wednesday and gazetted on Friday.

The amended regulation will enable Hong Kong to comply with new requirements under the Montreal Protocol on Substances that Deplete the Ozone Layer, the department said.

The parties that have agreed to the Montreal Protocol in September 2007 will have to speed up the phasing out of hydro chlorofluorocarbons (HCFCs). They will have to reduce by 2010 the consumption of HCFCs by 75 percent of the baseline level instead of 65 percent and to complete the phasing-out by 2020, instead of 2030.

### **Economic front**

- AIG chooses HK as AIA listing venue (4<sup>th</sup> December)

The American International Group Inc.(AIG) said Thursday it chose Hong Kong as the listing venue for its Asian life insurance unit American International Assurance (AIA), media reports said on Friday.

The troubled but bailed-out U.S. insurer will go ahead with the up-to-10 billion U.S. dollar initial public offering. Preparations for the offering, aimed at raising funds to repay

a U.S. government bailout, had stalled since Bob Benmosche took the helm at AIG in August.

People familiar with the situation said AIG has appointed Deutsche Bank AG and Morgan Stanley as joint global coordinators for the planned initial public offering. It has yet to name the rest of the bookrunners.

AIG said on Tuesday it had closed a pact with the New York Federal Reserve that slashes its debt under a credit facility by more than half, to 17 billion U.S. dollars.

AIG shares rose more than 11 percent to 31.72 dollars, partly reversing a steep fall in the stock on Monday after investors were spooked by concerns over a possible shortfall in reserves for non-life insurance claims.

The debt reduction is the result of a deal first announced last March to give the New York Fed a preferred stake in two of AIG's biggest life insurance units, American Life Insurance Co and American International Assurance, effectively swapping debt for equity.

"AIG continues to make good on its commitment to pay the American people back," Chief Executive Robert Benmosche said in a statement, which also warned of volatility.

- Hong Kong stocks close slightly lower (4<sup>th</sup> December)

Hong Kong stocks tracked an overnight decline on Wall Street to close lower 0.25 percent Friday, ending a four-day rally of the Hang Seng Index.

The benchmark index opened 0.68 percent lower at 22,400.49. It moved between 22,240.86 and 22,528.84 before ending down 55.72 points at 22,498.15. Turnover rose to 74.04 billion HK dollars (about 9.56 billion U. S. dollars) from Thursday's 70.07 billion HK dollars (about 9.05 billion U. S. dollars).

The upward momentum of the index will be in place for the remaining weeks of the year because of rising optimism over a sustainable global economic recovery and as concerns over Dubai's debt crisis have receded, said analysts.

Three of the four major categories lost ground on Friday, with the utilities sub-index falling 0.73 percent, the commerce and industry losing 0.55 percent, and the finance, 0.11 percent. The properties sub-index was the only one to gain ground, going up 0.30 percent.

The China Enterprises Index rose 0.02 percent to close at 13, 461.55.

Market heavyweight HSBC finished down 0.37 percent at 93.45 HK dollars and its local unit Hang Seng Bank down 0.17 percent to 116.60 HK dollars.

China Mobile, the leading mobile carrier on the Chinese mainland, closed up 0.20 percent at 74.10 HK dollars.

Stocks of insurance firms were strong. Top insurer China Life swelled 2.63 percent to 41.00 HK dollars, while smaller rival Ping An rose 1.58 percent to 74.00 HK dollars. PICC swelled 4.42 percent to 7.09 HK dollars. But China Taiping dropped 1.41 percent to 28.05 HK dollars.

The leading Chinese mainland commercial lenders failed to extend recent strength, with Bank of China leading the decline, down 1.55 percent at 4.46 HK dollars. China Construction Bank dipped 0.28 percent to 7.18 HK dollars and ICBC lost 0.15 percent to 6.74 HK dollars. Bank of Communications was unchanged.

The mainland oil shares were mixed. PetroChina up 0.10 percent, while Sinopec down 0.30 percent. Offshore oil producer CNOOC ended flat.

As for local developers, Sun Hung Kai Properties, the largest residential housing developer in Hong Kong, rose 0.08 percent to close at 118.60 HK dollars. Henderson Land fell 2.31 percent to 59.15 HK dollars. Cheung Kong, the flagship of Hong Kong's richest man Li Ka-shing ended flat.

Consumer product exporter Li & Fung dropped 3.76 percent to close at 33.25 HK dollars, the biggest fall among blue chips. (7.742 HK dollars = 1 U.S. dollar)

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- Campaigning Begins For Azerbaijan's Municipal Elections

Campaigning for municipal elections in Azerbaijan has officially begun, with 18 parties and some 31,000 candidates registered to compete, RFE/RL's Azerbaijani Service reports

#### **Geo Strategic Front**

- Difficulties Reported At Latest Armenia-Azerbaijan Summit

International mediators gave a mixed assessment of the Munich talks between the Armenian and Azerbaijani presidents on the Nagorno-Karabakh conflict, saying there was progress on some issues but a failure to agree on others, RFE/RL's Armenian Service reports.

- Chief of Russian presidential administration arrives in Baku

Chief of the Russian presidential administration Sergei Narishkin arrived in Baku for a short-term visit on Nov. 23.

- Azerbaijani, Armenian presidents meet in Munich

Presidents Ilham Aliyev of Azerbaijan and Serzh Sarkisyan of Armenia met at the headquarters of the French consulate general in Munich on Nov. 22. The meeting focused on the current state and prospects of the talks to solve the Armenia-Azerbaijan conflict over Nagorno-Karabakh.

#### **Economic /Energy Front**

- Azerbaijan-Belgium Business Forum held in Baku

Baku hosted the Azerbaijan-Belgium business forum with participation of companies based in Flandria of Belgium on Nov. 23.

#### **Social Front**

### **Kazakastan**

#### **Political Front**

- 30% of Kazakh residents unaware of opposition consolidation

Almaty. November 24. Interfax-Kazakhstan – The survey of 2,307 respondents in 16 cities conducted by the Kazakhstan Institute of Politician Decisions showed that 34% of residents, city dwellers, had been unaware of the merger of the National Social-Democratic Party (NSDP) and Azat (Freedom).

- City dwellers are still in sympathy with the ruling party

According to a survey conducted by the Kazakhstan Institute of Politician Decisions, the sympathies of the city dwellers still lie with the ruling party Nur Otan. “34% of the respondents are ready to vote for the Nur Otan Party, 6% for Ak Zhol and 2.9% for NSDP Azat,” Sanzhar Bokayev, an expert of the Institute, told journalists in Almaty on Tuesday.

#### **Geo Strategic Front**

- Uzbekistan closes border with Kazakhstan

- Uzbekistan has closed its border with central Asian neighbor Kazakhstan to all but citizens of each nation returning home, the Kazakh Foreign Ministry said on Monday, as swine flu spreads in both countries.

- Uzbekistan Says Closed Kazakh Border Due To Flu



Uzbekistan said today it had closed the border with Central Asian neighbor Kazakhstan as part of a seasonal antinflu quarantine. On November 23, Kazakhstan said Uzbekistan shut the border without any explanations and Kazakh media, as well as residents of the Uzbek capital Tashkent, linked the move to fears about an outbreak of the H1N1 flu virus.

### **Economic /Energy Front**

- Russia and Kazakhstan sign agreements on oil and power transit

Russia and Kazakhstan have concluded agreements on oil transit and the parallel operation of the two countries' power grids, according to media reports. The deals were signed November 20 by Russian Energy Minister Sergei Shmatko and his Kazakh counterpart Sauat Mynbayev.

- Russia, Kazakhstan in talks on Samsun-Ceyhan oil pipeline

Russia and Kazakhstan on Friday signed a protocol in which they pledged to study plans for laying oil pipelines, including the current construction of a pipeline to link the Turkish cities of Samsun and Ceyhan, Russian Energy Minister Sergei Shmatko said.

### **Social Front**

- HRW Urges Kazakhstan To Improve Rights Before Heading OSCE

The case of Yevgeny Zhovtis was singled out as a violation of legal rights. Human Rights Watch (HRW) has called on the international community to demand that the Kazakh government improve the country's human rights situation before it leads the Organization for Security and Cooperation in Europe (OSCE) in January, RFE/RL's Kazakh Service reports.

### **Kyrgyzstan**

#### **Political Front**

- Prosecutor Asks For Eight-Year Jail Sentence For Former Kyrgyz Minister

The prosecutor in the trial of former Kyrgyz Defense Minister Ismail Isakov has asked for an eight-year jail sentence, RFE/RL's Kyrgyz Service reports.

- Prosecutor General of Kyrgyzstan dismissed

Elmurza Satybaldiev, the Prosecutor General of Kyrgyzstan was dismissed. The information came out on Monday at celebration of the 85th anniversary of the prosecution agencies with participation of Kurmanbek Bakiev, the President of Kyrgyzstan.

#### **Geo Strategic Front**

- Kyrgyzstan, Uzbekistan Discuss Joint Border Patrols

Kyrgyzstan and Uzbekistan are seeking to arrange joint patrols of some parts of their common border beginning in 2010, RFE/RL's Kyrgyz Service reports.

- Kyrgyzstan, Russia pledge closer cooperation between capitals

Nariman Tyuleev, the Bishkek city governor on Wednesday vowed closer cooperation with Moscow at the end of his official visit to the Russian capital.

### **Economic /Energy Front**

- Activists to picket against tariffs' increase in Osh

Human rights activists plan to hold a protest against energy tariffs' increase and property tax in Osh (Kyrgyzstan) on December 2, the public association Support and Protection of Legality reported.

- Global Fund allocates Kyrgyzstan \$28M to fight AIDS

Officials in the southern Kyrgyz city of Osh say they refused permission for a protest march because of worries about the spread of swine flu, RFE/RL's Kyrgyz Service reports.

### **Social Front**

- Protest Against Kyrgyz Utility Hikes Refused Over Flu Fears

Officials in the Kyrgyz capital have introduced a quarantine in all Bishkek schools until November 30 due to a flu epidemic, RFE/RL's Kyrgyz Service reports.

- Bishkek Schools Closed For Flu Quarantine

Deputy of the Majlisi Namoyandagon (Tajikistan's lower chamber of parliament) has considered 20 issues in less than an hour. A regular sitting of the sixth session of the Majlisi Namoyandagon of the third convocation, presided over by its speaker, Saydullo Khairulloev, was held on November 25.

### **Tajikistan**

#### **Political Front**

- Majlisi Namoyandagon considers 20 issues in less than an hour

The Tajik Foreign Ministry says Uzbekistan's decision to quit the Central Asian power grid is politically motivated, RFE/RL's Tajik Service reports. Foreign Ministry official Khusrav Ghoibov told RFE/RL that the ministry will not officially react to the decision by Tashkent.

#### **Geo Strategic Front**

- Tajikistan Reacts To Uzbek Decision To Quit Power Grid

A court in Tajikistan's northern Sughd Province has begun trying two suspected terrorists, RFE/RL's Tajik Service reports. Provincial Judge Farhod Ziyodulloev told RFE/RL that Qudratullo Nematulloev and Abdulsami Nurmuhammadi are accused of several crimes, including terrorism, murder, and plotting against the state.

- Alleged IMU Terrorists Go On Trial In Tajikistan

A court in Tajikistan's northern Sughd Province has begun trying two suspected terrorists, RFE/RL's Tajik Service reports. Provincial Judge Farhod Ziyodulloev told RFE/RL that Qudratullo Nematulloev and Abdulsami Nurmuhammadi are accused of several crimes, including terrorism, murder, and plotting against the state.

- Tajik FM to hold a number of meetings with his counterparts from OSCE participating states in Athens

Tajik Foreign Minister Hamrokhon Zarifi yesterday departed for Athens, Greece to attend the 17th OSCE Ministerial Council, which is taking place there on December 1-2, according to the MFA information department.

- CIS states should combine efforts to ensure information security, says Rahmon

-- The CIS states should combine efforts to ensure information security, including safety of keeping database in Internet, President Emomali Rahmon remarked at a high-level meeting "Let's Unite CIS Area" in Minsk, Belarus on November 26, according to Belarusian news agency BELTA."

#### **Economic /Energy Front**

- Parliament hearings on targeted use of budgetary funds take place tomorrow

-- Parliament hearings on targeted use of budgetary funds are expected to take place at the Majlisi Mamoyandagon (Tajikistan's lower chamber of parliament) on November 27.

- Government endorses national investment and capital construction programs for 2010-2012

The Government of Tajikistan has endorsed the programs for state investments and capital construction, according to presidential press service. A government session, presided over by Prime Minister Oqil Oqilov, was held on November 30.

- President Rahmon calls on EAEC states to invest in regional projects

A session of the Interstate Council of the Eurasian Economic Community (EAEC) that was held in Minsk, Belarus on November 27 considered more than 20 issues, according to presidential press service.

### **Social Front**

- Tajikistan Celebrates First Flag Day Since Independence

A session of the Interstate Council of the Eurasian Economic Community (EAEC) that was held in Minsk, Belarus on November 27 considered more than 20 issues, according to presidential press service.

- 1,740 HIV sufferers officially registered in Tajikistan

-- Like other countries throughout the world, Tajikistan is marking World AIDS Day today. Murodali Rouziyev, the director of the republican AIDS Center, told Asia-Plus that a number of HIV-awareness events targeting young people are taking place across the country today.“

- Corruption costs Tajikistan at some 56 mln somoni in Jan-Sept 09, says anticorruption agency chief

In a report released at a parliament hearing at the Majlisi Namoyandagon (Tajikistan's lower chamber of parliament), Director of the Agency for State Financial Control and Combating Corruption Fattoh Saidov revealed on November 27 that corruption has cost Tajikistan at some 55.9 million somoni over the first nine months of this year.

### **Turkmenistan**

#### **Political Front**

#### **Geo Strategic Front**

- President of Turkmenistan to pay official visit to Italy

President of Turkmenistan Gurbanguly Berdimuhamedov will pay an official visit to the Italian Republic. Top-level talks and meetings with representatives of major Italian businesses will be held as part of the visit, the Turkmenistan.ru correspondent was told in the press service of the Turkmen leader.

- Turkmenistan willing to develop multi-format cooperation within CIS

Turkmen President Gurbanguly Berdimuhamedov received Chairman of the Executive Committee, Executive Secretary of the Commonwealth of Independent States, Sergei Lebedev, who arrived in the Turkmen capital leading a high-profile delegation to participate in the Ashgabat forum of agricultural producers of the CIS countries.

- Forum of CIS farmers opens in Ashgabat

A three-day forum of agricultural producers of the Commonwealth of Independent States started at the main exhibition center of Ashgabat today. The international forum was organized by ministries and departments that make up the agro-industrial complex of Turkmenistan and the Chamber of Commerce of Turkmenistan, the Ashgabat correspondent of Turkmenistan.ru reports.

- President of Turkmenistan and Prime Minister of Italy hold talks in Rome

Turkmen President Gurbanguly Berdimuhamedov and Italian Prime Minister Silvio Berlusconi held talks in Rome as part of the Turkmen President's official visit to the

Republic of Italy. The sides discussed issues related to the establishment of the Turkmen-Italian intergovernmental commission, opening of embassies in Ashgabat and Rome, and training of Turkmen specialists in Italy.

- President of Turkmenistan to pay one-day working visit to Russia

President of Turkmenistan Gurbanguly Berdimuhamedov will go to Russia on a working visit at the invitation of President of Russia Dmitry Medvedev.

- Turkmenistan to host International Conference on disarmament

The first consultative meeting on the preparation and holding of the International Conference on Disarmament Issues in Central Asia and Caspian Basin, scheduled for the first half of 2010 in Ashgabat, was held at the Ministry of Foreign Affairs of Turkmenistan on 2 December 2009.

### **Economic /Energy Front**

- German Oil Firm Says Turkmen Gas Important For EU Supplies

A leading German oil producer working on a Turkmen natural gas field says that energy reserves in Turkmenistan and the Caspian Sea are an important supply of energy for the European Union, RFE/RL's Turkmen Service reports.

- Mejlis approves state budget of Turkmenistan for 2010

The Mejlis of Turkmenistan has passed the law on the state budget of Turkmenistan for 2010. In accordance with the document, the state budget revenues have been approved at Manat 48280.7 million and expenditures at Manat 49780.7 million, including the first tire budget revenues of Manat 8129.5 million and expenditures of Manat 9629.5 million.

- Turkmenistan to build over 240 major facilities worth US \$ 12 billion in 2010

In accordance with the State Budget of Turkmenistan for 2010, Turkmenistan will build over 240 major facilities worth nearly US \$ 12 billion. These are the North-South railway, facilities of national tourist zone Avaza, potash factory, airport, cement factories, bridges, equestrian center, high-rise and low rise residential buildings, shopping malls and complexes, consumer service centers, libraries, museums, cinema centers, stadiums, schools and kindergartens, buildings of higher education establishments, new office buildings of several ministries and agencies, hotels, cotton spinning, textile, carpet factories, cement factories, power plants, etc

- Chevron announces major plans for Turkmenistan

Chevron is interested in establishing long-term partnership with Turkmenistan and willing to take an active part in investment projects in the oil and gas sector, said President of Chevron Nebitgaz BV (Turkmenistan) Douglas Uchikura in an interview with Turkmen journalists.

### **Social Front**

- Turkmenistan increases salaries, pensions, allowances and scholarships

President Gurbanguly Berdimuhamedov signed a decree at a regular meeting of the Cabinet of Ministers authorizing an increasing in wages, pensions, state allowances and scholarships in Turkmenistan.

### **Uzbekistan**

#### **Political Front**

### **Geo Strategic Front**

- Tajikistan Reacts To Uzbek Decision To Quit Power Grid

-- The Tajik Foreign Ministry says Uzbekistan's decision to quit the Central Asian power grid is politically motivated, RFE/RL's Tajik Service reports. Foreign Ministry official Khusrav Ghoibov told RFE/RL that the ministry will not officially react to the decision by Tashkent.

- **Kyrgyzstan, Uzbekistan Discuss Joint Border Patrols**

Kyrgyzstan and Uzbekistan are seeking to arrange joint patrols of some parts of their common border beginning in 2010, RFE/RL's Kyrgyz Service reports.

- **Uzbekistan Closes Border With Kazakhstan**

Uzbekistan has closed its border with Central Asian neighbor Kazakhstan to all but citizens of each nation returning home, the Kazakh Foreign Ministry said today, as swine flu spreads in both countries.

- The US government is not planning to resume military cooperation with Uzbekistan

On November 20 Tashkent hosted the meeting of US assistant deputy Secretary of State on South and Central Asia George Kroll with Uzbek and foreign journalists. The press-conference covered such issues as US military presence in Uzbekistan, regulation of situation in Afghanistan, human rights and return of western mass media back to Uzbekistan.

### **Economic /Energy Front**

- **Russian Carmakers Move To Restrict Uzbek Car Imports**

An Uzbek car industry official says car exports to Russia are continuing normally despite Russian carmakers' attempts to restrict them, RFE/RL's Uzbek Service reports.

- **Uzbek power grid withdrawal set to cause**

The authoritarian nation says it will withdraw Tuesday from the Soviet-era power grid that unites four Central Asian countries, prompting fears of electricity shortages that could make for a winter of hardship in impoverished Tajikistan and Kyrgyzstan.

### **Social Front**

- **Uzbekistan Says Closed Kazakh Border Due To Flu**

Uzbekistan said today it had closed the border with Central Asian neighbor Kazakhstan as part of a seasonal antifu quarantine. On November 23, Kazakhstan said Uzbekistan shut the border without any explanations and Kazakh media

## **Detailed Report**

### **Azerbaijan**

#### **Political Front**

- **Campaigning Begins For Azerbaijan's Municipal Elections**

BAKU -- Campaigning for municipal elections in Azerbaijan has officially begun, with 18 parties and some 31,000 candidates registered to compete, RFE/RL's Azerbaijani Service reports. The Central Election Commission (CEC) said that campaigning for the December 23 elections began on November 25 and the majority of the registered candidates are affiliated with one party -- the governing Yeni Azerbaijan Party (YAP -- New Azerbaijan). Additionally, YAP said it was given the opportunity to advertise on television for free, but YAP Executive Secretary Ali Ahmadov told the media that it has refused that offer. Ahmadov added that YAP plans to campaign more in the regions than in urban areas. Some candidates from opposition parties have reported being pressured by local police and others when they were registering for the elections. CEC chief Mazahir

Panahov said that some 500 polling stations will be equipped with cameras that will be available to viewers online. Azerbaijan has never held an election that was judged free and fair by international observers.

### **Geo Strategic Front**

- Difficulties Reported At Latest Armenia-Azerbaijan Summit

Presidents Serzh Sarkisian of Armenia and Ilham Aliyev of Azerbaijan met at the French consulate in Munich on November 22.

MUNICH -- International mediators gave a mixed assessment of the Munich talks between the Armenian and Azerbaijani presidents on the Nagorno-Karabakh conflict, saying there was progress on some issues but a failure to agree on others, RFE/RL's Armenian Service reports. Armenian President Serzh Sarkisian and his Azerbaijani counterpart, Ilham Aliyev, met in Munich on November 22 for their sixth face-to-face meeting this year amid lingering international hopes for a solution to the Karabakh problem. The French, Russian, and American cochairs of the OSCE Minsk Group did not announce a breakthrough after the talks or in a joint written statement issued afterward, and neither Aliyev nor Sarkisian spoke to the press. The cochairs declined to elaborate on any reported obstacles to signing an Armenian-Azerbaijani agreement on the Minsk Group's basic principles for a Karabakh settlement proposed by the Minsk Group. Their next step will be to arrange a meeting between the Armenian and Azerbaijani foreign ministers on the sidelines of an OSCE ministerial conference to be held in Athens on December 1-2. Aliyev had raised hopes ahead of the Munich talks, saying that a failure to produce results would leave Azerbaijan with no choice but to try to solve the conflict by force. Aliyev said on November 21 that "Azerbaijan is spending billions on buying new weapons, hardware, [and] strengthening its position at the line of contact." He added, "We have the full right to liberate our land by military means." The OSCE mediators disapproved of the threat. French cochair Bernard Fassier said that the governments in Moscow, Washington, and Paris "are of the opinion that war is not an option."

