

***PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD***

**ASIA REPORT**

**Fourth Quarterly Report on Asia**

*October to December 2008*

Volume: 3. No.2

**Reports of December 2008**

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**INTERNATIONAL ISLAMIC UNIVERSITY  
ISLAMABAD**

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**Department of Politics and International Relations  
International Islamic University Islamabad**

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

## **ASIA REPORT**

Fourth Quarterly Report 2008

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Reports of **December 2008**

Table of contents

Reports for the month of December

Week-1 December 17, 2008	05
Week-2 December 24, 2008	162
Week-2 December 31, 2008	317

Country profiles

Sources



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

## **ASIA REPORT**

December 17, 2008

Nadia Tasleem	Report on Asia	06
Ashia Rehman:	Report on Fertile Crescent	17
Madiha Kokub:	Report on GCC	47
Tatheer Zehra:	Report on South East Asia	68
Ghashia Kayani:	Report on South Asia	124
Sadia Khanum:	Report on India	132

## BUSINESS AND POLITICS IN THE MUSLIM WORLD

### SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

Weekly Report from 22 November to 12 December 2008

Presentation: 17 December 2008

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The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia, GCC and Fertile Crescent from 22 November to 12 December 2008 as have been collected by interns.

### **Summary**

#### **South Asia:**

##### Political Front:

Political Uncertainty still prevails in **Bangladesh** despite the fact that government has announced to hold elections on 29 December. AL and BNP have reiterated their demands of lifting emergency and deferring upazila elections till end January 2009. Meanwhile they have got engaged in political campaigns to run elections. UN and EU have also urged government to lift emergency prior to elections. Political environment in **Srilanka** seems to be quite uncertain as government on one hand considers military ways to be the only option to handle Tamil issue; while on the other hand Srilankan President has recently offered negotiations to LTTE. Tamils have highly appreciated government offer. In case of **Nepal** ruling regime led by Maoists and main opposition party i.e. National Congress lack consensus on the issue of integration of Maoist army into Nepali army. Meanwhile Maoists' declaration to make Nepal, People's Republic has also increased gap with opposition party that has been reiterating their demand to convert Nepal into Democratic republic. Delay in constitution making has also gained attention hence all parties have started emphasizing on the need to get united in order to complete the process as soon as possible. **Maldives** after establishment of new regime though seems to be quite stable yet resignation of Home Minister Gasim Ibrahim has challenged the strength of coalition. Ruling regime however expressed strong commitment to run government smoothly by giving equal chance to opponents to participate; this is evident in former President's son's decision to join MDP. President has also asked Majlis to play its part in the process of decentralization in order to make administration easy. Military junta in **Myanmar** remains stick with its oppressive policies against NLD. In this regard bail appeals made by six NLD detainees have recently been denied. Meanwhile monks have boycotted to take alms from government officials as a protest

against government's brutal policies. Refugee issue remained in focus in **Bhutan**. King has been asked to take serious notice of refugees who have been living in refugee camps in Nepal, in order to repatriate them.

At **Indian** political front state elections remained most important development. BJP despite its efforts to malign Congress image because of government's inability to cope terrorism, failed to win in recent elections in Rajasthan, Mizoram and Delhi where Congress got victory. However it had successfully got more seats in Madhya Pradesh and Chattishgarh. Meanwhile elections in Lok Saba have to be held in April/May 2009. Another striking issue in India has been growing terrorist activities in various regions. In this regard Mumbai blasts remained at top hence would be covered below. Besides that Assam, Uttar Pradesh, Jharkand, West Bengal and Mizoram have all been victims of terrorist acts carried out mainly by Maoists. Kashmir is also a volatile region where killings of innocent people have become a routine matter. Four phases of elections have passed in various districts of J & Kashmir with almost 55% to 66% voters' turn out in various phases. Result has yet to come.

#### Mumbai attacks:

On 26 November 2008 various terrorist acts have been witnessed in Indian business centre Mumbai that lasted till 29 November. These acts of terror left more than 170 people dead and at least 308 injured. Admitting security lapses at Indian part Home Minister and Chief Minister of Maharashtra immediately resigned. All the while Indian officials started accusing Pakistan for its involvement in Mumbai attacks by claiming that attacks have been carried out by Lashkar-e-Toiba (so-called Pakistani terrorist organization). They have even demanded some of Pakistani nationals by declaring them to be the most wanted. Pakistan kept on denying these charges. At one point war seem to be the only option for both states but situations have normalized to some extent by now. These acts of terror have been condemned by almost all states of the world particularly the US that had promised to provide full assistance to India in order to curb terrorism.

#### Geo-strategic Front:

At geo-strategic front US role in various states plus regional alliances have emerged as potent themes; US involvement is evident in recent statement of US ambassador asking **Bangladesh** to keep its focus primarily on economic growth. Likewise donation of \$1, 00,000 to **Srilanka** for flood relief is yet another example. In case of **Nepal** planned visit of United States Assistant Secretary of State for South and Central Asia, Richard Boucher to Nepal, that has temporarily been cancelled; yet indicates US interest in the region. Lastly recent visit by US delegation to **Bhutan** in order to study growing democracy over there also indicate US involvement. In case of growing regional cooperation **Bangladeshi** efforts to facilitate Laotian President on Laos' day of

independence is significant. **Srilankan** efforts to enhance cooperation with Turkey (in war against terrorism), Thailand (to establish emergency coordinating desk), Maldives (recent invitation by Srilankan President to Maldivian PM to visit Srilanka) and India (to establish link of friendship) signify second theme. Indian external Minister's recent statement to revise bilateral treaties with **Nepal** plus recent invitation to Nepali PM from Chinese counterpart indicates growing regional relations. Normalization of **Myanmar's** trade with Bangladesh and strengthening of its military ties with China plus **Bhutanese** growing ties with India further substantiate the point.

At geo-strategic front **India** has got full support of the US in case of Mumbai blasts. Besides that India has condemned the recent upsurge of violence in the Gaza Strip and expressed concern at the adverse effects of Israel's closure of access points into the area.

#### Social Front:

Experts in **Bangladesh** have been trying to utilize bio-technology for agriculture. People in flood hit areas of **Srilanka** have been looking towards relief fund being sent by UN. Despite global recession and political instability in **Nepal** tourist's inflow kept on increasing throughout this year. Heavy rains causing floods in Inguraidhoo, human rights violation in Reethi Rah and environmental threats challenging **Maldives** appear to be striking social issues. Lack of HIV/AIDS treatment has become fatal for **Myanmar**. Meanwhile HIV/AIDS and bird flu have come up as most striking issues in **India**.

#### Economic Front:

Along with political instability government of **Bangladesh** seems to be badly stuck in shrinking economy and acute power crisis. Amidst financial uncertainty government of **Srilanka** has to keep its focus on bridging regional disparities through infrastructural development in order to bring economic and social progress. Meanwhile IMF has warned **Nepal** about chances of decline in remittance income because of global economic crisis generally and Indian economic recession particularly. All the while price of petroleum has decreased due to decrease in oil prices in international market. Gold market in **Myanmar** has been facing sharp fluctuation; meanwhile its timber export market has declined as well because of economic crisis worldwide. However, foreign investment in Myanmar hit 15 billion U.S. dollars in 422 projects up to September this year.

At **Indian** economic front various patterns have been observed. On one hand Indian rupee as declined further and reached at 50.07 in comparison with 1 US dollar. Meanwhile almost 5 lakh industrial workers are expected to loose jobs with next 5 months amidst ongoing economic crisis. On the other hand stock exchange has improved quite significantly. Besides that inflation



has also reduced remarkably. Indian government seems keen to attract foreign investments to cope financial crisis.

### ***East Asia:***

#### Political Front:

At ***Indonesian*** political front recently held rally by thousands of Papuans demanding independence from Indonesia emerged as most significant development in last three weeks. ***Malaysian*** ruling regime has to face another critical phase of bi-elections in January after disastrous result of March Polls. Among East Asian states political situation in ***Thailand*** remained extremely instable and uncertain. Anti-government protestors launched demonstrations, aimed at ousting PM that lasted for more than a week. Finally Court ordered to dismiss PM hence opposition claimed to get vote of confidence on 15th of this month in order to bring their PM to lead the country. At the same time there were rumors of political coup that have been denied by military General. Meanwhile three blasts occurred in Bangkok indicating terrorist activities over there. In case of ***Philippines*** impeachment bid against Macapagal Arroyo is likely to fail as her political strength has enhanced. Communist guerillas however have denied resuming talks with PM Arroyo however Muslims have asked government to restart negotiations with MILF. Government therefore has rebuild peace panel to continue peace talks with Muslim insurgents that ended three months ago. Increase in military budget has been critically seen by opposition parties as well as NGOs in ***Cambodia***.

#### Geo-strategic Front:

As far as US involvement in the region is concerned, it can be judged by eight rounds of talks between ***Malaysia*** and the US to sign Free Trade Agreement. All the while the US has recently announced an aid of \$2.5 million to families displaced of Mindanao region. As far as regional issues are concerned ***Malaysia*** has recently announced to withdraw its monitoring team from Southern Philippines by the end of this month. Malaysia and ***Indonesia*** have increased air space cooperation manifolds. Likewise ***Singapore*** has recently signed MoU with Sweden and China. Meanwhile ***Vietnam*** has recently signed one lakh ton rice export contract with Malaysia. It has also agreed to expand strategic partnership with India and economic plus technological cooperation with Myanmar, China and Japan. ***Laos*** and ***Cambodia*** have also agreed to enhance economic cooperation with one another as well as with Vietnam.

#### Social Front:

Growing number of HIV victims as well as powerful earthquake in Timor Leste emerged as potent issues at **Indonesian** social front. Number of HIV patients is on increase in **Malaysia** as well where another potent issue is heavy rains causing floods. Disastrous floods in **Philippines** have badly affected various regions leaving thousands of people homeless. Remarkable increase in number of HIV/AIDS victims is also an issue of concern for **Singaporean** regime. Floods however have been threatening **Laos**; where victims have started looking for foreign aid as relief package.

#### Economic Front:

**Indonesian** secluded tribes have not been affected by global economic crisis as have been living far away from modern world. Meanwhile the global economic slowdown has sent palm oil prices crashing, spelling misery for many **Indonesian** and **Malaysian** farmers. In **Philippines** the economic growth slowed down in the third quarter of 2008, expanding by only 4.6% from 7.1% a year ago. Philippine exports also fell 14.9% in October to \$3.967bn with shipments to all top markets suffering sharp declines amid the global financial crisis. Poverty in **Thailand** can be regarded as main reason behind political instability over there. Oil and gas industries in **Singapore** have been performing well amidst global economic crisis. PM Lee has also expressed positive hopes regarding Singapore's ability to recover from economic turmoil. Inflation in **Vietnam** has dropped by .76% from October; however foreign investors do not consider Vietnam as suitable for investment. Government of **Laos** expects its economy to remain stable in next few years even amidst global financial crisis.

#### **GCC:**

#### Political Front:

At political front **Bahraini** PM has stressed greatly on the need to enhance cooperation with Parliament for the betterment of his country. Political environment became quite uncertain and instable amidst recent crisis between **Kuwaiti** government and Parliament over the issue of an Iranian cleric's (who had made derogatory comments about Sunni Muslims) visit to Kuwait. MPs planned to challenge PM for allowing such a controversial figure to visit their country hence few cabinet ministers immediately submitted resignations. At such critical moment Kuwaiti emir has announced to put all his efforts to keep government working hence assured that neither constitutional nor unconstitutional dissolution of the government will take place.

#### Geo-strategic Front:

In case of US involvement in the region **Qatar** has been highly appreciated by the US for its role in Darfur; similarly **Kuwaiti** freedom of expression and religion has been equally praised by the US. Meanwhile the US has recently signed technological deal with **Saudi Arabia**. As far as regional issues are concerned **Kuwait** has expressed serious concerns regarding Gaza blockade hence has urged international community to play an effective role to bring that blockade to an end. Meanwhile Kuwait kept its focus on enhancing ties with Iraq, S.Korea and East Asian states however has declared Iranian nuclear technology to be dangerous for the whole region. All the while **Bahraini** growing ties with Russia and Japan remained significant. Government of **Oman** seems keenly interested in enhancing ties with various states including Russia and Japan. Likewise **Qatar** has been putting efforts to strengthen ties with Egypt, Jordan and Sudan. Qatar has also condemned Gaza blockade. Besides that **Saudi** government has developed close ties with Egypt, France, Moscow (has even expressed its intention to build a central mosque over there) and EU. In case of **UAE**, growing ties with Pakistan, Lebanon, Egypt, Syria, Germany and Tunisia remained at top of the list.

#### Social Front:

In **Bahrain** government has announced to create almost 200 jobs by establishing a National Contact System. Now total number of jobless people in Bahrain is 4,828. Political crisis in **Kuwait** has brought social reforms into risk. **Oman** seems keen to fight against human trafficking. Number of Aids victims is less in case of **Qatar**.

#### Economic Front:

At economic front in recent months, **Kuwait's** stock market has been dropping as oil prices have plunged amid the financial contamination sparked by the US mortgage crisis. Meanwhile, the **UAE's** oil output fell 10.43 per cent in November to 2.3 million barrels per day. Amidst ongoing economic crisis more than 40% of people in Gulf region are not scared of job-cuts.

#### **Fertile Crescent:**

#### Political Front:

At **Iraqi** political front, suicide bombing in Kirkuk region, oil rich Basra region's demand to have autonomy and endorsement of security pact with the US by Iraqi President remained most significant developments. In case of **Lebanon** Hezbollah has refused to meet with visiting former US President Jimmy Carter. Meanwhile leader of Free Patriotic Movement, after visiting Syria,

declared that Syria was no more a threat to Lebanon. **Palestinians** have been asking **Israel** to end Gaza blockade and to change its aggressive policies against Palestinians in order to bring peace in the region. Israel in return claimed that after the making of independent Palestine all Arabs would have to leave Israeli territory. Meanwhile EU's decision to improve ties with Israel has been critically viewed by Palestinians. More than 20 lawmakers in **Jordan** walked out of a Lower House meeting, protesting a decision to put off a debate over a proposal to send a relief aid ship to Gaza.

#### Geo-strategic Front:

**Iraq** has requested Obama to start negotiations with Iran and Syria. All the while **Palestine** has requested the US to take serious notice of Israeli aggressive policies in their region. India has expressed serious concern regarding Israeli blockade of aids and supplies to Palestine. Moving towards **Syria** President al-Assad has expressed disappointment with the US-Iraqi security pact. Meanwhile Syria remained active in enhancing ties with EU, France and Lebanon. Similarly growing **Jordanian** ties with EU, NATO, Turkey, Srilanka, Korea and Palestine remained significant. **Lebanese** government has recently asked Iran for weapons. All the while Britain has lifted travel ban from Lebanon.

#### Social Front:

A Muslim student of Hebrew University in **Israel** has been detained for refusing to shake hand with Israeli President. Human rights violations in **Palestine** are being associated with Israeli brutal attacks in the region. **Lebanese** students have launched demonstration in favour of their Palestinian Brethrens.

#### Economic Front:

At **Iraqi** economic front government has refused to allow Kurds to export oil unless they withdraw deals with foreign firms. Despite the fact that Amman stock exchange dropped at historic level yet IMF in its recent report has appreciated **Jordanian** economic outlook.

## **Muslim militant organizations in India**

### **Students Islamic Movement of India:**

The Students Islamic Movement of India was formed in Aligarh, Uttar Pradesh, in April 1977. The stated mission of SIMI is the 'liberation of India' from Western materialistic cultural influence and to convert it into an Islamic society. This organization is believed by many, including the Government of India, to be involved in terrorism.

SIMI was banned by the Indian Government in 2002 for its involvement in Terror activities in India. However, in August 2008, a special tribunal lifted the ban on SIMI. The ban was subsequently reinstated by the Supreme Court of India on the 6th of August, 2008.

Fears exist in Government circles that SIMI has been penetrated by Al-Qaeda. It is suspected that SIMI is now also operating under the name of Indian Mujahideen, an outfit that has taken responsibility for the 2008 Ahmedabad blasts, Jaipur blasts and 2008 Delhi blasts. Indian Mujahideen has taken responsibility of several terrorist acts in India and communicates with the Indian media under the pseudonyms of Al-Arbi and Al-Hindi.

#### **Harkat-ul-Mujahideen:**

Harkat-ul-Mujahideen- al-Islami is a Pakistani Islamic militant group. It was established in 1985 initially opposing the Soviet presence in Afghanistan. Now its main area of focus is Kashmir.

#### **Jaish-e-Mohammed:**

Jaish-e-Mohammed is a major Islamic militant organization in South Asia. Jaish-e-Mohammed was formed in 1994 and is based in the Islamic Republic of Pakistan. The group's primary motive is to separate Kashmir from India and have carried out a series of attacks all over India.

The group was formed after the supporters of Maulana Masood Azhar split from another Islamic militant organization, Harkat-ul-Mujahideen. It is believed that the group gets considerable funding by Pakistani expatriates in the United Kingdom and other parts of the world. The group is regarded as a terrorist organization by several countries including India, United States and United Kingdom. Jaish-e-Mohammed is viewed by some as the "deadliest" and "the principal terrorist organization in Jammu and Kashmir". The group was also implicated for the kidnapping and murder of American journalist Daniel Pearl.

#### **Lashkar-e-Taiba:**

Lashkar-e-Taiba is one of the largest and most active militant organizations in South Asia. It was founded by Hafiz Muhammad Saeed and Zafar Iqbal in the Kunar province of Afghanistan, and is currently based near Lahore, Pakistan operating several training camps in Pakistan-administered Kashmir. Lashkar-e-Taiba members have carried out major attacks against India and its objective

is to introduce an Islamic state in South Asia and to "liberate" Muslims residing in Indian administered Kashmir. Some breakaway Lashkar members have also been accused of carrying out attacks in Pakistan, particularly in Karachi, to mark its opposition to the policies of President Pervez Musharaf. The organization is banned as a terrorist organization by India, Pakistan, the United States, the United Kingdom, the European Union, Russia and Australia.

**Hizbul Mujahideen:**

Hizbul Mujahideen is a group of Kashmiri militants based in Pakistan and Pakistan administered Kashmir, and active in Indian administered Kashmir since 1989. The group prefers to call themselves "freedom fighters", however India, the United States, the European Union and some other countries refer to them as "terrorist". Their headquarters are located in Muzafarabad, the capital of Pakistan-controlled Kashmir. It is believed the group al-Badr, derived from Hizbul Mujahideen in early 1998 when encouraged by the Inter-Services Intelligence (ISI). The current leader of the group is a Kashmiri known under the alias Sayeed Salahuddin. On the 30th of November 2005 Hizbul Mujahideen was named on the European Union's terrorism list. The United States has also pronounced it as a terrorist organization. EU member states are obliged to impose restrictive measures such as freezing of funds and assets of persons and groups named in the list. Hizbul Mujahideen is currently the biggest militant group operating in Kashmir, and is widely considered by sources on both sides of the Kashmiri conflict to be the most indigenous and widely-supported militant group active in Kashmir.

**United Jihad Council:**

Also known as the Muttahida Jihad Council (MJC), this group was formed in the summer of 1994 by the amalgamation of several Armed Resistance organizations. It is currently headed by Syed Salahuddin, the leader of Hizb-ul-Mujahideen, the largest Jihad group operating in the Indian administered part of Jammu and Kashmir. This organization was created to unify and focus efforts of various armed resistance groups fighting against the Indian rule in Kashmir. This made distribution of resources like arms, ammunition, propaganda materials and communications more streamlined. It also made it easier to coordinate and pool resources of various Jihadi groups to collect information, plan operations and strike at targets of military importance inside Indian administered Kashmir.

Among the member organizations are: Harakat-ul-Ansar, Hizb-ul-Mujahideen, Jamiat-ul-Mujahideen, Al-Jihad, Al-Barq, Al-Badr, Ikhwan-ul-Mussalmin, and Tehrik-ul-Mujahideen. By early 1999, as many as fifteen organizations were affiliated with the Council, though of these only five were considered influential: Lashkar-e-Toiba, Hizb-ul-Mujahideen, Harkat-ul-Mujahideen, Al-Badr and Tehrik-i-Jihad.

**Al-Badr:**

Al-Badr is an Islamic militant group operating in the Jammu Kashmir region, run by Jasniel Rihal. The group was allegedly formed by the Pakistani Inter-Services Intelligence (ISI) in June 1998. It is believed the group was encouraged by the ISI to operate independently from their previous umbrella group, Hizb-ul-Mujahideen (HM). Prior to the groups' separation from HM, they participated in the fighting in Afghanistan in 1990 as part of Gulbuddin Hekmatyar's Hizb-l-Islami (HIG) alongside other anti-Soviet Afghan Mujahideen.

**BUSINESS AND POLITICS IN THE MUSLIM WORLD**

**Fertile Crescent**

Aisha Rehman

From 6<sup>th</sup> to 12<sup>th</sup> December, 2008

December 17, 2008

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## Iraq

### Political front:

- Turcomans demand Talabani not to marginalize them
- Kirkuk suicide bombing aims to divide Iraqis – U.S. embassy, MNF
- Kirkuk bombing aims to provoke ethnic tensions, says SRSG
- President denounces Kirkuk blast
- Talabani arrives in Kirkuk after deadliest attack
- PB-Barzani meeting was consultative
- German companies provided former regime with chemical weapons
- Constitution has value because it is respected, effective – PM
- Maliki blames quota system for slow ministerial performance
- US Defence Secretary Gates visits troops in Iraq
- Iraq's oil-rich Basra province seeks autonomy
- Iraq presidential council endorses US security pact
- Iraq outlines regional plan for security, development

### Economic front:

- Kurds will not export oil unless they rescind deals with foreign firms, oil minister says
- Nepal threatens to sue Kuwaiti companies

### Geo strategic front:

- UK troops to withdraw from Iraq by June- paper
- US general: Iran backs off worst bombs in Iraq
- Iraq urges Obama to talk to Iran, Syria
- Iran shells remote area of northern Iraq - mayor

### Social front:

- UN says concerned over foreign workers in BIAP
- Iraq welcomes charges against Blackwater guards

## Lebanon

### Political front:

- Salloukh Denies Appointing Khoury Ambassador to Damascus
- Aoun: I Get Excited about Impossible Battles that I Usually Win
- Aoun: Syria 'Not Returning' to Lebanon
- Fatah al-Islam names new leader
- Hizbullah Refuses to Meet Carter
- Lebanon DM : Russia will equip our army with modern equipment
- Hezbollah blames Sunni group for Mumbai attacks
- Assad Promised Aoun to Pardon 50 Prisoners Facing Criminal Charges
- Suleiman Discusses with Aoun Calming Political Rhetoric
- 6 out of 7 unions are controlled by Lebanon's March 14 alliance



- Arslan Criticizes Jumblat and Taef Accord, Declares allegiance to Syria, Hizbullah
- Concerted Multi National Effort to Achieve Border Demarcation with Syria
- Qandil urges Christians to vote for Syria's Allies
- Jumblat: Syria is the first and last danger to Lebanon's independence

Social front:

- UNIFIL Warns Patrols against Passing by Ain el-Hilweh
- Train bomber apologizes to Germany from Lebanon jail

Geo strategic front:

- Lebanon Asks Philippines to Lift Labor Ban
- Syrian Embassy in Ramlet Baida, Lebanese Embassy in Abu Rummaneh
- 1st Batch of 66 U.S. Tanks to Arrive in Lebanon before May
- Britain Lifts Travel Ban on Lebanon
- Sarkozy to Visit Lebanon, Not Syria
- UNIFIL Denies Friction with Citizens
- Carter: Withdrawal of Israel from Shebaa, Ghajar will bring peace
- UN wants more cooperation from Syria over Shebaa farms
- Olmert to Assad: Golan for Iran
- Gemayel Tells Carter Elections Top the Agenda
- Carter urges Lebanon & Israel to work toward peace

Palestine

Political front:

- Livni: "No Place for Arabs in Israel After a Palestinian State is Established"
- Hammad: EU's Decision to Improve Ties With Israel is Negative
- President Abbas: Israel Must End Colonizers' Aggressions

Security front:

- Israel Prevents Al-Eid Boat from Sailing to Gaza
- Palestinians Join UN in Denouncing Honor Killings and Gender Abuse
- A List of 230 Palestinian Prisoners to Be Released
- Olmert Says He Is 'Ashamed' of Colonizers Violence in Hebron
- Action Needed to Alleviate Plight of Gazans

Economic front:

- Sixteen Pledges to UNRWA's 2009 Budget

Jordan

Social front:

- Travel agents report drop in outbound tourism during Eid
- PM calls for revising Prince Hamzah Hospital fees

Economic front:

- Raya lays foundation stone for Aqaba project

Geo strategic front:

- Prince Feisal urges peace camp delegates to help change the world

**Iraq**

**Political front:**

**Turcomans demand Talabani not to marginalize them**

The Head of the Turcomans National Party, Jamal Shan, said that the meeting of a number of Turcomans parties and blocs with President Jalal Talabani focused on discussing the Turcomans' problems and demands not to marginalize them by the government. "We presented several demands, mainly forming the joint administration in Kirkuk and implementing the constitutional articles related to the Turcomans language and its use in the province," Shan told. "The president vowed to instruct the governor to start implementing all these demands by next week and he also promised to normalize the Turcomans' relation with the federal government," he also said. "Talabani listened to our all demands and expressed his personal readiness to intervene as a president in cooperation with other senior officials in the government to solve all problems," he noted.

**Kirkuk suicide bombing aims to divide Iraqis – U.S. embassy, MNF**

The U.S. Embassy in Baghdad and Multi-National Force – Iraq strongly condemn the 'terrorist' suicide bombing in Kirkuk that resulted in the loss of innocent civilian lives, asserting that the operation aims to divide Iraqi communities. "We extend our sincere condolences to the families of the victims and to their communities," said a joint statement received. "The perpetrators of this horrific attack continue to target all Iraqi citizens, regardless of religion or community. Al-Qaeda in Iraq seeks to divide Iraqi communities and halt the progress Iraqis are making in building a stable, inclusive and tolerant society," the statement added. "We stand ready to work with the government and the people of Iraq to combat Al-Qaeda and other terrorists and to help pave the way for a secure, democratic and prosperous Iraq," it said. The blast had left around 150 people killed or wounded as the city of Kirkuk was witnessing tight security measures in preparation for Iraqi President Jalal Talabani's visit.

### **Kirkuk bombing aims to provoke ethnic tensions, says SRSG**

The Special Representative of the United Nations Secretary-General for Iraq (SRSG), Mr. Staffan de Mistura, has strongly condemned a bombing near the northern city of Kirkuk, killing dozens and injuring more than 90 civilians in a crowded restaurant. The suicide bomber struck a popular restaurant 25 miles from ethnically divided Kirkuk while hundreds of families were celebrating the last day of the Muslim holiday of Eid al-Adha, killing at least 48, according to media reports. "This appalling attack targeting scores of people during a religious holiday in an especially sensitive city seems deliberately designed to provoke revenge attacks and further inflame ethnic tensions," warned the Secretary-General's Special Representative for Iraq, Staffan de Mistura.

### **President denounces Kirkuk blast**

Iraqi President Jalal Talabani denounced suicide blast that left dozens of people killed or wounded in Kirkuk, pledging "terrorists will never be able to spoil the security achievements made or undermine national unity," according to a presidential statement. "With heartfelt grief, we have received news of the death and injury of a large number of innocent citizens in a cowardly terrorist operation that targeted a crowded restaurant on the Kirkuk-Arbil highway," Talabani was quoted as saying in the statement. "As we vehemently condemn this heinous terrorist operation perpetrated by the vanquished terrorist remnants, we stress for our great Iraqi people, particularly the steadfast residents of Kirkuk, that terrorists will never be able to upset the fantastic security achievements made all over the country's provinces," Talabani said. "Neither can the terrorists undermine the Iraqi national unity and the march of peaceful coexistence that is hundreds of years old among the diverse population in Kirkuk," he added. Talabani had arrived in Kirkuk on Thursday afternoon. His visit was preceded by a deadly suicide blast inside a restaurant that left about 150 people killed or wounded. The oil-rich city of Kirkuk, a potpourri of Sunni, Shiite, Kurdish and Turcoman population, lies 250 km northeast of the Iraqi capital Baghdad.

### **Talabani arrives in Kirkuk after deadliest attack**

Iraqi President Jalal Talabani arrived in Kirkuk city in the wake of a deadly attack that left 150 people killed or wounded, according to an informed local source. "Talabani arrived afternoon in Kirkuk, where he was received by the local council chief and a host of security officials in the city," the source told. The president's arrival had been preceded by a lethal bombing attack inside a restaurant in the city, which left 47 people killed and 100 others wounded. Kirkuk has witnessed tight security measures since Thursday morning in preparation for Talabani's visit as security patrols were intensified on the city's streets and intersections.

### **PB-Barzani meeting was consultative**

Yesterday's quadripartite meeting between the Iraqi Presidential Board (PB) and the president of the Kurdistan region was consultative and meant to prepare for further meetings, a leader from the Kurdistan Alliance (KA) said on Thursday. "Further meetings will be held in Baghdad to resolve pending issues," MP Mahmoud Othman told. A quadripartite meeting including President Jalal al-Talabani; his deputies, Adel Abdelmahdi and Tareq al-Hashemi, and the president of the Kurdistan region, Massoud al-Barzani, took place at Dukan resort, Sulaimaniya province to discuss the U.S. troop withdrawal agreement as well as other domestic issues.

### **German companies provided former regime with chemical weapons**

The Society for Threatened Peoples will disclose names of German companies that supplied the former Iraqi regime with chemical weapons, the head of Halabja's municipal council said. "We will meet with the chairman of the Society for Threatened Peoples to discuss the matter," Khadr Kareem Mohammed, who represents Halabja at a conference on persecuted peoples in the German capital Berlin, told. "The chairman of the society keeps documents condemning a number of German companies that provided the former regime with chemical weapons," Mohammed noted. Halabja is a Kurdish town in a majority Kurdish area of Iraq about 150 miles (240 km) northeast of Baghdad and 8-10 miles from the Iranian border. The town's population is largely Kurdish. Halabja was liberated by Kurdish Peshmerga supported by Iran in the final phase of the Iran-Iraq war. On 16 March 1988, after two days of conventional artillery attacks, Iraqi planes dropped gas canisters on the town. The town and surrounding district were attacked with bombs, artillery fire, and chemical weapons, the latter of which proved most devastating. At least 5,000 people died as an immediate result of the chemical attack and it is estimated that a further 7,000 people were injured or suffered long term illness. The Society for Threatened Peoples is a human rights organization based in Göttingen, Germany. It attempts to create awareness of and protect minority peoples around the world who are threatened by oppressive governments. The group states on its website that it "campaigns against all forms of genocide and ethnocide". It has sections and offices in Germany, Austria, Switzerland, Luxembourg, Italy, Bosnia and Herzegovina, Chile and Iraqi Kurdistan.

### **Constitution has value because it is respected, effective – PM**

The Iraqi Premier Nouri al-Maliki on Wednesday said that the constitution's value is embedded in the concept that it is respected and effective, and not to deal with it in a selective way. "The constitution is the base for establishing the country," al-Maliki said while visiting al-Hayderiya city, 60 km to the south of Karbala city. "We refer to missing items, but in a logical way," he added.

### **Maliki blames quota system for slow ministerial performance**

Iraqi Prime Minister Nouri al-Maliki blamed the quota system for what he described as the slow performance of Iraqi ministries in the aftermath of the collapse of the former regime. "The

quota system has brought in unqualified persons, who are incapable of shouldering responsibility," Maliki said in a speech during his visit to al-Haidariya city (40 km south of Karbala city).

### **US Defence Secretary Gates visits troops in Iraq**

U.S. Defense Secretary Robert Gates arrived in Iraq ahead of a gradual drawdown of U.S. military might in the country. The 149,000 U.S. soldiers in Iraq are preparing to pull out of cities and towns by the middle of next year and withdraw entirely from Iraq by the end of 2011 under a U.S.-Iraq security pact that enters into force in January. In recent months there has been a sharp decline in the violence that raged after the 2003 U.S.-led invasion. Gates arrived at a U.S. air base at Balad, north of Baghdad, after a visit to Bahrain and Afghanistan, where 65,000 international troops, including 30,000 from the United States, are struggling to defeat a reinvigorated insurgency by Taliban and other rebels. Officials have warned violence in Iraq could surge again ahead of provincial elections in January, a general election later next year, and as U.S. troops hand increasing responsibility for security to Iraqi police and soldiers. Gates was due to meet with the commander of U.S. forces in Iraq, General Ray Odierno, and then visit troops at Balad

### **Iraq's oil-rich Basra province seeks autonomy**

Iraq's independent electoral commission announced plans to collect signatures in support of a referendum to transform the oil-rich province of Basra into an autonomous region. ***Signatures would be collected from December 15 to January 14 in 34 centres*** across the predominantly Shiite province, the Independent High Electoral Commission (IHEC) said in a statement. According to the IHEC, there are 1,409,393 eligible voters in the province of Basra which includes the city of Basra, Iraq's second port along with Umm al-Qasr and the country's economic nerve centre. "If after the certification of the signature collection process the signature list reaches the required 10 percent of the 'Final Voters List', a referendum will be held within three months," the statement said. More than 70 percent of Iraq's oil is produced in Basra and its port is used for 80 percent of crude exports. The region has been riven with the rivalries among three main Shiite factions -- the former rebel Supreme Iraqi Islamic Council (SIIC), the Mahdi Army of firebrand cleric Moqtada al-Sadr and the smaller Fadhila party. If the referendum is organised and accepted, it will transform Basra into an autonomous region with the same rights as Kurdistan, the autonomous region in northern Iraq which also enjoys considerable oil wealth.

### **Iraq presidential council endorses US security pact**

Iraq's presidential council gave its blessing to a landmark security pact with the United States which calls for American combat troops to withdraw by the end of 2011. The controversial agreement, which replaces a UN mandate covering the presence of foreign forces which is due to expire at the end of 2008, was approved by Iraq's parliament last month after months of wrangling. "Nothing has been changed (in the accord)," presidency secretary Nasir al-Ani told AFP after it was reviewed by the body made up of President Jalal Talabani, a Kurd, and two vice presidents, a Shiite and a Sunni Arab. The council decision marks the final hurdle for the pact in terms of government or legislative approval. But as part of the intense political bargaining that led up to parliament's approval of the so-called Status of Forces Agreement, the Iraqi government agreed to demands to hold a referendum on the accord no later than July 30. The pact was made possible in part by dramatic improvements in security over the past year, with US and Iraqi forces now largely containing the chaos that erupted after the 2003 US-led invasion and the toppling of Saddam Hussein. US Defence Secretary Robert Gates said US commanders were considering an accelerated drawdown of US forces, softening his opposition to president-elect Barack Obama's 16-month timetable. Gates said US commanders were already "looking at what the implications of that are in terms of the potential for accelerating the drawdown and -- and in terms of how we meet our obligations to the Iraqis." Iraqi Prime Minister Nuri al-Maliki met top US officials to push for the speedy implementation of the SOFA, which will govern the presence of the 150,000 US troops stationed in over 400 bases, giving the Iraqi government veto power over virtually all of their operations. Parliament's approval of the pact was seen as a victory for Maliki's Shiite-led government which succeeded in corralling a comfortable majority to support the deal, including the main blocs representing the country's Sunni and Kurdish minorities. But the accord has still drawn fire from certain quarters, including followers of the hardline Shiite cleric Moqtada al-Sadr, who reject any agreement with the United States which they consider an occupying force.

### **Iraq outlines regional plan for security, development**

Iraq on Tuesday outlined plans for a new regional economic and security partnership to promote peace and prosperity, in a speech delivered by its official spokesman during a visit to Washington. "Iraq will be in the heart of this proposed formula," Iraq's government spokesman Ali al-Dabbagh told a gathering at a Washington think tank, the United States Institute of Peace. ***The plan aims to build roads*** between the Mediterranean and the Gulf, share water supplies, improve oil and gas transport, promote joint economic projects, remove trade barriers as well as fight terrorism and defuse border disputes. Iraq could also be at the heart of a power grid linking Europe with the energy-rich Gulf States, he said. He said there is "***great interest***" in the proposed "***Regional Economic Partnership***" involving neighbors Turkey, Iran, Syria, Jordan, Saudi Arabia and Kuwait. Dabbagh said the Iraqi government has already discussed the plan informally with Kuwait, Syria and Turkey though not Iran, yet. The plan will help to "eliminate the seeds of hatred and mistrust" by bringing the region's ethnic and religious group's closer together. He said Iraq can play a key role in regional integration because it is abandoning its past destabilizing role and moving toward a democratic system with an ethnic and sectarian makeup

that reflects the region's diversity. Iraq is also in a good position as a potential economic pillar with the world's second largest oil reserves after Saudi Arabia and with its geographic proximity to both the Gulf and Europe. The plan would seek to ease the sense of isolation felt by Kurds scattered throughout Iraq, Turkey, Syria and Iran as well as the concerns of the Sunni Arab minority in Iraq and Arab minorities living in Turkey and Iran. At the same time, he said, the plan aims to ensure that Shiites, a long-oppressed majority in Iraq who are now the most powerful group, are not seen as a threat in the region. Dabbagh envisioned integrating at a later phase the Gulf Arab states of Bahrain, Qatar, the United Arab Emirates and Oman. In introducing the plan, Dabbagh said it was time for Iraq and its partners to think of "a new era" now that Washington and Baghdad have signed a security pact paving the way for the departure of US troops in three years. Dabbagh said the plan represented an **"official vision" of the** Iraqi government and it was being announced for the first time in this form.

### **Economic front:**

#### **Kurds will not export oil unless they rescind deals with foreign firms, oil minister says**

Kurds will not be allowed to export oil extracted from their fields unless they meet central government conditions on signing of oil deals, Oil Minister Hussain Shahrstani said. In a press conference in Baghdad, Shahrstani reiterated his government's stand that the 17 contracts the Kurds have signed with foreign oil firms were illegal. ***He said signing of oil contracts is a prerogative of the central government in Baghdad.*** Shahrstani was reported last month to have reached an agreement with Kurds to export 100,000 barrels a day of their crude. But the deal has collapsed over differences on royalties and rights to develop oil fields. The Kurds say development of oil fields in their areas and collection of royalties is a right they are not going to compromise. Shahrstani says the region has no right to strike oil deals on its own and he will block exporting oil produced in the Kurdish region until the Kurds relinquished their right to sign deals with foreign oil firms. The Kurds, according to Shahrstani, will have to rewrite the deals they have signed to meet conditions by the central government and refrain from signing new ones without its approval. The Kurds already get 17% of national oil revenues and say the royalties from oil produce in their region must go to their coffers. Iraq currently exports 1.7 million barrels a day but Shahrstani said his ministry has plans to increase exports. He did not say how and when.

#### **Nepal threatens to sue Kuwaiti companies**

The Nepalese Embassy in Riyadh has given Kuwait's Minister of Social Affairs and Labor Bader Al-Duwaila two weeks to study the dossiers of Kuwaiti companies employing Nepalese workers in Iraq. Lawyer Ayed Al-Subai'e, the lawyer acting on the embassy's behalf, has threatened that the concerned companies will be sued in American courts if the embassy's demands over the workers' conditions are not met within the two-week period. The action follows media reports that over 1,000 Nepalese, Indian, Bangladeshi and Sri Lankan workers employed in Iraq by the

companies, have been and continue to be maltreated and housed in poorly-ventilated, squalid shacks near Baghdad Airport. Al-Subai'e also revealed that Nepal had issued a directive in 2004 prohibiting companies from taking Nepalese employees to Iraq after 11 Nepalese workers were killed by insurgents while working in the war-torn nation. The lawyer said he had been engaged by the Nepalese Embassy in Saudi Arabia to defend Nepalese subjects working for Kuwaiti companies.

### **Geo strategic front:**

#### **UK troops to withdraw from Iraq by June- paper**

Britain is planning a full troop withdrawal from Iraq by June 2009, the British Guardian said noting that the Britons will hand over authority to U.S. troops rather than the Iraqi government. "Britain's six-year occupation of south Iraq will begin drawing to a close in March, and the last troops will leave Basra by June, a senior defence source disclosed yesterday," according to the newspaper's report. "But instead of handing over to Iraqi authorities, the British will be replaced at their Basra airport base by a large force of US troops, who will set up their own headquarters there, the source revealed." "The withdrawal follows months of planning and security assessments by British and American commanders. The timetable is expected to be confirmed by Gordon Brown early in the New Year," it added. "The initial rundown will be relatively modest, with the tempo increasing later, defence officials said. 'It'll be very gradual, and then a fairly steep reduction,' one said. By the end of June almost all the 4,000 UK troops now stationed at Basra will be gone. About 300 will remain at the request of the Iraqis to help set up colleges for officer cadets and senior staff officers, and to train the Iraqi navy."

#### **US general: Iran backs off worst bombs in Iraq**

Iran is no longer actively supplying Iraqi militias with a particularly lethal kind of roadside bomb, a decision that suggests a strategic shift by the Iranian leadership, U.S. and Iraqi authorities said. Use of the armor-piercing explosives, known as explosively formed penetrators, or EFPs, has dwindled sharply in recent months, said Army Lt. Gen. Thomas Metz, head of the Pentagon office created to counter roadside bombs in Iraq and Afghanistan. Metz estimated that U.S. forces find between 12 and 20 of the devices in Iraq each month, down from 60 to 80 earlier this year. Asked if the elite Iranian Republican Guard Corps has made a deliberate choice to limit use of EFPs, Metz nodded: "I think you could draw that inference from the data." Iraqi government spokesman Ali al-Dabbagh agreed Iran has curtailed its activity inside Iraq. He said he thinks Iran has concluded that a new security agreement between the U.S. and Iraq poses no threat to Iran. Iran opposed the agreement as a blessing for foreign forces to remain in Iraq, and encouraged Iraq's democratic government to reject it. The United States has long claimed that Iran or Iranian-backed groups are using Iraqi Shiite militias as proxies to kill U.S. troops in Iraq. Iran



denies the Bush administration allegations that it supplies money and weapons, but independent analysts have said U.S. evidence is strong, if circumstantial. The U.S. cites the spread of powerful EFP roadside bombs as the clearest Iranian fingerprint. U.S. military officers say they know the EFPs come from Iran because they bear Iranian markings and because captured militants have told them so. The workmanship is so precise they could only come from a modern factory with machine tools available in Iran but not Iraq.

### **Iraq urges Obama to talk to Iran, Syria**

US president-elect Barack Obama and his future administration must open dialogue with Iran and Syria to “solve” long-standing issues plaguing the Middle East, the Iraqi government said. “I call on the new administration to open a dialogue with Iran to resolve the exceptional problems which are affecting stability in the region,” government spokesman Ali al-Dabbagh said in a statement released at the outset of an international conference in Washington. “We do encourage the administration to have a dialogue with Syria,” Dabbagh added at the Pentagon. “Whether the US would like Iraq to initiate that dialogue with Syria, we are ready.” But the outgoing administration of President George W. Bush has cut nearly all diplomatic ties with Damascus, which it accuses of poorly policing a porous border with neighboring Iraq, helping to swell the ranks of the insurgency there. “Without having that dialogue between Iraq and its neighbors, between the US and the region, I think we will not solve the problems between Iraq and its neighbors,” Dabbagh said. ***Obama confirmed he wants to hold talks with Iran, stating his readiness to end a 30-year stand-off between Washington and Tehran.*** the number of Iranian-made explosively formed penetrators (EFPs) in Iraq has decreased appreciably in recent months, indicating Tehran’s support for Iraqi insurgents is waning, according to US Army Lieutenant General Thomas Metz.

### **Iran shells remote area of northern Iraq - mayor**

Iran shelled a remote area of northeastern Iraq for a second day, a regional official said, but there were no details of casualties or material damage. Iran occasionally shells northern Iraq, where it says Iranian Kurdish rebels take shelter. The last bombardment was on Friday. The artillery bombardment was intermittent, said Azad Asso, a district mayor for Jarawa district on the Iranian border, around 195 km (120 miles) northeast of Sulaimaniya. He said the shelling started in the afternoon and continued into the evening.

## **Social front:**

### **UN says concerned over foreign workers in BIAP**

A UN special representative for Iraq expressed concerns over the “plight” of about 1,000 foreigners brought in with promises of work and then left without jobs in the Baghdad International Airport (BIAP). “The UN Assistance Mission for Iraq takes the allegations of human trafficking by contractors in Iraq very seriously and is concerned about their predicament,” UNAMI chief Staffan de Mistura said in a statement received.