Print Email

- Chief of Russian presidential administration arrives in Baku

Chief of the Russian presidential administration Sergei Narishkin arrived in Baku for a short-term visit on Nov. 23. He will attend the opening of 'Russkaya Kniga' book store and branch of Vneshtorgbank of Russia in Baku. Narishkin will present Medal of Honor to the Caucasian Muslims Board Chairman Sheikh-ul-Islam Allahshukur Pashazade. Narishkin is expected to meet also with President Ilham Aliyev.

- Azerbaijani, Armenian presidents meet in Munich

Presidents Ilham Aliyev of Azerbaijan and Serzh Sarkisyan of Armenia met at the headquarters of the French consulate general in Munich on Nov. 22. The meeting focused on the current state and prospects of the talks to solve the Armenia-Azerbaijan conflict over Nagorno-Karabakh.

The meeting was held in the presence of foreign ministers Elmar Mammadyarov of Azerbaijan and Edward Nalbandian of Armenia, OSCE Minsk Group Co-Chairs Robert Bradtke of the United States of America, Bernard Fassier of France and Yury Merzlyakov of Russia, as well as Personal Representative of the OSCE Chairman-in-Office Andrzej Kasprzyk.

### **Economic /Energy Front**

- Azerbaijan-Belgium Business Forum held in Baku

Baku hosted the Azerbaijan-Belgium business forum with participation of companies based in Flandria of Belgium on Nov. 23. The forum was attended by about 15 Belgian and 40 Azerbaijani businessmen. Samir Valiyev, Officer of the Ministry of Economic Development, said that the participants include companies specialized in the areas of agriculture, industry, transportation, and consulting. He spoke about the economic potential of Azerbaijan and public policy. He hailed the development of bilateral relations between Azerbaijan and Belgium a 46 percent year-on-year rise in the trade turnover during January-September 2009 despite the global economic crisis. Azerbaijani Ambassador to Belgium Emin Eyubov told the foreign businessmen that the tourism, industry and agriculture are the priority areas in Azerbaijan. Belgian Ambassador to Azerbaijan Phillip Jettard noted that this is the first Belgian trade mission to Azerbaijan, adding that Belgium supports Azerbaijan's WTO accession. The Belgian businessmen were also told about the activities and projects of Azerbaijan Exports and Investment Promotion Foundation (AZPROMO) and Azerbaijan Investment Company.

### **Social Front**

#### **Kazakastan**

##### **Political Front**

- 30% of Kazakh residents unaware of opposition consolidation

Almaty. November 24. Interfax-Kazakhstan – The survey of 2,307 respondents in 16 cities conducted by the Kazakhstan Institute of Politician Decisions showed that 34% of residents, city dwellers, had been unaware of the merger of the National Social-Democratic Party (NSDP) and Azat (Freedom). "The news about the consolidation of the two oppositional parties has provoked no response, since every third respondent has never heard the news," IPD expert Irina Chernykh told reporters on Thursday in Almaty. 31.3% are uncertain how to treat merger, 16.8% see it as "a fruitless effort," 13.1% support the decision and 4.8% are negative about it. As reported, on October 26 a congress of the two major Kazakh opposition parties, the National Social-Democratic Party and Azat (Freedom), decided to merge into one party called National Social Democratic Party Azat. National Social Democratic Party leader Zharmakhan Tuyakbai and Azat leader Bulat Abilov had announced the unification plans two weeks earlier. The survey demonstrated that in September 2.9% respondents would have voted for Azat and 1.8% for NSDP, which in total was 4.7%, though after the merger the total number of votes dropped to 2.9%. "A decline in the rating of the consolidated party could be referred to the lack of the rebranding efforts and a widespread PR campaign," Chernylkh said. The margin of error in the survey is 1%.

- City dwellers are still in sympathy with the ruling party

Almaty. November 24. Interfax-Kazakhstan – According to a survey conducted by the Kazakhstan Institute of Politician Decisions, the sympathies of the city dwellers still lie with the ruling party Nur Otan. "34% of the respondents are ready to vote for the Nur Otan Party, 6% for Ak Zhol and 2.9% for NSDP Azat," Sanzhar Bokayev, an expert of the Institute, told journalists in Almaty on Tuesday. 24.3% of the interviewed found it difficult to say what party they supported and 20% said that they would not vote for any of the parties. In November the rating of the Nur Otan Party fell 5.8% as compared to

September this year. "The party has failed to become an efficient driver of the most important social decisions at a time of crisis and, thus, has lost the confidence of the electorate. Maybe, that is why the first deputy chair of the party was replaced," the expert said. As reported last week, Nurlan Nigmatulin was appointed first deputy chair of the Nur Otan Party to replace Darkhan Kaletayev. Nur Otan is led by Kazakh President Nursultan Nazarbayev. The members of the party occupy all 98 seats in the Majilis (the lower chamber of the Kazakh parliament), the key positions in the government and local administrations. According to the survey, 46.4% of the respondents are going to vote in the next parliamentary elections, 29.6% do not know yet and 23.7% will not vote. The survey covered 2307 people in 16 cities. The margin of error is 1%. The population of the republic tops 16 million people, nearly half of them living in the rural areas. There are 10 political parties in Kazakhstan and half of them are in opposition.

### **Geo Strategic Front**

- Uzbekistan closes border with Kazakhstan

(Reuters) - Uzbekistan has closed its border with central Asian neighbor Kazakhstan to all but citizens of each nation returning home, the Kazakh Foreign Ministry said on Monday, as swine flu spreads in both countries. Uzbekistan closes border with Kazakhstan ASTANA (Reuters) - Uzbekistan has closed its border with central Asian neighbor Kazakhstan to all but citizens of each nation returning home, the Kazakh Foreign Ministry said on Monday, as swine flu spreads in both countries. Kazakh media and residents of the Uzbek capital Tashkent have connected the move to fears about an outbreak of the H1N1 flu virus, but this has not been confirmed by the authorities there. The World Health Organization (WHO) reported last Friday that Kazakhstan, Uzbekistan and parts of Afghanistan were reporting higher numbers of flu cases. "The initiative did not come from the Kazakh side," Kazakh Foreign Ministry spokesman Yerzhan Ashykbayev told a briefing. "There is no official information on the reasons behind this decisions." Uzbekistan's foreign ministry could not be reached for comment. Tashkent regularly closes its borders with its other neighbors Afghanistan, Kyrgyzstan, Tajikistan and Turkmenistan for security reasons before national holidays such as the Constitution Day, marked on December 8. Parliamentary elections are also due in Uzbekistan next month.

- Uzbekistan Says Closed Kazakh Border Due To Flu

ALMATY (Reuters) -- Uzbekistan said today it had closed the border with Central Asian neighbor Kazakhstan as part of a seasonal antinflu quarantine. On November 23, Kazakhstan said Uzbekistan shut the border without any explanations and Kazakh media, as well as residents of the Uzbek capital Tashkent, linked the move to fears about an outbreak of the H1N1 flu virus. Today, the Uzbek government said in a statement carried by official media that it had enacted quarantine restrictions on the border "due to the spread of seasonal flu."

The World Health Organization (WHO) reported on November 20 that Kazakhstan, Uzbekistan, and parts of Afghanistan were reporting higher numbers of flu cases. However, Uzbekistan says it has not registered any cases of H1N1 flu. Kazakhstan has reported 17 cases of the disease.

### **Economic /Energy Front**

- Russia and Kazakhstan sign agreements on oil and power transit



(SRI) - Russia and Kazakhstan have concluded agreements on oil transit and the parallel operation of the two countries' power grids, according to media reports. The deals were signed November 20 by Russian Energy Minister Sergei Shmatko and his Kazakh counterpart Sauat Mynbayev. The two countries reportedly revised a forecast of oil transit volumes and transit routes and agreed to explore cooperation in the construction of new oil pipelines, including the Samsun-Ceyhan pipeline in Turkey. In a deal on power generation, Russia and Kazakhstan agreed on measures to ensure the parallel operation of the two countries' electrical power grids. "We have determined commercial terms, volumes of power supplies between the two countries, their regulation and a mechanism of calculating payments for transit," Shmatko said. The agreement will reportedly help address the power deficit in Siberia after an accident at the Sayano-Shushenskaya hydropower plant earlier this year. In a separate agreement, the transport ministries of both countries signed a deal to set mutually favorable tariffs for the transportation of Kazakh cargo across Russia and Russian cargo across Kazakhstan, Russian news agency Prime-Tass reported.

- Russia, Kazakhstan in talks on Samsun-Ceyhan oil pipeline

Yalta, Ukraine. November 23. Interfax – Russia and Kazakhstan on Friday signed a protocol in which they pledged to study plans for laying oil pipelines, including the current construction of a pipeline to link the Turkish cities of Samsun and Ceyhan, Russian Energy Minister Sergei Shmatko said. The protocol, signed in the presence of the Russian and Kazakh prime ministers, amends an oil transit agreement of June 7, 2002, Shmatko told reporters. "We have amended our plans in the protocol. We amended the projected oil balance for the next few years, the routes of transportation, and it is an essential piece of news that the words 'Samsun' and 'Ceyhan' are appearing in our relations for the first time," Shmatko said. "We have reached an agreement with our Kazakh colleagues to make a joint study of this proposal, a proposal for projects of this kind, oil pipeline projects for that region," he said. Samsun is a port on the Black Sea, and Ceyhan a Mediterranean port. The pipeline between them, which began to be laid in April 2009, will be a section of pipeline running to Ceyhan from Baku, capital of Azerbaijan, and make it possible to bypass the Bosphorus and Dardanelles straits in delivering oil to Europe. The 555-kilometer Samsun-Ceyhan pipeline would be able to carry up to 1.5 million barrels per day. The Russian and Turkish prime ministers Vladimir Putin and Recep Tayyip Erdogan, on August 6 signed a protocol on cooperation in the oil industry that prescribed setting up a working group to study opportunities for Russia to join the Samsun-Ceyhan project. The group's tasks would include finding out how much oil can be provided for the Baku-Ceyhan pipeline.

### **Social Front**

- HRW Urges Kazakhstan To Improve Rights Before Heading OSCE

The case of Yevgeny Zhovtis was singled out as a violation of legal rights. Human Rights Watch (HRW) has called on the international community to demand that the Kazakh government improve the country's human rights situation before it leads the Organization for Security and Cooperation in Europe (OSCE) in January, RFE/RL's Kazakh Service reports. The statement by the New-York based rights group on November 25 came ahead of an OSCE foreign ministers' meeting in Athens, the last meeting of the OSCE before Kazakhstan assumes the OSCE chair. HRW said that Kazakhstan needs to bring its human rights record in line with OSCE standards, and it criticized Kazakh authorities for

tightening state control over media and prosecuting human rights activists. HRW also criticized Kazakhstan's handling of the case of Yevgeny Zhovtis, the director of the nongovernmental Kazakh Bureau for Human Rights. Zhovtis was sentenced in September to four years in jail for his role in a deadly traffic accident. HRW said that the investigation and trial leading up to Zhovtis's conviction were marred by serious procedural flaws that denied him the right to present a defense and gave rise to concerns that the case was politically motivated. Kazakhstan successfully secured the OSCE chairmanship in late 2007 after promising to reform media laws and election regulations, and to simplify the registration process for political parties.

### **Kyrgyzstan**

#### **Political Front**

- **Prosecutor Asks For Eight-Year Jail Sentence For Former Kyrgyz Minister**

BISHKEK -- The prosecutor in the trial of former Kyrgyz Defense Minister Ismail Isakov has asked for an eight-year jail sentence, RFE/RL's Kyrgyz Service reports. Isakov is on trial at a military court, accused of financial mishandling and corruption. He has pleaded not guilty and says all charges against him are politically motivated. The prosecutor also asked the court to deprive Isakov, a lieutenant general, of his military rank and awards and to confiscate all his property. Isakov used to be one of the closest associates of Kyrgyz President Kurmanbek Bakiev. He became defense minister shortly after the "tulip revolution" in March 2005 that brought Bakiev to power. He was appointed secretary of the National Security Council in May 2008. He left the post in October 2008 and joined Kyrgyzstan's political opposition. His colleagues and relatives say the lawsuit against Isakov is retaliation for his opposition activity. Isakov's trial is scheduled to resume on December 7.

- **Prosecutor General of Kyrgyzstan dismissed**

Elmurza Satybaldiev, the Prosecutor General of Kyrgyzstan was dismissed. The information came out on Monday at celebration of the 85th anniversary of the prosecution agencies with participation of Kurmanbek Bakiev, the President of Kyrgyzstan. The head of the state delivered complimentary speech at the main building of the prosecutor general's office. After the official part of the event, the leader announced that the prosecutor general has been released from his office, pointing that the ex-head of the oversight body would be appointed the state defense, security and law order advisor to the president. Note of the news agency 24.kg. Elmurza Rakievich Satybaldiev, born 1966 in Myrza-Aki village of Uzgen region, Osh oblast. Nationality – Kyrgyz. In 1992 he graduated from the Law Department of the Kyrgyz National University. Candidate of law. Married with 4 children.

#### **Geo Strategic Front**

- **Kyrgyzstan, Uzbekistan Discuss Joint Border Patrols**

OSH, Kyrgyzstan -- Kyrgyzstan and Uzbekistan are seeking to arrange joint patrols of some parts of their common border beginning in 2010, RFE/RL's Kyrgyz Service reports. The heads of the Kyrgyz and Uzbek border guard services met on November 22 in the southern Kyrgyz city of Osh for preliminary discussions about holding joint patrols. In September, similar joint patrols were arranged between Tajikistan and Kyrgyzstan for selected parts of their border as well.

- **Kyrgyzstan, Russia pledge closer cooperation between capitals**

Nariman Tyuleev, the Bishkek city governor on Wednesday vowed closer cooperation with Moscow at the end of his official visit to the Russian capital. In course of bilateral meetings Tyuleev and his Moscow counterpart Yuri Luzhkov outlined importance of strategic partnership, development of traditional business, economic, cultural and humanitarian ties in new economic climate. "The heads of the administrations have marked spheres for extension of cooperation. It is municipal housing economy, health care, cultural and humanitarian spheres, capital construction and investments. New cooperation agreement between the two cities is to be signed in the nearest days," the report said.

### **Economic /Energy Front**

- Activists to picket against tariffs' increase in Osh

Human rights activists plan to hold a protest against energy tariffs' increase and property tax in Osh (Kyrgyzstan) on December 2, the public association Support and Protection of Legality reported. About 100 activists will reportedly picket in front of the Osh city mayor's office and building of the regional state administration.

- Global Fund allocates Kyrgyzstan \$28M to fight AIDS

Global Fund to Fight AIDS, Tuberculosis and Malaria has allocated Kyrgyzstan over \$28 million to combat AIDS as a part of the seventh round of financing, Talgat Subanbekov manager of the fund in Kyrgyzstan said at the session of the Country Multisectoral Coordination Committee Thursday. The round reportedly started on January 1, 2009 and is due to complete at the end of 2013. "As of today, about \$4 million has been already used. The major part of the funds was assigned for work with vulnerable population groups. About \$1 million was spent on assistance to injection drug users: opening of syringe exchange and methadone substitution therapy centers. Besides, hospices and social hostels are opened in the republic. As for health care system, we take measures to improve efficiency of AIDS services: buy equipment, establish laboratories," Subanbekov said. The manager outlined that the rest finances would be transferred later on. "The fund will allot over \$1 million according to 2008-2009 plan," he added.

### **Social Front**

- Protest Against Kyrgyz Utility Hikes Refused Over Flu Fears

OSH, Kyrgyzstan -- Officials in the southern Kyrgyz city of Osh say they refused permission for a protest march because of worries about the spread of swine flu, RFE/RL's Kyrgyz Service reports. Osh activist leader Abdykaim Kangeldiev told RFE/RL that march organizers wanted to protest the government's decision to begin increasing utility fees as of January 1. The Kyrgyz government announced earlier this month a plan -- to be implemented from 2010-2012 -- under which electricity prices will double and natural gas charges for heating will go up by some 500 percent. The protest march was to be held this week. There have officially been about 80 cases of swine flu in Kyrgyzstan but no reported deaths. People wear protective masks against swine flu in Bishkek earlier this month.

- Bishkek Schools Closed For Flu Quarantine

BISHKEK -- Officials in the Kyrgyz capital have introduced a quarantine in all Bishkek schools until November 30 due to a flu epidemic, RFE/RL's Kyrgyz Service reports. The Bishkek City Council's press service said that some 30 percent of schoolchildren and about 20 percent of teachers are reportedly sick with the flu. Additionally, there have been about 50 cases of swine flu registered

## **Tajikistan**

### **Political Front**

- Majlisi Namoyandagon considers 20 issues in less than an hour

DUSHANBE, November 25, 2009, Asia-Plus -- Deputy of the Majlisi Namoyandagon (Tajikistan's lower chamber of parliament) has considered 20 issues in less than an hour. A regular sitting of the sixth session of the Majlisi Namoyandagon of the third convocation, presided over by its speaker, Saydullo Khairulloev, was held on November 25. MPs considered and endorsed bills on the Red Crescent Society of Tajikistan and scientific and scientific-technical expertise as well as amendments to the laws on state duty and environmental protection. They also endorsed an agreement on the establishment of the Anti-crisis Fund of the Collective Security Treaty Organization (CSTO) and an agreement on the management of the CSTO Anti-crisis Fund. Speaking on the budget of expenditure for the Majlisi Namoyandagon, MP Sayvali Nourov noted that it had been reduced this year by nearly 3 million somoni due to the global financial and economic crisis -- from 13.914 million somoni to 11.268 million somoni. According to him, annual salary schedule for deputies and employees of the Majlisi Namoyandagon has also been reduced and will have amounted to 3.573 million somoni by the end of this year. "More than 29,000 somoni has been spent this year for purchase of energy-saving light bulbs alone," Nourov said. MPs also considered the issue of early termination of powers of MPs Dodikhudo Saymuddinov, Gulchehra Bozorova and Abdumannon Kholiqov in connection with transfer to the government jobs. We will recall that Mr. Dodikhudo Saymuddinov was appointed to head the Committee of Language Terminology, Ms. Gulchehra Bozorova was appointed deputy Minister of Economic Development and Trade and Mr. Abdumannon Kholiqov was appointed Deputy minister of Justice.

### **Geo Strategic Front**

- Tajikistan Reacts To Uzbek Decision To Quit Power Grid

DUSHANBE -- The Tajik Foreign Ministry says Uzbekistan's decision to quit the Central Asian power grid is politically motivated, RFE/RL's Tajik Service reports. Foreign Ministry official Khusrav Ghoibov told RFE/RL that the ministry will not officially react to the decision by Tashkent. He added that while it is understandable for a country to make decisions in its national interests, international law also requires a country to respect the interests of other countries. On November 24, Uzbek Ambassador to Tajikistan Shoqosim Shoislomov said in Dushanbe that Uzbekistan will end its participation in the Soviet-era electric power grid as of December 1. He said Uzbekistan has built a new power distribution system that can provide all of its regions with electricity and does not need the outdated electricity grid.

Homidjon Orifov, the head of Tajikistan's National Committee for Dams, said Uzbekistan's move is most likely connected to the Tajik-Uzbek standoff regarding the construction of a new hydropower station near the Tajik city of Roghun. He said that by quitting the joint grid Uzbekistan shows its opposition to the hydropower station and added that Uzbekistan is also trying to hinder the delivery to Tajikistan of 1 billion kilowatt hours of electricity from Turkmenistan.

- Alleged IMU Terrorists Go On Trial In Tajikistan

KHUIJAND, Tajikistan -- A court in Tajikistan's northern Sughd Province has begun trying two suspected terrorists, RFE/RL's Tajik Service reports. Provincial Judge Farhod Ziyodulloev told RFE/RL that Qudratullo Nematulloev and Abdulsami Nurmuhammadi are accused of several crimes, including terrorism, murder, and plotting against the state. Rauf Yusufov, the head of the local branch of the Interior Ministry, told RFE/RL that Nematulloev was detained in Moscow and extradited to Tajikistan earlier this year. Nurmuhammadi was detained in his home city of Isfara this summer. His lawyer, Jamshed Saburov, says his client joined the terrorist Islamic Movement of Uzbekistan (IMU) without knowing its goals but, after learning about the movement's ideology, left it. Saburov said Nurmuhammadi never took part in any IMU operations. Nematulloev's lawyer, Anvar Nurmuhammadov, says his client has pleaded guilty to some charges. Some 30 people in the Isfara region have been arrested and sentenced for being members of the IMU, which Tajikistan has categorized as a terrorist organization since 2005.

- Tajik FM to hold a number of meetings with his counterparts from OSCE participating states in Athens

DUSHANBE, December 1, 2009, Asia-Plus -- Tajik Foreign Minister Hamrokhon Zarifi yesterday departed for Athens, Greece to attend the 17th OSCE Ministerial Council, which is taking place there on December 1-2, according to the MFA information department. During his stay in Athens, Zarifi is expected to hold talks with a number of his counterparts from the OSCE participating States. Tajik minister will hold talks with heads of delegations of the United States, Germany, Kazakhstan, Bulgaria and Greece. Zarifi is also scheduled to hold talks with Mr. Marc Perrin de Brichambeau, Secretary General of the OSCE, Mr. Herbert Zalber, Director of OSCE Secretariat Conflict Prevention Center, Mr. Knut Vollebaek, OSCE High Commissioner on National Minorities, and Mr. Pierre Morel, European Union Special Representative for Central Asia. The meetings will consider issues related to cooperation of Tajikistan with the OSCE and the European Union. The OSCE Ministerial Council, which is starting in Athens today, will discuss the future of European security. The OSCE foreign ministers will adopt decisions and give political guidelines on a wide range of topics encompassing all three OSCE dimensions.