### **Iraq welcomes charges against Blackwater guards**

The Iraqi government welcomed indictments against five Blackwater Worldwide security guards in the 2007 killing of 17 Iraqi civilians in Baghdad, AP reported. Government spokesman Ali al-Dabbagh tells The Associated Press that Iraq welcomes any attempt to hold the criminals accountable for their crime. The U.S. Justice Department indicted the five late Thursday and is reportedly negotiating a plea bargain with a sixth in the case, in which a convoy of heavily armed Blackwater contractors opened fire in a crowded Baghdad intersection on Sept. 16, 2007. Al-Dabbagh said Saturday the Iraqi government has retained a law firm to pursue compensation for the families of the victims and he expects the final settlement to be big.

### **Lebanon**

#### **Political front:**

### **Salloukh Denies Appointing Khoury Ambassador to Damascus**

Foreign Minister Fawzi Salloukh denied a report that said Lebanon has chosen Michel el-Khoury to become first ever ambassador to Syria. "The foreign ministry, which has been closed for three days on the occasion of Eid al-Adha, has no knowledge about this matter," Salloukh said. Agence France-Presse had earlier quoted a foreign ministry official as saying that the cabinet "is planning to submit the name of Khoury, the current Lebanese ambassador to Cyprus, to become ambassador in Damascus."

### **Aoun: I Get Excited about Impossible Battles that I Usually Win**

Free Patriotic Movement leader Gen. Michel Aoun stressed that he did not discuss parliamentary elections with Syrian President Bashar al-Assad . "Others believe that my visit to Syria was risky," Aoun said in remarks. "But in my view, I was applying my convictions." "I sought to experiment with this and I do not fear it like some (people) believe," he added. Aoun said he "gets excited about impossible battles and impossible issues which I usually win."

### **Aoun: Syria 'Not Returning' to Lebanon**

Free Patriotic Movement leader Gen. Michel Aoun said that Syria is not trying to return to Lebanon. "I confirm that Syria will not return to Lebanon under any circumstances," Aoun said following a meeting of the FPM. Not only that, but "Damascus is willing to discuss anything that bothers Lebanon," he said. Aoun said it was "necessary" to brief President Michel Suleiman of his visit to Syria. "While diplomatic relations are the task of the head of state," he stressed. Aoun complained that he is among those leaders who were "deprived" from setting up personal relationships with foreign countries. On his trip to Syria, Aoun said he was "at ease with everything I did." He said two issues were not tackled in Syria – parliamentary election and campaign finance as well as internal Lebanese problems. Aoun also argued that he did not go to Damascus to discuss the issue of the missing Lebanese in Syrian jails. "A special committee is tasked to work on this issue," he said. Aoun believed that what happened during the days of former President Emile Lahoud as far as exceeding limits towards him and towards Syria was "something historic and must not be repeated"

### **Fatah al-Islam names new leader**

Al Qaeda-inspired Fatah al-Islam fears its leader Shaker al-Absi has been killed in Syria and has named another member to lead the group which fought a 15-week battle with the Lebanese army last year. The militant Islamist group said in a statement it had lost contact with Absi after he was ambushed on his way to a meeting aimed at making contact with insurgents in Iraq. "Up to this moment, we have no knowledge, even though we are inclined to think they died. Yet, we have no evidence that proves this matter to us," it said, according to a translated transcript provided by SITE, which monitors militant websites. "Three days after the loss of the sheikh and his companions, the shura council of the organization appointed the brother, Sheikh Abu Mohammed Awad as successor to Sheikh Shaker al-Absi," the statement said. "With the absence of Sheikh Shaker al-Absi, the new period starts. The organization started regaining its strength and spreading in all of Syria, Lebanon, and Palestine." Holed up in the Nahr al-Bared Palestinian refugee camp near in Lebanon's northern city of Tripoli, Fatah al-Islam fought the Lebanese army for 15 weeks last year.

### **Hizbullah Refuses to Meet Carter**

Hizbullah has refused to meet visiting former U.S. president Jimmy Carter to discuss legislative elections set for the spring, Carter's spokesman said. "We have sought meetings with all the main parliamentary blocs and parties in the upcoming election and Hizbullah was one of those meetings we had requested," Rick Jasculca, a spokesman for the Carter Center, told AFP. ***"Hizbullah declined the request," he added without providing further details.*** A main ***focus of Carter's four-day visit*** is to discuss with the country's rival political factions the possibility of providing election observers from his center for the elections next spring. Hizbullah officials contacted by AFP would not comment on Carter's request for a meeting. "Hizbullah does not meet with anyone from a US administration which supports Zionist terrorism," said Mohamed

Raad, head of Hizbullah's parliamentary bloc. But he added that his group is not opposed to election monitors being sent to Lebanon to oversee the parliamentary vote. "We will accept whatever decision the cabinet takes." The international community has made it clear it will closely watch the parliamentary elections that could well see a majority grabbed by Hizbullah, viewed in Washington as a terrorist organization, and its allies.

#### **Lebanon DM : Russia will equip our army with modern equipment**

Lebanon's Defense Minister Elias el-Murr said Russia is serious and honest in equipping the Lebanese Armed Forces (LAF) with modern military equipment unconditionally.

Following his meeting with the head of the Russian Federal Service for Military and Technical Cooperation Mikhail Dimitriev, Murr said: "there are no obstacles in terms of equipping the army. Today we prepared for my visit next week to Russia. I will discuss all technical and military aspects with the Russian Defense minister concerning what could be provided to LAF from the Russian defense ministry and armed forces." Minister Murr also talked to reporters about his up-coming visit to Syria Murr disclosed that he would soon hold a meeting with Khoury to set the time for the visit. Murr added that he would present the cabinet with a working agenda for his Syrian trip. He said that he wants to get cabinet approval on all points of discussions with Syrian officials. This includes the issue of border security in particular, the implementation of UNSCR 1701 that covers this. Dimitriev pointed to reporters that: "Everyone in the Middle East knows that Russia is interested in regional stability, particularly in Lebanon. That is why we consider it very important that LAF are strong; its fighting readiness is high. We wish to provide a new pulse to our bilateral relations in the military and technical field."

#### **Hezbollah blames Sunni group for Mumbai attacks**

Lebanon-based Hezbollah has blamed the Mumbai terror attack on the Sunni fundamentalist group Takfiris. In a statement which can raise eyebrows because of Hezbollah's unrelenting hostility to Israel, the Hezbollah said that the group which carried out the Mumbai strikes was of Takfiri ideological lineage. Takfiris are ultra-fundamentalist Sunnis who view the non-Muslim world as a battleground and all non-Muslims as infidels. The statement issued by Sayyid Nawwaf al-Musawi, the international relations head of Hezbollah, is significant because it comes at a time when huge sections in Pakistan continue to deny any link of the notorious Sunni fundamentalist Lashkar to Mumbai attack, and have even blamed the crime on a wider conspiracy involving Hindus, Americans and Israelis. Hezbollah represents Shias who have been at the receiving end of the brutality of Sunni fundamentalists groups including al-Qaida, Lashkar-e-Taiba, Jaish-e-Mohammed and Sipah Sahaba and Afghanistan-based Taliban. Takfiris condone acts of violence as legitimate methods of achieving religious or political goals and do not accept any deviation from Islam in the strictest sense. ***The Hezbollah statement comes when a section of even the Urdu press in India seems to be coming around to suspect that the carnage was a conspiracy by Sangh Parivar to thwart the Malegaon probe into the "Hindutva terror" by eliminating Hemant Karkare of Maharashtra ATS.*** Karkare was leading the probe into the alleged involvement of Hindutva radicals in the Malegaon blast of September 29. Group

editor of Urdu daily 'Roznama Rashtriya Sahara', Aziz Burney, in his edit piece recently said that Hemant Karkare, encounter specialist Vijay Salaskar and additional commissioner of police Ashok Kamte were killed under suspicious circumstances. Speaking to TOI, Burney claimed that the attacks were part of a larger conspiracy hatched in connivance with the Congress government, Leader of Opposition L K Advani, Mossad and Chotta Rajan to disable the Malegaon investigations. He also names Gujarat chief minister Narendra Modi and BJP president Rajnath Singh as involved in the conspiracy.

### **Assad Promised Aoun to Pardon 50 Prisoners Facing Criminal Charges**

Syrian President Bashar Assad has promised Free Patriotic Movement leader Gen. Michel Aoun to pardon 50 Lebanese prisoners facing criminal charges. In the March 8 coalition as saying that Assad promised Aoun to "close this dossier." The sources said Assad has also vowed to "personally oversee" a legal way out of this dilemma through issuing a presidential amnesty decree for over 50 prisoners serving jail terms in Syria. The sources, however, did not talk about "political detainees" in Syrian jails. Aoun is likely to play a role in providing transportation for the released prisoners from Damascus to Beirut.

### **Suleiman Discusses with Aoun Calming Political Rhetoric**

President Michel Suleiman discussed with Free Patriotic Movement leader Gen. Michel Aoun the need to "calm down political rhetoric." A Presidential statement said the discussion at the Baabda Palace also covered the "domestic situation ... and the need to proceed with reconciliation." The two, the statement added, also considered the need to calm down political rhetoric regarding "external states and the need to refrain from targeting friendly and allied states." The short statement did not disclose further details.

### **6 out of 7 unions are controlled by Lebanon's March 14 allinace**

**The** March 14 alliance announced that it has achieved a sweeping victory in Union elections for 2008. The announcement was made by secretary of the Democratic Renewal Movement Antoine Haddad in a press conference called for by the March 14 alliance. March 14, Haddad explained, is represented by five out of six syndicate heads and 45 out of 49 syndicate council members. That leaves only one Syndicate head and four council members for March 8, he noted. Such results "clearly reflect that the Lebanese civil society and its elite have adopted the central cause, for which March 14 forces are struggling," Haddad said. The outcome of union elections reflects support for the march

to set up an independent, sovereign and democratic state "without which there would be no future for any Lebanese group," he added.

### **Arslan Criticizes Jumblat and Taef Accord, Declares allegiance to Syria, Hizbullah**

Minister of Youths and Sport Talal Arslan warned that the escalating political rhetoric and deteriorating security would take the nation back to pre-May 7 situation. Arslan, addressing a press conference, accused Progressive Socialist Party leader Walid Jumblat of leading the nation "back to trenches." "I don't want Walid Jumblat to change his alliance, but to calm down the rhetoric," Arslan said. He also declared that "I back calls for amending the Taef Accord, it is not fit for a coherent and strong System." Arslan described Free Patriotic Movement leader Michel Aoun as an "historic leader." Arslan warned, however, that he would "spearhead any regional attempt to subdue Syria through Lebanon."

### **Concerted Multi National Effort to Achieve Border Demarcation with Syria**

A concerted multi national effort would be launched throughout December and early next year to pressure Syria into facilitating border demarcation with Lebanon and settling the issue of missing Lebanese citizens in Syria. It said the *international effort aims at* pressuring Syria into honoring commitments made by its President Bashar Assad to his Lebanese counterpart Michel Suleiman last August, that also include implementation of U.N. Security Council resolutions. UNSCR 1701, which ended a 34-day war between Israel and Hizbullah in the summer of 2006, bans cross-border smuggling of weapons into Lebanon. The report said concerned parties, particularly the United Nations and France, await the setting up of diplomatic ties between Damascus and Beirut before end of the year to activate implementation of other topics, especially border demarcation and the fate of Lebanese citizens missing in Syria. *The United Nations has officially announced that Damascus failed to provide the international organization with documents* required to define borders of the Israeli-occupied Shebaa Farms to establish Lebanon's sovereignty over the terrain. The United Nations Lebanon representative Michael Williams said he would visit Damascus early in January to discuss with Assad UNSCR 1701 and renew the request for documents supporting Lebanon's sovereignty over Shebaa Farms. Williams said border demarcation should be achieved to facilitate efforts aimed at combating smuggling.

### **Qandil urges Christians to vote for Syria's Allies**

Former MP Nasser Qandil urged Christian voters to support Syria's allies in the forthcoming elections to facilitate normalizing relations between Beirut and Damascus. Qandil, whose name came up as a suspect during the investigation of the assassination of Lebanon's former Prime Minister Rafik Hariri is a key member of the Iranian and Syrian backed Hezbollah-led opposition. Qandil told a press conference the recent visit to Syria by Free Patriotic Movement leader Michel Aoun "placed the fate of relations with Syria in the hands of Christian voters." Success by pro-Syria March 8 candidates in the 2009 elections would lead to "openness," Qandil said. *He threatened*

*however*, that in case the March 14 alliance won the elections, "there would be boycott and closure of borders between the two states." Qandil also called for "freezing" any discussion related to the fate of military bases manned by Syrian-backed Palestinian factions in the eastern Bekaa Valley and the coastal village of Naameh south of Beirut. A decision on opening an embassy in Lebanon for the Palestinian Authority also should be "frozen," Qandil suggested. Syria is the only Arab state that does not recognize Palestinian President Mahmoud Abbas' authority.

### **Jumblat: Syria is the first and last danger to Lebanon's independence**

Progressive Socialist Party (PSP) leader MP Walid Jumblatt said that the Syrian regime posed a danger to Lebanon's "independence movement," referring to his anti-Damascus March 14 Forces. "The Syrian regime is the first and last danger that the independence movement is facing," he told his party's general assembly, which was held in the town of Baakline in the Chouf Mountains, southeast of Beirut. Jumblatt said that next year's parliamentary elections would decide Lebanon's fate in the near future. "If the March 14 Forces lose the elections, the country will return to the period of Syrian tutelage," he said. The PSP chief called on his comrades not to lose faith in their cause and to stay committed to the principles of the March 14 alliance. "I waited for a long time, hoping some parties would change their positions, but I realized in the end that some were retarded and had rigid minds," he said. Aoun added that there were two camps in Lebanon; a national one which was committed to having good relations with its surrounding environment as opposed to a "mobile one which is like a taxi cab that moves from one place to another."

### **Social front:**

#### **UNIFIL Warns Patrols against Passing by Ain el-Hilweh**

The U.N. peacekeeping force has warned its patrols against passing by the southern refugee camp of Ain el-Hilweh when they travel along the coastal highway between Sidon and Beirut. Lebanese security sources as saying the U.N. Interim Force in Lebanon (UNIFIL) has also set a specific time at which the convoys should travel every morning between 3am and 5am. When asked for a clarification, U.N. sources told that UNIFIL command has no knowledge of this measure. They said, however, that UNIFIL has adopted a series of precautionary measures since its deployment in southern Lebanon, adding that the U.N. command is aware of threats against the peacekeepers. On the eve of Adha holiday, residents of the village of Bafleh were said to have harassed U.N. peacekeepers for taking pictures. But UNIFIL Spokesperson Yasmina Bouzianne denied the reports, saying residents "neared a UNIFIL patrol to express concern regarding behavior of the patrol in the region. The officer in charge explained to the residents

the nature of the patrol's mission ... and the patrol proceeded with its assignment." Security sources in Sidon that Lebanese troops carried out foot patrols along Sidon's maritime road. They said extraordinary security measures, which began earlier this week, have intensified following the discovery of a bomb in Sidon on the eve of Eid al-Adha.

#### **Train bomber apologizes to Germany from Lebanon jail**

Jihad Hamad, who was sentenced in Lebanon in 2007 for attempting to blow up trains in Germany in 2006, offered his "sincere apologies to the German government and its people." "I would like to offer my sincere apologies to the German government and its people for attempting to blow up the trains in 2006," His apology came a few hours after Youssef al-Hajj Dib, 24, also from Lebanon, was sentenced in Germany to life in jail over the failed plot to bomb the passenger trains. Al-Hajj Dib was convicted of attempted murder by the court in Dusseldorf, western Germany. "I just want to tell the German people that Youssef al-Hajj Dib was the mastermind of such an operation and he managed to get me involved in such a painful act which I will regret all my life," Hamad told DPA

### **Geo strategic front:**

#### **Lebanon Asks Philippines to Lift Labor Ban**

Lebanon's honorary consul in the Philippines asked Manila to allow job-seekers into Lebanon and end a two-year ban, saying it was now safe for them to work there. Joseph Assad said normality had returned to troubled Beirut after the May 2008 presidential election. "We should not compare Lebanon with Iraq, which has a travel ban, because Lebanon is not in a state of war. On the contrary, Lebanon is booming today despite the world economic crisis," Assad told reporters. "The ban on Filipino travel to Lebanon is not helping either country. It is rather harming many families in Lebanon who need help and those in the Philippines who need jobs," said Assad, a Filipino of Lebanese descent who acts as Beirut's representative here. ***Manila, one of the world's largest labor-exporting nations, imposed the travel ban in 2006 amid fighting between Hizbullah gunmen and the Israeli armed forces.*** Some 6,000 Filipino workers were repatriated but officials have said more than 30,000 others had remained there, mostly domestic helpers. Assad said that despite the ban, Lebanese records showed that more than 43,000 Filipinos had defied their government and gone to work in Lebanon since 2006. Although these workers say there is no longer any security threat, Manila is concerned over the lack of laws protecting migrant workers from potential abuse and harassment by employers. Assad said he would look into complaints that many Lebanese employers were not paying their workers the required minimum salary of 333 dollars a month. Some eight million Filipinos, or



nearly 10 percent of the country's population, work abroad. Remittances they send home are a major pillar of the domestic economy.

### **Syrian Embassy in Ramlet Baida, Lebanese Embassy in Abu Rummaneh**

Syria was said to have rented a temporary headquarters in Beirut's seaside Ramlet al-Baida district to be used as its embassy in Lebanon. The Lebanese embassy will reportedly be located in Abu Rummaneh in Damascus. Foreign Minister Fawzi Salloukh expected an exchange of embassies and appointments to the diplomatic missions to be completed before the end of the year. Salloukh had denied reports that Michel al-Khoury, Lebanon's current ambassador to Cyprus, was chosen to become first ever ambassador to Syria. "All that talk about the name of the candidate to the ambassadorial post to Damascus is baseless," Salloukh told.

### **1st Batch of 66 U.S. Tanks to Arrive in Lebanon before May**

The U.S. Department of Defense is preparing to ship 66 M60 tanks to the Lebanese army.

A source at the U.S. administration told the daily As Safir on Thursday that the first batch consisting of 10 tanks will arrive in Beirut before May 2009. The M60 main battle tanks are capable of defeating enemy forces. They are suitable as an assault weapon in offensive operations and can also be employed at night and under conditions of limited visibility.

### **Britain Lifts Travel Ban on Lebanon**

Britain relaxed its travel advice for Lebanon, lifting a blanket warning against travel to the Middle East country which is recovering after three years of unrest. "Due to the improved security situation, we no longer advise against all but essential travel to the country," the Foreign Office said, in updated advice for travelers on its website. The ministry added however that it advised "against all travel to the Palestinian camps, and against all but essential travel to Tripoli as well as south of the Litani River." Lebanon is recovering after three years of turmoil, including a string of assassinations, a devastating war with Israel, a 15-week battle with Islamists, civil strife and a debilitating political crisis. While easing its travel advice, the Foreign Office warned: "Although the situation overall in Lebanon is calm, it is fragile." On several occasions in recent years, the security situation has deteriorated rapidly to the point where we

have had to advise against all travel. "Anyone traveling to Lebanon should keep themselves well informed and closely monitor political and security developments."

### **Sarkozy to Visit Lebanon, Not Syria**

French President Nicolas Sarkozy is to visit Lebanon early next month for talks with his Lebanese counterpart Michel Suleiman. Sarkozy, who is scheduled to arrive in Beirut on Jan. 6, is to inspect his troops serving with the U.N. Interim Force in Lebanon. Sarkozy's trip, according to the report, would not include a visit to Syria. The French head of state would discuss with Suleiman preparations for the two-day visit to Paris by the Lebanese head of state scheduled for March 16. Sarkozy's Beirut mission would also include an assessment of progress achieved in Lebanese-Syrian relations in line with what Suleiman and his Syrian counterpart Bashar Assad agreed on in Damascus last July.

### **UNIFIL Denies Friction with Citizens**

UNIFIL Spokesperson Yasmina Bouzianne denied reports that citizens of the southern village of Bafleh had harassed U.N. peacekeepers. She said residents "nearly a UNIFIL patrol to express concern regarding behavior of the patrol in the region. The officer in charge explained to the residents the nature of the patrol's mission ... and the patrol proceeded with its assignment." "In this particular incident no pictures were taken," the UNIFIL spokesperson said. UNIFIL operates in line with U.N. instructions that permit the use of cameras and audiovisual equipment to facilitate its mission, the statement noted.

### **Carter: Withdrawal of Israel from Shebaa, Ghajar will bring peace**

Former US president Jimmy Carter and his delegation had a round of talks with prime minister Fouad Siniora and some members of the cabinet. Following their meeting Carter told reporters that he hopes to return to Lebanon and added: "This trip was a unique opportunity for me to meet so many key leaders from different political directions. My meeting with PM Siniora was excellent and I am very grateful to him for the services he provided to his country ... Lebanon He added: "I look forward to see the establishment of close diplomatic relations between Lebanon and Syria, which will be a step forward for peace in the region. I will visit Damascus to meet with Syrian President Bashar al-Assad in order to encourage him to speed up this process." ***He expressed his belief that Israel's withdrawal in the near future from the Shebaa Farms area and the village of Ghajar would bring peace to the region as a whole.***

### **UN wants more cooperation from Syria over Shebaa farms**

U.N. Lebanon representative Michael Williams told LBC TV that Syria has failed to provide the international organization with documents supporting Lebanon's sovereignty over the Shebaa Farms, pledging to renew the request in his next visit to Damascus. "Syrian Foreign Minister told me that Shebaa farms belong to Lebanon but will not provide the documents that prove Lebanon's sovereignty , Williams also said that smuggling from Syria across the Lebanese-Syrian borders will not stop unless the borders are demarcated and for this reason diplomatic relations should be established soonest possible to put an end to the smuggling William said more cooperation from Syria is needed over the border demarcation, noting that Syria has been promising him more cooperation ever since he assumed the post of U.N. Lebanon representative Williams said unlike the situation with Syrian front there is progress with regards to Ghajar ( Lebanese Israeli border village) and he plans to visit Israel to negotiate with the Israeli officials over its return to Lebanon Last May , Secretary-General Ban Ki-moon appointed the United Kingdom's Michael Williams, a long-time United Nations staffer and foreign policy adviser, to the post of Special Coordinator for the Middle East Peace Process.