- CIS states should combine efforts to ensure information security, says Rahmon

DUSHANBE, November 27, 2009, Asia-Plus -- The CIS states should combine efforts to ensure information security, including safety of keeping database in Internet, President Emomali Rahmon remarked at a high-level meeting "Let's Unite CIS Area" in Minsk, Belarus on November 26, according to Belarusian news agency BELTA. "Wideband access to Internet is developing intensively in the CIS states – it offers full spectrum of services – financial, banking, educational and others," said President Rahmon, "However, exposure of Internet evokes concern." The CIS states ought to opportunely determine politically important resources of national segment in Internet, define possible risks and apply, Rahmon said, noting that the CIS states have all necessary technologies for that. Tajik leader also pointed to the necessity of continuing work on harmonization of the CIS states' laws to create favorable conditions for attraction of investments for development of information and communication technologies that will allow developing business in that field more successfully. Presidents Belarus, Armenia, Kazakhstan, Kyrgyzstan and Tajikistan, senior representatives of a number of other CIS states, Georgia, UN United Nations Economic Commission for Europe, United Nations Global Alliance for ICT and

Development, World Bank and the European Investment Bank (EIB) as well as senior representatives of relevant ministries and top managers of 62 companies and organizations from 27 countries attended the event. We will recall that the event co-organizers included the Regional Commonwealth in the field of Communications (RCC Board), CIS Executive Committee, UN United Nations Economic Commission for Europe, United Nations Global Alliance for ICT and Development, World Bank and the European Investment Bank (EIB). The summit's agenda mainly focused on averting disparity in ICT field in the region. The summit participants will discuss issues related to building information society, introducing new services, digital television technologies, info security. A high-level meeting "Let's Unite CIS Area" is part of ITU global initiative "Let's Unite World" and aims to assist establishing partnership relations between public and private sectors in order to raise investments necessary to ensure implementation of international high-level meeting's major tasks by 2015.

### **Economic /Energy Front**

- Parliament hearings on targeted use of budgetary funds take place tomorrow

DUSHANBE, November 26, 2009, Asia-Plus -- Parliament hearings on targeted use of budgetary funds are expected to take place at the Majlisi Mamoyandagon (Tajikistan's lower chamber of parliament) on November 27. Muhammadato Sultonov, a spokesman for the Majlisi Namoyandagon, said the director of the Agency for State Financial Control and Combating Corruption Fattoh Saidov would report on that subject. Heads of a number ministries and organizations will also attend the parliament hearings, Sultonov said.

- Government endorses national investment and capital construction programs for 2010-2012

DUSHANBE, December 1, 2009, Asia-Plus -- The Government of Tajikistan has endorsed the programs for state investments and capital construction, according to presidential press service. A government session, presided over by Prime Minister Oqil Oqilov, was held on November 30. The session heard report on efficient use of lands in the Sughd province as well as considered issues related to road servicing and improvement of activity of the Ministry of Transport and Communications in this direction, and development of the geology sector in the country. The session also endorsed the programs for state investments and grants as well as capital construction designed for 2010-2012 and the statistical activity program designed for 2010. Speaking at the meeting, the prime minister tasked relevant officials to take adequate measures to ensure the provision of the public and enterprises with electricity and fuels, speedy completion of the cotton-harvesting campaign and proper preparations for the sowing season, the press service said.

- President Rahmon calls on EAEC states to invest in regional projects

DUSHANBE, November 30, 2009, Asia-Plus -- A session of the Interstate Council of the Eurasian Economic Community (EAEC) that was held in Minsk, Belarus on November 27 considered more than 20 issues, according to presidential press service. The EAEC heads of state, in particular, considered issues related to creation of the Customs Union and unified economic space for the EAEC member nations, activities of the Eurasian Development Bank (EDB) and the EAEC Anti-crisis Fund, as well as regulation of labor migration and mitigation of effects of the global financial and economic crisis. Speaking at the session, President Emomali Rahmon supported creation

of the Customs Union and the unified economic space. He noted that implementation of hydroelectricity projects, establishment of a road connection between Asia and Europe, modernization of infrastructure and other strategic measures taken by Tajikistan were significant contribution of Tajikistan to expansion of cooperation between the EAEC states. Tajik president called on the EAEC member nations to invest in projects being of regional significance. Emomali Rahmon stressed that Tajikistan came out for uniting economic opportunities of member nations of the Community and removing artificial obstacles on the way of free movement of citizens, commodities and services as well as expanding cultural ties as main factors to ensure real integration.

In the meantime, Russia's new agency RIA Novosti reported that the presidents of Belarus, Kazakhstan and Russia signed a package of deals on November 27 to create a customs union with common tariffs, paving the way for a single economic space."The common customs territory starts functioning as of July 1 (2010) in Belarus, Russia and Kazakhstan," Belarusian President Alexander Lukashenko said in Minsk after a meeting of the three ex-Soviet states' leaders. "Our end goal is to create a single economic space, and the Customs Union is a major step toward it," Lukashenko said. Speaking at a news conference after the EAEC Interstate Council meeting, Russian President Dmitry Medvedev said the customs union is a new phase in cooperation between the countries. "We have entered a new phase of cooperation," Medvedev said. "This is an extremely important and long-awaited event that has taken place after very complex negotiations." Medvedev said other former Soviet countries are welcome to join. But he dismissed parallels to an accord that led to the breakup of the Soviet Union, which was also signed in Belarus. Tajikistan will for some time be an observer in the union, Tajik President Emomali Rahmon said. Kyrgyz President Kurmanbek Bakiyev said Kyrgyzstan would work to join the customs union. The Kazakh leader said the customs union will bring Russia an additional \$400 billion in revenue and over \$16 billion to Kazakhstan and Belarus. Nursultan Nazarbayev said the union could help the countries take key positions on the global energy and grain markets. The countries' aggregate GDP is \$2 trillion, and their trade turnover is estimated at \$900 billion. The new deal could delay Russia's bid to join the World Trade Organization (WTO), RIA Novosti said. Moscow earlier said it could seek membership in the WTO together with Belarus and Kazakhstan. The agreement on the Customs Union will come into force on January 1, when the three countries will start using common foreign trade tariffs, but all taxes are to be coordinated by July.

### **Social Front**

- Tajikistan Celebrates First Flag Day Since Independence

DUSHANBE -- A session of the Interstate Council of the Eurasian Economic Community (EAEC) that was held in Minsk, Belarus on November 27 considered more than 20 issues, according to presidential press service. Tajik President Emomali Rahmon signed a law last week establishing National Flag Day, making Tajikistan the second country in Central Asia after Turkmenistan with such a holiday. Rahmon said on November 23 that the Tajik flag is one of the most important symbols of the country and worthy of celebration. As part of the festivities, 22 runners completed a multiday relay of several hundred kilometers in which they carried a Tajik flag from the town of Regar on the Tajik-Uzbek border to the site of the future Roghun hydropower station. Some workers at Roghun told RFE/RL that although they are proud to be part of the event, they

are unhappy about not being paid on time by the government. There are currently some 600 people working at Roghun, which is designed to help Tajikistan deal with the energy shortages it currently faces each winter.

- 1,740 HIV sufferers officially registered in Tajikistan

DUSHANBE, December 1, 2009, Asia-Plus -- Like other countries throughout the world, Tajikistan is marking World AIDS Day today. Murodali Rouziyev, the director of the republican AIDS Center, told Asia-Plus that a number of HIV-awareness events targeting young people are taking place across the country today. "A football tournament, involving football teams of the Ministry of Health (MoH) and international organizations active in the country, is being held today at Dushanbe's Central Stadium under the motto "Protect Yourself against AIDS. Tomorrow Will Be Late," he said. According to the MoH data, 1,740 HIV sufferers, including 1,388 men and 352 women, have been officially registered in Tajikistan by this day. 318 new HIV infection cases have been detected in the country since the beginning of this year alone. Injecting drug users (IDUs) constitute 54 percent of the overall number of the officially registered HIV sufferers in Tajikistan. In Tajikistan, the first HIV infection case was officially registered in the northern Sughd province in 1991. World AIDS Day, observed December 1 each year, is dedicated to raising awareness of the AIDS pandemic caused by the spread of HIV infection. It is common to hold memorials to honor persons who have died from HIV/AIDS on this day. Government and health officials also observe the event, often with speeches or forums on the AIDS topics. Since 1995, the President of the United States has made an official proclamation on World AIDS Day. Governments of other nations have followed suit and issued similar announcements. This theme is not specific to World AIDS Day, but is used year-round in WAC's (World AIDS Campaign) efforts to highlight HIV/AIDS awareness within the context of other major global events. World AIDS Campaign also conducts "in-country" campaigns throughout the world. The World AIDS Day theme for 2009 is "Universal Access and Human Rights." The theme has been chosen to address the critical need to protect human rights and attain access for all to HIV prevention, treatment, care and support. It also acts as a call to countries to remove laws that discriminate against people living with HIV, women and marginalized groups. Countries are also urged to realize the many commitments they made to protect human rights in the Declaration of Commitment on HIV/AIDS (2001) and the Political Declaration on HIV/AIDS (2006).

- Corruption costs Tajikistan at some 56 mln somoni in Jan-Sept 09, says anticorruption agency chief

DUSHANBE, November 30, 2009, Asia-Plus -- In a report released at a parliament hearing at the Majlisi Namoyandagon (Tajikistan's lower chamber of parliament), Director of the Agency for State Financial Control and Combating Corruption Fattoh Saidov revealed on November 27 that corruption has cost Tajikistan at some 55.9 million somoni over the first nine months of this year. According to him, 49.4 percent of this amount has already been reimbursed. Over the report period, the anticorruption agency has conducted 892 inspections and 742 criminal proceedings have been instituted following those inspections. "Financial violations for a total amount of more than 5 million somoni have been revealed in subdivisions of the Ministry of Agriculture," said Saidov, "Thus, expenditures on pesticides have been overstated 3-4 times. Besides, the



ministry remitted 500,000 somoni to the bank account of one Iranian national two years ago for purchase of seedlings and these funds have disappeared without a trace.” Financial violations revealed over the same nine-month period in subdivisions of the Ministry of Transport and Communications have been estimated at more than 4 million somoni, in subdivisions of the Ministry of Energy and Industries – 6.8 million somoni, in subdivisions of the Ministry of Land Reclamation and Water Resources – 2.5 million somoni, and in subdivisions of the Ministry of Labor – 2.3 million somoni. Speaking on this subject, MP Safarali Gulov noted that according to his estimates, untargeted use and embezzlement of budgetary funds was increasing in the country from year to year. “According to official data, only 33.7 percent of funds embezzled from the country’s budget in 2008 has been reimbursed so far, and the untargeted use and the embezzlement of state funds are becoming a dangerous phenomenon,” MP said. Answering MP’s question, the anticorruption agency director noted that some corrupt officials were currently hiding abroad. He also recommended heads of state-run organizations to select personnel more thoroughly. “For example, a person who has three previous convictions had been working with one of financially responsible departments within the Ministry of Labor; having embezzled some one million somoni, he is currently hiding abroad,” Saidov stressed. Summing up the results of the parliamentary hearing, the first deputy head of the Majlisi Namoyandagon, Safar Safarov, noted that the parliament could adopt harsh laws controlling use of state funds and preventing corruption. According to him, the Majlisi Namoyandagon will submit its recommendations on this subject for consideration to the government in the near future.

### **Turkmenistan**

#### **Political Front**

#### **Geo Strategic Front**

- President of Turkmenistan to pay official visit to Italy

President of Turkmenistan Gurbanguly Berdimuhamedov will pay an official visit to the Italian Republic. Top-level talks and meetings with representatives of major Italian businesses will be held as part of the visit, the Turkmenistan.ru correspondent was told in the press service of the Turkmen leader. As the head of state noted during a government meeting, the upcoming visit is designed to "bring inter-state partnership to a qualitatively new level that will correspond to its potential" and become "an important step towards further expansion of the constructive dialogue of Turkmenistan with the European Union."

- Turkmenistan willing to develop multi-format cooperation within CIS

On November 24, Turkmen President Gurbanguly Berdimuhamedov received Chairman of the Executive Committee, Executive Secretary of the Commonwealth of Independent States, Sergei Lebedev, who arrived in the Turkmen capital leading a high-profile delegation to participate in the Ashgabat forum of agricultural producers of the CIS countries. As the Ashgabat correspondent of Turkmenistan.ru reports quoting the press service of the head of state, during the meeting Gurbanguly Berdimuhamedov emphasized that Turkmenistan "genuinely cherishes the century-old relations of friendship and understanding with its sister nations of the CIS and is fully interested in further expansion and strengthening of the traditional mutually beneficial cooperation." "Turkmenistan will continue to take an active part in the affairs of the CIS and develop

fruitful cooperation, both bilaterally and multilaterally," the head of state said. Having commended the long-term partnership with major manufacturers of agricultural machinery in the CIS, Gurbanguly Berdimuhamedov expressed interest in Turkmenistan's future procurement of reliable equipment that proved successful in the Turkmen fields.

- Forum of CIS farmers opens in Ashgabat

A three-day forum of agricultural producers of the Commonwealth of Independent States started at the main exhibition center of Ashgabat today. The international forum was organized by ministries and departments that make up the agro-industrial complex of Turkmenistan and the Chamber of Commerce of Turkmenistan, the Ashgabat correspondent of Turkmenistan.ru reports. According to the organizing committee, Turkmenistan is hosting the international agricultural forum of this level for the first time. The forum will elaborate and discuss issues related to development of the agro-industrial complex, introduction of advanced technologies and emerging technologies, increasing the profitability of agriculture. The numerous events of the forum will be attended by over 800 representatives of business structures, enterprises and organizations of the agribusiness, as well as agricultural scientists. On the first day of work, visitors and participants viewed the exhibition. The exhibition, located in the territory of the Exhibition Center, will demonstrate a wide range of agricultural products, agricultural equipment, original designs and technologies. The International scientific conference "Problems of sustainable development of agricultural sector of the CIS countries in modern conditions" will open on the same day. On the following day, a business forum will start with participation of representatives of business circles the CIS countries and the meeting of the CIS Agriculture Ministers. President Gurbanguly Berdimuhamedov has sent a welcome message to the participants of the Forum of agricultural producers of CIS countries. The text of the message of the head of state was published in today's press. "Today, ensuring food security is one of the issues of greatest concern to the world community," the message reads. The fact that the forum is being held in our country is evidence of Turkmenistan's reaching a new level of implementation of the policy of radical transformation of agriculture." Gurbanguly Berdimuhamedov expressed confidence that the forum will play an important role in enhancing cooperation between its participants - representatives of the agro-industries, scientists, and will help forge new friendly relations.

- President of Turkmenistan and Prime Minister of Italy hold talks in Rome

Turkmen President Gurbanguly Berdimuhamedov and Italian Prime Minister Silvio Berlusconi held talks in Rome as part of the Turkmen President's official visit to the Republic of Italy. The sides discussed issues related to the establishment of the Turkmen-Italian intergovernmental commission, opening of embassies in Ashgabat and Rome, and training of Turkmen specialists in Italy.

The sides singled out trade and economic spheres, fuel and energy sector, industrial sector, transport and communications, agriculture and tourism industry as promising areas of cooperation. Silvio Berlusconi said the project to develop national tourism zone Avaza on the Caspian Sea coast was highly promising. He expressed willingness to send a television crew to Turkmenistan to make a film about the country for further demonstration in Italy. Gurbanguly Berdimuhamedov invited the Prime Minister of Italy to visit Ashgabat. The invitation was accepted with gratitude, the State News Agency of

Turkmenistan (TDH) said. In the end of talks the sides issued a joint Turkmen-Italian communique and signed a number of bilateral documents, including an intergovernmental agreement on support and protection of investments, an intergovernmental memorandum on scientific, educational and cultural cooperation, a Memorandum of Cooperation between the Chamber of Commerce of Turkmenistan and the Union of Commerce, Industry, Handicraft and Agricultural Chambers of Italy, a Memorandum of Understanding between the State Agency for Management and Use of Hydrocarbon Resources under the President of Turkmenistan and ENI company.

- President of Turkmenistan to pay one-day working visit to Russia

On November 29, President of Turkmenistan Gurbanguly Berdimuhamedov will go to Russia on a working visit at the invitation of President of Russia Dmitry Medvedev.

During the visit, issues related to further development of mutually advantageous Turkmen-Russia cooperation will be discussed, the State News Agency of Turkmenistan (TDH) said. In particular, the sides will review aspects of the implementation of joint projects in trade and economy, education, transport industry, as well as several other issues of mutual interest.

- Turkmenistan to host International Conference on disarmament

The first consultative meeting on the preparation and holding of the International Conference on Disarmament Issues in Central Asia and Caspian Basin, scheduled for the first half of 2010 in Ashgabat, was held at the Ministry of Foreign Affairs of Turkmenistan on 2 December 2009. It was attended by diplomats and experts from the Ministries of Foreign Affairs of Turkmenistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. According to the press service of the Turkmen Foreign Ministry, the meeting participants expressed support for the initiative of President Gurbanguly Berdimuhamedov on holding this Conference, which was put forward by the Turkmen leader at the 64th session of UN General Assembly in September this year. In this context, it was stressed that the problem of disarmament, as part of a unified system of international security, is one of the most pressing issues on the international agenda. The multidimensional nature of disarmament issues requires a constructive and consolidated approach by all stakeholders, and, in this respect, the forthcoming international conference aims to become a political arena for the exchange of views and adoption of mutually acceptable solutions. From this perspective, the International Forum, to be held in Ashgabat for the first time, intends to lay the foundations for greater partnership in the name of security at the regional and global level as well as an effective mechanism for interaction between states and international organizations on disarmament issues. The sides discussed the subject areas and format of the upcoming conference, the possibility of inviting representatives of well-known international organizations, as well as organizational and protocol issues. The meeting agreed on the need to focus on three main areas that determine the content of the upcoming forum such as review and analysis of the situation on disarmament issues in Central Asia and Caspian Basin, the importance of the international legal framework and the problem of its further development, the role of international organizations in addressing disarmament issues. The delegations supported the idea to hold the second meeting of senior officials from the Ministries of Foreign Affairs of Central Asia and the Caspian Basin early next year to finalize and coordinate the positions of the sides, the Foreign Ministry press service said.

## **Economic /Energy Front**

- German Oil Firm Says Turkmen Gas Important For EU Supplies

A leading German oil producer working on a Turkmen natural gas field says that energy reserves in Turkmenistan and the Caspian Sea are an important supply of energy for the European Union, RFE/RL's Turkmen Service reports. RWE Dea General Manager Heiko Oppermann told RFE/RL today that the company's first step is to explore the gas reserves in the area and drill an exploration well after seismic testing is completed. Oppermann said the company is optimistic about the Turkmen gas reserves. He added that different options on gas transport from Turkmenistan to the West exist, but no definite plans have been made. In July, RWE Dea was awarded the rights to explore License Block 23 in the southeastern region of the Caspian Sea in Turkmen waters and in October established an office in Ashgabat. Oppermann said RWE Dea has extensive experience in developing shallow-water oil and gas resources in ecologically sensitive environments. He said the work will be completed in accordance with European standards and that in the first stage of exploration an environmental study will be made. The area of License Block 23 comprises some 940 square kilometers. Turkmenistan has the fourth-largest gas reserves in the world. In October, the British oil advisory firm Gaffney, Cline and Associates said after conducting tests that gas reserves at the Southern Yolotan-Osman field are estimated at some 14 trillion cubic meters of gas.

- Mejlis approves state budget of Turkmenistan for 2010

The Mejlis of Turkmenistan has passed the law on the state budget of Turkmenistan for 2010. In accordance with the document, the state budget revenues have been approved at Manat 48280.7 million and expenditures at Manat 49780.7 million, including the first tire budget revenues of Manat 8129.5 million and expenditures of Manat 9629.5 million. The state budget for 2010 allocates 74.1 per cent of funds (excluding investments) for the social sphere. The state budget provides for a 22,4 percent increase in investments in the industrial and socio-cultural spheres compared to 2009, the Turkmenistan.ru correspondent reports from Ashgabat. Spending on health will rise by 11.7 per cent, on development of education - by 10.5 per cent, on culture - by 36,5 percent. 54.6 per cent more funds will be spend on the development of construction industry next year as compared to 2009. Wages, pensions, allowances and scholarships are secured items of expenditure of the state budget of Turkmenistan for 2010. Turkmenistan plans to increase spending on these items by 11 percent on average.

The maximum level of budget deficit is set at Manat 1500,0 million. Budget surpluses accumulated by 1 January 2010 will be spent on budget deficit. The text of the Law on State Budget of Turkmenistan for 2010 was published today in the central press of Turkmenistan.

- Turkmenistan to build over 240 major facilities worth US \$ 12 billion in 2010

In accordance with the State Budget of Turkmenistan for 2010, Turkmenistan will build over 240 major facilities worth nearly US \$ 12 billion. These are the North-South railway, facilities of national tourist zone Avaza, potash factory, airport, cement factories, bridges, equestrian center, high-rise and low rise residential buildings, shopping malls and complexes, consumer service centers, libraries, museums, cinema centers , stadiums, schools and kindergartens, buildings of higher education establishments, new office buildings of several ministries and agencies, hotels, cotton spinning, textile, carpet factories, cement factories, power plants, etc. As President of Turkmenistan Gurbanguly

Berdimuhamedov said in the course of a government meeting, "by investing huge funds in construction of facilities, the state will persistently demand that designers and construction companies do the job in compliance with world standards of quality of construction works. "The new buildings of ministries and agencies, universities, newly built apartment houses, kindergartens should not resemble one another, and each must have its own architectural character. Together, they should become an adornment of our towns and villages," he said.

- Chevron announces major plans for Turkmenistan

Chevron is interested in establishing long-term partnership with Turkmenistan and willing to take an active part in investment projects in the oil and gas sector, said President of Chevron Nebitgaz BV (Turkmenistan) Douglas Uchikura in an interview with Turkmen journalists. "Chevron has major plans of work in Turkmenistan. The government of your country has recently received our proposals on cooperation with the Turkmengaz state concern. Our project aims at joint development of hydrocarbon resources that sit in the subsalt sediments at greater depths. Our company owns advanced technologies capable of providing highly efficient development of such deposits," he said. According to Douglas Uchikura, as part of cooperation, the company also plans to organize trainings for Turkmen specialists to operate Chevron technologies, as well as to invest their own funds into the development of social infrastructure in Turkmenistan, including health, education, small and medium businesses. "We want to expand the capabilities of domestic suppliers in order to meet the needs of the joint project by using local products and services," the head of the company stressed.

#### **Social Front**

- Turkmenistan increases salaries, pensions, allowances and scholarships

President Gurbanguly Berdimuhamedov signed a decree at a regular meeting of the Cabinet of Ministers authorizing an increasing in wages, pensions, state allowances and scholarships in Turkmenistan. In accordance with the decree, the text of which was published in the press, salaries of employees of state-funded institutions, self-supporting enterprises, public institutions, pensions, WWII veterans' benefits, state allowances and scholarships will increase by 10 per cent starting 1 January 2010. Beginning January 1, salaries for employees of enterprises, institutions, organizations of all forms of ownership should be no less than 598 Manats, the highest labour pension should be 532 Manats, the minimum pension for WWII veterans should be 435 Manats and maximum 580 Manats. The average monthly salary in Turkmenistan for calculating pensions will be 678 Manats, the basic slab for calculation of minimum pensions and state allowances will be 121 Manats, the amount of retirement pensions and state pensions for disabled people will be calculated at a rate of one per cent. The increase in salaries will be ensured "by improving the structure of enterprises, institutions and organizations, improving the efficiency of utilization of production facilities and productivity of workers, involvement of idle internal reserves," the decree says.

#### **Uzbekistan**

#### **Political Front**

#### **Geo Strategic Front**

- Tajikistan Reacts To Uzbek Decision To Quit Power Grid

DUSHANBE -- The Tajik Foreign Ministry says Uzbekistan's decision to quit the Central Asian power grid is politically motivated, RFE/RL's Tajik Service reports. Foreign Ministry official Khusrav Ghoibov told RFE/RL that the ministry will not officially react to the decision by Tashkent. He added that while it is understandable for a country to make decisions in its national interests, international law also requires a country to respect the interests of other countries. On November 24, Uzbek Ambassador to Tajikistan Shoqosim Shoislomov said in Dushanbe that Uzbekistan will end its participation in the Soviet-era electric power grid as of December 1. He said Uzbekistan has built a new power distribution system that can provide all of its regions with electricity and does not need the outdated electricity grid. Homidjon Orifov, the head of Tajikistan's National Committee for Dams, said Uzbekistan's move is most likely connected to the Tajik-Uzbek standoff regarding the construction of a new hydropower station near the Tajik city of Roghun. He said that by quitting the joint grid Uzbekistan shows its opposition to the hydropower station and added that Uzbekistan is also trying to hinder the delivery to Tajikistan of 1 billion kilowatt hours of electricity from Turkmenistan.

- Kyrgyzstan, Uzbekistan Discuss Joint Border Patrols

OSH, Kyrgyzstan -- Kyrgyzstan and Uzbekistan are seeking to arrange joint patrols of some parts of their common border beginning in 2010, RFE/RL's Kyrgyz Service reports. The heads of the Kyrgyz and Uzbek border guard services met on November 22 in the southern Kyrgyz city of Osh for preliminary discussions about holding joint patrols. In September, similar joint patrols were arranged between Tajikistan and Kyrgyzstan for selected parts of their border as well.

- Uzbekistan Closes Border With Kazakhstan

ASTANA (Reuters) -- Uzbekistan has closed its border with Central Asian neighbor Kazakhstan to all but citizens of each nation returning home, the Kazakh Foreign Ministry said today, as swine flu spreads in both countries. Kazakh media and residents of the Uzbek capital, Tashkent, have connected the move to fears about an outbreak of the H1N1 flu virus, but this has not been confirmed by the authorities there. The World Health Organization (WHO) reported on November 20 that Kazakhstan, Uzbekistan, and parts of Afghanistan were reporting higher numbers of flu cases."The initiative did not come from the Kazakh side," Kazakh Foreign Ministry spokesman Yerzhan Ashykbayev told a briefing. "There is no official information on the reasons behind this decisions." Uzbekistan's Foreign Ministry could not be reached for comment. Tashkent regularly closes its borders with its other neighbors Afghanistan, Kyrgyzstan, Tajikistan, and Turkmenistan for security reasons before national holidays such as the Constitution Day, marked on December 8. Parliamentary elections are also due in Uzbekistan next month.

- The US government is not planning to resume military cooperation with Uzbekistan

On November 20 Tashkent hosted the meeting of US assistant deputy Secretary of State on South and Central Asia George Kroll with Uzbek and foreign journalists. The press-conference covered such issues as US military presence in Uzbekistan, regulation of situation in Afghanistan, human rights and return of western mass media back to Uzbekistan. George Kroll is a professional member of US Chief diplomatic service. He works as assistant deputy Secretary of State on South and Central Asia. Mr. Kroll started career in 1982 while in 2003-2006 he was US Ambassador to Belarus. Mr. worked in

diplomatic service in Warsaw, New Delhi, St. Petersburg, Moscow, Kiev and Minsk. He graduated from Harvard and Oxford universities. George Kroll shared that he met the representatives of Uzbek government, specifically, Foreign Minister Vladimir Norov and deputy Prime Minister Eler Ganiev. Mr. Kroll says that the purpose of his visit is «to continue developing relations between USA and Central Asian countries, including Uzbekistan. We want to improve the relations not only on governmental level but also between the nations of our states through exchange of opinion and information», US assistant deputy Secretary of State mentioned. – «We are interested in cooperation in such areas as business, healthcare, education and other». Responding to the question on reestablishment of military base in Khanabad, transportation of cargo to Afghanistan, Mr. Kroll said that the negotiations did not cover US military presence in Afghanistan while only humanitarian aid is transported through Uzbek territory to Afghanistan. Speaking of situation in Afghanistan, George Kroll underlined that it is an important dialogue element between US and Uzbekistan. «We value the advice and contribution, provided by Uzbekistan, to resolution of Afghan issue». Commenting on use of child labor at the cotton fields of Uzbekistan and the fact that the number of western enterprises boycotted Uzbek cotton, George Kroll said that «this is market-based system where buyers and sellers make their own decision». US assistant deputy Secretary of State also mentioned that human rights issues «are also being discussed» while US President Barack Obama's administration «does not aim to impose its values to other country, but demonstrates own experience of prospering democracy». Mr. Kroll also noted that development of mass-media in Uzbekistan (the comeback of such western mass media as Associated Press, RFE/RL) is the part of continuous dialogue and, hopefully, it will be successfully resolved. Speaking of hydrocarbon reserves of Uzbekistan, George Kroll highlighted that his mission is «to learn more about investment opportunities in oil and gas sectors. We also study the possibility for application of modern technologies in hydrocarbon production in the region», he underlined. In conclusion he mentioned that US, EU and other states are ready to provide assistance in water and energy issues in Central Asia.

### **Economic /Energy Front**

- Russian Carmakers Move To Restrict Uzbek Car Imports

TASHKENT -- An Uzbek car industry official says car exports to Russia are continuing normally despite Russian carmakers' attempts to restrict them, RFE/RL's Uzbek Service reports. Interfax reported on November 18 that the three largest Russian carmakers -- AvtoVAZ, GAZ, and Sollers -- wrote a letter calling on Russian Prime Minister Vladimir Putin to put restrictions on the sale of GM cars from Uzbekistan. But Ilmira Shihvatulina, a spokeswoman for the state Uzavtosanoat joint stock company, told RFE/RL that there has been no reduction in the country's exports. She said that on the contrary, GM Uzbekistan has increased its car production this year by 4 percent and, as a result, exports have also increased. The letter reportedly states that the Russian government should retaliate against the Uzbek government's protective measures for GM Uzbekistan cars, two of which -- the Daewoo Matiz and Nexia -- are among the best-selling models in Russia. The letter claims that Russian car dealers in Uzbekistan are intentionally prevented from converting the Uzbek som into rubles or other currencies needed to pay Russian carmakers; loan programs for owners of foreign-made cars are prohibited; and imported cars are subject to an additional highway-user tax. The Russian carmakers proposed linking the ability to exchange currencies for cars imported from Uzbekistan to

currency conversion availability for Russian-made vehicles exported to Uzbekistan. It also suggested placing additional taxes on Uzbek cars imported to Russia. A Sollers official told RFE/RL that the company director, Vadim Shvetsov, was asked to sign the letter in the presence of the directors of other carmakers. She said the letter was initiated and written by AvtoVAZ officials. AvtoVAZ and GAZ refused to comment on the issue when contacted by RFE/RL.

- Uzbek power grid withdrawal set to cause

The authoritarian nation says it will withdraw Tuesday from the Soviet-era power grid that unites four Central Asian countries, prompting fears of electricity shortages that could make for a winter of hardship in impoverished Tajikistan and Kyrgyzstan. Each country in the region contributes to the area's power supply and draws electricity from the same system. Their contributions shift as seasons change, because some are hydropower producers that have excess capacity after the spring snowmelt, while others use coal and gas. Uzbekistan's plan to stop all power flowing in and out of neighboring countries along its transmission lines is expected to deplete overall supplies in the other nations and in some cases cut off entire areas fed by lines leading from Uzbekistan. Snaking Soviet-era borders left Central Asian nations deeply intertwined and interdependent after Moscow's empire fell apart in 1991. Wealthier Uzbekistan accuses Tajikistan of stealing electricity and says continued participation in the unreliable Central Asian power grid imperils electricity supplies to its factories and households. It has spent more than \$1 billion (euro0.67 billion) building a new transmission route designed to enable it to transport electricity to its southern provinces without relying on neighbors' lines."The way the Central Asia unified energy system currently works contains a real threat to the stability and safety of Uzbekistan's own power system," the chief of Uzbek state utility company Uzbekenergo's dispatch center, Esso Sadullayev, said in a government-run newspaper. The company claimed Tajikistan had illegally appropriated some 100 million kilowatt hours from the system since late last year."Uzbekenergo sees no possibility of continuing to operate" in the grid, he said.

In Tajikistan and Kyrgyzstan, the planned pullout has prompted fears of crippling power shortages and a repeat of the trials many faced two winters ago, when blistering cold disrupted electricity production and claimed hundreds of lives. Many in the region live in Soviet-era apartments that are poorly equipped to protect dwellers from harsh winter weather. Because of the geography of the grid and the twisting national borders, Uzbekistan's withdrawal threatens to cut off some southern districts in Kyrgyzstan supplied with electricity from a hydropower plant through lines traversing Uzbek territory. Tajikistan, meanwhile, says the move will cut it off from gas-rich Turkmenistan, which has committed to deliver 1.2 billion kilowatt hours annually via Uzbekistan over the winter period. Turkmenistan lies west of Uzbekistan and does not border Tajikistan or Kyrgyzstan. More tension looms in the future. Mountainous Kyrgyzstan and Tajikistan have vast hydropower potential and are both working on ambitious projects that could serve much of their electricity needs, while creating enough surplus for export in the months of peak production. But Uzbekistan, which lies downstream from those proposed dam projects, strenuously objects amid fears that its crucial agricultural heartland could be cut off from precious irrigation water. Tajik economist Khodzhimuhamad Umarov said Uzbekistan's plans amounted to an energy blockade. Observers say Uzbekistan's decision to quit the grid could, however, prompt



neighboring government to take energy security in into their own hands. On Monday, Tajikistan unveiled a Chinese-built 500-kilowatt transmission line that will link the northern and central parts of the country, adding to the poor nation's debt to China but reducing reliance on Uzbekistan.

**Social Front**

- Uzbekistan Says Closed Kazakh Border Due To Flu

ALMATY (Reuters) -- Uzbekistan said today it had closed the border with Central Asian neighbor Kazakhstan as part of a seasonal antifu quarantine. On November 23, Kazakhstan said Uzbekistan shut the border without any explanations and Kazakh media, as well as residents of the Uzbek capital Tashkent, linked the move to fears about an outbreak of the H1N1 flu virus. Today, the Uzbek government said in a statement carried by official media that it had enacted quarantine restrictions on the border "due to the spread of seasonal flu." The World Health Organization (WHO) reported on November 20 that Kazakhstan, Uzbekistan, and parts of Afghanistan were reporting higher numbers of flu cases. However, Uzbekistan says it has not registered any cases of H1N1 flu. Kazakhstan has reported 17 cases of the disease.

**Report # 96**

**Business and Politics in Muslim World**

**South East Asia  
Tatheer Zahra Sherazi**

**28 November to 4 December**

**(Outline)**

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## **Summary**

### **At Political Front**

- Indonesia

Despite previous protests and controversy, the Indonesian government has recently renewed plans to build Indonesia's first nuclear power plant in Muria Peninsula, Central Java

- Philippine

Maguindanao, and any other province for that matter, should not be allowed to delay the elections just because people are shooting each other to death in their areas. This shooting business is an election racket of warlords in the predominantly Muslim fiefdoms. Since these tin pot dictators are so unruly, the Comelec obliges them by postponing elections in their areas. Postponement of the political exercise makes them very happy. Since they hold their voting after the rest of the nation has cast its vote, they, therefore, are in a position to leverage the delay in their election.

The government has accepted an invitation to participate in a body trying to break the impasse in talks between the Philippine government and Muslim secessionist rebels and resolve a decades-old conflict. Japan's acceptance completes the contact group's membership and paves the way for the formal resumption of talks between the Philippine government and the MILF in Kuala Lumpur next month

- Thailand

Prime Minister Abhisit Vejjajiva has rejected calls for a cabinet reshuffle, saying now was not the time. Abhisit: Won't change ministerial line-up, says the time is not right  
Mr Abhisit yesterday denied reports several senior figures in his Democrat Party, including chief adviser Chuan Leekpai and former party leader Banyat Bantadtan, who

sits on the party's advisory panel, had called for a change in the line-up of Democrat ministers.

- Cambodia

Cambodian Prime Minister Hun Sen on Monday described Thai PM Abhisit Vejjajiva as the most difficult Thai premier he has worked with. The mutual ties which has been sour for months would be normalised only if Thailand has a new government, Hun Sen told reporters in Phnom Penh.

#### **At Economic Front**

- Indonesia

An eight-member Indonesian cultural troupe 'Geronimo' - a blend of dancers and singers, will be visiting Pakistan this month for performances in Islamabad and Lahore. The visit will be in commemoration of the 62nd anniversary of Pakistan-Indonesia diplomatic relations. The troupe last visited Pakistan in 2006 and staged performances in Karachi, says a message received here from Pakistan embassy in Jakarta.

Indonesia can't replicate the "high single digit" economic growth of China and India because of impediments to investment and high credit costs, according to Credit Suisse Group AG.

Who in the government can we trust if then Bank Indonesia governor Boediono and Finance Minister Sri Mulyani Indrawati turn out to have compromised their policy decisions in bailing out Bank Century in late November 2008?

That was one of the great concerns expressed by most businessmen I talked to during an Indonesian-Australian business conference in Yogyakarta last week. Indonesia's financial sector was rather fragile between September and December last year due to the fallout from the global financial crisis, which was triggered by the bankruptcy of Lehman Brothers investment bank in the US.

- Thailand

Airports Authority Airports of Thailand (AoT) has registered a 90% fall in net profit after income tax and loss on minority interests to Bt717.26m (\$21.58m) in the year ending September 30 2009. Non aeronautical revenues were down 20% to Bt9.3bn (\$280m) as a result of measures taken to promote tourism in the country and assist airlines and business operators at all airports under its supervision (Bangkok Suvarnabhumi and Don Muang International airports and Phuket, Chiang Mai, Hat Yai and Chiang Rai airports).

- Singapore

Finance Minister Tharman Shanmugaratnam has said Singapore's ability to integrate people from diverse cultures has been a key driving force behind the country's growth over the past four decades. And this will continue to be an asset, as the economy moves into new growth strategies. Mr Tharman was speaking at the World Design Congress earlier this week.

- Vietnam

Revised statistics released Monday by Vietnam's General Statistics Office showed industrial production rising, but foreign investment falling and exports slowing. Industrial production rose 3.6 per cent in November over October, the fourth consecutive month of increase. Production was up 13 per cent from November 2008.

- Brunei

ASIAN FINANCE BANK (AFB) is looking into the possibility of establishing a representative office in Brunei Darussalam by 2010, its chief executive based in Malaysia told The Brunei Times by phone yesterday.

AFB hopes to work with Islamic banks in the Sultanate to develop and specialise in fundraising facilities for the shipping of oil and gas, aviation and environment projects, as well as in establishing sovereign funds, said Datuk Mohamed Azahari Kamil, the Islamic bank's CEO.

BRUNEI has been ranked 30th out of 182 countries evaluated under the United Nations Development Programme (UNDP) Human Development Index.

- Cambodia

Ten companies from eight countries have sought permission to invest in solar energy projects in Cambodia after the August removal of a 15 percent duty on imports of the materials needed to build solar plants, local media reported Thursday, citing an official from Ministry of Industry, Mines and Energy

#### **At Foreign Relations Front**

- Vietnam

Vietnamese Deputy Prime Minister and Minister of Foreign Affairs Pham Gia Khiem said here on Wednesday that Vietnam expected to further deepen the bilateral relation with the United States, especially in trade, investment and education. Khiem made the remarks while receiving former U.S. trade representative Susan Schwab who is on a working visit to Vietnam from Dec. 1 to 3. Khiem said that the bilateral trade between the two countries will witness a rapid growth once the two sides reach the investment protection agreement in the coming time.

#### **At Social Front**

- Indonesia

Politicians and human rights groups have slammed Indonesia after claims that several high speed navy ships surrounded a boat carrying 250 Tamils docked at the Indonesian port of Merak and tried to storm the boat in an attempt to end a tense standoff that has lasted almost 8 weeks.

Several hundred hardline Muslim protestors staged rallies in Indonesia Sunday to urge the government to prevent the spread of HIV by implementing Islamic law. Ahead of World AIDS Day on December 1, members of the Hizbut Tahrir group took to the streets in several cities including Jakarta, Solo, Yogyakarta and Makassar. "We urge everybody to support the application of sharia in an Islamic caliphate so that, God willing, all of us will be free from the HIV/AIDS threat," Hizbut spokeswoman Febrianti Abassuni said in a statement.

- Malaysia

Muslim social activities showcasing true values of Islam are popular among non-Muslims Malaysians, a Malaysian-Chinese academic said Friday. Malaysian-Chinese "estimated at 30,000" converted to Islam after mingling with the Malay race - through Islamic-oriented activities or inter-marriage, professor at the National University of Malaysia Dr. Othman Schwan told KUNA

The Malaysian health authorities have been on high alert for a possible second wave of A/H1N1 influenza due to the increase of new cases in the northern hemisphere, a local newspaper said on Friday.

- **Philippine**

UNESCO Director-General Irina Bokova urged the Government of the Philippines to carry out a full and swift investigation into a murderous attack on a convoy in the Minguindanao Province on 23 November, in which more than 55 people, including at least 27 journalists, were killed.

"This monstrous crime must not go unpunished," Ms Bokova said. "I condemn this outrage and urge the Government of the Philippines to act swiftly, using all the resources at its disposal to bring the perpetrators to justice.

The Philippine army on Thursday sent hundreds of extra troops to contain a powerful Muslim clan whose members have been indicted for the political massacre of 57 people last week.

The brutal killing of 57 people in Maguindanao, including some 30 journalists, should be seen as a watershed moment for the Philippines, according to two United Nations human rights experts.

- **Vietnam**

Vietnam confirmed two more deaths of A/H1N1 influenza, bringing the country's total number of flu deaths to 44, said a report on the website of the Ministry of Health on Monday.

## **Detailed News Monitoring Report**

### **Indonesia**

- **Political front:**
- **Nuclear program on horizon: Government**

Despite previous protests and controversy, the Indonesian government has recently renewed plans to build Indonesia's first nuclear power plant in Muria Peninsula, Central Java.

State Research and Technology Minister Suharna Surapranata, who has been serving in the new Cabinet for less than two months, said here Thursday that blueprints for the plant were in progress.

"The plan to build the nuclear power plant must go on," Suharna said as quoted by Antara, on the sidelines of a meeting with the Nuclear Energy Regulatory Agency (Bapeten). Among aspects still under consideration, Suharna said, included who would operate the plant once established - whether it would be the government or a private firm. As for the location, the government seems to have stuck to the previous plan of building the plant in the Muria Peninsula in Jepara, Central Java. As part of the process, the government is currently training and educating staff at Bapeten and the National Atomic Energy Agency (Batan), who are expected to run the power plant once it opens in 2016, Suharna said.

The construction of the plant is scheduled to begin next year. Suharna, who is a former Batan researcher, said he regretted the continuous delays to the project, considering electricity shortages and demand increases of at least 7 percent per year.

Electricity shortages have recently led to rolling blackouts in a number of cities across Indonesia. Among them, Greater Jakarta has been worst hit, following a fire at a substation in Cawang in September. State electricity firm PT PLN, has been the sole provider of electricity in Indonesia, and has faced public criticism for the shortages. In a bid to address the problem, the government has launched the first 10,000 MW program, with all the proposed power plants to be coal-fired. The plan to build the nuclear plant, however, remains controversial. Rejections have come not only from people living around Muria Peninsula, but also from others.

Concerns have been raised over Indonesia's ability to operate a nuclear power station; the site's vulnerability to earthquakes; and possible leakage. Russia's Chernobyl disaster in particular has been a continuous reminder in opposition to the plan. The reactor has also passed International Atomic Energy Agency (IAEA)'s safety inspections, he said. On fears of a repeat of the Chernobyl disaster, Natio said nuclear technology had advanced and guaranteed better safety and security.