### **Olmert to Assad: Golan for Iran**

Israeli Premier Ehud Olmert has asked Syrian President Bashar Assad for a "written and official definition" of the relations between Damascus and Tehran in case he wanted peace with the Jewish state. Olmert made his point to Assad in a written message relayed through Turkey. That was in response to an earlier request by Assad for a "written commitment" by Israel to withdraw from the Golan Heights in return for going into direct peace talks, according to the report. A diplomatic source said Assad "refuses to make a pledge to Israel to give up his alliance with Iran."

### **Gemayel Tells Carter Elections Top the Agenda**

Phalange Party leader Amin Gemayel former U.S. President Jimmy Carter the March 14 alliance would go into the forthcoming elections despite the fact that certain areas are not under state control. Gemayel told reporters after his talks with Carter that efforts foreign observers are "important to help achieve credible elections." He predicted that the side which "adheres to national principles and defends the nation's independence would win the elections." Gemayel said the Phalange Party's agenda calls for "developing the Lebanese system." Carter told reporters he would return to Lebanon in May to "monitor the elections and help settle some problems."

### **Carter urges Lebanon & Israel to work toward peace**

Former U.S. President Jimmy Carter urged Lebanon and Israel to work toward peace, saying the deployment of U.N. peacekeepers near the two countries' volatile border has helped establish a new sense of security there. He also met the force's commander, Maj. Gen. Claudio Graziano, and took a helicopter tour of the area. The 34-day fighting killed more than 1,200 people in Lebanon, most of them civilians, and 159 people in Israel. "UNIFIL's presence creates a window of opportunity to enhance political and diplomatic

efforts to achieve a permanent ceasefire and long-term solution to the conflict," Carter was quoted as saying by a statement released by the UNIFIL. "I strongly urge all parties to seize this opportunity to work toward peace," added Carter. The vote, expected in May or June, will be fiercely contested between Western-backed anti-Syrian groups that hold majority seats in the current 128-member parliament and a Hezbollah-led coalition backed by Syria and Iran. Earlier Wednesday, Carter met Lebanese President Michel Suleiman and said he hopes Lebanon will hold a successful and peaceful vote. It's unclear whether Carter will meet any Hezbollah officials while in Lebanon and the militant group has not said anything on the matter. Carter said

## **Palestine and Israel**

### **Political front:**

#### **Livni: "No Place for Arabs in Israel After a Palestinian State is Established"**

Israeli Foreign Minister, president-elect of the Kadima party, Tzipi Livni, stated that Arabs in Israel will not have any place in the Jewish state after a Palestinian state is established. ***The statements of Livni were considered an exposed project for massive transfer of all Palestinians from their homeland.*** In a meeting with high school students at a Tel Aviv school, Livni said that "after a Palestinian state is established, we can tell the Arabs 'you have equal rights with the Jews in Israel, but the national solution for you is in a different place', the principle here is two states for two peoples". The Israeli Army Radio repeated the statements of Livni in its broadcast. Also, Livni said that today marks 900 days since Israeli soldier, Gilad Shalit, was captured by resistance fighters in Gaza. "We all want him back, but this is not always possible", she added. Commenting on the situation in Gaza, Livni said that Israel can end the truce any time it desires, and added that resistance fighters resumed the firing of homemade shells into southern Israel. Livni also slammed the Arab Peace Initiative and added that "I do not need new peace initiatives, neither Arab nor French, I will present our own initiative". Commenting on her position in the upcoming general elections in Israel, Livni said that she believes she has a better chance than "the candidates who came to the scene through a military background".

#### **Hammad: EU's Decision to Improve Ties With Israel is Negative**

President Abbas Advisor for Political Affairs Nimer Hammad denounced, the European Union decision to upgrade relations with Israel, saying that it was a "negative step." Hammad said in a statement that, "this decision coming at the time when escalation and attacks in Hebron are

taking place conveys a negative message from the EU, taking the position that Israel wants.” He added that such a decision should be related to the peace process in the Middle East as a whole, saying that he thought this decision wasn’t the right one to make. Hammad finally demanded the EU to implement its decision to boycott Israeli colonies’ products, pointing that this step is possible to realize.

### **President Abbas: Israel Must End Colonizers' Aggressions**

President Mahmoud Abbas said, that there will be no Peace without releasing all Palestinian prisoners from Israeli prisons, and that Israel must put an end to colonizers' aggressions against Palestinian citizens. In a speech pronounced in Mecca on the occasion of Eid Al-Adha, President Abbas said that, ' Hamas is responsible for Gaza's Muslim pilgrims to Mecca not being able to leave the Strip.' He added that those pilgrims will have the priority in next year's list of pilgrims, in addition to the annual number of pilgrims that can go to perform the Hajj. The President asserted that the Palestinian prisoners in Israeli prisons must be released, saying that this is one of the fundamental Final Status issues. He stressed that there will be, 'no peace without freedom to all Palestinian prisoners in Israeli prisons,' adding that the 11,000 prisoners suffering behind Israeli bars must be released, and that a number of them are to be released very soon. He condemned the Jewish colonizers' continued aggressions against Palestinian citizens and demanded Israel to put an end to these aggressions because the Israeli Government and Army are responsible for the colonizers.

### **Security front:**

#### **Israel Prevents Al-Eid Boat from Sailing to Gaza**

A Solidarity boat (Al-Eid Boat) scheduled to leave the Jaffa Port with several Palestinian Knesset members and sail to the Gaza Strip was seized by the Israeli police early transferred to the Tel Aviv marina. The police also seized a truck carrying aid and medications and arrested three of the sail's organizers. Left-wing activists and several Arab members of the Knesset were planning to dock in the Strip a day before Eid Al-Adha, in protest of the Israeli blockade of Gaza, and transfer humanitarian aid, including medications, food and toys. United Arab List-Ta'al Chairman Ahmad Tibi, who joined the sail initiative at the last moment, said this was “a coward and anti-

Democratic move by people and an establishment fearing the supply of medicines to a Gaza hospital.'

### **Palestinians Join UN in Denouncing Honor Killings and Gender Abuse**

Eight United Nations agencies have co-sponsored the first Palestinian 'festival' to combat violence against women, driving home the message that so-called "honour killings" have nothing to do with honour and seeking to break the conspiracy of silence surrounding domestic abuse. "It is time for action, not words," UN Development Fund for Women (UNIFEM) Program Manager in the Occupied Palestinian Territory Alia' Al-Yassir said in the inaugural speech of the festival held, Thursday, in Ramallah. "UN agencies are working as one on this issue and supporting civil societies in their efforts to end violence against women." The main message of the festival was threefold; killing a woman has nothing to do with honor, it is a violation of fundamental human rights and freedoms, and it is time for action, not words. The festival ***aimed at 'breaking the conspiracy of silence'*** surrounding domestic violence,' because silence protects the perpetrators, and is the greatest obstacle encountered by women and girls in protecting themselves and their children. Another message conveyed by the festival was that, youth, especially young men, can play a positive and driving role. Male and female Palestinian youth have the right, duty and responsibility to play a key role in building a Palestinian society free of domestic violence against women and girls. The emphasis on youth groups at the festival reflected the vital role the young can play, since they account for 48 per cent of the population in the occupied Palestinian territory.

### **A List of 230 Palestinian Prisoners to Be Released**

The Israeli Ministerial Committee approved, the release of 230 Palestinian prisoners, out of a list of 250 Palestinians to be released on the occasion of Eid Al-Adha. The Israeli Ministerial Committee rejected 20 names included in the initial list; those prisoners were to be released into the Gaza Strip. The Israeli Minister of Interior Security objected the release of 19 prisoners from the Gaza Strip. Ehud Olmert, the Israeli Acting Prime Minister, had told President Mahmoud Abbas that the Israeli Government intended to release 250 Palestinian prisoners on the occasion of Eid Al-Adha.

### **Olmert Says He Is 'Ashamed' of Colonizers Violence in Hebron**

Israeli Acting Prime Minister, Ehud Olmert described, colonizer's violence in Hebron as 'pogrom;' a word mostly used to describe attacks against Jews in Europe. Olmert said before his Cabinet that the attacks have 'no name other than pogrom' and that as a Jew; he was 'ashamed' to see Jews shooting fire at Palestinians in Hebron. Olmert added that he ordered the Israeli Army Minister, Ehud Barack, to do all that he can to put an end to these attacks.

### **Action Needed to Alleviate Plight of Gazans**

Richard Falk, the Special Rapporteur on the situation of human rights in Palestinian territories occupied since 1967, said that, steps to alleviate the 'humanitarian catastrophe' in Gaza must be taken immediately, calling on the world body to turn its words into action. In a statement Falk said that although UN Secretary-General Ban Ki-moon, General Assembly President Miguel D'Escoto and UN High Commissioner for Human Rights Navi Pillay, among other top officials, have voiced their concerns over the 'desperate plight' of Gaza's civilian population, Israel still 'maintains Gaza siege in its full fury, allowing only barely enough food and fuel to enter to stave off mass famine and disease,' he said, characterizing the policy as one of 'collective punishment' initiated by Israel to punish Gazans for political developments within the Gaza strip. He said that this policy constitutes a continuing flagrant and massive violation of international humanitarian law as laid down in Article 33 of the Fourth Geneva Convention. Acknowledging the potential political difficulties, Falk said 'it is time to act,' adding that at the very least, the UN should make efforts to implement the principle of a 'responsibility to protect' a civilian population being collectively punished by policies that amount to a Crime Against Humanity. As AbuZayd has written, 'the chasm between word and deed' with respect to upholding human rights in occupied Palestine creates a situation where 'radicalism and extremism easily take root.' A limited amount of food entered Gaza, but this is still not enough, UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) warned. The agency will hold its annual pledging conference today at UN Headquarters in New York. Its general budget requirements for 2009 amount to nearly \$550 million for education, health, social support and microfinance services. Secretary-General Ban Ki-moon has urged Member States to fully fund the budget to maintain essential services for 4.6 million registered Palestine refugees.

### **Economic front:**

#### **Sixteen Pledges to UNRWA's 2009 Budget**

Against the backdrop of great financial hardship for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), sixteen donors pledged, contributions to the Agency's 2009 budget, with several Governments expressing their intention to announce their pledges at a later date. Voluntary contributions were announced at meeting of the Ad Hoc Committee, established by the General Assembly as the primary forum for the announcement by donors of their financial support for the Agency. The UNRWA is the only United Nations

program that is a direct subsidiary of the Assembly, providing services for some 4.6 million Palestinian refugees who were forced out of their homes in 1948. Opening the meeting, the President of the Assembly, Miguel D'Escoto Brockmann, said that, as the international community celebrated the sixtieth anniversary of the Universal Declaration of Human Rights today, one could not escape the fact that Palestinians had no reason to celebrate. Their rights had entered 'a state of perpetual suspension'. **Next year would mark the sixtieth** anniversary of the establishment of UNRWA, and the Assembly, by its resolution 63/91, had decided to hold a high-level meeting on October 1 2009 to mark that occasion, he continued. The UNRWA had been mandated 'to prevent conditions of starvation and distress' among Palestine refugees and 'to further conditions of peace and stability' in the areas where it operated. It represented a 'terrible political failure of the United Nations that this mandate must be renewed once again'. It was tragic that any people should have remained refugees and in need of international humanitarian assistance some 59 years after the international community had undertaken to find a just and durable solution to their situation. In 2009, the Agency could face 'a perfect storm', he said. Its cost base had been pushed up sharply this year, as staff salaries had to keep pace with salaries of public servants in host countries, which had increased substantially to reflect fast-rising local costs of living. At the same time, exchange rate trends had lately been working to the Agency's disadvantage. Those factors had come together 'at precisely the time when, after years of debilitating cuts and deterioration in the quality of our services, the refugees were anticipating that they may finally reap the practical benefits of our ambitious, ongoing reform program', he said.

## Jordan

### Social front:

#### Travel agents report drop in outbound tourism during Eid

Travel agents reported a drop in outbound tourism during Eid Al Adha holiday in spite of the long vacation with the majority blaming this on the hike in prices at tourist destinations. A sales officer at a local travel agency, said 70 per cent of Jordanians who booked a vacation with his company want to spend the holiday in warmer places such as Cairo and Sharm El Sheikh, noting that the weather element plays a role in identifying their destination. "More than two charter flights to Cairo, Alexandria and Sharm were fully booked during this holiday. People prefer to spend their holiday at a destination where they find sun, sand and sea," Quneis told. But despite the cold weather, Beirut and Istanbul remain favourite destinations. Meanwhile, **a tourism director at a multi-branch tourism company, reported a 50 per cent drop in external tourism during this holiday, attributing the drop to economic factors.** "External tourism is always weaker during Eid Al Adha, but it has never been this weak. The increase in prices at tourist destinations such as Syria, Lebanon and Egypt is keeping vacationers away," he told. Abu Khader explained hotels at tourist destinations are setting a minimum of a three to four nights stay as a prerequisite for their low-price offers.



### **PM calls for revising Prince Hamzah Hospital fees**

Prime Minister Nader Dahabi instructed concerned authorities to reconsider medical fees charged at Prince Hamzah Hospital which recently adopted a new pricing structure. Under a special system, health insurance beneficiaries do not pay any fees to the hospital if they are transferred there by other public hospitals or comprehensive healthcare centers; but if patients covered with health insurance go directly to the facility, they pay 20 per cent of the treatment cost. Chairing a meeting of the hospital's board the premier said the facility was primarily created to offer services to the public and not to make a profit or increase citizens' financial burdens. Dahabi called on the Health Ministry to continue shouldering part of the hospital's operational costs and reduce the costs gradually over the next four years so citizens pay a small share of the price of medical services they receive. Stressing that the special system for the hospital does not mean the privatisation of the facility, the premier said it was established to reduce the pressure on Al Bashir Hospital, which is undergoing expansion work to absorb a larger number of patients.

### **Economic front:**

#### **Raya lays foundation stone for Aqaba project**

Raya Development and Investment announced its official launch in the Kingdom by laying the foundation stone for its first project "Raya Sea Side Residence" in Aqaba, at a total cost of JD50 million. Jawad Kasab, board member and chairman of the executive committee, said: "Launching "Raya Sea Side Residence" project in Aqaba should be considered as an important milestone in the local real estate industry and falls in line with His Majesty King Abdullah's vision of creating Aqaba as a first-class economic zone and a tourist hub. Our project brings an added dimension as well as being a highly promising investment opportunity." Kasab added: "Raya Sea Side Residence" project represents only a start in a series of interesting projects being implemented in the near future. For sometime, the company has been building a portfolio of real estate across the Kingdom with the intention of bringing enticing and innovative projects to the market." Raya Sea Side Residence, which is being implemented following an agreement with ADC, is located in the Yemanian heights, 10 kilometres south from the heart of Aqaba city and on the south coast of a touristic area that was included in 2002 within the initial master plan for Aqaba Special Economic Zone Authority (ASEZA). According to Zeid Kavar, board member and head of the marketing committee, the project is due to be completed during the second half of 2010. "Raya Sea Side Residence" project includes 189 residential units between 126 to 410 square metres over an area of 40,000 square metres. ***Large gardens will be located between the residential units giving residents fresh air.*** Moreover, the project includes a club with fitness centre and a multipurpose area, restaurants and swimming pools. Raya is currently studying several projects in various locations across the Kingdom which will be announced in the near future. ***Projects will include a multiuse project*** in Aqaba, another tourism project in Ajloun, in addition to other projects in different areas. The agreement was signed by both Kasab and Kavar from Raya and

Hussein Malhas, managing director of Eqarat.com and Mouammar Al Hadidi, regional relationship manager of Eqarat.com.

### **Geo strategic front:**

#### **Prince Feisal urges peace camp delegates to help change the world**

HRH Prince Feisal has urged Generations for Peace camp delegates to help change the world as they take the final steps to becoming peace pioneers following the conclusion of the 2008 camp. *Seventy-one delegates from 16 countries in Asia and Africa, who took part in a gruelling 10-day programme, will now return to their homes and start using sport to* bring peace to communities in conflict, according to a statement released by the organizers. “Generations for Peace is a reality and fast becoming a serious global initiative that can contribute to change. You are heroes who have a big task ahead,” said Prince Feisal, founder of the initiative that uses sport to bring divided communities together. He also took the opportunity to thank supporters. “The support of His Highness Sheikh Hamdan Ben Zayed Al Nahyan our founding partner and the Laureus Sport for Good Foundation has been invaluable and has helped us make the programme even stronger.” Interactive classroom sessions combined with practical sports coaching they received in Amman and Aqaba, are what the delegates will be passing on to enrich like-minded leaders of youth back home after they are certified as peace pioneers. Meanwhile, participants headed home on Saturday, having built a wide new network of like-minded leaders with dreams of guiding youth from areas in conflict to find common ground and build sustainable peace through sport.

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

### **Gulf Cooperation Council (GCC)**

Madiha Kaukab

Weekly Report: from 6<sup>th</sup> December 2008 to 12<sup>th</sup> December 2008

Presentation Date: 17<sup>th</sup> December 2008

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Following news monitoring report is based on the important political, social, economic and International events occurred in Gulf Cooperation Council States.

#### Gulf Economy

- GCC and Singapore to sign FTA deal
- UAE's oil output fell 10.43% last month
- UAE to see low GDP growth for two years
- Qatar seeks to boost LNG output
- Oil will remain world's leading energy source: Aramco official

#### GCC

#### Social Desk

- Regional panel to monitor health situation proposed
- 40% feel Gulf immune from job cuts: poll

### IR Desk

- Nato-GCC meeting on anvil

### Nuclear Energy Desk

- IAEA, GCC hold talks on peaceful use of N-energy

### UAE

### Social Desk

- Mild tremors from Iran quake felt in UAE
- Imams call for tolerance in UAE
- UAE move to introduce English in Arabic nurseries hailed

### Economic Des

- UAE rejects calls to legalise trade unions

### IR Desk

- Syrian Premier hails UAE-Syrian ties
- Detained Bahraini traced to UAE jail

### Foreign Labor Desk

- UAE employers urged to treat workers well

### Human Rights Desk

- Kuwait praises UAE human rights record
- UAE to adopt 37 rights recommendations

### Saudi Arab

### Social Desk

- King Abdullah's dialogue initiative a road to peace: HRC
- Grand Mufti to warn against extremist fatwa in sermon
- Saudi Arabia orders withdrawal of melamine-tainted food

### IR Desk

- Hajj shows Islam's message of justice, equality: Brown
- Saudis hand over detainee to Kuwait

- Saudi Arabia to solicit Korean skill in manpower training
- Red Sea ferry launch precedes Egypt-Saudi talks
- Crown Prince Sultan bin Abdulaziz receives UN chief

### Human Rights

- Saudi women's group wins EU rights prize

### Qatar

#### Social Desk

- Qatar Red Crescent gives \$ 250,000 for Gaza health care
- Qatar still issuing visas to Vietnamese
- NHRC hails rights in Qatar
- EU praises Doha's human rights efforts
- Al Jazeera bags prestigious award

### Oman

#### IR Desk

- Sultan Qaboos govt keen to develop Japan ties

### Kuwait

#### Social Desk

- Kuwaiti Bedoons decry injustices
- Interior Minister inspects border exits in Kuwait
- Kuwaiti writer sets methods to spur children to read more
- New law to protect Kuwaiti employees
- Kuwait builds bachelor city

#### IR Desk

- Kuwait pledges USD one million to UNHCR
- Ban expresses 'serious concern' at slow pace of repatriating Kuwaiti remains
- Kuwait first Arab country to head IHF
- Nepal threatens to sue Kuwaiti companies
- Kuwait condemns Israel's human rights violations against Palestinians
- Kuwait deplores piracy off Somali coast

### Bahrain

#### Social Desk

- Bahrain reviews strategy to contain syphilis
- Unity call over mosques row in Bahrain
- Bahraini council push for own police force
- Bahrainis warned not to use imported milk powder
- Bahrain put on high alert against bird flu

#### IR Desk

- World leaders to attend key forum in Bahrain
- Bahrain-India Society to build stronger ties

#### Human Rights Desk

- Bahrain stressed firm commitment to international human rights
- Activists rally for release of Bahrainis

#### Nuclear Energy Desk

- King Hamad discuss nuclear energy with French President

### **DETAILED REPORT**

#### **Gulf Economy**

##### **GCC and Singapore to sign FTA deal**

The GCC countries and Singapore are expected to sign a free trade agreement (FTA) in Doha in the next few days.

It will be the first FTA concluded by the GCC outside the Middle East and the second the City-State signs with Middle Eastern economies, sources said yesterday. The FTA would be signed during the next week's visit to Doha by Singapore's Prime Minister Lee Hsein Loong. Singapore's deputy head of mission in Doha, Ken Siah said the GCC-Singapore Free Trade Agreement (GSFTA) would be a "milestone agreement" in strengthening ties between the GCC countries and Singapore, particularly because it is the first Free Trade Agreement (FTA) signed by the GCC.

##### **UAE's oil output fell 10.43% last month**

The UAE's oil output fell 10.43 per cent in November to 2.3 million barrels per day (bpd), the International Energy Agency (IEA) said in its latest oil market report.

The fall was due to the UAE's implementation of crude oil supply cuts in line with the October decision of the Organisation of Petroleum Exporting Countries (Opec). Officials at the UAE's Ministry of Energy and executives at the Abu Dhabi National Oil Company (Adnoc), which produces nearly 94 per cent of the country's oil, were not immediately available for comment.

### **UAE to see low GDP growth for two years**

The United Arab Emirates is poised for two years of slow economic growth as the Gulf state's property sector is hit by the global financial crisis and banks rein in expansion, the central bank governor said yesterday.

Growth in gross domestic product (GDP) in the world's fifth-largest oil exporter would fall to low-single-digit levels in 2009 and 2010, Sultan Nasser Al Suweidi said, as an economic boom spurred by six years of high oil prices comes to a close. Still, a slump in the Gulf state's booming property sector would be limited as the oil producer continues to adopt an expansionary fiscal policy, although the country would take steps to ring-fence its banking system, Suweidi said. "The present global financial crisis will reduce the prospects for the UAE economic growth from high single-digit to low single-digit growth in 2009 and 2010," Suweidi said at a banking conference. "Monetary policy in the UAE was and still (is) expansionary and aimed at maintaining balanced economic growth."