- **Foreign Relations:**
- **Geo strategic Front**
- **Economic Front**
- **Indonesian cultural troupe to visit Pakistan**

An eight-member Indonesian cultural troupe 'Geronimo' - a blend of dancers and singers, will be visiting Pakistan this month for performances in Islamabad and Lahore. The visit will be in commemoration of the 62nd anniversary of Pakistan-Indonesia diplomatic relations. The troupe last visited Pakistan in 2006 and staged performances in Karachi, says a message received here from Pakistan embassy in Jakarta.

Pakistan's ambassador to Indonesia Sanaullah hosted a luncheon for the troupe at the embassy before its departure to Pakistan. The Ambassador also held discussions with Dr. Wagiono Sunarto, President of Jakarta Institute of Arts on the possibilities of institutional collaboration in art creation, art management, fashion, fine art and ethno-musicology between the two countries.

Dr. Wagiono expressed his desire to initiate collaboration with the institutions of performing arts and academies in Pakistan to share experience.

Ambassador Sanaullah welcomed the offer and underscored the need for early signing of a framework agreement between the cultural ministries of two countries for promotion of cultural affinities.



- **Indonesian Growth Can't Match China, India, Credit Suisse Says Share Business Exchange**

Indonesia can't replicate the "high single digit" economic growth of China and India because of impediments to investment and high credit costs, according to Credit Suisse Group AG.

"We don't expect investment to take off," Cem Karacadag, an economist at Credit Suisse in Singapore, said in a report received yesterday. "It will take the government many years to fix the structural obstacles to investment, including corruption, regulatory risks, and a weak legal framework."

President Susilo Bambang Yudhoyono's re-elected government has "neither the mandate nor the capacity" to implement quickly the reforms needed to overcome these obstacles to investment, according to Credit Suisse. Borrowing costs are also too high as the central bank isn't committed to keeping monetary policy "stable and tight," Karacadag said in the report.

Indonesia wants to be included among the so-called BRIC nations of Brazil, Russia, India and China, according to Emil Salim, an adviser to President Yudhoyono and a former Cabinet member. The nation's accelerating growth provides a case for its inclusion among BRIC economies, Morgan Stanley said in June.

Credit Suisse said it was likely that gross domestic product growth in Southeast Asia's largest economy would remain below that of China and India.

"The key question for Indonesia is will investment accelerate quickly and be efficient enough to lift GDP growth to high single digits?" Karacadag said. "Our answer is no." 'Bright' Outlook

Still, Indonesia's long-term economic outlook is "bright" and annual GDP growth may average 5.6 percent from 2010 to 2014 and 6.5 percent from 2015 to 2019, according to Credit Suisse. That will see per capita income almost triple to \$6,800 by 2019 from \$2,300 in 2009, it said.

Indonesia's economic growth accelerated in the three months to Sept. 30 for the first time in five quarters, with GDP expanding 4.2 percent from a year earlier. The \$514 billion economy may expand 4.3 percent this year and between 5 percent and 5.5 percent in 2010, the central bank said yesterday.

"The country has a sound fiscal policy, good balance of payments, declining government and external debt ratios, and an improving political situation," Karacadag said.

"However, we don't expect investment and real GDP growth in Indonesia to take off in a hurry."

China and India will continue to achieve faster rates of GDP growth until Indonesia fixes structural impediments to investment and shows a "credible commitment to low inflation," according to Credit Suisse.

#### Inflation Target

Bank Indonesia kept its benchmark interest rate unchanged at 6.5 percent for a fourth straight month yesterday, after nine consecutive cuts that ended in August.

The central bank said monetary policy would be directed toward "keeping inflation low while taking into account the recovery of the economy." Inflation this year may be "lower than" the target of 3.5 percent to 5.5 percent, the bank said.

"Unfortunately, we don't perceive the government and Bank Indonesia to be committed to keep monetary policy stable and tight enough to rein in inflation and persistently high

inflation expectations,” Karacadag said. “Even if the central bank was committed to bringing inflation under control once and for all, it first would probably have to keep real interest rates high for many years.”

Indonesia’s inflation rate has hovered around 4 percent to 17 percent over the past decade, according to Credit Suisse.

#### Weak Credibility

“Being able to deliver on their inflation targets in the coming two years would be a significant breakthrough for Indonesia,” said Enoch Fung, an economist at Goldman Sachs Group Inc. in Hong Kong. “Weak inflation credibility is the biggest issue overhanging the Indonesian risk premium.”

Indonesia’s inflation unexpectedly slowed in November, suggesting that the central bank may take more time before it follows other Asia Pacific nations including Australia, India and Vietnam in withdrawing monetary stimulus.

Consumer prices rose 2.41 percent last month from a year earlier after gaining 2.57 percent in October. “There is less pressure for Bank Indonesia to increase rates earlier in 2010 following Vietnam and Australia,” said Destry Damayanti, chief economist at PT Mandiri Sekuritas in Jakarta. “The central bank may maintain the benchmark rate at the current rate of 6.5 percent at least until the second quarter of 2010 before gradually increasing it to 7.25 percent.”

Bank Indonesia needs to show a stronger commitment in its fight against inflation in order to bring down borrowing costs to companies and consumers, according to Credit Suisse.

“The higher the rate of inflation, the higher are real lending rates because of the inflation risk premium that is built into nominal interest rates,” Karacadag said. “It would only be much later, once tight and consistent policy has raised the credibility of the central bank, that the payoff would come in the form of lower real interest rates.”

- **SBY economic team may lose trust and market confidence**

Who in the government can we trust if then Bank Indonesia governor Boediono and Finance Minister Sri Mulyani Indrawati turn out to have compromised their policy decisions in bailing out Bank Century in late November 2008?

That was one of the great concerns expressed by most businessmen I talked to during an Indonesian-Australian business conference in Yogyakarta last week.

They were worried about all the possible findings or conclusions of the investigation into the medium-size bank’s rescue to be made by the House of Representatives and the Corruption Eradication Commission (KPK), not to mention the political and financial market turbulence arising during the process. The Supreme Audit Agency (BPK) already issued early last week a very damaging report after an investigative audit that lasted more than three months, blaming the central bank and the now-defunct Financial System Stability Committee, chaired by Mulyani, for negligence and incompetence in deciding on the bailout.

The more devastating impact would be if the upcoming investigation by the House concluded that Boediono (now the Vice President) or Mulyani, or both — though quite a remote possibility — had deliberately compromised their policy decisions for political gain.

Another possible compromise solution would see Boediono and Mulyani made the scapegoats, taking the fall for the sake of political stability but at the risk of causing

suspicions about the implication of Yudhoyono and/or members of his family in the bank debacle. Whatever the final outcome, it will adversely affect the public's trust and market confidence in the government, especially its economic team.

Many, if not most, remain in great doubt that either technocrat, with such impeccable integrity and high financial competence, would have risked their reputations for financial or political gain by deciding on a bank bailout that was not necessary.

Boediono, in his capacity as chief economics minister and later the BI governor, and Mulyani as the minister of finance, made up the bedrock of President Yudhoyono's economic management during his first term in office.

They had been perceived nationally and internationally as personalities who had the courage to stand up to even the President when it came to maintaining policy-making credibility.

If the verdict of the House inquiry is policy incompetence, both Boediono and Mulyani — the leaders of the economic reform — must resign for moral and ethical reasons, even though their “honest mistake” was caused by wrong or incomplete input from their subordinates.

There is an inherent risk of an honest mistake being made in a bank bailout, given the time pressures and rapidly worsening problem, even after all the standard procedures for decision making have been fulfilled, as Boediono and Mulyani claim to have done for Bank Century.

That is because different from other businesses, banks may sometimes — often based on nothing more than rumor — face a run. And a bank that faces a run by depositors, lacking the cash to meet their demands, may go bust even if the rumor is false. Bank runs can also be contagious as depositors at other banks are likely to get nervous too, setting off a chain reaction like that in 1997-1998.

But the caveat of debating now whether Bank Century then (November 2008) posed a systemic risk to the whole banking industry or not is the big difficulty in reconstructing the precise national and international economic and financial condition prevailing when the bailout was decided.

True, Indonesia's financial sector was rather fragile between September and December last year due to the fallout from the global financial crisis, which was triggered by the bankruptcy of Lehman Brothers investment bank in the US.

Some of the indicators:

- In early October 2008, the capital market management and regulator stopped trading at the Jakarta stock exchange for a few days after the benchmark index, which had fallen steeply since September, crashed to 1,451, losing almost 50 percent of its capitalization from early that year.
- Even when the central bank kept reassuring the people that our banking system was sound and its fundamentals were much stronger than back in 1997, the government decided on Oct. 12 to increase the ceiling amount of bank deposits covered by the Deposit Insurance Agency 20 times, from Rp 100 million (US\$10,000) to Rp 2 billion.
- Three days later, the government proposed to the House a regulation-in-lieu-of-law on the establishment of the framework of a financial safety net that would authorize the finance minister to lead the management of a financial crisis, indicating an emergency condition.

- The problem was then made more difficult by the virtual stoppage of inter-bank lending as big banks, awash with liquidity, were reluctant to lend to others on fear that their money would not be repaid.

However Boediono's and Mulyani's points of argument for defending the Bank Century rescue were made very weak after the discovery of the massive cost overruns, the questionable massive withdrawal of deposits a few days before and after the bailout, and the discovery of banking crimes by the bank's owners and management.

All this led critics to suspect that both Boediono and Mulyani had put aside their professional judgment in assessing the systemic risks posed by Bank Century.

- **Social front**

- **Indonesian commandos attempt raid on refugee boat**

Politicians and human rights groups have slammed Indonesia after claims that several high speed navy ships surrounded a boat carrying 250 Tamils docked at the Indonesian port of Merak and tried to storm the boat in an attempt to end a tense standoff that has lasted almost 8 weeks.

The refugees, including several women and children, were intercepted by the Indonesian Navy at the request of the Australian Government en route to Christmas Island and have refused to leave the boat since October 11th until Australia grants them asylum. Reports claim that 20-25 Navy flotilla surrounded the boat in the early hours of Thursday morning before several heavily armed commandos made a failed attempt to board the vessel amid fear and chaos.

Sanjeev "Alex" Kuhendrarajah, a refugee on board who has become the unofficial spokesperson for those on board rejected claims by the Indonesian authorities that the incident was a training exercise with no intention of harm. "We believe they're making false claims and they were trying to do something" he told Australian media, calling it an act of an intimidation designed to force retaliation.

Refugee advocates in Australia have cited the incident as evidence that the long held fears that Indonesia would use violence to force the refugees off the boat is manifesting, and are urging Prime Minister Rudd and global bodies to intervene and provide safety to the refugees.

"The Indonesian navy is either preparing to remove people from the boat or is intimidating very vulnerable people," said Ian Rintoul of the Refugee Action Coalition (RAC), who has been in contact with those on boat from the early stages of the standoff. Condemnation has been widespread, with Member of European Parliament Joe Higgins expressing disgust at the incident.

- **Indonesian militants call for sharia law to stop HIV**

Several hundred hardline Muslim protestors staged rallies in Indonesia Sunday to urge the government to prevent the spread of HIV by implementing Islamic law.

Ahead of World AIDS Day on December 1, members of the Hizbut Tahrir group took to the streets in several cities including Jakarta, Solo, Yogyakarta and Makassar. "We urge everybody to support the application of sharia in an Islamic caliphate so that, God willing, all of us will be free from the HIV/AIDS threat," Hizbut spokeswoman Febrianti Abassuni said in a statement.

In the capital, more than 200 female demonstrators urged the government to close down brothels and ban condoms, which they said encouraged "free sex and unhealthy behaviour".

One banner read: "Prostitutes, drug users and homosexuals are the agents of immorality." Around 270,000 Indonesians are estimated to be infected with HIV, and AIDS has claimed about 8,700 lives in the Muslim-majority nation of 228 million people, according to the UNAIDS agency.

- **Indonesia's richest double wealth in a year: Forbes**

Indonesia's 40 richest people have doubled their wealth in the past year to 42 billion dollars, mainly on the back of commodities like coal and palm oil, Forbes magazine reported on Thursday.

The elite club has surpassed its previous total-wealth record, set in 2007, by two billion dollars, despite the financial crisis which swept the world last year, the magazine said on its website.

Of the 12 main Asia-Pacific economies surveyed, Forbes said only China's wealthiest saw a better improvement, rising to a combined 106 billion dollars from 52 billion dollars.

India's richest were the next, with their total wealth increasing 65 percent. "Global demand for Indonesia's natural resources fuelled the rise of many fortunes on this list," the business magazine said. "More than one-third of the top 40 make the bulk of their money in coal, palm oil or oil and gas, including four of the five newcomers."

Nine Indonesian tycoons at least tripled their wealth since last year, it said, and the Southeast Asian powerhouse now has 12 billionaires with a combined wealth of 28 billion dollars, from seven last year. The brothers R. Budi and Michael Hartono, whose interests include clove cigarettes, banking and the upmarket Grand Indonesia shopping mall, claimed the top spot with a pooled wealth of seven billion dollars.

Second was palm oil tycoon Martua Sitorus with three billion dollars, while Susilo Wonowidjojo came third, earning 2.6 billion dollars from tobacco.

One of the new billionaires was coal magnate Low Tuck Kwong, whose Bayan Resources soared 474 percent this year, while the country's main stock index has climbed more than 80 percent. Former welfare minister and new leader of the Golkar party, Aburizal Bakrie, regained his billionaire status thanks to the dramatic rise from share market oblivion earlier this year of his heavyweight coal unit Bumi Resources.

Palm oil firm First Resources chief executive Ciliandra Fangiono, 33, was the richest newcomer to the list with an estimated 710 million dollars in the bank.

- **Environmental Front**

### **Malaysia**

- **Political Front**

- **Economic Front**

- **Malaysia can attract power sector investments from Taiwan**

Though the visiting Taiwanese business delegation, comprising companies engaged in the island's energy sector, has closely monitored developments in Malaysia's power sector they are unaware of the extent of incentives the Malaysian Government will extend to them if they collaborate with Malaysian firms by offering technology or participating with capital.

The delegation, which is led by Taiwan's Deputy Economics Minister Dr Hwang Jung-Chiou, is currently visiting the US to scout for business opportunities and identify corporate partners in the energy sector as many federal states in the US are giving priority to tapping what is euphemised as "green energy."

Malaysia could open itself too, given its existing infrastructure in the energy sector, one Taiwanese businessman, who recently toured Sarawak and Penang in a “private capacity”, told Bernama on the condition of anonymity.

“Green energy has become a sort of battle cry in many countries of the world. It is obvious that the industry will need new and cleaner forms of technology to combat pollution if we are to achieve the climate change goals,” he said. Malaysian Industrial Development Authority, which promotes investments to and from Malaysia, can look at ways and means of fostering closer cooperation with Taiwan whose energy-specialised companies are earmarking large sums for research and development (R&D) to produce innovative technology for this sector.

Though the focus of his current visit is on fostering closer business ties with US corporations, Hwang is also not oblivious to opportunities available in Asia itself, including Malaysia. Hwang said the Asean region was replete with energy resources. He said the Thai government, for example, gave some incentives to foreign companies interested in the energy sector but he was not sure if Malaysia also did the same. The remarks imply that Taiwan’s industry may also take a closer look at Malaysia’s energy sector if the Malaysian Government can provide the right form of incentives and other facilities

- **Social Front**

- **Diabetes more fatal than AIDS, says UN official**

Heart diseases, chronic respiratory conditions, cancer and diabetes have been named the world’s top four killer diseases – more fatal than infectious illnesses like AIDS and influenza A (H1N1).

United Nations University-International Institute for Global Health director Tan Sri Dr Mohamed Salleh Mohamed Yasin said such a revelation was frightening because these diseases were “highly preventable” and were due to lifestyle choices.

“Such non-infectious diseases or chronic non-communicable diseases (CNCDs), also contribute to 60% of all deaths worldwide.

“It is twice the number of the combined deaths caused by HIV/AIDS, tuberculosis, malaria, maternal and perinatal conditions and nutritional deficiencies,” he told reporters at Hospital Universiti Keb-angsaan Malaysia. Dr Mohamed Salleh added that such illnesses were silent killers and would affect those who do not control their diet and exercise.

“The rise in these CNCDs may be caused by the improved standard of living in countries like India and China where people become more affluent and eat richer foods,” he said. He added that the four top diseases were pointed out by the recently formed Global Alliances for Chronic Diseases in its inaugural summit in New Delhi and that it was now working towards coordinating research to combat the diseases.

The institute’s senior research fellow Prof Datuk Dr Syed Mohamed Aljunid said 85% of breathing problems or chronic obstructive pulmonary disease in Malaysia were caused by smoking.

“But if people stopped smoking, 90% of lung cancer cases can be avoided,” he said, adding that a relatively small amount of RM116mil was spent every year to treat lung cancer patients because most die during the first year of their condition. “This is due to the fact that most lung cancer patients detect the disease during the final stages and most of them are men,” Dr Syed said, adding that breast and cervical cancers were most common

among women. The institute's professor of environmental health Prof Dr Jamal Hisham Hashim pointed out that indoor pollution from cooking stoves have also contributed to about 1.5 million premature deaths every year.

- **Diversity a source of unity, says Musa**

The people must accept diversity in society as a source of unity while striving to harness similarities, said Sabah Chief Minister Datuk Seri Musa Aman.

He said the unity-in-diversity feature of the country must be protected in the march towards prosperity. "This is something that we must admit. Although we are diverse, we have similarities in certain values," he said at the launch of a 1Malaysia workshop here. His speech was read out by State Tourism, Culture and Environment Minister Datuk Masidi Manjun. Musa likened diversity in society to "embers in padi husks" as the country faced challenges that could threaten unity.

"We have to learn from history. If we neglect it, we are bound to repeat our mistakes. This is what happened to countries ravaged by internal strife," he said. He said the Malaysian model of a united country must be protected in the face of differences in political ideologies among various parties.

Deputy Minister in the Prime Minister's Department Datuk Ahmad Maslan said the workshop organised by Biro Tatanegara (National Civics Bureau) was aimed at nurturing love for the country. He said the workshop was launched in Sabah as the state, which boasted 35 ethnic groups, was the best example of the unity in diversity at work.

- **Muslim social activities popular in Malaysia**

Muslim social activities showcasing true values of Islam are popular among non-Muslims Malaysians, a Malaysian-Chinese academic said Friday.

Malaysian-Chinese "estimated at 30,000" converted to Islam after mingling with the Malay race - through Islamic-oriented activities or inter-marriage, professor at the National University of Malaysia Dr. Othman Schwan told KUNA.

Malaysian Chinese Muslim Association (MACMA) organized a number of Islamic activities along building mosques, translating religious books into Chinese, and so on, he said.

Around 4,000 Malaysian-Chinese converted to Islam every year whereas most of them aged 19-25, he said, and noted that there were only four Chinese Muslims before the country gained independence back in 1957.

Islamic teachings that banned drinking because of the health complications, and gambling for its destructive social effects draws in curious Malaysian-Chinese into learning more about Islam, he said.

He hailed the Malaysian authorities that sought to achieve solidarity among all races and banned the execution of a mosque that simulates Chinese buildings as that would have been interpreted as a racial gesture and would violate Islamic values.

Malay, Chinese, and Indians are the races that make up the Malaysian society. The Malay race accounted for 65 percent of nationals, Chinese 25 percent while Indians were estimated at 10 percent.

The Chinese migrated into Malaysia in the fourth century after a Chinese princess married a Malayan duke, a marriage that paved the way for commercial exchange between the two sides.

Back when the country was colonized by Britain, the Chinese were hired to work in construction, transportation, and industry.

The Chinese then learned how to mingle with their fellow Malaysians and some worked their way into fortune and business while maintaining their Chinese ties, traditions and cultural roots.

- **Malaysia on alert for new A/H1N1 wave**

The Malaysian health authorities have been on high alert for a possible second wave of A/H1N1 influenza due to the increase of new cases in the northern hemisphere, a local newspaper said on Friday.

Malaysia must remain vigilant as the outbreak was still at Level Six, the highest of the World Health Organization's pandemic alert scale, The Star quoted Malaysian Health Minister Liow Tiong Lai as saying. He said that 95 percent of countries in the northern hemisphere had recorded a rise in new cases. The authorities had stepped up efforts to ensure the second wave was kept at bay, said Liow, adding that Malaysia could not take this lightly although the flu A/H1N1 outbreak has been stabilized in the country. Liow also said that his ministry has vaccinated 6,617 front liners and upgraded its surveillance system by improving early detection in all states. Liow said that the death toll in Malaysia stayed unchanged at 77 out of 12,210 confirmed cases as of Thursday. For the week ended on Nov. 28, a total of 589 suspected cases were reported, of which 573 had been discharged, he added.

### **Philippine**

- **Political Front**

- **Arroyo decides to run for Congress**

After months of speculation, Philippine's President Gloria Macapagal-Arroyo announced yesterday that she would run for congresswoman of the 2nd District of Pampanga in next year's national elections. In a media briefing, lawyer Romulo Makalintal, the president's newly designated political spokesperson, confirmed what she earlier said in a press statement read on government radio dzRB. .

"This is a judgment call on the part of the President. She has done so only after careful contemplation and soul searching. History will judge her whether she has made the right decision or not," he was quoted by the Philippines official news agency (PNA) as saying. In the press statement, Arroyo clarified she would still be the country's president and would only allot a short period of time for her campaign.

"I will be firmly in control of our national government until the last day I am in office," the president said. "As president, my first commitment is to the nation we all love. My bid for Congress will be spirited but secondary to my duties as president," she added.

"After much contemplation, I realize that I am not ready to step down completely from public service," she said. QNA

- **Do not postpone Mindanao elections, please**

Maguindanao, and any other province for that matter, should not be allowed to delay the elections just because people are shooting each other to death in their areas.

This shooting business is an election racket of warlords in the predominantly Muslim fiefdoms. Since these tin pot dictators are so unruly, the Comelec obliges them by postponing elections in their areas. Postponement of the political exercise makes them very happy. Since they hold their voting after the rest of the nation has cast its vote, they, therefore, are in a position to leverage the delay in their election.

They are able to determine the winning senators, from No. 8 to No. 12, depending on which candidate comes up with the "best offer."



Please note that in a tight race, the vote difference between senatorial slots No. 8 to No. 14 is may be between 20,000 and 50,000 votes—precisely the number of command votes in the hands of the warlords, especially of the Ampatuan variety. So oftentimes, the No. 1 senator in these places is not the No. 1 senator even in his own home province in Luzon or the Visayas. Someone from Christian Luzon becomes No. 1 in a predominantly Muslim province at the expense of the senatorial candidate from Mindanao himself. These warlords can also provide the winning margin for president and vice president in a tight race as what happened in the 2004 presidential elections.

As a result, the winning president thinks he or she won because of the warlord. The warlord, in turn, uses that debt of gratitude to entrench himself in power, procure more firearms, corrupt the police and the military, engage in all kinds of rackets from protection money to illegal firearms, smuggling to illegal drugs, and impose a reign of terror.

- **Foreign Relations**
- **Japan joins Philippine peace body**

The government has accepted an invitation to participate in a body trying to break the impasse in talks between the Philippine government and Muslim secessionist rebels and resolve a decades-old conflict.

"Japan accepts your invitation to become a member of the International Contact Group," Japan Ambassador to the Philippines Makoto Katsura said in a letter to Rafael Seguis, the Philippine government's peace panel chair, and to Mohagher Iqbal, chair of the Moro Islamic Liberation Front peace panel.

Japan's acceptance completes the contact group's membership and paves the way for the formal resumption of talks between the Philippine government and the MILF in Kuala Lumpur next month

- **GRP MILF to resume peace talks in Kuala Lumpur Dec 8-9**

The Government of the Republic of the Philippines (GRP) and the Moro Islamic Liberation Front (MILF) peace panels tonight announced the resumption of formal peace talks in Kuala Lumpur on Dec. 8-9.

The resumption of formal negotiations was announced in a joint statement signed by Undersecretary of Foreign Affairs Rafael E. Seguis and Mohagher Iqbal, peace panel chairmen of the GRP and MILF, respectively.

Both Seguis and Iqbal also announced the formal establishment of the International Contact Group (ICG) for the GRP-MILF peace process. The ICG is initially composed of the United Kingdom, Japan, and Turkey as member countries, The Asia Foundation, the Centre for Humanitarian Dialogue, the Conciliation Resources and the Muhammadiyah as international non-governmental organization (INGO) members.

"The formation of the ICG finally clears the way for the formal resumption of the peace talks," the joint statement said. The first organizational meeting of the ICG will be held in Manila on Dec. 4.

Talks between the government and MILF bogged down in August last year following the aborted signing of the controversial Memorandum of Agreement on Ancestral Domain (MOA-AD) which was ruled by the Supreme Court as unconstitutional. Despite the fighting that flared up between government troops and wayward elements of the MILF in some parts of Central Mindanao after the MOA-AD was not signed, the GRP and MILF continued their back-channeling efforts to resume the stalled peace talks.

Since being named as Presidential Adviser on the Peace Process, Secretary Annabelle T. Abaya has been working hard for the resumption of formal negotiations with the country's two main rebel groups – the MILF and the Communist Party of the Philippines/New People's Army/National Democratic Front (CPP/NPA/NDF).

- **Economic Front**

- **Philippine Inflation At 6-month High In November**

Inflation in the Philippines rose to a six-month high of 2.8 percent in November as typhoon damage caused shortages of vegetables and meat while prices for beverages, tobacco and clothing also rose, the government said Friday. .

The National Statistics Office said production and transportation of vegetables remain disrupted due to damage from back-to-back typhoons that caused massive flooding and landslides in September, while tight supply of pork and chicken also pushed up prices. Central bank Governor Amando Tetangco said the still rate falls comfortably within the bank's 2009 inflation target of 2.5 percent to 4.5 percent. For 2010, the target range is 3.5 percent to 5.5 percent. "We will be reviewing policy settings in about two weeks," Tetangco said in a text message to reporters, referring to the central bank's key interest rates. "In the meantime, we will be watchful of developments in the policy stances of the major central banks and any resulting shifts in investor sentiment." He said they also will consider trends in commodity prices and global and domestic demand to see if there's a need to change interest rates.

In July, the central bank's Monetary Board cut the overnight borrowing rate  $\hat{A}$ — the interest it pays to banks when borrowing from them  $\hat{A}$ — to 4 percent. The overnight lending rate that banks pay when borrowing from the central bank was cut to 6 percent. They've been kept at those rates since then.

- **Geo-strategic Front**

- **Social Front**

- **Ambassador Kenney announces additional \$10 million in food aid for flood relief**

U.S. Ambassador Kristie A. Kenney announced today an additional \$10 million in food aid as part of the U.S. Government's disaster relief and recovery assistance to the Philippines, bringing total U.S. assistance to \$30 million. Speaking at the World Food Program's (WFP) logistics hub in Baguio City, Ambassador Kenney said "the additional assistance will help address the continuing needs of our friends in the Philippines, including the needs of communities not far from where we are standing."

Immediately after Tropical Storm Ondoy, Typhoon Pepeng, and Typhoon Santi ravaged the Philippines, the United States provided more than \$14 million in rescue and relief aid to help over 10 million victims of the storms. Then on November 12, U.S. Secretary of State Hillary Rodman Clinton announced an additional \$5.2 million in disaster relief and recovery assistance during her visit to the Philippines. The additional assistance unveiled by the Secretary will meet vital education, water and sanitation, health, and disaster preparedness needs.

The WFP logistics hub is part of the U.S. Government effort to address accessibility concerns in the northern areas of Luzon. Many barangays are still isolated by damaged bridges and severe landslides. The WFP received \$1 million to provide logistics support in the distribution of relief goods and much needed supplies. Through the assistance, the

Philippine government and humanitarian agencies are now able provide assistance to more than 2 million people.

Ambassador Kenney will visit Barangay Little Kibungan in La Trinidad Municipality of Benguet Province, one of the hardest hit areas in the Cordillera Administrative Region due to a landslide that killed 77 people on October 8. Ambassador Kenney will also participate in the handover of relief items provided with U.S. Government logistical support to 142 Little Kibungan residents still displaced from their homes.

- **UN program targets 60 schools for peace in Mindanao**

Having made a mark in the Philippine education system, the ACT for Peace program hopes to add more "schools for peace" to the existing number of 52, all over Mindanao. As this program ends on May of 2010, implementers are optimistic for an extension and targets to champion peace education.

ACT for Peace programme manager Diosita Andot said the "school for peace" concept introduced by the said programme are already felt in the schools and has influenced national policy.

Success stories of the pioneering schools for peace pushed President Gloria Macapagal-Arroyo to come up with EO 570 or the integration of the peace culture in the school curriculum to be followed by all schools in the country. The school for peace concept allows every school to embrace the responsibility of teaching peace education in every child such that the latter would grow rich with values despite living in conflict-affected area.

The J. Marquez School for Peace is one champion in this league, serving as a model to other schools aiming to mainstream culture and peace into their curriculum. Division Peace Education Coordinator of Cotabato City Agney Taruc shared the school's experience in mastering peace education.

"We first transformed the teachers by making them realize the need to show care and understanding to the students. After doing so, we observed better school attendance as the students started to feel loved and cared by the teachers," he said.

Other significant strategy followed in the school for peace is the appreciation of dialogue. School administrators and teachers urged family members of students in conflict not to meddle in the situation. Rather, the school for peace builds a peace center where all dialogues needed to patch up the conflict will be held.

"We want them to learn the value of talking and the need for a dialogue so as not to worsen any conflict," said Taruc. This way, school kids would grow up thinking that there is no better way to have peace but to dialogue.

Even with the expected exit of the ACT for Peace next year, program implementers are optimistic to sustain what has been started. However, Taruc admitted efficiency and the vast impact felt by many schools in Mindanao by the support extended by the said UN Program.

The ACT for Peace Programme is a successor program to the Government of the Philippines – United Nations Multi-Donor Program Phase 3 which operated from 2001 to 2004. This is the United Nations' and the Philippine Government's commitment to peace and development in Southern Philippines.

- **Call for full investigation into Philippines massacre**

UNESCO Director-General Irina Bokova urged the Government of the Philippines to carry out a full and swift investigation into a murderous attack on a convoy in the

Maguindanao Province on 23 November, in which more than 55 people, including at least 27 journalists, were killed.

"This monstrous crime must not go unpunished," Ms Bokova said. "I condemn this outrage and urge the Government of the Philippines to act swiftly, using all the resources at its disposal to bring the perpetrators to justice.

"The barbaric killings of the people in the convoy – journalists and citizens alike – were clearly an attack against democracy and democratic processes. Furthermore, the killing of journalists violates the rights of the Philippine people to be freely and fairly informed of political developments."

According to news reports, the journalists were travelling with politicians and political supporters to file nomination papers for a gubernatorial candidate in Maguindanao Province in the southern Philippines, when the convoy was ambushed.

Their deaths bring to 34 the number of journalists killed in the Philippines this year. UNESCO is the only United Nations agency with a mandate to defend freedom of expression and press freedom. Article 1 of its Constitution requires the Organization to "further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms which are affirmed for the peoples of the world, without distinction of race, sex, language or religion, by the Charter of the United Nations." To realize this purpose the Organization is required to "collaborate in the work of advancing the mutual knowledge and understanding of peoples, through all means of mass communication and to that end recommend such international agreements as may be necessary to promote the free flow of ideas by word and image..."

- **Philippine troops surround massacre clan**

The Philippine army on Thursday sent hundreds of extra troops to contain a powerful Muslim clan whose members have been indicted for the political massacre of 57 people last week.

The extra battalion of 400 soldiers brings to more than 3,000 the number now guarding the home of the Ampatuan clan and government offices in Maguindanao province, military spokesman Lieutenant Colonel Romeo Brawner said. "Our forces are now stationed in the area. They are restricting their movement within the compound (home)," Brawner told AFP. "We have added one more infantry battalion." Supporters of the clan, which has ruled Maguindanao for a decade and has its own private army, were being barred from entering the home in the provincial capital of Shariff Aguak, Brawner said. The move is also meant to support the national police if and when warrants of arrest are issued for several clan members who could be charged with murder, including the patriarch Andal Ampatuan Snr, he said. "Right now the security is very tight in the area. We are stopping their supporters from entering their home," Brawner said.

The patriarch's son and namesake, Andal Ampatuan Jnr, was arrested three days after the November 23 massacre and has been charged with 25 counts of murder so far.

Authorities said he will likely face more charges. The savagery of the murders, which included the deliberate targeting and execution of at least 30 journalists, has shocked this Catholic nation as well as the international community.

Police have indicted Ampatuan Snr and four other family members for their alleged role in the massacre, and are waiting for the justice department to decide whether to charge them in court. General Santos, Thursday,

- **UN Experts: Maguindanao massacre must be the start of a major reform process**

The brutal killing of 57 people in Maguindanao, including some 30 journalists, should be seen as a watershed moment for the Philippines, according to two United Nations human rights experts. Philip Alston, Special Rapporteur on extrajudicial executions, and Frank La Rue, Special Rapporteur on freedom of opinion and expression, said that "the pre-meditated killing of political opponents, combined with a massive assault on the media, must be tackled at various levels that go well beyond standard murder investigations." In a statement, the two UN experts indicated that the initial responses of the Government had been encouraging. "The first step", they noted, "is to ensure that the police investigation is comprehensive and independent, and employs the highest professional standards. It must also be followed by effective prosecutions of all those responsible for the killings." They added, however, that the massacre also demanded a more extensive reflection on the elite family-dominated manipulation of the political processes and the need to eliminate such practices in order to assure the future of democracy in the Philippines.

"This will require a thorough-going investigation of the broader context to be undertaken by a credible and independent body, appointed with full legal powers to carry out an effective inquiry and make recommendations." The UN experts expressed their particular dismay at the wholesale killings of journalists and emphasized that any broader inquiry into the political system would need to focus on the ways and means of enhancing protection for journalists in the future.

A third, but even more urgent step is also required according to the UN experts.

"Elections in the Philippines have traditionally become occasions for widespread extrajudicial executions of political opponents. There is every indication that the run-up to the May elections will sound the death knell for many political activists." Alston and La Rue added that "the Government should acknowledge this likelihood and immediately establish a high-level task force, with broad political support, to identify the measures that should be taken to prevent killings that occur in the lead-up to the elections". "The Maguindanao killings are a tragedy of the first order", said the experts. But the challenge now is to go beyond a criminal law response and to take measures designed to protect the media in particular, and freedom of expression in general, and to prevent election-related violence in the months ahead. "The international community will be monitoring the Government's response very carefully", they added.

- **Environmental front**

### **Thailand**

- **Political Front**

- **UAE warns Thaksin against politicking**

The United Arab Emirates will ask fugitive former prime minister Thaksin Shinawatra to leave the country if he is found to be using it as a political base to attack the government, vice foreign minister Panit Wikitset says. "The UAE has informed the Foreign Ministry that if former prime minister Thaksin uses the country as a base to provoke [his supporters] to stage political rallies or attack the Privy Council, he will be asked to leave immediately," Mr Panit said yesterday. The UAE would allow Thaksin to stay as a businessman or a normal citizen only. Thaksin was ousted in a 2006 coup and returned to Thailand briefly to face corruption charges. He fled the country in October last

year just before the Supreme Court's Criminal Division for Holders of Political Positions sentenced him to two years in jail for abusing his power.

- **Abhisit rejects calls for cabinet reshuffle**

Prime Minister Abhisit Vejjajiva has rejected calls for a cabinet reshuffle, saying now was not the time. Abhisit: Won't change ministerial line-up, says the time is not right  
Mr Abhisit yesterday denied reports several senior figures in his Democrat Party, including chief adviser Chuan Leekpai and former party leader Banyat Bantadtan, who sits on the party's advisory panel, had called for a change in the line-up of Democrat ministers.

He said there was no plan to reshuffle his ministers at this time. Parliament was in recess and the political situation should remain as stable as possible.

Mr Abhisit confirmed earlier remarks he had made that there would be some changes to the ministerial line-up once the government had successfully completed one year in office.

It was not necessary to wait for a no-confidence debate before a reshuffle. He said he had told his party members to think about the political consequences before talking about anything, particularly a change in the cabinet line-up.

The opposition Puea Thai Party has suggested that the government should appoint a new government spokesman, a new national police chief and a new PM's secretary-general while the opposition was presently observing a ceasefire in its attacks on the government..

Mr Abhisit responded yesterday by saying the appointments were no business of the opposition. The government was duty-bound to work for the country and not to engage in political battles, he said.

- **Abhisit is the most difficult Thai PM : Hun Sen**

Cambodian Prime Minister Hun Sen on Monday described Thai PM Abhisit Vejjajiva as the most difficult Thai premier he has worked with. The mutual ties which has been sour for months would be normalised only if Thailand has a new government, Hun Sen told reporters in Phnom Penh.

He claimed that Abhisit phoned him during the weekend after Phnom Penh government sent a note to inform Bangkok last week that it decided to cancel its request to receive a loan of US\$41 million for a road construction from a Thai border province. "Abhisit called me, for the first time, on the weekend, asking me to withdraw the note. He said Thailand is still willing to give the loans to Cambodia," Hun Sen said. Abhisit was informed that Cambodia needed an official letter from him. The Thai premier agreed but later failed to sign and send the letter by 10am as promised on Saturday. "Abhisit as the most difficult person to work with among the Thai PMs I have worked with," Hun Sen said.

Hun Sen further criticised Abhisit government for looking down on Cambodia by threatening to withdraw its aids for Cambodia following fugitive ex-PM Thaksin Shinawatra's visit to Phnom Penh in early November. Hun Sen told reporters that from now on Cambodia would not accept any aid from Thailand.

"We decided to stop receiving any aid and assistance from Thailand. Cambodia can not allow itself to be humiliated," said Prime Minister Hun Sen.

He referred what he called threats by Thailand to withdraw its aids to Cambodia in a diplomatic spat between the two neighboring countries.

- **Economic Front**
- **Airports of Thailand hit by economic slump**

Airports Authority Airports of Thailand (AoT) has registered a 90% fall in net profit after income tax and loss on minority interests to Bt717.26m (\$21.58m) in the year ending September 30 2009. Non aeronautical revenues were down 20% to Bt9.3bn (\$280m) as a result of measures taken to promote tourism in the country and assist airlines and business operators at all airports under its supervision (Bangkok Suvarnabhumi and Don Muang International airports and Phuket, Chiang Mai, Hat Yai and Chiang Rai airports). Measures included a 10% reduction on rental charges and terminal and building service charges for the six month period of January to June 2009, reduction on the monthly constant concession fee in accordance with the percentage decline in passenger numbers across each airport in 2009 and in the case of revenue sharing concessions with specified minimum annual guarantees, only the revenue sharing concession fee has been applied in 2009. The minimum annual guarantee has been waived.

AoT attributed the financial slump to various factors including the worldwide economic recession, the H1N1 flu virus and the impact of domestic unrest in Thailand on the country's tourist industry.

- **UAE forges more economic ties**

Shaikha Lubna Al Qasimi, UAE Minister of Foreign Trade, has discussed ways to strengthen bilateral cooperation in areas of investment and trade with her counterparts from Panama, New Zealand and Thailand. She held bilateral meetings with the trade ministers of the three countries on the sidelines of the seventh ministerial meeting of the World Trade Organisation (WTO) in Geneva.

They also discussed the agenda of the WTO ministerial meeting and ways to promote international trade for the development of economic activity in the world. Shaikha Lubna and Roberto C. Henrquez, Minister of Trade and Industry of Panama, explored ways to promote commercial cooperation between the two countries.

During the meeting, Shaikha Lubna confirmed that UAE is characterised by the availability of advanced infrastructure geared to enhance the flow of global investment. Moreover the UAE is considered a link to the Middle East, Asia and Africa.

Varied opportunities

She stated that the UAE has begun to strengthen the role of economic sectors with high value added and increased its production to enhance economic growth and contribute to strengthening the competitive position of the UAE on the global level.

Shaikha Lubna invited Panamanian companies to strengthen their presence in the UAE market and take advantage of various opportunities available to contribute to the strengthening of bilateral cooperation and increased trade, which last year reached about \$135 million (Dh495 million).

She stressed the importance of moving forward with the signing of conventions preventing double taxation and promoting and protecting investments between the two sides. The Panamanian minister confirmed the importance of the visit of Shaikh Abdullah Bin Zayed Al Nah-yan, UAE Foreign Minister, to Panama during which he discussed further cooperation between the two countries in several areas.

- **Thai industrial zone dispute may hurt economy - PM**

A Thai court's suspension of new operations at a huge industrial estate due to environmental concerns may hurt the country's economy but the damage is yet to be determined, Prime Minister Abhisit Vejjajiva said on Thursday.

"It will have some effect on the government's GDP forecast for this year but we have not revised it," the prime minister told reporters. The state planning agency has forecast a contraction of 3 percent in 2009.

The Supreme Administrative Court halted most new projects at the Map Ta Phut estate, home to the world's eighth-biggest petrochemicals hub, on Wednesday, rattling investors in Thailand and posing a new challenge for the government.

- **Govt scores poorly on economy**

Leading businessmen have given the government an average of 5.3 out of 10 for its performance in tackling economic problems over the past year.

The finding is based on questions asked by the Thai Chamber of Commerce University of about 1,000 members of provincial chambers of commerce who attended a three-day annual meeting in Chiang Mai which ended yesterday.

The respondents were made up of members of the private (85%) and government (15%) sectors. The results show the government "only narrowly passes the test", said Thanavath Phonvichai, director of the university's economic and business forecast centre.

Business leaders from the central and northeast regions gave the government a 5.6 rating while those from the North rated the government 5.2 and those from the South gave it a 5.1. Businessmen from the eastern region gave the government just 4, mainly because they were unhappy with its failure to settle a dispute involving investment projects in the Map Ta Phut industrial estate.

Most respondents felt political instability was the major factor hurting the economy, followed by the global economic recession and the rising price of oil and raw materials. Political unrest was the most urgent issue needing a government solution, although 90% of respondents said they also wanted the government to tackle corruption.

Almost 40% of respondents believed the economy would recover in the first half of next year as a result of government investment projects and increasing farm commodity prices.

The survey also found there were no signs of lay-offs and employment was beginning to rise, Mr Thanavath said

Most respondents back the Thai Kem Kaeng scheme as a means to stimulate the economy, and the debt refinancing programme to tackle loan sharks. Chamber chairman Dusit Nontanakorn said the Thai Chamber of Commerce would recommend national economic strategies to the government this week.

The plans are aimed at developing the economy, helping it adapt to global changes and paving the way for the establishment of the Asean Economic Community. The strategies call for the development of the upper northern region, covering Chiang Mai, Lamphun, Lampang and Mae Hong Son, into a centre of tourism and culture, and a production base to process fruit and vegetable for exports.

The upper northeastern region, covering Udon Thani, Nong Khai, Loei and Nong Bua Lam Phu, would become a commercial, investment, tourism and transport hub for the Mekong subregion.

The lower northeastern provinces, covering Chaiyaphum, Nakhon Ratchasima, Surin and Buri Ram, would be developed into a hub for alternative energy and a base to produce



and export silk products and Hom Mali rice. The upper central region, such as Pathum Thani, Nonthaburi and Ayutthaya, would serve as a base to produce hi-tech industrial products. The southern border provinces, covering Pattani, Yala, Narathiwat, Satun and Songkhla, would be made a base to produce and export halal food and to process rubber.

- **Social Front**

**Vietnam**

- **Political Front**

- **Int'l scholars call for larger ASEAN role in East Sea disputes**

Dr. Tran Truong Thuy (R), director of Vietnam's Diplomatic Academy's East Sea program, attends a conference on the East Sea in Hanoi November 26.