UAE economic growth will fall by more than half in 2009 to 3.1 percent from 7.5 percent this year on lower oil output and slowing consumer spending, EFG-Hermes said. While he did not pin down a specific growth rate, Suweidi said the UAE's real estate sector — one of the engine's of non-oil sector growth — faced pressures from slowing demand.

### **Qatar seeks to boost LNG output**

Qatar expects to increase its liquefied natural gas (LNG) output capacity to 77 million tonnes a year by the end of 2012, a senior official at producer RasGas said yesterday.

Qatar's Oil Minister Abdullah Al Attiyah said the Gulf state was on track to hit the 77m tonnes per year target in 2010. But Rasgas operations group manager Hammad Mubarak Al Muhannadi said full output would likely not come until the end of 2012. "The current plan is towards the end of 2012, given the situation with current projects," he said on the sidelines of the CWC World LNG Summit in Barcelona.

### **Oil will remain world's leading energy source: Aramco official**

Oil will “retain its leading role among the world’s energy sources ... (as) there is consensus that fossil fuels will still be supplying some 80 percent of the world’s total energy requirements,” Saudi Aramco Executive Vice President of Operations Khalid A. Al-Falih said at the “The Global Energy and Materials Forum” held here recently.

## **GCC**

### **Social Desk**

#### **Regional panel to monitor health situation proposed**

The setting up of a regional watchdog to monitor health situation in the Gulf region was recommended by a meeting held in Riyadh last week.

Chief of Food and Health Hygiene Abdullah Baqer told Khaleej Times on Wednesday that the meeting that was attended by representatives from GCC states discussed steps to make each Gulf country a point of import for specific consumable products.

#### **40% feel Gulf immune from job cuts: poll**

Despite the economic turmoil rocking the world, almost half the people of the Gulf think that the region would not be affected by job cuts.

Some 40% of people who took part in a poll conducted by Arabian Business said they thought the Gulf region would be immune from job cuts. But, 38% of the respondents said that they were really worried about the future and feared that their job could be the next one to be lost. Just 4% of respondents said they felt the economic crisis would not affect them and they thought their job was safe while a further 18% thought more job losses would be announced over the next few weeks but they would be limited to the real estate sector. According to the results of the survey, which attracted hundreds of votes, a large number of people are worried about where the next job cuts are going to be made.



## **IR Desk**

### **Nato-GCC meeting on anvil**

Nato is expected to hold another conference with Gulf states within the framework of the Istanbul Cooperation Initiative (ICI), Nicola de Santis, Head of Nato's Mediterranean Dialogue and Istanbul Cooperation Initiative, said.

The meeting, which follows on from the last conference held in Bahrain last April, will take place in Riyadh in the near future, de Santis told the Observer on the sidelines of the Nato Foreign Ministers' meeting in Brussels during December 2-3.

In a further sign of the increasing importance that Nato attaches to its relations with the Gulf region, a seminar will be held in Brussels on December 10. The aim of the seminar is to spread awareness of Nato's objectives and commitments, as well as to create a new platform for dialogue involving the Alliance and the Gulf states. Participants from civil society drawn from all six Gulf countries will attend the Brussels event in the framework of Nato's public diplomacy with regard to the Alliance's ICI initiative.

## **Nuclear Energy Desk**

### **IAEA, GCC hold talks on peaceful use of N-energy**

Senior technical experts dispatched by member states of the Gulf Cooperation Council (GCC) recently held marathon talks with counterparts from the International Atomic Energy Agency (IAEA) on the prospects of utilizing nuclear energy in these countries for peaceful purposes.

A GCC diplomatic source told Kuwait News Agency (KUNA) on Friday that the two sides discussed at length feasibility, from various aspects, of the planned GCC venture of acquiring the nuclear technologies for non-military utilization. The meeting, the sixth to be held at this level between the six-seat GCC and the IAEA, was held in line with a resolution of the latest GCC summit, stipulating exploration of the possibilities of introducing the nuclear technologies in the Gulf region.

The source told KUNA the three days of talks, held at the IAEA headquarters, involved broad delegations from the GCC countries. He added that these talks were fruitful and constructive and dealt with various technical and technological aspects of the ambitious project.

The GCC teams presented to the IAEA officials remarks and explanatory queries regarding a feasibility study that had been submitted by the agency to the GCC secretariat general earlier this year. He added that the IAEA would examine the comments while the GCC experts would work out a report to be referred to the secretariat general about the agency's replies, ahead of setting a date of the next meeting at this level.

Asked on the extent of cooperation of the IAEA, the source affirmed that the senior personnel of the agency expressed a strong desire to aid the GCC countries to develop nuclear technologies for the production of power and employment in the industries sector, among other fields. The GCC and the IAEA, last February, agreed to cooperate and install basic equipment for the mega project. The council groups Kuwait, Saudi Arabia, the United Arab Emirates, Bahrain, Qatar and Oman.

## UAE

### Social Desk

#### **Mild tremors from Iran quake felt in UAE**

Residents in Dubai and the Northern Emirates thought they were imagining things when their surroundings seemed to shift slightly, just for a moment, at 5.36pm on Sunday.

The dizzy feeling and mild tremor was the result of a 5.7 magnitude earthquake that struck Qeshm Island in southern Iran, some 100km off Sharjah.

#### **Imams call for tolerance in UAE**

The nation's imams called for tolerance as the President, His Highness Shaikh Khalifa bin Zayed Al Nahyan, His Highness Shaikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, Their Highnesses Rulers of other emirates, Crown Princes and Deputy Rulers offered Eid Al Adha prayers at mosques and musallas in their respective emirates on Monday.

#### **UAE move to introduce English in Arabic nurseries hailed**

Children at a young age are more linguistically inclined in comparison to the later stages in their life.

Parents thus believe that if English is taught in state-run and Arabic nurseries and schools it will make their children more proficient when they make their transition into the English education system.

### Economic Des

#### **UAE rejects calls to legalise trade unions**

The United Arab Emirates has rejected international calls to allow trade unions to represent migrant workers. The rejection followed a United Nations review of the country's record on human rights. A draft report highlights the UAE's political and cultural red lines as its government seeks to improve its international image in the face of criticism of the treatment of workers and women.

### **IR Desk**

#### **Syrian Premier hails UAE-Syrian ties**

Syrian Prime Minister Mohammed Najji Attari today hailed his country's close ties with the UAE, citing recently forged joint venture projects as strongest evidence of ever growing economic cooperation between the UAE and Syria.

In remarks during a meeting with the visiting UAE trade delegation, the Syrian Premier said UAE investments in Syria were mushrooming in a very significant manner. The Syrian official welcomed UAE businesses in Syria, saying that the Syrian government would do everything to create conducive climate for healthy business growth.

#### **Detained Bahraini traced to UAE jail**

A Bahraini detained in Saudi without trial for more than a year over alleged terror charges, has been located after being reportedly missing when he was transferred to a prison in Dubai last month, it emerged yesterday. Khalil Janahi, who was arrested in Riyadh in April last year and also has UAE citizenship, contacted his family in Bahrain on Monday from a UAE prison.

### **Foreign Labor Desk**

#### **UAE employers urged to treat workers well**

The Head of the Filipino Section at the Islamic Information Centre, Yahya Maquiran, has reminded employers in the country of the Islamic teachings on labour by fulfilling their obligations and executing their responsibilities towards their workers.

Addressing the seminar on Labour Laws and Islamic Teaching, which was attended by Filipino Muslims, over the weekend, he said that Islam teaches all employers to pay the workers before their sweat dries up. "Many employers, however, in Dubai and the Northern Emirates do not pay their workers even when their sweat has dried up," he pointed out.

### **Human Rights Desk**

#### **Kuwait praises UAE human rights record**

Kuwaiti permanent delegate to the United Nations in Geneva praised on Friday the human rights record of the United Arab Emirates and Abu Dhabi's honoring of international commitments at this level.

Ambassador Dharar Razooqi, speaking at a session held by the team of the UN Human Rights Council, tasked with scrutinizing states' records, said participation of a senior-level UAE delegation, headed by Foreign Minister Dr. Anwar Mohammad Qarqash, reflected the UAE's great keenness on guaranteeing and respecting human and basic rights.

### **UAE to adopt 37 rights recommendations**

The United Arab Emirates on Tuesday agreed to adopt 37 human rights recommendations made by the international community.

It, however, rejected 15 recommendations. Seventeen more recommendations will be further reviewed, according to the Minister of State for Foreign Affairs, Dr Anwar Gargash, who headed a 28-member delegation to the United Nations Human Rights Council in Geneva.

Among the recommendations adopted, the UAE committed to inviting an expert on human trafficking to visit the country; strengthen its regulations on living conditions for labourers; take part in a multi-national workshop to exchange views on education; pass laws codifying rights for children; and pass national legislation prohibiting publication-related jail time for journalists.

## **Saudi Arab**

### **Social Desk**

#### **King Abdullah's dialogue initiative a road to peace: HRC**

King Abdullah, Custodian of the Two Holy Mosques, in his speech at the UN Interfaith Conference stressed the principles of justice and tolerance, the communication among peoples, and the building of a future in which justice, security, and a decent life and peaceful coexistence prevail. In his speech, King Abdullah said such measures would ward off the scourge of wars, prevent bloodshed, establish peace among people and achieve security and safety.

#### **Grand Mufti to warn against extremist fatwa in sermon**

In his annual Afarat Sermon today, the Grand Mufti, the supreme authority on Islamic affairs in the Kingdom, Sheikh Abdul Aziz Bin Abdullah Aal Al-Sheikh will warn against extremism in issuing fatwa through different media outlets, urging the Muslim satellite TV channels to educate the public on Islamic morality and reach out to the other in a bid to spread the call of Allah.

Delivering the sermon at Namirah Mosque, 22 km from the Grand Mosque in Makkah, the Mufti will urge the Ummah unity and call on the young Muslims to stay away from suspicious calls and programs targeting the Muslim youth so as to weaken their faith.

The Grand Mufti will appeal to Muslim businessmen amid a global economic crisis to ease their business concerns on their fellow Muslims.

### **Saudi Arabia orders withdrawal of melamine-tainted food**

Saudi Arabia has ordered the withdrawal and destruction of Chinese milk products proved to be tainted with melamine, state news agency SPA reported on Friday.

Earlier this week, the Saudi Food and Drug Authority said harmful concentrations of the chemical had been found in milk powder made at a Nestle plant in China, but Nestle, the world's largest food group, rejected the report.

### **IR Desk**

### **Hajj shows Islam's message of justice, equality: Brown**

The British Prime Minister sent his "warm wishes" and greetings to British Muslims on the occasion of Eid Al-Adha. Gordon Brown in his message to the British Muslim Community said, "For me, the inspirational thing about Hajj is the great stirrings for justice that shows in the Ummah".

### **Saudis hand over detainee to Kuwait**

Saudi security authorities recently handed Kuwaiti citizen Nawaf Mefarrej Al-Mutairi over to officers from Kuwait's State Security Department (SSD), who questioned him for 24 hours before releasing him, reported Al-Rai.

An SSD officer explained that Al-Mutairi had been detained by the Saudis since the summer of 2003 when he was arrested and detained as a precautionary measure without being charged with any offense.

### **Saudi Arabia to solicit Korean skill in manpower training**

The National Committee for Contracting intends to benefit from the long history of Korean experience in training and qualifying technical cadres which led to well-qualified human resources.

The chairman of the committee at the Council of Saudi Chambers, Abdullah Al-Ammar, said the Korean experience will be largely present at the committee's meeting after the holidays, noting that Korean companies are willing to transfer their experience in training and qualifying contracting sector's personnel.

### **Red Sea ferry launch precedes Egypt-Saudi talks**

Egyptian President Hosni Mubarak went to the Saudi port of Jeddah on Friday for the entry into service of two new ferry boats donated to Egypt by the Saudi government.

The ferries will ply the same Red Sea route as an Egyptian vessel which sank two years ago with the loss of 1,000 lives. The ceremony was followed by talks between Mubarak and Saudi King Abdullah in the shadow of strains on their countries' relationship over a court case.

### **Crown Prince Sultan bin Abdulaziz receives UN chief**

Crown Prince Sultan bin Abdulaziz , The deputy Premier, Minister of Defense and Aviation and Inspector General, received here last night UN Secretary General Ban Ki-Moon.

At the beginning of the meeting, Ban-Ki Moon lauded the call of The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz for dialogue among followers of religions and cultures. A conference in this respect was recently held at the United Nations with the participation of a large number of world leaders.

### **Human Rights**

#### **Saudi women's group wins EU rights prize**

A Saudi charity which helps divorced and underprivileged women has won a European Union prize for human rights groups in the Gulf, the Riyadh office of the European Commission said on Wednesday.

The Al-Nahda Philanthropic Society for Women won the first Chaillot Prize over several other rights groups for its range of activities, including preparing underprivileged and under-educated women for jobs, setting up a school for Down Syndrome children, and assisting needy families, according to the Commission.

## **Qatar**

### **Social Desk**

#### **Qatar Red Crescent gives \$ 250,000 for Gaza health care**

Qatar Red Crescent (QRC) has allocated \$ 250,000 for Gaza Red Crescent to help increase the stock of medicines in Gaza, which has run out as a result of the Israeli economic blockade.

The QRC said availability of medicines was a problem in the majority of hospitals in Gaza and the condition of equipments in the hospitals was worsening.

#### **Qatar still issuing visas to Vietnamese**

Qatar has not stopped issuing visas to workers from the Southeast Asian country of Vietnam, according to reports.

Labor-export companies in Vietnam said Qatar was still extending visas to workers and denied reports that said Qatar had stopped granting visas to people of Vietnam. The information that

Qatar had stopped granting visas came out of a dispatch on November 27 that the Overseas Labour Management Department under the Ministry of Labour, War Invalids and Social Affairs of Vietnam sent to labour-export companies. As per the dispatch, companies that sent workers to Qatar were instructed to urgently send representatives to Qatar to deal with cases related to Vietnamese workers.

### **NHRC hails rights in Qatar**

"Qatar has followed examples set by democratic countries to enhance and protect human rights locally," said Dr Ali bin Smaikh Al Marri, Vice President of the National Human Rights Committee (NHRC).

### **Al Jazeera bags prestigious award**

Al Jazeera English bagged a prestigious award at the Asian Television Awards (ATA) yesterday in Singapore. The channel won the honour for the best current affairs programme.

Al Jazeera English received the award for "Inside Myanmar — The Crackdown." Al Jazeera English Correspondent Tony Birtley's exclusive undercover report from inside Myanmar broadcast the military launching a brutal crackdown against protesters seeking to lead a popular uprising against the regime.

### **Human Rights Desk**

### **EU praises Doha's human rights efforts**

European Union's member states yesterday praised the sincere efforts of Qatar to promote human rights and fundamental freedoms both internationally and locally.

The EU member states, in a statement issued on the occasion of the International Human Rights Day today, said that they recognised Qatar as an active member of the Geneva-based Human Rights Council.

### **Oman**



## **IR Desk**

### **Sultan Qaboos govt keen to develop Japan ties**

Japan Prime Minister Taro Aso received here yesterday Ahmed bin Abdulnabi Macki, Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council and board chairman of Oman Shipping Company. Macki conveyed the greetings of His Majesty Sultan Qaboos to Emperor Akihito of Japan and to the Japanese premier, government and people.

During the meeting, Macki stressed the keenness of His Majesty the Sultan's government to foster ties and reinforce co-operation with Japan in various sectors, particularly in economic and investment fields.

Macki pointed out that investment and trade co-operation between the two countries grew considerably in 2008 from \$ 3 billion in 2007 to \$ 4.2 billion this year. This, he noted, reflects the existence of strong partnership. Macki stressed the need to explore the Sultanate's rich economic potential and benefit from its political and financial stability, its strategic geographical location and its policy of encouraging foreign investment.

## **Kuwait**

### **Social Desk**

#### **Kuwaiti Bedoons decry injustices**

The Kuwait Bedoon Committee yesterday held a protest at the 'Determination Square' in front of the National Assembly, marking the 60th anniversary of the issue of the Universal Declaration of Human Rights (UDHR). In the document, the civil, human, and social rights of every person were enshrined without any discrimination.

#### **Interior Minister inspects border exits in Kuwait**

Interior Minister General Sheikh Jaber Khalid Al-Sabah underwent an inspection tour of customs' facilities at Kuwaiti borders on Monday.

The tour included the northern Al-Salmi and Al-Abdali borders as well as the Sabiyya coastal border and Failaka Island accompanied by Assistant Undersecretary for Border Security Affairs Major General Sulaiman Al-Fahad.

### **Kuwaiti writer sets methods to spur children to read more**

Walid al-Meslem, a Kuwaiti writer, listed several methods to encourage and stimulate children to read more as a good pacesetter, sustained encouragement, stimulus and selected books.

### **New law to protect Kuwaiti employees**

The Minister of Commerce and Minister of State for National Assembly Affairs Ahmad Baqer said the government opposes dismissing Kuwaiti private sector employees for reasons associated with the current global financial crisis.

Baqer also asked that the National Assembly adopt the new labor law as soon as possible, saying that it aims to protect Kuwaiti private sector employees from arbitrary dismissal. The new law allocates compensation for each Kuwaiti employee laid off from work because of arbitrary decisions.

### **Kuwait builds bachelor city**

The Ministry of Social Affairs and Labor (MSAL) is constructing a residential complex for expatriate workers in the Sabhan area.

The 60,000 square meter complex will accommodate 3,000 workers, Hussam Tahous, the MSAL Assistant Undersecretary for Construction Engineering said.

### **IR Desk**

### **Kuwait pledges USD one million to UNHCR**

Kuwait pledged USD one million in contribution to the United Nations High Commissioner for Refugees (UNHCR) for 2009, the Kuwaiti delegation at the UN and international organizations said here Wednesday.

### **Ban expresses 'serious concern' at slow pace of repatriating Kuwaiti remains**

UN Secretary-General Ban Ki-moon late Friday expressed "serious concern" at the slow pace to repatriate the remains of Kuwaiti and third-country nationals and the return of Kuwait's stolen property from Iraq despite the improvement of the security situation there during 2008.

"The inactivity on the exhumation and repatriation of the remains of Kuwaiti and third-country nationals during the last year (2008) is of serious concern ... I am also concerned at the absence of progress with regard to finding the Kuwaiti archives," Ban said in bi-annual report to the Security Council obtained by KUNA.

### **Kuwait first Arab country to head IHF**

Kuwait is the first Arab country to chair the International Hospital Federation (IHF) since it was founded 61 years ago, Kuwaiti Health Undersecretary Dr. Ibrahim Al-Abdulhadi said on Saturday.

### **Nepal threatens to sue Kuwaiti companies**

The Nepalese Embassy in Riyadh has given Kuwait's Minister of Social Affairs and Labor Bader Al-Duwaila two weeks to study the dossiers of Kuwaiti companies employing Nepalese workers in Iraq.

Lawyer Ayed Al-Subai'e, the lawyer acting on the embassy's behalf, has threatened that the concerned companies will be sued in American courts if the embassy's demands over the workers' conditions are not met within the two-week period.

The action follows media reports that over 1,000 Nepalese, Indian, Bangladeshi and Sri Lankan workers employed in Iraq by the companies, have been and continue to be maltreated and housed in poorly-ventilated, squalid shacks near Baghdad Airport.

### **Kuwait condemns Israel's human rights violations against Palestinians**

Kuwait condemned late Friday Israel's human rights violations in Palestinian territories and its failure to include these violations in the reports submitted to the international community.

This came during an interjection by Kuwait's permanent mission to the UN in Geneva, made by Councillor Najib Al-Bader, during a work-team session of the Universal Periodic Review stemming from the Human Rights Council, tasked with reviewing a report submitted by Israel.

### **Kuwait deplores piracy off Somali coast**

Kuwait deplored late Friday all acts of piracy and armed robberies against the ships off the Somali coast and urged the international community to join forces to eradicate the scourge.

Addressing the General Assembly as it met to discuss the "Oceans and the Law of the Sea," Kuwait diplomat Mohammed Al-Zo'bi emphasized the importance Kuwait attaches to the subject of oceans and the law of the sea.

## **Bahrain**

### **Social Desk**

#### **Bahrain reviews strategy to contain syphilis**

Bahrain is reviewing its strategy for fighting sexually-transmitted diseases after discovering a 0.01 per cent annual increase in syphilis cases, health expert said on Thursday.

#### **Unity call over mosques row in Bahrain**

A row over new rules governing the building of mosques and ma'atams must not be allowed to fuel sectarian tensions, a minister warned yesterday.

Religious leaders say the rule, which stipulates that no one can build a mosque or ma'atam without permission from the Justice and Islamic Affairs Ministry, is an infringement of religious rights.

#### **Bahraini council push for own police force**

A call has gone out for a new police force, to enforce municipal regulations. Each of the country's five governorates should also have their own courts and Public Prosecution offices to deal with crimes in their areas, says a councillor.

#### **Bahrainis warned not to use imported milk powder**

Health authorities in Bahrain have warned public from consuming milk powder brought from foreign countries after reports of melamine-contaminated milk found in Saudi Arabia.

Head of the Nutrition Section at the Ministry of Health Dr Fakhriya Al Musa in a statement urged people to buy milk powder available in Bahrain's supermarkets and avoid bringing even a small quantity of milk products from other countries. She said that health authorities had taken all necessary measures to ensure that imported food items met all safety regulations.

### **Bahrain put on high alert against bird flu**

Bahrain is stepping up vigilance against bird flu, as winter closes in. Winter is "a good time for the flu virus to develop", so the chances of infection are higher than in summer, said Municipalities and Agriculture Ministry's animal wealth director Dr Salman Abdul Nabi Ebrahim.

### **IR Desk**

#### **World leaders to attend key forum in Bahrain**

Some of the most powerful and influential people in the world will converge on Bahrain today for the start of a major security conference.

Prime ministers, national security advisers, intelligence chiefs and military officials from across the globe will attend the fifth annual Manama Dialogue, at the Ritz-Carlton Bahrain Hotel and Spa. In total, delegations from more than 25 countries are expected to attend, including all the GCC states.

Delegates will debate the threats posed by nuclear power in the Middle East, along with sectarian politics, the US and the regional balance of power and progress in Iraq. External factors that influence security will also come under the spotlight at the three-day event, which opens tonight.

#### **Bahrain-India Society to build stronger ties**

The newly-formed Bahrain-India Society (BIS) will be officially launched at a ceremony attended by Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa later this month.

Telecom technocrat Dr Sam Pitroda will be a guest of honour at the event, scheduled to be held at 8pm on December 21 at the Ritz-Carlton Bahrain Hotel and Spa.

### **Human Rights Desk**

#### **Bahrain stressed firm commitment to international human rights**

Bahrain yesterday stressed its firm commitment to international human rights covenants.

"We are proud of our human rights record, which reflects the government's keenness to abide by international treaties," Prime Minister Shaikh Khalifa bin Salman Al Khalifa said. He was making his address as Bahrain joins nations in marking the 60th anniversary tomorrow of the Universal Declaration for Human Rights.

### **Activists rally for release of Bahrainis**

Rights activists held a protest at the King Fahad Causeway yesterday demanding the release of four Bahrainis arrested by Saudi police. The men are understood to have been detained for alleged terrorist links, but campaigners here claim they are innocent.

### **Nuclear Energy Desk**

#### **King Hamad discuss nuclear energy with French President**

Nuclear energy topped the agenda as His Majesty King Hamad held talks with French President Nicolas Sarkozy yesterday.

The King underlined Bahrain's desire to avail of the French expertise during their meeting at Elysee Palace in Paris. The leaders discussed the global financial meltdown, growing EU-GCC ties and regional challenges. They also expressed satisfaction at growing bilateral ties and agreed to strengthen them further. President Sarkozy praised Bahrain's honourable stances at regional and international gatherings and its laudable contributions to world peace and stability. He also highlighted the success of reforms project initiated by His Majesty in Bahrain.

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

### **SOUTH EAST ASIA**

Tatheer Zahra Sherazi

## Monitoring Report

From 5 Nov to 12 December

December 17, 2008

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### Indonesia

#### Political Front

- ETAN Urges President-elect Obama Not to Appoint Adm. Blair Director of National Intelligence (social)

#### Economic Front

- Indonesia to return to capital market
- Jakarta secures \$5 billion in emergency loan

#### Social Front

- Many in Indonesia are obviously enjoying an extended weekend
- Powerful earthquake rocks Timor Leste
- Indonesia reports new cases of bird flu
- Indonesia: President criticized for endorsing anti-porn law
- Timor-Leste issues UN-backed human rights guide for armed forces
- Indonesia calls for united action to fight terrorism (political)

#### Environmental Front

- UN climate chief: talk of delayed climate deal 'unhelpful'
- Another tsunami forecast
- Malaysia

#### Political Front

- Najib: We must make sacrifices
- Pakistan to field Pas candidate
- Malacca MCA seeks answers

#### Economic Front

- Indian group to build 27 million USD campus in Malaysia
- Malaysia, Indonesia increase airspace cooperation
- PM: Keep the shields up even in tough times
- Oil prices slip to below US\$46 in Asia on Friday(updated)

#### Social Front

- Millions spent to make sure criminals don't escape
- KL and Jakarta will do more to fight transborder crime

#### Environmental Front

- Philippine

#### Political Front

- Arroyo still shaky despite political wins

#### Economic Front

- Philippines expects economic recovery by 2010
- Philippine exports fall 14.9% in October

#### Social Front

- Presidential awards for Filipinos and organizations overseas
- 2 Muslim guerrillas captured
- Mindanao's beauty and its ugly problems
- MANILA, PHILIPPINES: 5 Filipino troops killed in clash with militants
- 17 Filipino sailors freed
- Philippine military: 50 militants killed in weekend clashes
- The fighting on July 10, 2007 in Al-Barka left 14 marines dead, 10 of them beheaded.

#### Environmental Front

- Thailand

#### Political Front

- Attempt to select new PM.
- Thai government power struggle erupts
- Thailand reopens main international airport
- Thai opposition party says it can form coalition gov't
- Thai opposition confident it can form next government, critics say military aided its rise
- Thailand's main opposition may take power
- Thailand's Democrat Party claims it is 'ready to govern'
- Thailand: Security intensified for PM vote

#### Economic Front

- Poverty is the real Thai scandal

#### Social Front

- Thailand has made tremendous advances in health development - Healthcare Minister

#### Environmental Front

- Singapore

#### Political Front

- Changes to Criminal Procedure Code to be discussed during Budget debate

#### Economic Front

- S'poreans less confident of getting by without main source of income
- MICA bracing for major challenges in light of slowing economy
- SMEs to be self-sufficient to survive crisis
- S'pore oil and gas firms form consortium to tap Middle Eastern market
- Good governance can help countries overcome financial crisis
- High oil prices impact Southeast Asia's trade exports
- World Bank says Singapore's economy may bottom out in Q3 2009
- Islamic finance attracts investors leaving conventional markets
- S'pore expected to be first Southeast Asian country to recover from crisis

#### Social Front

- S'pore, Aceh discuss ways to strengthen economic and cultural links

#### Environmental Front

- Vietnam

#### Political Front

#### Economic Front



- Vietnam: what happened to the next Asian Tiger?
- ADB grants highway construction loans to Vietnam
- Mekong Delta region sustains growth rate
- PRP to spend 1.7 billion kip on infrastructure construction
- The public concerns justice and economic issues
- Lao tourist hits by global financial and economic crisis

#### Bilateral

- Vietnam, China to push up hi-tech cooperation
- PM gives green light to foreign-funded projects
- Key US senator to visit UAE, Vietnam

#### Social Front

- Test for Vietnam government: free-speech bloggers
- President: Vietnam joins efforts to ensure human rights
- UN report: injuries major cause of child death

- Vietnam's military geared up for fight against AIDS

#### Environmental Front

- Laos

#### Political Front

- National Assembly passes three new laws

#### Economic Front

- Laos, China pledge to further comprehensive cooperation
- Laos, Thailand meet to boost trade ties
- More pharmaceutical firms opt to tie up with public sector

#### Social Front

- Developed countries want Lao workers

#### Environmental Front

- Cambodia

#### Political Front

- Cambodia welcomes visa agreement with Vietnam

#### Economic Front

- ADB helps Cambodia modernize banking, improve environment

#### Social Front

- Inequality is fuelling rights violations, UN warns govt
- Cambodia reports new human case of bird flu
- 'Climate of impunity'

## **Summary**

This region is going on the same pattern at all fronts but with some little changes. At political front Situation of Thailand is same but with a little progress that protesters have left the blockade of air port that left more than 300,000 foreign travelers including hundreds of Canadians stranded and dealt a crippling blow to the economy and the crucial tourism industry.

PM of Thailand is holding the same belief to not leave the job. While on Monday there is time to select new PM and Democrats party that is an opposition party is ready to formulate the government. Thailand government has also announces a ling weekend to boost its economy in tourism and other fields.

At social front Indonesia is a country that is constantly under the shades of many calamities like earth quake, Tausnami, and different sort of viruses like bird flue and facing also many political problems. An important news regarding ASEAN is that its meeting venue has been changed from Thailand to Indonesia. In Malaysia many issues are going on at political and economic front especially India is taking very interest to invest in India.

Indo-china is also busy in engagement with many countries inside as well as out side the region especially with Japan and china

There is also progress in Mindanao case that government is ready to resume the peace talks with Muslims of southern Area.

The summary of news item is as follows:

## **Indonesia**

### **Political Front**

- **ETAN Urges President-elect Obama Not to Appoint Adm. Blair Director of National Intelligence(social)**

December 5 - "President-elect Barack Obama's rumored selection of Admiral Dennis C. Blair for Director of National Intelligence is unacceptable," the East Timor and Indonesia *Action Network* (ETAN) said today.

## **Economic Front**

- **Indonesia to return to capital market**

INDONESIA will return to the capital markets early next year, selling a landmark global sukuk bond that was previously set to raise US\$1bil, as well as domestic bonds, amid signs of improving investor confidence.

- **Jakarta secures \$5 billion in emergency loan**

Indonesia has secured emergency loans worth \$5 billion to help plug its budget deficit and boost growth, authorities have said. "The loans, which come from the World Bank, the Asian Development Bank, Japan, Australia and France, can be drawn upon whenever Indonesia needs them," finance ministry official Rahmat Waluyanto told AFP on Saturday.

## **Social Front**

- **Many in Indonesia are obviously enjoying an extended weekend**

Many in Indonesia are obviously enjoying an extended weekend with the arrival of Islam's Day of Sacrifice on Monday (December 8). Some have left town or country on Friday, if not to enjoy the long holiday, then to celebrate the holy day.

- **Powerful earthquake rocks Timor Leste**

An earthquake of 6.2 magnitudes hit off Timor Leste's coast Saturday, with no reports of injuries or damage, the U.S. geological agency said.

- **Indonesia reports new cases of bird flu**

Indonesia has confirmed two new cases of human bird flu, the first officially reported since September.

- **Indonesia: President criticized for endorsing anti-porn law**

Indonesian President Susilo Bambang Yudhoyono was strongly criticised Tuesday after signing an anti-pornography law which opponents claim threatens national unity.

- **Timor-Leste issues UN-backed human rights guide for armed forces**

A booklet that aims to build human rights awareness among the members of the armed forces of the young nation of Timor-Leste was released today and immediately welcomed by the United Nations mission in the country, known as UNMIT.

- **Indonesia calls for united action to fight terrorism (political)**

Indonesian President, Dr Susilo Bambang Yudhoyono has called for a united stand in the fight against terrorism. The Indonesian leader made this remark during a call on him by Foreign Minister, Rohitha Bogollagama, who is leading the Sri Lankan delegation to the Bali Democracy Forum in Nusa Dua, Bali on Thursday(Dec 11), Foreign Ministry said.

## **Environmental Front**

- **UN climate chief: talk of delayed climate deal 'unhelpful'**

The UN climate chief said Friday that talk of pushing a global climate change deal past the December 2009 deadline agreed upon at UN talks in Bali last year was not on the table.

- **Another tsunami forecast**

More than one million people on Indonesia's Sumatra island are vulnerable to a massive earthquake and tsunami potentially more destructive than one which struck four years ago, scientists who released a study yesterday warned.

## ● **Malaysia**

### **Political Front**

- **Najib: We must make sacrifices**

Deputy Prime Minister Datuk Seri Najib Razak said the significance of Hari Raya Aidiladha lies in the fact that if Muslims seek to progress and succeed in their endeavours, spiritually and materially, it would not come without sacrifice.

- **Pakistan to field Pas candidate**

Pakatan Rakyat has agreed to field a Pas candidate in the Kuala Terengganu parliamentary by-election next month.

- **Malacca MCA seeks answers**

The state MCA will adopt a three-pronged strategy to strengthen its hold on its state seats and wrest the five state seats and a parliamentary seat currently held by the opposition.

### **Economic Front**

- **Indian group to build 27 million USD campus in Malaysia**

One of India's leading education groups, the Vinayaka Missions University, has announced plans to invest 100 million RM (roughly 27.5 million USD) in an engineering, technical and management branch campus in Iskandar, Malaysia.

- **Malaysia, Indonesia increase airspace cooperation**

Malaysia and Indonesia have planned to sign an agreement that will allow limited use of each other's airspace without prior diplomatic permission.

- **PM: Keep the shields up even in tough times**

Events such as the hijacking of an oil tanker in the Gulf of Aden are a reminder that national security cannot be compromised even in the most difficult economic times, Datuk Seri Abdullah Ahmad Badawi said yesterday.

- **Oil prices slip to below US\$46 in Asia on Friday(updated)**

Oil prices retreated to below US\$46 a barrel Friday in Asia after a strong rally overnight, but traders said expectations of a sharp production cut by OPEC will support the market.

## **Social Front**

- **Millions spent to make sure criminals don't escape**

The Royal Malaysian police has bought 25 high-powered Mitsubishi Lancer Evolution cars to catch criminals and speed hogs.

- **KL and Jakarta will do more to fight transborder crime**

Enforcement agencies will continue to enhance cooperation in all fields, particularly intelligence and patrolling, to fight transborder crime, says Prime Minister Datuk Seri Abdullah Ahmad Badawi.

## **Environmental Front**

- **Philippine**

### **Political Front**

- **Arroyo still shaky despite political wins**

Philippine President Gloria Macapagal Arroyo has gained political strength in recent weeks, analysts say, but she is unlikely to be able to translate this into extending her stay in office.

### **Economic Front**

- **Philippines expects economic recovery by 2010**

The Philippines' National Economic and Development Authority (NEDA) has expressed optimism that even if the global recession persists, its economy will recover by 2010.

- **Philippine exports fall 14.9% in October**

Philippine exports fell 14.9% in October to \$3.967bn with shipments to all top markets suffering sharp declines amid the global financial crisis, the government said yesterday.

## **Social Front**

- **Presidential awards for Filipinos and organizations overseas**

The Commission on Filipinos Overseas (CFO) announced Saturday that the 2008 Presidential Awards ceremony for Filipinos and organizations overseas will be held at 12:30 p.m. on December 10 at the Rizal Hall in Malacañang.

The occasion will also mark the opening of the celebration of the Month of overseas Filipinos and the International Migrants' Day. President Gloria Arroyo will give awards to 2008's outstanding Filipino individuals and organizations overseas.

- **2 Muslim guerrillas captured**

TWO Muslim separatist guerrillas were captured after attempting to sneak into the southern Philippine city of Zamboanga on Saturday, the military said.

Three members of the separatist Moro Islamic Liberation Front (MILF) arrived in the Muslim enclave of Mariqui after midnight but were met by soldiers after local residents alerted the military.

- **Mindanao's beauty and its ugly problems**

Every time I go back to Mindanao I am taken by surprise by the vastness and beauty of the island. It is hard to believe that this land is torn by war and that poverty haunts many a home. I saw the rice fields in Surallah, South Cotababo, flanked by distant mountains. Every now and then I spotted a carabao, surrounded by its loyal companion, the majestic heron.

- **MANILA, PHILIPPINES: 5 Filipino troops killed in clash with militants**

Fierce fighting has erupted between Philippine troops and Muslim militants on two southern islands, leaving at least five soldiers dead and scores wounded, officials said Monday.

- **17 Filipino sailors freed**

The 17 Filipino seafarers of the MV Captain Stephanos can now have a sigh of relief as the Greek-owned vessel was freed by Somali pirates on Tuesday, the Department of Foreign Affairs reported Wednesday.

- **Philippine military: 50 militants killed in weekend clashes**

The Philippine military said Wednesday about 50 militants were killed by government soldiers in clashes in southern province of Sulu over the weekend.

- **The fighting on July 10, 2007 in Al-Barka left 14 marines dead,10 of them beheaded.**

The 12,000-strong MILF has been fighting for a separate Islamic state since 1978. It signed a ceasefire in 2003 with the government, but skirmishes have been going on and off along with the peace talks between the two sides.

## **Environmental Front**

# • **Thailand**

## **Political Front**

- **Attempt to select new PM**

THAILAND'S fractured political parties met on Saturday to choose a new prime minister, while the revered king's illness and the abrupt return of exiled Prime Minister Thaksin Shinawatra's powerful ex-wife threatened to deepen the country's political crisis.

- **Thai government power struggle erupts**

Thailand's former ruling party has met to try to hang on to power after the opposition claimed it had enough support to form a government and end prolonged political turmoil in the kingdom.

- **Thailand reopens main international airport**

Suvarnabhumi International Airport in Bangkok, which was shut down for a week by anti-government protesters, officially reopened on December 5.

- **Thai opposition party says it can form coalition gov't**

Thailand's opposition Democrat Party said on December 6 that it has enough support to form a new government following a six-month political crisis.

- **Thai opposition confident it can form next government, critics say military aided its rise**

- Confident it can form a government, Thailand's opposition Democrat Party called Monday for Parliament to vote on a new prime minister, while the ruling coalition said the army was interfering to help its rivals take power.

- **Thailand's main opposition may take power**

Thailand's main opposition party called for an emergency parliament session Monday to prove its majority and form the next government -- a surprising reversal of fortunes that some suggested was engineered by the politically potent military.

- **Thailand's Democrat Party claims it is 'ready to govern'**

THAILAND'S main opposition party called for an emergency parliamentary session yesterday to prove its majority, a key step to forming the next government and ending months of political paralysis. A new administration would bring some semblance of stability to the Southeast Asian nation which has been gripped by political uncertainty since August when protesters, driven by a single-minded hatred for Thaksin and his allies, seized the prime minister's office and overran the capital's two airports in a bid to topple the government.

- **Thailand: Security intensified for PM vote**

Thai authorities will deploy 1,200 police officers outside the nation's parliament buildings to guard against protests when the main opposition party attempts to have its leader elected as prime minister on December 15, according to news reports.

## **Economic Front**

- **Poverty is the real Thai scandal**

AT some point this weekend we will hopefully hear the end of that whining noise as the last aircraft touches down bringing back holidaymakers who were stranded in Thailand.

## **Social Front**

- **Thailand has made tremendous advances in health development - Healthcare Minister**

Minister De Silva was addressing the National Health Assembly held in Thailand. He said that the world is well aware of the tremendous and most impressive advances Thailand has made in health development during the past few decades.

## **Environmental Front**

- **Singapore**

## **Political Front**

- **Changes to Criminal Procedure Code to be discussed during Budget debate**

A day after proposed changes to the Criminal Procedure Code were made public, several high-level committees have begun studying them. Among them, is the Government Parliamentary Committee for Law and Home Affairs.

## **Strategic Front**

## **Economic Front**



- **S'poreans less confident of getting by without main source of income**

Singaporeans these days are less confident of surviving without their main source of income, according to a recent survey conducted by American International Assurance (AIA) Company.

- **MICA bracing for major challenges in light of slowing economy**

Sustaining emerging creative industries will be one of the major challenges for the Information, Communication and the Arts Ministry next year, in light of the current economic slowdown. .

- **SMEs to be self-sufficient to survive crisis**

Manage your business costs like you would your personal finances -- this is the advice experts have for small and medium enterprises (SMEs) in the face of tightening credit conditions.

- **S'pore oil and gas firms form consortium to tap Middle Eastern market**

A consortium has been formed by four local companies to provide offshore and energy services to the Middle East, including Saudi Arabia and the Gulf Region. The partners in the International Process and Marine Consortium are Rotary Engineering, Heatec Jietong, Jason Electronics and Pamarine.

- **Good governance can help countries overcome financial crisis**

Good governance can help countries overcome the current global financial crisis. Singapore's Foreign Affairs Minister George Yeo said this in a speech at the Bali Democracy Forum on Wednesday.

- **High oil prices impact Southeast Asia's trade exports**

A study has found that high oil prices are impacting Southeast Asia's trade exports more than any other region in Asia. And if oil prices double, as it did this year, the value of trade between ASEAN countries and the West - Europe and the United States - could drop by 30 per cent over the next five years.

- **World Bank says Singapore's economy may bottom out in Q3 2009**

Singapore's economic growth will be weak going into 2009 and its economy could bottom out in the third quarter, according to the World Bank. The city state is expected to be one of the worst-hit in the region, given its small and open economy.

- **Islamic finance attracts investors leaving conventional markets**

Troubled times in the financial markets could mean boom time for Islamic finance. Experts say the non-leveraged, asset-backed Islamic finance system makes it an attractive

option for investors worldwide. Investors who have lost their confidence in conventional financial markets may find the Islamic financing system more attractive.

- **S'pore expected to be first Southeast Asian country to recover from crisis**

Singapore may be the worse-hit Southeast Asian country in the current economic crisis, but it could well be the first economy in the region to rebound, according to economic forecaster Thierry Apoteker.

## **Social Front**

- **S'pore, Aceh discuss ways to strengthen economic and cultural links**

Singapore and Aceh are looking at ways to strengthen their economic and cultural links. Senior Minister of State for Foreign Affairs Zainul Abidin Rasheed and Governor of Aceh Irwandi Yusuf discussed this when they met in Banda Aceh on Thursday.

## **Environmental Front**

### ● **Vietnam**

#### **Political Front**

#### **Economic Front**

- ***Vietnam: what happened to the next Asian Tiger?***

Vietnam was supposed to be the lair of the next Asian Tiger. Ripe for development, open for business, and with a young population eager for the homeland to emulate the economic miracle of its giant neighbour China.

- **ADB grants highway construction loans to Vietnam**

The Asian Development Bank (ADB) signed agreements with the State Bank of Viet Nam (SBV) on Dec. 12, granting a 26 million USD loan to Vietnam for the implementation of three highway construction projects.

- **Mekong Delta region sustains growth rate**

The Mekong Delta has maintained relatively high growth levels despite fluctuations of the domestic market in 2008, yet economic growth still lags behind other areas of the country.

- **PRP to spend 1.7 billion kip on infrastructure construction**

The Poverty Reduction Programme is planning to spend 1.7 billion kip on the construction of infrastructure and organizing vocational training courses for local authorities in community of Champassak province.

- **The public concerns justice and economic issues**

The National Assembly has received a number of letters, phone calls and e-mails complaining about various issues and most of them are concerning the transparency of justice officials and economic issues.

- **Lao tourist hits by global financial and economic crisis**

The tourist circumstances of Laos this year was affected by the global financial crisis and stemmed economy worldwide and the political crisis of neighboring country occurred recent month, Chairman of National Tourism Administration, Mr Somphong Mongkhounvilay yesterday.

## **Bilateral**

- **Vietnam, China to push up hi-tech cooperation**

Vietnam and China have agreed to further enhance their science and technology cooperation in the future, particularly in hi-tech development and attraction of foreign investment into hi-tech zones.

- **PM gives green light to foreign-funded projects**

The Prime Minister has approved a credit agreement of a World Bank-financed project on building an information management system and modernizing the banking system.

- **Key US senator to visit UAE, Vietnam**

A key US Senator with power over trade deals announced Friday he will visit the United Arab Emirates and Vietnam this month on a mission to reassure the world about the US economy.

## **Social Front**

- **Test for Vietnam government: free-speech bloggers**

Last fall, when police clashed with Catholic protesters over confiscated church land, the Vietnamese public didn't need to rely on the sanitized accounts in the government-controlled media. They could read all about it on the blogs.

- **President: Vietnam joins efforts to ensure human rights**

Vietnam, as a member of the international community, has been participating in concerted efforts to ensure and enforce human rights, said State President Nguyen Minh Triet.

- **UN report: injuries major cause of child death**

Accidental injury is a leading cause of death among children in underdeveloped countries, killing some 2,000 children every day, according to a UN report released Wednesday. But the report says efforts to reduce injuries among children are underfunded and have been too often ignored.

- **Vietnam's military geared up for fight against AIDS**

Officials from the US Department of Defence provided 30 Vietnamese military doctors and nurses with specialized training in HIV/AIDS testing and counseling in Ho Chi Minh City on Dec. 9.