International experts attending a two-day workshop on the East Sea in Hanoi this week called on ASEAN to take a larger leading role in solving territorial disputes in the region. At the two-day conference that ended Friday, scholars asked ASEAN to help formalize the Declaration on the Conduct of Parties (DOC) in the East Sea, which was issued in 2002.

“What you’ve got know is that the status quo that is leaking,” said Mark Valencia, a marine policy analyst from the East West Centre in Hawaii, US. “It’s like having a peace boat and trying to sail it across the [East Sea] and conflicts could break out before the boat reaches the other side.”

On Friday, Vietnamese government spokesperson Nguyen Phuong Nga again emphasized Vietnam’s sovereignty over the Hoang Sa (Paracel) and Truong Sa (Spratly) archipelagoes amid continuing disputes with neighboring China over ownership of the islands. The East Sea, an area that spans nearly 4 million square kilometers and is believed to be rich in oil and other natural resources, is of great strategic importance. Scholars agreed that the situation in the area is getting more complicated as some countries’ thirst for energy grows and issues of national sovereignty intensify. Talks on a joint Code of Conduct have not been sealed as China has repeatedly stated its preference for a bilateral dialogue rather than a multilateral solution to the dispute in the East Sea. Valencia, among the leading thinkers who gathered in Hanoi to discuss East Sea issues, noted that a code of conduct is critical “to hold China and other countries to the conditions.”

ASEAN has made great progress in having China negotiate with the group as a bloc, he said, but countries needed to work to strengthen the agreement, a task of particular concern for Vietnam when it chairs ASEAN again in 2010, he said.

Rodolfo Severino, head of the ASEAN Studies Centre Institute of Southeast Asia Studies, said ASEAN countries should stick together to make sure that DOC is respected because “incidents could happen” as countries continue making new claims.

The disputes won’t be resolved in a short-term period, he said, but countries must look forward to finding a solution instead being dragged into further claims.

At the concluding remarks, Duong Van Quang, president of the Diplomatic Academy of Vietnam, called for more gatherings of scholars to discuss international issues affecting the security of the region.

“That will allow us to present our findings and suggestions to deal with complex international issues,” he said. “And perhaps it will help policy makers gain a better and more comprehensive understanding of these issues, which sometimes they can’t discuss in such an open and frank manner.”

- **Foreign Relations**
- **Vietnam to promote relations with U.S.**

Vietnamese Deputy Prime Minister and Minister of Foreign Affairs Pham Gia Khiem said here on Wednesday that Vietnam expected to further deepen the bilateral relation with the United States, especially in trade, investment and education. Khiem made the remarks while receiving former U.S. trade representative Susan Schwab who is on a working visit to Vietnam from Dec. 1 to 3. Khiem said that the bilateral trade between the two countries will witness a rapid growth once the two sides reach the investment protection agreement in the coming time. Khiem asked Susan Schwab to call on the Obama administration to soon recognize Vietnam as a market economy, paving the way for stronger trade between the two countries.

Vietnam expected U.S. universities to establish more education bases in the country, said Khiem. Former U.S. trade representative Susan Schwab spoke highly of achievements of Vietnam in all fields, especially trade and investment and poverty reduction.

Susan Schwab expressed her hope that the two sides will continue their efforts to cultivate the bilateral ties. The United States will further boost cooperation with Vietnam in education and training on human resources management, public purchasing, said Susan Schwab. The United States has become one of the three biggest export markets for Vietnam. In the first 11 months this year, the United States continues to be the biggest foreign investor of Vietnam with the registered capital of 8.1 billion U.S. dollars, according to Vietnam's Ministry of Planning and Investment.

- **Economic Front**
- **Vietnam economy growing but fragile**

Revised statistics released Monday by Vietnam's General Statistics Office showed industrial production rising, but foreign investment falling and exports slowing. Industrial production rose 3.6 per cent in November over October, the fourth consecutive month of increase. Production was up 13 per cent from November 2008.

Leading the increase were a 14-per-cent rise in crude oil production, 46 per cent in air conditioners and 19 per cent in cement. New foreign direct investment (FDI) pledges shrank to 0.8 billion dollars in November. Vietnam attracted 19.7 billion dollars in FDI commitments in the first 11 months, down 72 per cent compared with the same period last year.

Nine billion dollars in FDI were disbursed through November, down over 10 per cent compared with the same period last year.

Vietnamese exports earned 4.7 billion dollars in November, down 6.5 per cent from October. Imports stayed steady at 6.7 billion dollars, but were up 40 per cent compared with November last year.

Exports totaled 51.3 billion dollars through November, with imports of 61.7 billion dollars, down 12 and 18 per cent from the same period in 2008.

In June, the government lowered its projected 2009 export revenues from 72 billion to 65 billion dollars, an increase of 3 per cent over 2008. That goal will not be met, and the trade deficit is likely to rise sharply in December due to the State Bank's decision in November to relax a ban on gold imports. Vietnam received 3.4 million foreign visitors in the first 11 months, down 12 per cent from the same period last year. China accounted

for 476,500 visitors, down 19 per cent year on year, with the US second at 368,000, down 3 per cent.

GDP growth fell from 8.5 per cent in 2007 to 6.2 per cent last year. The government initially set a target for economic growth of 6.5 per cent this year, but the sharp drop in production and exports forced it to readjust the target to 5 per cent in May.

- **Vietnam says to adopt "cautious" monetary policy**

Vietnam said on Thursday it will shift from a loose to a cautious and flexible monetary policy next year to support economic stability and contain inflation.

A government report said it would "transfer from loose monetary policy to cautious, flexible monetary policy to ensure a reasonable credit growth rate, thus supporting the targets of macroeconomic stability, economic development and inflation prevention." It said it would be "proactive and efficient" in its use of monetary and financial tools to ensure stability in a report prepared for an annual donors' meeting.

- **Vietnam's central bank to sell US dollars to banks**

Vietnam's central bank will sell US dollars to commercial banks that have a foreign-currency deficit of more than 5 percent to help stabilize the market, according to a statement on the central bank's website.

After buying the dollars from the State Bank of Vietnam, local banks have to meet demand for the currency from companies that import raw materials, the central bank said in the statement issued late Monday.

The central bank last week narrowed the daily trading band to 3 percent from 5 percent to limit fluctuations. It also devalued the dong by setting the reference rate for trading against the dollar 5.2 percent lower, to reduce the gap between the official and black-market rates.

The central bank asked local banks to strictly follow the daily trading band. The central bank will send teams to inspect the trading of US dollars to see if the exchange rates at banks and money changers are set weaker than the ceiling rate.

- **Global warming threatens food supply: Vietnam**

Vietnam is planning for a one-metre (3.3 feet) rise in sea levels by 2100, which would inundate about 31,000 square kilometres (12,400 square miles) of land -- an area about the size of Belgium -- unless dykes and drainage systems are strengthened, says a United Nations discussion paper on climate change in Vietnam, presented at a meeting on Wednesday.

Vietnam, the world's second-biggest rice exporter, said Wednesday it needs help to safeguard the world's food supply from the consequences of global warming.

"The rice bowl of Vietnam will be severely affected" without action, Nguyen Khac Hieu, deputy director general of the government's climate change agency, told reporters before key global climate talks next week in Copenhagen.

He will be part of Vietnam's delegation at the December 7-18 conference tasked with framing a new deal for tackling global warming and its impact beyond 2012, when existing commitments under the Kyoto Protocol expire. Vietnam is planning for a one-metre (3.3 feet) rise in sea levels by 2100, which would inundate about 31,000 square kilometres (12,400 square miles) of land -- an area about the size of Belgium -- unless dykes and drainage systems are strengthened, says a United Nations discussion paper on climate change in Vietnam, presented at a meeting on Wednesday.

Many billions of dollars will be needed for Vietnam to address sea level rise and other climate change effects, the paper said, adding that the funding cannot only come from aid. Public finance would also have to be made available, but the first step should be large investments in studies and designs over the coming decades, the paper said. Mobilising funds to help developing countries shore up defences against climate change, and to switch to an economy with low emissions of damaging greenhouse gases, will be one of the key issues in Copenhagen.

- **Social Front**

- **Vietnam finds mass grave of communist soldiers**

Authorities in central Vietnam have found a mass grave containing the remains of 25 communist soldiers killed during the Vietnam War.

Lt. Col. Nguyen Trong Luyen says the remains were recovered Wednesday along with personal effects like sandals, belts, caps and hammocks. Construction workers discovered the remains while digging a drainage system in Quang Ngai city. The remains are believed to be those of communist commandos killed while attacking a South Vietnamese prison during the Tet Offensive in 1968.

The war ended in 1975 when communist North Vietnamese forces overran Saigon, the former capital of South Vietnam, now known as Ho Chi Minh City. About 58,000 Americans and 3 million Vietnamese were killed in the conflict.

- **Opinion: When Americans say Vietnam, they don't mean the country**

Trying to Google news of my homeland, Vietnam, lately has not been easy. The headlines that showed were anything but Vietnam. Leading up to President Barack Obama's speech on why we need to send 30,000 more troops to Afghanistan, Vietnam is once again reduced to America's boogeyman.

Here are a few headlines from major news organizations: "Afghanistan haunted by ghost of Vietnam," "Will Obama's War Become his Vietnam?" "Afghanistan is Obama's Vietnam," "Vietnam's lesson for Afghanistan."

When we mention the word Vietnam, we don't mean Vietnam as a country. Its relationship to us is special: It is a vault filled with tragic metaphors for every pundit to use.

After the Vietnam War, Americans were caught in the past, haunted by unanswerable questions, confronted with an unhappy ending. So much so that my uncle, who fought in the Vietnam War as a pilot for the South Vietnamese army, once observed that, "When Americans talk about Vietnam, they really are talking about America. They make a habit of blaming small countries for things that happen to the U.S. — AIDS from Haiti, flu from Mexico, drugs from Colombia, hurricanes from the Caribbean."

I once met a Vietnamese man who made money acting in Hollywood. He had survived the war and the perilous journey on the South China Sea. Now he plays Viet Cong, civilians, peasants. He is a great actor, he bragged. No one recognized his face. Time and again he died, spurting fake blood from his

Hollywood, of course, is free with its various interpretations. From "Apocalypse Now," which describes an American's mythical adventure in a tropic jungle, to "Tour of Duty," in which American GIs rape then blow out the brains of a Vietnamese girl, to the Rambo movies, in which America single-handedly restores its pride, Vietnam was always the backdrop, the faceless, conical hat-adorned figure.

Watching such movies, Vietnamese old enough to remember the war giggle uncomfortably. These naive interpretations of the conflict little resemble their own past. Vietnam was a three-sided war, with North and South at each other's throats, but the Americans have insinuated themselves as central to an otherwise complex narrative in the retelling.

Here's the real Vietnam: It has more than doubled in population to 86 million since the war ended. It is a country full of young, hopeful people, who form a large majority, with no direct memory of the Vietnam War. It is odd to think that 34 years after the war ended, it continues to stoke America's foreign policy fears.

Poet Robert Bly once observed that Americans have yet to perform an absolution over past atrocities. "We're refusing to eat our grief, refusing to really eat our dark side. And therefore what (Carl) Jung says is really terrifying: If you do not absorb the things you have done in your life, then you will have to repeat them."

On the eve of the second wave of a U.S. invasion in Afghanistan, I wish to tell the American media, as well as President Obama, that the Vietnam syndrome cannot be kicked through acts of war. That only through a view that's rooted in people, rooted in human kindness, and not historical vehemence, would a country open itself up and stop being a haunting metaphor. That not until basic human needs are addressed and dignity upheld can we truly pacify our enemies and bring about human liberty. More soldiers, bombs and droids in the sky will never appease the haunting ghosts of the past. Quite the opposite. We are in the process of creating more ghosts to haunt future generation

- **Death toll from A/H1N1 influenza rises to 44 in Vietnam**

Vietnam confirmed two more deaths of A/H1N1 influenza, bringing the country's total number of flu deaths to 44, said a report on the website of the Ministry of Health on Monday.

The 43rd case is a 20-year-old girl from the southern Khanh Hoa Province. She was six months pregnant, said the ministry. The patient showed flu-like symptoms on Nov. 12 and was admitted to a local hospital. She was then transferred to the provincial general hospital on Nov. 19 with diagnosis of pneumonia. The patient died on Nov. 24 due to respiratory failure. Her sample was tested positive to the A/ H1N1 virus, said the ministry. The 44th case is a 59-year-old man from northern Quang Ninh Province. He displayed symptoms of fever, malaria and headache on Nov. 5. He was taken to a local hospital for treatment of malaria. The man was then transferred to a provincial general hospital with diagnosis of pneumonia. He died on Nov. 26 due to his health conditions kept worsening. His sample was tested positive to the A/H1N1 virus, said the ministry. Vietnam has so far reported 10,891 patients of A/H1N1 influenza.

- **Cambodia**

- **Political Front**
- **Foreign Relations**
- **Geo-strategic Front**
- **Militaries could heal battered bilateral ties**

The General Border Committee meeting ended on Friday on a positive note as the Thai and Cambodian defence ministers agreed to work for peace. Defence Minister Prawit Wongsuwan and his Cambodian counterpart, Tea Banh, said they would use their good

offices and the armed forces to create the political space needed to bring about the comfort level for the two sides to move on.

The two governments are currently engaged in one of their bitterest diplomatic disputes in decades after Prime Minister Hun Sen appointed fugitive former premier Thaksin Shinawatra as his economic adviser. The move was nothing less than a slap on Bangkok's face. Hun Sen, naturally, said it was his and his country's business as to who he should appoint. He went on to cut Thailand's judicial system to pieces for charging his good friend with corruption, and taunted the Abhisit Vejjajiva government of being immature and lacking credibility and suggested that it seek legitimacy.

Nevertheless, the two defence ministers spent Friday mapping out guidelines for future cooperation between the armed forces and identified specific programmes to serve as a platform for such cooperation. The soccer game between soldiers from the two countries might well be back on schedule.

It has been pointed out that the Thai Army and their Cambodian counterparts, in spite of experiencing hiccups every now and then, have effectively turned the page and moved on from the turbulent years of the previous decades when Viet Nam and Thailand turned Cambodia into a high-stakes game. Everybody had blood on their hands and no one is in the mood to dig up the past, hence the desire to leave the political baggage behind.

But let's not let the cosy feelings in Pattaya blur reality. Tea Banh may be the defence minister but we all know that the buck stops with Hun Sen. If Hun Sen does not want Tea Banh to get cuddly with the Thais, he won't.

Hun Sen may think he is smart by adopting this two-pronged strategy - a diplomatic spitting contest between the two capitals, but hugs and kisses between the two soldiers. But the problem strongmen with inflated egos have is that they invariably shoot themselves in the foot. And by that time it could be too late, as the damage could be too severe and the situation out of control.

No one can deny that there is a high degree of pretentiousness in diplomacy, as the outcome of the Pattaya General Border Committee meeting has shown. Maybe that is what is needed. Bangkok may have to pretend that its feelings were not bruised as badly as it seemed, while Cambodia could reap the benefits of the political capital sowed by Tea Banh and its armed forces. Who knows? The two countries could be hugging and kissing each other one day.

- **Thai-Cambodia tension eased**

The diplomatic dispute between Thailand and Cambodia has been eased after the latter allowed the mum of jailed "Thai spy" to meet her son at Prey Sar prison, Democrat Party spokesman Buranat Samutrak said on Saturday.

Mr Buranat said the political movements by ousted prime minister Thaksin Shinawatra received no response from the armed forces of the two countries. He said Cambodian Defence Minister Tea Banh had on Friday clearly said that the legal trial case against the arrested Thai engineer, Sivarak Chutipong, had nothing to do with politics. Thai and Cambodian defence ministers vow to keep peace. They agree that a recent diplomatic row between two countries will not lead to conflict on border. The Thai-Cambodia general border committee meeting in Pattaya concluded on Friday that only peaceful means should be used in settling border disputes between the two countries.

- **Economic Front**

- **Cambodia to develop solar power to meet domestic need**

Ten companies from eight countries have sought permission to invest in solar energy projects in Cambodia after the August removal of a 15 percent duty on imports of the materials needed to build solar plants, local media reported Thursday, citing an official from Ministry of Industry, Mines and Energy.

"We have received many proposals for our approval, and we are now instructing them to study the domestic electricity market," the ministry Secretary of State Sat Samy was quoted by the Phnom Penh Post as saying. "Two companies, from Japan and Malaysia, are close to beginning development on solar investment projects."

The other companies are from the United States, China, Canada, Australia, South Korea and Singapore, he said. They were planning developments capable of generating between 10 and 50 megawatts of electricity.

The Cambodian government plans to supply electricity throughout the entire country by 2020 by developing renewable energy resources, specifically looking at solar, hydro and biomass- fueled power, Sat Samy said. Energy demand in Cambodia is expected to grow 3.7 percent per year from 2005 to 2030 as manufacturing industries are established and more households are connected to the electricity grid, according to a report released this month by the Asian Development Bank.

Just 20 percent of households are currently connected to the national grid, which is fragmented into isolated power systems centered on provincial towns and cities. Sat Samy said the unserved households present an opportunity for environmentally friendly electricity investment, adding that the solar industry had greater potential than in more-developed countries such as Thailand and Vietnam.

Sat Samy said he anticipated electricity generated from solar panels would range from 0.12 to 0.15 U.S. dollars a kilowatt-hour, higher than the expected price of the power to be generated from hydroelectric dams under construction along the Kingdom's rivers.

- **Cambodia's domestic rubber prices rise 44%: report**

Cambodia's domestic rubber prices rose 44 percent in the past year, according to a report published Thursday by Phnom Penh Post.

The Post quoted Ly Phalla, director general of Rubber Department as saying that the Standard Malaysian Rubber 20 variety was up to 2,435 U.S. dollars per ton at the end of last month from 1,686 U.S. dollars per ton a year earlier as global demand improved.

"There is high demand for rubber in the global vehicle industry, especially from China, while production (globally) has fallen," he was quoted as saying and added that the recent rise in crude oil prices on global markets has also pushed up rubber prices. Prices have recovered specially in the past five months, he said, following an average price of just 1,500 U.S. dollars per ton in the first half. "Our rubber price has soared on the Chinese market due to high demand while other (producing) countries like Malaysia, Indonesia...were affected by the storms and flooding which damaged production," he said. The Association of Natural Rubber Producing Countries (ANRPC) which Cambodia joined in September said that production among its 10 members fell 5.1 percent in the 12 months to September.

In 2008, ANRPC members produced over 9.13 million tons of natural rubber, but 2009 production is expected to be only 8.68 million tons.

- **Cambodia hosts regional meeting on economic recession**

Cambodia hosts a regional meeting of officials and stakeholders from the four new members of Association of Southeast Asian Nations (ASEAN) on Wednesday to discuss how to improve the economic status in the region. The one-day meeting is co-organized by Cambodia's Ministry of Commerce and Cambodian Institute for Cooperation and Peace (CICP) with the support from Economic Research Institute for the ASEAN and East Asia. Prince Norodom Sirivudh, founder and chairman of CICP said the meeting was necessary to seek ways on how to curb with the impact of global economic crisis.

He said the four countries, including Cambodia, Laos, Myanmar and Vietnam, are the new members of the ASEAN and are still poor. He added that the economic downturn has affected economic growth, tourism and the garment sector. At the forum, Pan Sorasak, secretary of state of Ministry of Commerce said that the Cambodian government is now working with the United States to open more markets for Cambodian products. He said that agriculture is another potential resource for Cambodia to help boost the country's economy. But at the same time, the government is not ignoring its capacity building and the human resource development.

- **Social Front**

- **Moving Beyond Khmer Rouge's Ghosts**

The first trial to showcase the atrocities of the Khmer Rouge three decades ago concluded with the regime's chief torturer still seemingly unable to grasp the magnitude of his actions. Yet despite that surprising end, the trial may have helped Cambodia begin to move beyond the horrors of its past.

After admitting his guilt and asking for forgiveness, Duch (pronounced DOIK) seemed on the final day of the trial on Friday to think that he had done enough, asking the court to set him free.

Duch's plea seemed to contradict a carefully constructed strategy to seek leniency by admitting guilt, apologizing and cooperating with the court. He faces a possible term of life in prison for crimes against humanity and other crimes. Prosecutors are seeking a sentence of 40 years, taking into account his cooperation and the five years he already spent in a military jail. The judges are expected to announce a verdict early next year.

Despite long delays and concerns about corruption and possible political interference, "Case One" of the United Nations-backed tribunal mostly overcame doubts that it would meet international standards of justice.

The case broke new ground as a hybrid of national and international justice systems with the support of the United Nations. In another innovation, it included the participation of some victims as "civil parties" represented in court by their own lawyers. After a slow start, the trial began to draw the attention of a nation that for the past three decades has mostly hidden from the traumas of the Khmer Rouge years. Coinciding with the trial, a new textbook about the Khmer regime began distribution to the high schools, breaking a silence in the education system that has contributed to widespread ignorance.

Human rights groups and legal experts said they hoped the trial would act as an example to help reform Cambodia's corrupt justice system and erode a culture of impunity, in which powerful people often act beyond the reach of the law.



A more difficult challenge lies ahead in “Case Two,” with the trials of four senior Khmer Rouge leaders who are accused of more far reaching responsibility in the mass killings but against whom the evidence is less concrete. Unlike Duch, they have denied their guilt and refused to cooperate; their lawyers have already begun complicating the process with legal challenges. Their trial is not expected to get under way until 2012.

Beyond the legal and historical issues examined in the trial, the past nine months have been an exploration of more fundamental questions of human behavior — of guilt and responsibility, and the legal and moral weight of an apology. But as with a similar statement at the start of the trial, he read on Friday from a prepared text with little sign of emotion, and both the prosecutors and many analysts derided his apology as insincere and tactical.

Nevertheless, Nic Dunlop, the author of a book about Duch, said, “He has apologized and asked to be forgiven, and he has willingly assisted in many aspects of the case.” Mr. Dunlop, whose book is called “The Lost Executioner,” said: “We can talk about his lack of empathy. We can talk about his detachment. But these are things he has done that nobody else has done.”