## **Environmental Front**

- **Laos**

### **Political Front**

- **National Assembly passes three new laws**

The 6th National Assembly Session closed yesterday after it had passed four amendments and three new laws and amended the expenditure plan for 2008-09. The laws were on printing, quarantine and public investment and the other four were amendments to existing laws, such as contract, inheritance, electricity and mining.

### **Economic Front**

- **Laos, Japan discuss investment promotion**

The Ministry of Planning and Investment and the Embassy of Japan in the Laos held the 2nd meeting of Lao and Japanese public and private sectors joint dialogue last Friday, at the Lao Plaza Hotel in Vientiane to enhance mutual cooperation and promote the investment between two countries.

- **Laos, China pledge to further comprehensive cooperation**

Vientiane Capital and Kunming city, Yunna province of China pledged to further the existing comprehensive cooperation and mutual investment between two capitals. The commitment was made during two high ranking delegations of Vientiane Capital and Yunnan province on 8 December in Vientiane.

- **Laos, Thailand meet to boost trade ties**

Trade officials from provinces sharing borders between Laos and Thailand have met in Savannakhet province, to boost bilateral trade. Authorities from nine provinces of Laos and 11 provinces of Thailand reviewed previous cooperation efforts and discussed mechanisms to promote trade, investment, tourism and transport logistics between the

two countries, the Vientiane Times newspaper said on December 9, citing an official from the Production and Trade Department under the Ministry of Industry and Commerce.

- **More pharmaceutical firms opt to tie up with public sector**

Pharmaceutical firms face a host of challenges from blockbuster drugs going off-patent to competition from generics. It is therefore crucial for these companies to have a steady pipeline of new medicines for the market.

## **Social Front**

- **Developed countries want Lao workers**

Even though there is the serious ongoing economic turmoil in the world, Japan and Korea are recruiting 3,000 workers from Laos for their industrial and agricultural sectors.

## **Environmental Front**

# • **Cambodia**

## **Political Front**

- **Cambodia welcomes visa agreement with Vietnam**

The visa exemption agreement between Cambodia and Vietnam, which came into effect on December 4, has been welcomed by local media.

## **Economic Front**

- **ADB helps Cambodia modernise banking, improve environment**

The Asian Development Bank (ADB) has decided to approve a 43 million USD assistance to help Cambodia modernize its banking system and improve environment.

## **Social Front**

- **Inequality is fuelling rights violations, UN warns govt**

The benefits of Cambodia's recent development remain concentrated in the hands of a few, lawmakers are told

- **Cambodia reports new human case of bird flu**

Cambodia's Health Ministry has confirmed the country's eighth human case of virulent bird flu since 2005.

- **'Climate of impunity'**

Sok Sam Oeun, executive director of the Cambodian Defenders Project, did not comment on Om Yentieng's address but said corruption in Cambodia resulted in drastic losses in national revenue and a climate of impunity.

## **Detailed Monitoring Report**

### **Indonesia**

#### **Political Front**

- **ETAN Urges President-elect Obama Not to Appoint Adm. Blair Director of National Intelligence(social)**

December 5 - "President-elect Barack Obama's rumored selection of Admiral Dennis C. Blair for Director of National Intelligence is unacceptable," the East Timor and Indonesia *Action* Network (ETAN) said today.

In April 1999, just days after Indonesian security forces and their militias carried out a brutal churchyard massacre, Adm. Blair delivered a message of 'business-as-usual' to Indonesian General Wiranto, then Commander of the Indonesian armed forces. Following East Timor's pro-independence vote, Blair sought the quickest possible restoration of military assistance, despite Indonesia's highly destructive exit.

#### Background

As Commander-in-Chief of the U.S. Pacific Command from February 1999 to May 2002 Blair was the highest ranking U.S. military official in the region during the final period of violence in East Timor, as Indonesian security forces and their militias killed, looted, and destroyed the country's infrastructure.

In April 1999, Blair met in Jakarta with General Wiranto, then the Defense Minister and the commander of Indonesian forces, just days after dozens of refugees in a Catholic church in the town of Liquica, East Timor were hacked to death by machetes by militia members backed by the military (including Kopassus) and Brimob troops. Instead of pressuring Wiranto to shut down the militias, Blair promised new military assistance, which the military "took as a green light to proceed with the militia operation," according to Allan Nairn, writing in the *Nation* magazine at the time.

#### Strategic Front

#### Economic Front

- **Indonesia to return to capital market**

INDONESIA will return to the capital markets early next year, selling a landmark global sukuk bond that was previously set to raise US\$1bil, as well as domestic bonds, amid signs of improving investor confidence.

The global financial crisis dealt a severe blow to South-East Asia's biggest economy. Investors pulled out of emerging-market assets, putting pressure on the rupiah currency and forcing the government to scrap debt sales since October.

Despite Indonesia's strong economic performance, many investors regard it as high risk, recalling the political and financial chaos that swept through the country in the 1997-98 Asian financial crisis from which it took years to recover. The finance ministry said yesterday it would resume selling domestic bonds in January, and would launch its Islamic, or sukuk, bond in February, in a bid to plug its budget deficit and tap a wider investor base

- **Jakarta secures \$5 billion in emergency loan**

Indonesia has secured emergency loans worth \$5 billion to help plug its budget deficit and boost growth, authorities have said. "The loans, which come from the World Bank, the Asian Development Bank, Japan, Australia and France, can be drawn upon whenever Indonesia needs them," finance ministry official Rahmat Waluyanto told AFP on Saturday.

The Indonesian economy grew by 6.1 per cent in the third quarter of this year. However, the government has adjusted its 2009 growth forecast from 6.3 per cent to 4.5-5.0 per cent in light of the global downturn. Indonesia's current account deficit narrowed in the third quarter of 2008 to \$0.6 billion from \$1.2 billion in the second quarter on lower oil costs, the central bank said in a statement. The current account, Indonesia's broadest measure of trade with the rest of the world, includes goods, services and income flows.

A drop in oil prices over the period cut the deficit in the oil trade balance in Indonesia, a net oil importer, Bank Indonesia said in a statement on its website.

The current account deficit was also offset by a \$0.5 billion surplus in the capital and financial account, which narrowed the deficit in the overall balance of payments to \$89 million from \$1.3 billion.

Foreign exchange reserves fell to \$57.1 billion in the third quarter compared with \$59.4 billion in the second quarter, the central bank said. For a table of the data click Indonesia's government may cut the prices of subsidised gasoline and diesel fuel to ease the burden on people and businesses, President Susilo Bambang Yudhoyono said on Friday.

Indonesia cut subsidized gasoline prices by 8 per cent effective from December 1 after a sharp drop in global oil prices but left the price of subsidized diesel fuel unchanged. Indonesia has slashed its 2009 growth forecast from 6.3 per cent to 4.5-5 per cent next year, as global economic conditions deteriorate. Bank Indonesia cut its benchmark interest rate by 25 basis points to 9.25 per cent on Thursday, the first cut in a year to spur economic growth in the face of a severe global downturn. Traders said the rate cut showed the central bank was more confident of defending the rupiah currency, which has lost more than 20 percent this year against the dollar

## **Social Front.**

- **Many in Indonesia are obviously enjoying an extended weekend**

Many in Indonesia are obviously enjoying an extended weekend with the arrival of Islam's Day of Sacrifice on Monday (December 8). Some have left town or country on Friday, if not to enjoy the long holiday, then to celebrate the holy day.

With Indonesia -- like most other parts of the world -- heading for an economic recession if not a depression, it pays to take a moment to contemplate this day's meaning to see what lessons we can take to help this nation, and thus help ourselves, get through the difficult times ahead.

The slaughtering of cattle will take place later that morning, and the meat will be distributed mostly to the deserving poor people. For millions of people in Indonesia, Idul Adha will be a treat because for them, having meat on the table is a rare sight.

For the larger Muslim community in Indonesia, the slaughtering and the ensuing feast won't be as important as experiencing the Idul Adha spirit: That sacrifice, as exemplified by the Prophet Ibrahim (Abraham), is an act of faith ordained by God. The moral of this story -- when God asked Ibrahim to slaughter his son Ismail -- is that we should be prepared to part with our most precious possessions.

One will not be required to give up our most precious possessions. But looking at the gloomy economic predictions for 2009, some sacrifices, perhaps more so than at any other time, will become necessary if we are to survive as a nation.

As a country with a predominantly Muslim population, it is important that government, religious and community leaders extend the noble message of Idul Adha to Muslims as well as to non-Muslims, and to remind them that one will be called upon to make more sacrifices than usual for the good of the nation in the coming year.

- **Powerful earthquake rocks Timor Leste**

An earthquake of 6.2 magnitude hit off Timor Leste's coast Saturday, with no reports of injuries or damage, the U.S. geological agency said.

The U.S. Geological Survey said the earthquake struck 160 km northwest of the capital, Dili at a depth of 408.3 km beneath the Banda Sea at 6:55 pm (1055 GMT). Timor Leste is located on the



Pacific Ring of Fire, where continental plates meet, causing seismic and volcanic activity. Seven minutes before the earthquake, a rock of 5.0 magnitude hit Minahasa, Sulawesi, Indonesia.

- **Indonesia reports new cases of bird flu**

Indonesia has confirmed two new cases of human bird flu, the first officially reported since September.

The World Health Organisation says a girl aged two from East Jakarta died late last month after developing symptoms following a visit to a live bird market. It says a nine-year old girl developed symptoms about the same time, she was hospitalised and discharged after recovering. The two latest cases took Indonesia's known number of bird flu infections to 139, including 113 deaths.

- **Indonesia: President criticised for endorsing anti-porn law**

Indonesian President Susilo Bambang Yudhoyono was strongly criticised Tuesday after signing an anti-pornography law which opponents claim threatens national unity.

The law, backed by Islamic parties in the capital Jakarta, criminalises all works and "bodily movements" considered obscene and provides for heavy penalties. The law provoked protests across Indonesia with critics saying it could threaten art and traditional culture.

The president signed the law on 26 November but news of his endorsement was released on Tuesday. The law, approved by the Parliament at the end of October would have come into effect without the president's signature. But experts assert that Yudhoyono's refusal would have led to a review of the law by the Constitutional Court. Ethnic minorities, Christian and Hindu organizations, human rights groups and artists have already called for the law to be reviewed, claiming it breaches the constitution. The text of the new law has been strongly influenced by radical Islamist parties. It appears to be based on a vague definition of 'pornography' and its critics fear that it could lead to various interpretations and criminalize the practices of cultural and religious minorities throughout the archipelago. Indonesia is an archipelago with more than 17,000 islands and 240 million people from 45 ethnic groups who practise all of the world's major religions. However, more than 85 percent of the country's inhabitants are Muslim.

- **Timor-Leste issues UN-backed human rights guide for armed forces**

A booklet that aims to build human rights awareness among the members of the armed forces of the young nation of Timor-Leste was released today and immediately welcomed by the United Nations mission in the country, known as UNMIT.

This initiative by the Government is a sign of its commitment to human rights as expressed by Prime Minister Xanana Gusmão," the Chief of the Human Rights and Transitional Justice Section of UNMIT, Louis Gentile, said, pointing out that the Prime Minister has repeatedly stressed the importance of human rights as a key element to strengthen the professionalism of the armed forces. Described by UNMIT as a user-friendly, portable guide for the forces' 700 soldiers, the booklet was developed by the Ministry of Defense with the assistance of UNMIT and is available in Tetun, Portuguese and English.

It provides an introduction to basic human rights concepts and addresses such issues as the role of armed forces in a democratic state and accountability of individuals for their actions, UNMIT said.

However, the Mission expressed concern over an increase in the number of cases of ill-treatment by members of the security forces reported during the state of exception that followed the February assassination attempts against President Ramos-Horta and Prime Minister Gusmão.

- **Indonesia calls for united action to fight terrorism (political)**

Indonesian President, Dr Susilo Bambang Yudhoyono has called for a united stand in the fight against terrorism. The Indonesian leader made this remark during a call on him by Foreign Minister, Rohitha Bogollagama, who is leading the Sri Lankan delegation to the Bali Democracy Forum in Nusa Dua, Bali on Thursday(Dec 11), Foreign Ministry said.

A press release issued by the Ministry said: The President said, "We must remain united in the fight against terrorism. We cannot allow terrorism to defeat democracy".

President Yudhoyono welcoming Minister Bogollagama, expressed his personal happiness at Sri Lanka's high level participation at the Bali Democracy Forum, the first inter-governmental forum in Asia on democracy. He said that the Forum would afford an ideal opportunity to foster a dialogue in the Asian region on democracy, as well as related issues of peace and security.

President Yudhoyono thanked Minister Bogollagama for his comprehensive briefing on current developments in Sri Lanka, and observed that all too often the media projects an exaggerated and highly distorted picture of the factual position of country situations, and was glad to have had this opportunity to get a first hand account on Sri Lanka from the Minister. The President expressed his keen interest to forge greater bilateral co-operation with Sri Lanka and was pleased to learn that

SriLankan Airlines has proposed to resume its flights to Jakarta in early 2009, which will enhance people to people contact between the two countries. The Foreign Minister hoped that Garuda Airlines would be able to reciprocate by commencing its services to Colombo.

In this regard, the Minister highlighted the opportunities that Sri Lanka offers to potential Indonesian investors to set up industries in the country and use it as a springboard to tap the vast sub-continental market, under the Free Trade Agreements with India and Pakistan, as well as the SAFTA.

Minister Bogollagama extended President Mahinda Rajapaksa's invitation to President Yudhoyono to visit Sri Lanka, which the latter gladly accepted. The President thanked the Minister for the invitation and said that he is keenly looking forward to visiting Sri Lanka at the earliest opportunity.

## **Environmental Front**

- **UN climate chief: talk of delayed climate deal 'unhelpful'**

The UN climate chief said Friday that talk of pushing a global climate change deal past the December 2009 deadline agreed upon at UN talks in Bali last year was not on the table.

Some experts have suggested that a lame-duck administration in Washington and the global economic crisis may have put the already ambitious goal of hammering out a global climate change agreement by December 2009 out of reach. Barack Obama, who takes office on January 20, would like the United States to commit to reducing its greenhouse gas emissions to 1990 levels by 2020, and by 80 percent in 2050, mainly through a 150-billion dollar, 10-year programme to develop renewable energies.

But Obama is represented only by observers in Poznan, where the US delegation is led by members of the outgoing administration of George W. Bush. In a press conference in Poznan, de Boer also took a swipe at a US-based think tank cited in a question as raising doubts about how realistic the UN goal was. The Bush administration has been hostile to all efforts to impose binding agreement on emissions reductions unless rapidly developing nations such as China and India took on commitments too.

- **Another tsunami forecast**

More than one million people on Indonesia's Sumatra island are vulnerable to a massive earthquake and tsunami potentially more destructive than one which struck four years ago, scientists who released a study yesterday warned.

The quake and tsunami are likely within the next few decades, they said. On December 26, 2004, a 9.3-magnitude earthquake off Sumatra triggered tsunamis which killed 220 000 people in countries around the Indian Ocean, including 168 000 in Aceh province on the northwestern tip of Sumatra, in one of the deadliest natural disasters ever. The Boxing Day quake marked the largest in a series of big earthquakes as large sections of the active fault beneath the eastern Indian Ocean flank failed over the past eight years, the study in the US magazine Science says. Until late last year the largest remaining unbroken Sumatran section was a stretch known as the Mentawai patch, the study said.

- **Malaysia**

**Political Front**

- **Najib: We must make sacrifices**

Deputy Prime Minister Datuk Seri Najib Razak said the significance of Hari Raya Aidiladha lies in the fact that if Muslims seek to progress and succeed in their endeavours, spiritually and materially, it would not come without sacrifice.

He said the awareness of the need to sacrifice for success should be inculcated in all Muslims.

"The need to sacrifice, which is a blessing from God, is not only a matter of faith but also in our tasks undertaken," he said, at the handing over of 179 head of cattle and two camels to representatives of surau and mosques in his constituency.

Present at the function was Najib's wife, Datin Seri Rosmah Mansor. Because of the heavy rain at Najib's family house, the hand over of the cattle and camel was shifted to the Sultan Ahmad Shah Convention Centre at the town centre here. The live animals were brought into the convention centre in a lorry and Najib handed them over to the coordinator of the programme. The animals,

which will be taken to the respective surau and mosques in the Pekan constituency, will be slaughtered after Aidiladha prayers today.

- **Pakistan to field Pas candidate**

Pakatan Rakyat has agreed to field a Pas candidate in the Kuala Terengganu parliamentary by-election next month.

Parti Keadilan Rakyat (PKR) de facto leader Datuk Seri Anwar Ibrahim, who said this yesterday, added that PKR would support any Pas candidate.

"We are quite optimistic of a Pakatan Rakyat victory," he said, at Wisma Yayasan in Penanti near here. Anwar, who is the Permatang Pauh MP, later visited several places in the constituency to meet the people in conjunction with Hari Raya Aidiladha. In an unrelated matter, Anwar shrugged off reports that some 1,000 of his party members in Padang Serai, Kedah, had crossed over to MIC.

- **Malacca MCA seeks answers**

The state MCA will adopt a three-pronged strategy to strengthen its hold on its state seats and wrest the five state seats and a parliamentary seat currently held by the opposition.

State liaison committee chairman Datuk Dr Wee Ka Siong announced the formation of a special state-level task force that will draft and implement the strategy by early next month.

The strategy will focus on rectifying weaknesses that resulted in the loss of seats previously held by MCA, strengthening seats which were won by a reduced majority and activities to woo back support for the party.

The MCA succeeded in wresting the Kota Melaka parliamentary seat from the DAP in 2004, after 35 years. Wee said a two-day brainstorming session had been scheduled for early next month involving all 25 state bureaus and committee members.

The findings of the task force would be objectively evaluated and steps taken to address them, he said, adding that the move was important for the party considering the current political landscape.

## **Strategic Front**

## **Economic Front**

- **Indian group to build 27 million USD campus in Malaysia**

One of India's leading education groups, the Vinayaka Missions University, has announced plans to invest 100 million RM (roughly 27.5 million USD) in an engineering, technical and management branch campus in Iskandar, Malaysia.

The VMU group has earmarked 220 million RM (60.6 million USD) for various education based projects as part of its expansion plans in Malaysia between now and 2015. The proposed branch campus in Iskandar will provide education in engineering, management and basic sciences.

Established in 1981, VMU currently manages 21 colleges and universities in India, Canada, US, Thailand and in Penang in Malaysia.-

- **Malaysia, Indonesia increase airspace cooperation**

Malaysia and Indonesia have planned to sign an agreement that will allow limited use of each other's airspace without prior diplomatic permission.

The agreement, expected to be signed on December 11, would allow military aircraft of both countries to enter the airspace over the joint command posts along the 1,000-kilometre Kalimantan-Sarawak border, Bernama news agency quoted Malaysia's Chief of Defence Force Gen Abdul Aziz Zainal as saying.

The agreement would also strengthen the two countries' cooperation in combating illegal activities at the border such as smuggling, terrorism and other trans-boundary crimes, the official noted

- **PM: Keep the shields up even in tough times**

Events such as the hijacking of an oil tanker in the Gulf of Aden are a reminder that national security cannot be compromised even in the most difficult economic times, Datuk Seri Abdullah Ahmad Badawi said yesterday.

The prime minister said the seizure of two Malaysian International Shipping Corporation vessels by Somali pirates in August proved that governments could not afford to relax their efforts to protect national security and the lives of its citizens.

Abdullah, who is also defence minister, said Malaysia may not be immune to the effects of a now shrinking global economy. However, the nation must continue to be vigilant, and improve defence and security, especially in the Straits of Malacca and off Sabah and Sarawak.

Abdullah said contrary to the current gloomy economic outlook, analysts believe that in the long term, Asean's defence and security spending would exceed US\$350 billion (RM1.2 trillion) in the next 12 years.

On that note, Abdullah said Lima would represent the gateway to arguably the world's second largest market for defence, security and civil equipment in the aerospace and maritime sectors. Lima was a key catalyst for Malaysia's maritime and aero-space industries and the prime minister was confident the exhibition would offer industry players the relevant contacts and networking opportunities.

Lima, which was previously co-organised by separate maritime and aerospace organisers, will from next year, be organised solely by HW Lima Sdn Bhd, the organisers of the maritime segment since 1997.

- **Oil prices slip to below US\$46 in Asia on Friday(updated)**

Oil prices retreated to below US\$46 a barrel Friday in Asia after a strong rally overnight, but traders said expectations of a sharp production cut by OPEC will support the market.

Light, sweet crude for January delivery fell \$2.41 to \$45.57 a barrel in electronic trading on the New York Mercantile Exchange by midafternoon in Singapore. Losses were extended after news broke that a \$14-billion emergency bailout for U.S. automakers had collapsed in the Senate. Overnight, the contract surged \$4.46, or 10 percent, to settle at \$47.98.

The Organization of Petroleum Exporting Countries, which accounts for about 40 percent of global crude supply, has signaled it plans to reduce output quotas at a meeting Dec. 17 in Algeria. Many analysts expect a production cut of as much as 2 million barrels a day, which would match the combined reductions of two previous output cuts earlier this year. But they say the success of any production cuts in stabilizing oil price will depend on how closely OPEC members comply with it. OPEC's overall November production was well above quotas agreed to by member states, according to Platts, the energy information arm of McGraw-Hill Cos.

Russia has said it plans to coordinate production levels with other non-OPEC producers. On Thursday, Russian President Dmitry Medvedev suggested that Russia is ready to work with OPEC. Oil's rally overnight was boosted by a falling dollar, which makes commodities like oil more attractive. It outweighed a warning from the International Energy Agency that energy demand will shrink this year for the first time since 1983.

In the report Thursday, Paris-based IEA cut its forecast for global oil demand in 2008 by 350,000 barrels a day to 85.8 million barrels a day, down 0.2 percent from 2007.

It also said 2009 demand would increase by just 0.5 percent to 86.3 million barrels a day. That's 200,000 barrels a day less than its estimate last month.

## **Social Front**

- **Millions spent to make sure criminals don't escape**

The Royal Malaysian police has bought 25 high-powered Mitsubishi Lancer Evolution cars to catch criminals and speed hogs.

The cars, worth several millions of ringgit, would be fitted with safety gadgets and would sport the looks of police patrol cars.