For Cambodians who attended the final week of the trial, though, these apologies seemed far too little and the legal fine points of the prosecutors’ request for a reduced sentence seemed irrelevant.

- **PM denies KRT interference, warns of possible civil unrest**

Nearly two-thirds of direct victims of the Khmer Rouge regime are not ready to reconcile with former cadres, according to an unpublished study presented Thursday in Phnom Penh by the Berlin-based Treatment Centre for Torture Victims. The study, conducted between October 2008 and May 2009 in cooperation with the Transcultural Psychosocial Organisation, had a sample size of 1,079, of which 22 percent were civil party applicants. KHOUTH SOPHAK CHAKRYA PRIME Minister Hun Sen on Thursday repeated his claim that more prosecutions at the Khmer Rouge tribunal could plunge the country into civil strife, and also disputed allegations that he was interfering in the UN-backed court’s operations.

“Sorry, no more [prosecutions]. I would rather see the court fail than let the country fall into war,” Hun Sen said during remarks at the 11th annual national day for the disabled. Acting international co-prosecutor William Smith in September requested the investigation of five more suspects after a legal technicality allowed additional introductory submissions to go forward over the objections of national co-prosecutor Chea Leang. The same day Smith submitted the request, Hun Sen warned that more indictments would lead to civil unrest that could claim hundreds of thousands of lives. He reiterated that claim Thursday, saying: “I am not interfering with the court, but it is not the court that stopped the war. Be careful. The court will create war, causing more divisions in society.” He added: “Again and again, I see they want to question [more suspects]. Be careful, this is the issue of death.”

The premier has repeatedly been accused of trying to interfere with the work of the tribunal. A report released last month by the Open Society Justice Initiative stated that political interference “poses a serious challenge to both the credibility of the court and its ability to meet international fair trial standards”. UN court spokesman Lars Olsen said Thursday that there was no chance the court’s independence would be compromised.

- **Vietnam, Cambodia Tighten Anti-Human Trafficking Ties**

Concrete measures to combat human trafficking and provide aid to its victims topped the agenda of a workshop between Vietnam and Cambodia, which held in Cambodia's capital Phnom Penh on December 2 to 3.

According to the Vietnam news agency's report, the move is part of joint efforts to implement a cooperation agreement signed in October, 2005, to repel the trafficking of women and children as well as provide them with assistance.

The Vietnamese delegation to the workshop was led by Vice Minister of Public Security Le The Tiem, and the Cambodian delegation was led by Secretary of State of the Ministry of Social Affairs, Veterans and Youth Rehabilitation Hav Bunse. On the sidelines of the workshop, Vietnam and Cambodia also signed another cooperative agreement on confirming and repatriating the victims of human trafficking.

Speaking at the signing ceremony, Secretary of State Hav Bunse praised the workshop's success, regarding it as new evidence of tight bilateral cooperation and determination to combat against trans-border crimes for the sake of the safety of their peoples.

### **Singapore**

- **Political Front**

- **PM Lee proposes extra day of non-campaigning before Polling Day**

The Singapore government is proposing an extra day of non-campaigning as a cooling-off period just before Polling Day, ahead of the General Election due in 2012.

The extra day of non-campaigning will also apply to a presidential election. Prime Minister Lee Hsien Loong made the announcement to the Singapore media after wrapping up his attendance at the Commonwealth Heads of Government Meeting (CHOGM) in Trinidad and Tobago. Under current election rules, political parties are not allowed to campaign on Polling Day itself.

Except for party political broadcasts and news reports, there are to be no more mass rallies, door-to-door visits and even display of party symbols. Mr Lee said the cabinet had been considering an additional cooling-off day over the past several elections.

He said this would give voters time to reflect rationally on issues, after the emotional high of election campaigning.

Mr Lee said: "I think 24 hours after the last excitement of the election campaign period, the rallies, the door-to-door campaigning, the adrenaline flowing, the clash in the mass media as well as in person, perambulating vans blaring away loud speakers, it's good to have 24 hours to just calm down, think about it - tomorrow we vote." He added that having a cooling-off period will also lessen the risk of public disorder. "Previously, once in a while, we have had pushing and shoving at election rallies as the crowd gets worked up and doesn't disperse, but the main thing is to have time for people to think over the issues and to vote in a calm state of mind," he said.

Mr Lee was asked how this additional 24-hour cooling-off period would apply to the online world of networking and video-sharing sites. "On the Internet, it's grey and also the policing is not so straight-forward but even then, in principle we should say today is a quiet day. I cannot control several million videos on youtube but your website, what you're putting up in your own name, I think that should end the day before the cooling-off day," he said.

Countries that have imposed a similar period of campaign silence include Australia and Indonesia. Australia has a three-day black-out of election advertising and Indonesia has a

three-day cooling-off before Legislative Elections and a two-day cooling-off before the Presidential election.

In Singapore, this means that the minimum period between Nomination and Polling Day will be extended from 9 to 10 days to keep the same number of minimum campaigning days. This comes on the back of new election rules proposed earlier this year to bring more diverse views to Parliament.

These include having more single-seat wards and smaller Group Representation Constituencies (GRCs), as well as allowing for more non-elected seats.

Mr Lee had said then that the proposed changes are aimed at a more balanced system and to bring diverse views in Parliament to better reflect the aspirations of Singaporeans. On whether the changes mean the General Election is near?

The Prime Minister did not give a date but he did say it is getting closer. One thing's for sure, the General Election is unlikely to be in the first quarter of next year. That's because the new election rule will have to be read in Parliament before the Budget in February or March next year, and the Constitution changed after the Budget. - CNA/de

- **Economic Front**

- **Singapore's ability to integrate people is key in country's growth**

Finance Minister Tharman Shanmugaratnam has said Singapore's ability to integrate people from diverse cultures has been a key driving force behind the country's growth over the past four decades. And this will continue to be an asset, as the economy moves into new growth strategies. Mr Tharman was speaking at the World Design Congress earlier this week.

The Marina Barrage is a dam built across the mouth of the Marina Channel. It is an example, said Mr Tharman, of how Singapore has blended its own ideas with innovations borrowed from other societies.

"What are we good at? We're good at pulling people together, and some industries thrive on that, pulling people together," he said. Mr Tharman, who was formerly the Education Minister, said that it is people who will continue to drive the future of Singapore.

That is why much emphasis has been placed on creating a meritocratic education system. Mr Tharman said: "In this next phase of growth and development, you need more effervescence that comes up naturally, through the schools, through the polytechnics, the universities, through our technical colleges.

"The whole thrust of educational policy in the last decade and going forward has been to nurture that, give it maximum chance of going up."

But that, he said, is a "difficult enterprise". "That meritocracy, which is our big plus, brings with it naturally a certain standardisation," Mr Tharman said. "How do we break out of that? By creating new pathways, and we're doing it in every public school, offering niches of excellence for kids who've got something different."

Speaking at a convention of design professionals, Mr Tharman outlined some key areas Singapore would like to go into as it navigates itself in a post-crisis world. One is to create urban solutions, a massive opportunity as Asia undergoes rapid urbanisation.

Mr Tharman said: "It's a huge challenge, making cities liveable, managing water resources, managing sanitation, keeping the air clean, keeping the place green. It's a huge challenge, and it's something Singapore has built up some experience in." Singapore too is aiming to take a bite out of the biomedical pie, and here again, Mr Tharman said that it is all about bringing together researchers from different environments. Singapore is also

seeing growing interest from small enterprises from Europe and other parts of the world, which are keen to take advantage of opportunities in the region

- **Singapore now among 10 most expensive Asian cities**

Singapore is now one of the top 10 most expensive Asian cities for expatriates to live in due to the strengthening of the Singdollar. A survey by human resource consultancy ECA International showed that Singapore now has the ninth highest cost of living in the region.

Last year, the city-state was in the twelfth place. ECA International said the cost of living for visitors to Singapore is also catching up with that of its neighbours.

A year ago, living costs in Singapore were about 15 per cent lower than in Hong Kong. Now, the difference is just seven per cent. ECA International's Regional Director for Asia, Lee Quane, said the increase in living cost is unlikely to deter firms from relocating their staff here.

Tokyo maintained its position as the most expensive location for expatriates to live in, as the stronger yen outweighed the impact of deflation in Japan.

- **Social Front**

- **Environmental Front**

- **S'pore to reduce emissions growth by 16% below projected 2020 level**

It will no longer be "business as usual" for Singapore, as the country commits to reduce carbon emissions growth by 16 per cent below the projected 2020 level - if a global agreement is reached and other countries implement significant targets of their own. Senior Minister S Jayakumar, who chairs the Inter-Ministerial Committee on Climate Change, announced this at a news conference on Wednesday.

Singapore needs to come up with measures for reducing emissions growth, in order to prevent low-lying parts of the country from submerging due to adverse effects of climate change.

Professor Jayakumar said: "We are not starting off with a low base because despite all of our constraints, all our difficulties, we have done a lot.

"In fact, long before climate change became a global issue, Singapore has taken considerable efforts - increasing of green cover, transport policies, fuel switch to natural gas, enhancing of energy efficiency, recycling our waste. And the significant efforts have led to considerable reductions of our emissions."

The government said that 16 per cent is a stretch target, but it can be reached.

Mah Bow Tan, Singapore National Development Minister and Co-Chair, Inter-Ministerial Committee on Sustainable Development said: "When we mention the figure of 16 per cent, this is not like opening a gambit in a chess game or part of a negotiation.

"No, this is derived at, based on fundamental evaluation of what we have done and what we can realistically do. Eventually, government will have to come up with a set of measures in order to incentivise as well as to encourage behaviour to achieve this target.

"Our commitment is done in good faith; it is something we believe is achievable. It is not something that we just throw up on the table for negotiation."

Measures on how the government intends to reduce emissions growth will be announced after the Copenhagen climate talks next week. It will mean additional costs, but the government will buffer the impact.

Professor Jayakumar said: "The measures which we will take to reduce our emissions growth will entail both economic and social costs and will require considerable domestic

adjustments. "There will be impact on industries and households. The government will do what is necessary to buffer this impact and to help them adjust to the new low carbon environment.

Besides looking at costs, the government will also ensure that economic growth is not compromised. Dr Yaacob Ibrahim, Singapore Environment and Water Resources Minister and Co-Chair, Inter-Ministerial Committee on Sustainable Development said: "It must grow. The question is at what rate? How fast and how big it will be - that is what is being studied at this point in time. "If we do this at the expense of our economic competitiveness, then we are shooting ourselves in the foot. We must do it in conjunction with economic growth.

"But how that growth will be, as mentioned by Minister Mah, we have to look at the total package. Which are the sectors we have to bear? Is there a need to restructure some sectors of the economy? These are being studied intensely."

Professor Jayakumar said Singapore has no historical responsibility for climate change and it contributes less than 0.2 per cent of global greenhouse gas emissions. In spite of this, he said that Singapore is making a major effort to tackle climate change.

He added that this is because Singapore is a responsible member of the international community, and wants to play its part in reducing emissions.

- **PM Lee to attend UN climate meet, urges Commonwealth to engage in issue**

Singapore Prime Minister Lee Hsien Loong on Friday urged members to actively engage in the issue of climate change at the Commonwealth Heads of Government Meeting (CHOGM) in Trinidad and Tobago.

The Commonwealth gathering is the last international meeting before the Copenhagen summit next month. Reflecting the urgency in talks, UN Secretary General Ban Ki-Moon, French President Nicolas Sarkozy and Denmark's Prime Minister Lars Lokke Rasmussen have all made their way to Trinidad.

The Commonwealth Summit is on the back of a post-crisis landscape and at a time when world leaders are struggling to reach a global consensus on climate change.

Britain's Queen Elizabeth II opened the meeting, and said the Commonwealth has an opportunity to shape world response to the challenge. "The Commonwealth has an opportunity to lead once more. The threat to our environment is not a new concern, but it is now a global challenge which will continue to affect the security and stability of millions for years to come," said the Queen, who is also Commonwealth Head.

"Many of those affected are among the most vulnerable, and many of the people least well able to withstand the adverse effects of Climate Change live in the Commonwealth." Speaking at the leaders' retreat, PM Lee said countries should do what is practical and sensible, keeping in mind the costs, trade-offs and political realities. He added Singapore will do its part but developed countries will have to take the lead because they are major emitters of carbon.

Island states, he noted, are particularly worried about rising sea levels. Mr Lee said developing nations must too share in this effort as their populations are equally, if not more vulnerable.

The Commonwealth includes countries such as Australia, Canada, India, South Africa and Britain - important members of the Group of 20 (G20). Analysts will look to statements from the Commonwealth as an indicator of what the more influential G20 may reach on climate change. The 53-member Commonwealth is a diverse group, and

includes some of the world's richest and poorest countries, accounting for one-third of the world's population and one-fifth of global trade. PM Lee is set to attend next month's UN meeting on climate change in Copenhagen. Leaders will try to agree on a pact to reduce carbon emissions during the Copenhagen meet. Whether that will take the form of a legal treaty or a mere political declaration remains to be seen, but what leaders want is a significant agreement to reduce the ill effects of climate change

## **Laos**

- **Political Front**
- **Foreign Relations**
- **Geo-strategic Front**
- **Economic Front**
- **Lao businesspeople invest in hydropower station in Xiengkhouang**

A group of Lao businesspeople are carrying out a feasibility study on a hydropower dam in Xiengkhouang province amid the shortage of power in many neighbouring countries. ACE Consultant company reported this week that a group of Lao businessmen, who are involved in the Nam Pot Hydropower Dam Construction Project in Xiengkhouang, planned to construct a dam in Phasay district of this northern province.

The investors plans to export the electricity to neighbouring countries but they would reserve a portion of the generation for use in Xiengkhouang.

Mr Daovone Phachanthavong, Director of the ACE Consultant company, disclosed that the feasibility study would take 18 months and so its completion should be in 2011. If the government approves of this project in 2011, the investors would put in US\$ 40 million to fund the building of a 30MW power plant, said Mr Daovone. The signing ceremony of the Memorandum of Understanding (MOU) on carrying out the feasibility study was held on 26 November at the Ministry of Investment and Planning's office in Vientiane

- **Lao political stability attracts more Japanese business people**

Japanese business people believe Laos is an attractive place for doing business thanks to its political stability.

Political stability and a constant policy are the most important issue for businesspeople considering investing abroad. Laos has these attributes to attract investors, said the President of the Japanese Chamber of Commerce and Industry, Mr. Hidetoshi Takaoki. Mr. Takaoki who is also the General Manager of Mitsui & Co, made the comment at a meeting on the establishment of the chamber in Vientiane last week.

He said Laos has great potential for investment in the mining, hydropower, agriculture and forestry sectors. The manufacturing sector is also attractive because labour costs in Laos are low. The chamber will boost trade and investment between Laos and Japan, he said.

Laos and Japan have traditionally enjoyed a friendly relationship and this chamber is approved by the Lao government.

There are currently about 50 Japanese owned companies operating in Laos, according to Mr. Takaoki.

Previously each company operated alone, but from now on they can hold discussions, share information, work together and help each other.

The new chamber aims to boost trade and investment between its members, provide various kinds of information to the members, to make proposals and suggestions to Lao

government for the environment of investment and business environment in Laos and also provides assistance for the commercial activities of its members.

- **Social Front**

- **WHO helps improve markets sanitary system in Vientiane**

The World Health Organisation has provided sanitary equipment for six main markets in Vientiane Capital to prepare them for the upcoming 25th SEA Games.

The sanitary equipment include garbage bins, tables and sinks. The donation, worth 194 million kip, also includes an amount of money for improving the drainage of markets. The handover of the donation was held on Wednesday by WHO Representative in the Lao PDR, Mr. Reiko Tsuyuoka, and Head of the Vientiane Public Health Service, Ms. Inlavanh Keobounphanh.

The donation will then be distributed to the markets of Khouadinh, Nongchanh, Thong Khankham, That Luang,

- **Vietnam donates USD 100,000 to flood victims**

The handover of 8.5 billion kip (US dollars 100,000), a grant aid, from the Vietnamese government to help flood victims in the southern provinces of Laos was held last Friday at the Ministry of Labour and Social Welfare, Vientiane Capital.

Mrs. Onechanh Thammavong, Minister of Labour and Social Welfare, received the grant from Mr. Ta Minh Chau, Vietnamese Ambassador to Laos. Relevant officials of both sides witnessed the handover.

The donation will be used to support the rehabilitation of living conditions of the people in the provinces ravaged by typhoon Ketsana.

On the same day, the Central Party Committee Office donated 4 million kip to help the victims in Sekong, Saravane and Attapeu as these provinces have been hardest hit by typhoon Ketsana.

From November 1-24, over 3 billion kip, USD 387,329, AUD 20,000, and 41,240 Thai baht have been donated by various governments and sectors to help the affected provinces. The donation, excluding relief items, are totally valued at over 2 billion ki

- **Laos and China cooperate on public health**

Mr. Somsavat Lengsavad, Standing Deputy Prime Minister, received here on Tuesday a courtesy visit of Deputy Minister of Public Health of China, Mr. Li Xi, and his delegation, who are here on a working visit to Laos from 30 November to 2 December 2009.

Mr. Somsavat appreciated and highly valued the working visit to Laos of the Chinese deputy minister and his delegation, which contributes to the cooperation between the two Parties and governments of Laos and China, especially the cooperation on public health sectors.

Mr. Li also informed the host that during the visit he and his delegation have discussed and exchanged with high-ranking officials of the Lao Ministry of Public Health issues and lessons on human resource development for health sector and the disease prevention along the common border.

- **Environmental Front**

## **Brunei**

- **Economic Front**

- **Brunei ranks high in 2009 UN well-being index**

BRUNEI has been ranked 30th out of 182 countries evaluated under the United Nations Development Programme (UNDP) Human Development Index.

The ranking, published in the UNDP Human Development Report 2009, was announced by the Director-General of Education Pg Hj Mastoli Pg Seri Indera Pg Hj Ismail at the 2009 "Empowering Reading Culture" youth forum competition yesterday.

- **Asian Finance Bank eyes Islamic fundraising in Brunei**

ASIAN FINANCE BANK (AFB) is looking into the possibility of establishing a representative office in Brunei Darussalam by 2010, its chief executive based in Malaysia told The Brunei Times by phone yesterday.

AFB hopes to work with Islamic banks in the Sultanate to develop and specialise in fundraising facilities for the shipping of oil and gas, aviation and environment projects, as well as in establishing sovereign funds, said Datuk Mohamed Azahari Kamil, the Islamic bank's CEO.

"There is so much development of oil and gas in Brunei, hence there is a demand for shipping vessels and bunkering services. The fund, named Safeena, is to raise money from the general public to finance vessels which will be acquired by oil and gas companies for a long-term contract of 10 years and is expected to achieve a net return of 10 per cent yield per annum," Datuk Mohamed Azahari said.

The bank also sees the possibility of raising funds to finance investments in the aviation sector, including the purchase of commercial aircraft. AFB's green fund will raise money for carbon credit, for example, manufacturing of solar panels, as it is important for the development of "green" projects in Brunei.

Datuk Mohamed Azahari said by the end of 2010, the bank will be able to see a clear direction of its planned presence in the Sultanate but its entry and activities here are subject to the relevant authorities' approval, feasibility studies and other factors.

Even though Brunei's market is small, its sovereign wealth is huge, making it attractive to the bank. AFB said in a statement the Safeena Fund is structured as a syariah-compliant 10-year closed-end fund constituted via an incorporated entity namely Safeena (L) Ltd domiciled in the tax haven of Labuan.

"The Fund is a private fund and is to be offered only to select sophisticated investors. It aims at raising US\$300,00,000 (\$390,000) through equity and debt participation to invest in structures and/or acquire a portfolio of good quality yielding vessels that will provide a stable income stream to investors. The Fund is jointly managed by AFB and AmanahRaya Investment Limited," the bank said. It stated that the Safeena Fund successfully completed its first investment on November 26 this year through istisna (construction contract) and ijarah mawsufah fi dzimmah (forward lease) with Jimbaran AS, a Norwegian entity that owns and manages chemical tankers. The bank is one of the three foreign Islamic banks that has been granted a licence by Malaysia's central bank to undertake Islamic banking business.

AFB is a full-fledged Islamic bank incorporated in November 2005 and backed by a consortium of shareholders from leading Middle Eastern financial institutions: Qatar Islamic Bank and associates, RUSD Investment Bank Inc of Saudi Arabia and Financial Assets Bahrain WLL.

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The achievement elevates the Sultanate's image and status and improves on the nation's international recognition, another major step towards achieving Vision 2035, she said. Pg Hj Mastoli added that in order to achieve the Vision 2035 goals, it was important for the country to produce strategic thinkers, educators of high calibre, visionary administrators, strategic economists and even local scientists capable of winning a Nobel Prize.

Developing a high reading culture in the community, especially among the younger generations, will aid the country in reaching those goals, she said. According to the UNDP report, between 1980 and 2007, Brunei Darussalam's HDI rose by 0.39 per cent annually from 0.827 to 0.920 today. Brunei has progressively increased its HDI scores in all regions over the period, although some years have shown periods of slower growth or even reversals.

Each year since 1990 the Human Development Report has published the human development index (HDI) which looks beyond GDP to a broader definition of well-being. "By looking at some of the most fundamental aspects of peoples lives and opportunities the HDI provides a much more complete picture of a country's development than other indicators, such as Gross Domestic Product (GDP) per capita," says the UNDP report. The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and gross enrolment in education) and having a decent standard of living (measured by purchasing power parity, PPP, income).

The index is not in any sense a comprehensive measure of human development. It does not, for example, include important indicators such as gender or income inequality nor more difficult to measure concepts like respect for human rights and political freedoms, the report explains.

What it provides is a broadened prism for viewing human progress and the complex relationship between income and well-being, it adds. "Of the components of the HDI, only income and gross enrolment are somewhat responsive to short-term policy changes. For that reason, it is important to examine changes in the human development index over time," the report concludes.

- **Social Front**
- **Environmental Front**