Sources said the police had already taken possession and were testing the cars before sending them to the Road Transport Department for registration and approval.

Several police personnel have been sent to undergo intensive driving classes to ensure they are able to handle the super charged cars, they added. The cars, they said, would also be used by the highway patrol unit to monitor speed hogs or illegal racers.

- **KL and Jakarta will do more to fight transborder crime**

Enforcement agencies will continue to enhance cooperation in all fields, particularly intelligence and patrolling, to fight transborder crime, says Prime Minister Datuk Seri Abdullah Ahmad Badawi.

At a joint press conference after the 37th Malaysia-Indonesia General Border Committee (Malindo GBC) meeting held here, Abdullah said he was satisfied with the efforts by uniformed personnel in protecting the sovereignty of both countries.

Abdullah, who is also the Defence Minister, led a 28-strong delegation to the meeting which was jointly chaired with his counterpart Juwono Sudarsono. He said Malaysia agreed to adopt a proposal by Indonesia to hold the Malindo GBC meeting biennially to enable proper implementation of procedures that were agreed upon.

On the dispute over the oil and gas-rich Ambalat, both leaders agreed that the issue would be resolved by a technical committee under the purview of its respective Foreign Ministries, which had so far met 13 times. Earlier, in his speech, Abdullah said the joint coordination efforts by the various agencies, including participation of Singapore, in the eyes-in-the-sky programme, had succeeded in increasing the confidence of the international community.

Later, Abdullah visited family members of the late Ali Alatas, the former foreign minister of Indonesia, and paid a courtesy call on Indonesian President Susilo Bambang Yudhoyono before returning home. On his meeting with Susilo, Abdullah said they discussed bilateral issues, including the setting up of a meeting between palm oil industry players in dealing with the drop in prices.



## **Environmental Front**

### ● **Philippine**

#### **Political Front**

- **Arroyo still shaky despite political wins**

Philippine President Gloria Macapagal Arroyo has gained political strength in recent weeks, analysts say, but she is unlikely to be able to translate this into extending her stay in office. Arroyo has to leave office in 2010 under the constitution, but her allies have begun moves to amend the charter. A Senate coup last month gave her control of both houses of legislature, giving the moves fresh impetus.

Analysts say the ruling 'Kampi' (Filipino for ally) and 'Lakas' (power) parties feel they don't have a viable presidential candidate for 2010, and are seeking the removal of term limits on elected officials to circumvent the problem.

But amending the 1987 constitution is a highly emotive issue in the Philippines and could unite the disparate opposition. The term limits were established after the ouster of dictator Ferdinand Marcos in 1986, who was in power for 20 years. Arroyo, who came to power after street protests eclipsed her predecessor Joseph Estrada in 2001 and who has survived three coups and four impeachment attempts in office, however, seems unfazed by the protest plans. She has planned an official visit to Qatar starting on Saturday and analysts have called it a change from once-skittish reactions to street protests

#### **Strategic Front**

#### **Economic Front**

- **Philippines expects economic recovery by 2010**

The Philippines' National Economic and Development Authority (NEDA) has expressed optimism that even if the global recession persists, its economy will recover by 2010.

Deputy Presidential Spokesperson Lorelei Fajardo said in a statement on December 7 that the optimism was based on election-related spending and government funding on infrastructure projects.

Out of the proposed 2009 national budget of 415 billion peso (roughly 8.44 billion USD), 147.7 billion peso will be earmarked for infrastructure projects. This year, infrastructure spending comprises 1.58 percent of the Gross Domestic Product (GDP).

- **Philippine exports fall 14.9% in October**

Philippine exports fell 14.9% in October to \$3.967bn with shipments to all top markets suffering sharp declines amid the global financial crisis, the government said yesterday.

Key electronics exports, which accounted for 58.9% of the total, were down 18.9% year on year, to \$2.335bn, continuing a decline that began in August, according to the National Statistics Office.

Apparel and clothing accessories, the second largest sector, fell 25.3% year-on-year to \$140.43mn in October, the office said in a statement.

Key exports such as tuna and metal components enjoyed double-digit increases in October but others, like petroleum products, copper, coconut oil and ignition wiring, suffered double-digit declines.

The US remained the Philippines' biggest export market, buying \$695.35mn, or 17.5% of the total. However that figure is down 15.3% year on year.

Japan was the second largest export buyer, paying \$614.4mn, 15.5% of the total, and a 20.6% decline from October 2007.

Shipments to China, the third biggest buyer, were down 20.6%. Exporters have warned that they would suffer a sharp decline in orders in the latter part of the year in the face of the global financial turmoil and the recession in the US. Total exports in the first 10 months of 2008 were still up 1.94 % compared to the same period in 2007, the National Statistics Office said.

Philippine exports last year rose 6.1% to \$50.3bn. The government previously said it expects export growth of about 5% this year.

## **Social Front**

- **Presidential awards for Filipinos and organizations overseas**

The Commission on Filipinos Overseas (CFO) announced Saturday that the 2008 Presidential Awards ceremony for Filipinos and organizations overseas will be held at 12:30 p.m. on December 10 at the Rizal Hall in Malacañang.

The occasion will also mark the opening of the celebration of the Month of overseas Filipinos and the International Migrants' Day. President Gloria Arroyo will give awards to 2008's outstanding Filipino individuals and organizations overseas.

- **2 Muslim guerrillas captured**

TWO Muslim separatist guerrillas were captured after attempting to sneak into the southern Philippine city of Zamboanga on Saturday, the military said.

Three members of the separatist Moro Islamic Liberation Front (MILF) arrived in the Muslim enclave of Mariqui after midnight but were met by soldiers after local residents alerted the military.

After a 10-minute gun battle, two of the MILF members surrendered while the third slipped away, said Lieutenant Steffani Cacho. Initial reports indicate the three travelled from the island of Basilan on a kidnapping mission to Zamboanga City, Cacho said without elaborating.

Troops were still tracking down other MILF rebels who are believed to still be in Zamboanga City. The government suspended peace talks with the MILF after guerrillas attacked targets across Mindanao in August in retaliation over a court order halting a deal that would have given the rebels control over a Muslim autonomous region.

More than 600,000 people were displaced in the fighting that followed, while dozens of civilians, guerrillas and soldiers have been killed so far.

- **Mindanao's beauty and its ugly problems**

Every time I go back to Mindanao I am taken by surprise by the vastness and beauty of the island. It is hard to believe that this land is torn by war and that poverty haunts many a home. I saw the rice fields in Surallah, South Cotabato, flanked by distant mountains. Every now and then I spotted a carabao, surrounded by its loyal companion, the majestic heron.

In Lake Sebu, my friends and I ate grilled tilapia, soup and rice and marveled at the affordability of the food. The peace and quiet, of course, was priceless.

Another two hours' ride going in the opposite direction and the peace is broken by exploding bombs. In Isulan, Sultan Kudarat, two bombs exploded on December 4. In Sarangani, just on the other side of the mountain range, the military and the local government have organized barangay defense systems in every barangay to serve as a mechanism for early warning of presence of armed groups. According to Col. Rainier Cruz, commanding officer of the army brigade, the barangay defense system has already proven its worth. Without the system in place, the barangays could have done nothing to repel armed groups that encroached on several occasions.

Further north, in the town of Guindolongan, Maguindanao, hundreds of families still live in evacuation centers. I was told that the local government of this small Muslim town of a population of about 23,000, is finding it increasingly hard to provide for the evacuees. The Moro Islamic Liberation Front (MILF) is reportedly making life difficult for the farmers in the remote areas, and these residents prefer to stay in the evacuation centers.

Mindanao is not only blessed with fertile farmland. It is blessed—or cursed—with minerals in the underground, minerals whose value and strategic importance increase every hour. The Chinese have set their eyes on the gold of Diwalwal, while the Australians are mining in South Cotabato. The Americans? Well, they are everywhere in Western Mindanao and they are not hunting terrorists. The controversial Bangsamoro Juridical Entity was allegedly strongly pushed by the US government because the latter saw this as the easier way to gain access to the mineral deposits in Muslim Mindanao. As it was explained to me: The Bangsamoro political hierarchy is simple to

deal with. All you need in order to forge an agreement is the approval of the top guy. Unlike when you deal with the decentralized, democratic Republic—here you have to seek the consensus of everybody from the President down to the village folks. Mining companies even reportedly have to pay big money in order to obtain the needed Environmental Compliance Certificate. The amount is ‘graduated’ depending on the type of mineral. But even after complying with legal requirements and paying under the table companies still have to contend with possible strong resistance from cause-oriented groups and local residents.

There is no doubt that the American government is involved in much more activity on the ground than we are aware. What tall, white, uniformed American troops can do is limited compared to what their Filipino and Filipino-American counterparts can do. Is the American government involved in activities and operations that undermine the sovereignty of the Republic of the Philippines? Probably. However, the Muslims who don’t see themselves as Filipinos but as Bangsamoro, who dream of self determination and who believe that Mindanao is theirs see it in a different light. A Danish traveler wrote some 50 years ago that “it was the Americans, whom they [the Moros] actually liked, who had handed them [the Moros] over to regime of their hated Christian enemies.” Maybe the US government, by supporting the MILF and the creation of an expanded Muslim autonomous region in Min-danao, are hitting two birds with one stone: Rectifying its historical mistake, and gaining access to the mineral-rich underground.

The scene that I witnessed at the arrival area of General Santos City airport was a microcosm of our country: passengers from different flights pushing and shoving each other to be near the carousel, and no person in authority trying to put order into the situation. We have to shape up, stop wasting our opportunities, and start working with unity of purpose. Self-interest rules our politics, with too few of our political leaders seeing beyond narrow personal and family interest. That, and not the Americans or Bangsamoro self-determination, is the biggest threat to our national security and sovereignty.

- **MANILA, PHILIPPINES: 5 Filipino troops killed in clash with militants**

Fierce fighting has erupted between Philippine troops and Muslim militants on two southern islands, leaving at least five soldiers dead and scores wounded, officials said Monday. Troops were pursuing al-Qaida-linked Abu Sayyaf militants blamed for a recent spike in ransom kidnappings when they came under attack in Al-Barka township on Basilan island on Sunday, military spokeswoman Lt. Steffani Cacho said.

- **17 Filipino sailors freed**

The 17 Filipino seafarers of the MV Captain Stephanos can now have a sigh of relief as the Greek-owned vessel was freed by Somali pirates on Tuesday, the Department of Foreign Affairs reported Wednesday.

Foreign Affairs Undersecretary for Migrant Workers Concerns Esteban Conejos Jr, confirmed the good news, citing reports from the principals of the Greek-owned vessel that was hijacked in the Gulf of Aden on September 21. The vessel had a 19-man crew.

The ship is now on its way to Italy before going to Greece. All the released Filipino seafarers were reported to be in good health.

The Foreign Affairs agency is now coordinating with the ship owners for the repatriation of the seamen to the Philippines.

On the downside, 91 Pinoy sailors remain in Somali pirates' hands. The other hijacked ships with Filipino crewmembers include MV Delight, Saudi supertanker Sirius Star, MV Chemstar Venus, Tianyu #8 and the MT African Sanderling. The UN envoy's announcement of the meeting came a day after the European Union carried out its first naval operation aimed at protecting merchant ships from pirate attacks off the Somali coast.

- **Philippine military: 50 militants killed in weekend clashes**

The Philippine military said Wednesday about 50 militants were killed by government soldiers in clashes in southern province of Sulu over the weekend.

The military also said that initial information indicated that rogue members of the Muslim rebel group Moro Islamic Liberation Front (MILF) had collaborated with U.S. listed terrorist group AbuSayyaf in the deadly fire-fight. Five Marines soldiers died and 25 others were wounded as the troops raided a hill believed to be a strategic point in the Abu Sayyaf's kidnap-for-ransom activities.

MILF chief negotiator Mohagher Iqbal, however, has denied such collusion and accused the military of shifting the operation focus to MILF, local media reported. The fighting was the second major encounter in Al-Barka since last year after soldiers entered an MILF base in search for a kidnapped Italian priest Giancarlo Bossi, who was kidnapped by the Abu Sayyaf on June 10 in Zamboanga del Sur province.

- **The fighting on July 10, 2007 in Al-Barka left 14 marines dead,10 of them beheaded.**

The 12,000-strong MILF has been fighting for a separate Islamic state since 1978. It signed a ceasefire in 2003 with the government, but skirmishes have been going on and off along with the peace talks between the two sides. Violence escalated in the southern Philippines after the country's Supreme Court halted the signing of the pact scheduled for Aug. 5 in Kuala Lumpur. More than half a million people have been affected by the military conflicts.

## **Environmental Front**

- **Thailand**

### **Political Front**

- **Attempt to select new PM**

THAILAND'S fractured political parties met on Saturday to choose a new prime minister, while the revered king's illness and the abrupt return of exiled Prime Minister Thaksin Shinawatra's powerful ex-wife threatened to deepen the country's political crisis.

The selection of a new leader with close ties to Thaksin could spark another round of mass protests that paralysed the government for six months and climaxed with the weeklong seizure of Bangkok's two airports.

The palace announced Friday night that the 81-year-old king was suffering from an inflamed throat and fever after he failed to give his annual birthday address.

The occupation of the capital's two airports by the People's Alliance for Democracy dealt a heavy blow to the country's tourism-dependent economy. A number of members of ousted Prime Minister Somchai Wongsawat's People Power Party have regrouped in a new party, Pheua Thai, and retain the right to name a new prime minister within 30 days if they are able to form a majority in Parliament. Any move to reinstate Thaksin's allies would likely set off more protests from the anti-government alliance, which charges that the party and the recently toppled government are merely fronts for Thaksin. But the opposition Democrat Party is also attempting to attract enough lawmakers from the former six-party ruling coalition to form a parliamentary majority. The prime minister normally comes from the party or coalition that controls a majority of seats in the lower house. The monarch has historically been the country's sole unifying figure in times of crisis. The protesters have repeatedly claimed defense of the throne as one of their motivations. Although street protests ceased - at least temporarily - with the end of the occupations of the airports and the prime minister's office by the protesters, the political situation remains extremely unsettled. Thais have long looked to the king to guide the country through times of trouble, even though he is a constitutional monarch with moral authority rather than legal powers. Talk of his mortality has long been avoided in public.

- **Thai government power struggle erupts**

Thailand's former ruling party has met to try to hang on to power after the opposition claimed it had enough support to form a government and end prolonged political turmoil in the kingdom.

A fierce struggle has erupted to fill the void left after a court last week dissolved the ruling People Power Party (PPP) for electoral fraud and removed prime minister Somchai Wongsawat from office.

Four small parties that had formed a coalition with Thaksin's allies after elections in December announced on Saturday that they had defected to the opposition Democrat

Party to resolve the crisis. The party's first task will be to lure back a faction that says it wants to join the Democrats.

Protests by the People's Alliance for Democracy (PAD) reached a peak late last month when they shut down Bangkok's airports for over a week. Tens of thousands of tourists remain stranded as airlines clear the backlog.

Thaksin was despised by PAD supporters in the old elite - which includes elements in the palace, military and bureaucracy - who felt that his popularity with poor, rural voters usurped some of their power.

He has only returned briefly to Thailand after his ouster in 2006, and is now living abroad after being convicted in absentia in October to two years in jail for violating the kingdom's corruption laws. The Democrat Party won 165 seats in elections almost a year ago and the former PPP has 212, although 37 of those are from a faction that could defect in part or whole. The coalition parties have more than 60 seats in the 448-seat House of Representatives between them. If the Democrat Party manages to pull together a coalition, it could bring to power the party's leader, Oxford-educated Abhisit Vejjajiva, who is 44. The intense political horse-trading also comes amid fears for the health of Thailand's deeply-revered King Bhumibol Adulyadej.

The 81-year-old monarch pulled out of his annual birthday address last week due to illness, ending hopes that he might offer guidance on a way out of the nation's political crisis

- **Thailand reopens main international airport**

Suvarnabhumi International Airport in Bangkok, which was shut down for a week by anti-government protesters, officially reopened on December 5.

Airports of Thailand's acting director, Serirat Prasutanont, said 547 flights were scheduled to arrive and depart on December 5 at Suvarnabhumi. Most of those were Thai Airways, Bangkok Airways and Thai budget carrier Air Asia flights. Singapore Airlines and Air Emirates also resumed flights.

The closure of Suvarnabhumi International Airport, that ended on December 3, stranded more than 300,000 visitors in the country, caused the cancellation of hundreds of flights and dealt a heavy blow to the country's heavily tourism-dependent economy.

Bangkok's domestic Don Muang airport, which also had been closed, reopened on December 4, according to news agencies.

- **Thai opposition party says it can form coalition gov't**

Thailand's opposition Democrat Party said on December 6 that it has enough support to form a new government following a six-month political crisis.

Party Secretary-General Suthep Thaugsuban was quoted by news agencies as announcing that his party has the backing of more than half of the 400 lawmakers in the lower house, allowing it to form a government. According to Bangkok Post, the Friends of Newin Chidchob faction together with the court-dissolved Chart Thai and Matchimathipataya parties changed their political polarity by joining hands with the Democrat Party to set up a new government.

The move came several days after Thailand's Constitution Court had ruled the three main parties in the coalition government -- People Power Party (PPP), Chart Thai Party and Matchima Thipataya Party.-

- **Thai opposition confident it can form next government, critics say military aided its rise**

- Confident it can form a government, Thailand's opposition Democrat Party called Monday for Parliament to vote on a new prime minister, while the ruling coalition said the army was interfering to help its rivals take power.

Democrat leader Abhisit Vejjajiva said his party was "ready to govern" to ensure Thailand recovers from months of political turmoil, which culminated late last month with the weeklong takeover of the capital's two airports by anti-government protesters.

The Democrats formally asked the speaker of the lower house of Parliament to convene an emergency session between Dec. 12 and Dec. 26 so it can prove it holds a majority — a mandatory step in forming a government.

The People's Alliance for Democracy protest group last week abandoned its occupation of the airports — which stranded upward of 300,000 travelers — after a court ordered the dissolution of the ruling People's Power Party for electoral fraud. Many of its members migrated to the new Phuea Thai Party, set up in anticipation of the ruling, so they could try to form a new government.

But at the weekend, the Democrat Party said it had the support of 260 lawmakers — 166 of its members and the rest defectors — meaning in had control of a majority of seats in the 480-seat House of Representatives. The chamber currently has 438 members because of vacancies. Supporters of the ruling coalition said the army had pressured lawmakers to switch sides.

The army had conspicuously failed to crack down on the protesters, who also occupied the prime minister's office for three months in their campaign to topple the government. The protesters said the government was overrun with allies of billionaire former Prime Minister Thaksin Shinawatra, who was ousted in a 2006 military coup accused of corruption and abuse of power. The Democrats voiced support for the alliance's goals, but distanced themselves from the sometimes-violent street demonstrations and illegal occupation of the airports. One Democrat lawmaker was a top protest leader.



Thaksin fled Thailand in July ahead of a conviction for violating a conflict of interest law that saw him sentenced to two years in prison.

Although he lives in exile, Thaksin remains influential in Thai politics and is still supported by the rural masses who benefited from his populist policies during his 2001 to 2006 time in office.

- **Thailand's main opposition may take power**

Thailand's main opposition party called for an emergency parliament session Monday to prove its majority and form the next government -- a surprising reversal of fortunes that some suggested was engineered by the politically potent military.

Democrat Party Secretary-General Suthep Thuagsuban filed a formal request for convening Parliament to demonstrate it has the support of enough legislators to form the next government and end months of political paralysis.

This Southeast Asian nation has been gripped by political chaos for three months, with protesters seizing the prime minister's office and overrunning the capital's two airports for about a week in a bid to topple the government, accusing it of being a proxy of fugitive former Prime Minister Thaksin Shinawatra.

House Speaker Chai Chidchob must seek the constitutional monarch's approval to convene an emergency session of the house, but that's considered a formality.

The country's No. 2 party until a week ago, the Democrat Party's newfound strength comes from defections by one-time allies of Thaksin after the collapse of the ruling coalition last week.

The government lost power after the Constitutional Court disbanded Thaksin's People's Power Party and two other partners in the ruling coalition after finding them guilty of electoral fraud.

The People's Power Party was reborn as the Pheu Thai Party, but it watched helplessly as many of its coalition partners joined a Democrat Party-led coalition in a shocking turn of events that some described as a political coup.

The Democrat Party now claims the support of 260 lawmakers, including 166 of its members and the rest from defectors, in the 480-member House of Representatives. Because of vacancies the house currently has 438 members.

Local media speculated that the defections were encouraged by the military, which has traditionally played a key role in politics.

The week-long airport siege that ended last Wednesday left more than 300,000 foreign travellers including hundreds of Canadians stranded and dealt a crippling blow to the economy and the crucial tourism industry.

The crisis has considerably whittled away the political power of Thaksin, a former telecommunications tycoon who is still supported by many in the impoverished countryside because of his populist policies while in power from 2001 to 2006.

But his autocratic leanings and alleged corruption drew the loathing of the Bangkok elite, the military and people associated with the monarchy. The dislike for Thaksin crystalized in the creation of the People's Alliance for Democracy, which carried out the anti-Thaksin campaign including the airport seizures. The alliance backs the Democrat Party and Abhisit, even though critics say the British-born politician is out of touch with ordinary people, particularly the rural majority, and lacks in charisma.

- **Thailand's Democrat Party claims it is 'ready to govern'**

THAILAND'S main opposition party called for an emergency parliamentary session yesterday to prove its majority, a key step to forming the next government and ending months of political paralysis. A new administration would bring some semblance of stability to the Southeast Asian nation which has been gripped by political uncertainty since August when protesters, driven by a single-minded hatred for Thaksin and his allies, seized the prime minister's office and overran the capital's two airports in a bid to topple the government. The week-long airport siege left more than 300,000 foreign travelers stranded and dealt a crippling blow to the economy and the crucial tourism industry. The Constitutional Court last Tuesday dissolved the pro-Thaksin People's Power Party and two other parties in the ruling coalition for electoral fraud, ending the siege. The court also banned Prime Minister Somchai Wongsawat and 24 other law makers from politics for five years.

- **Thailand: Security intensified for PM vote**

Thai authorities will deploy 1,200 police officers outside the nation's parliament buildings to guard against protests when the main opposition party attempts to have its leader elected as prime minister on December 15, according to news reports.

The tight security is in case of demonstrations by supporters of the government that was toppled last week, when a court barred the Thai premier Somchai Wongsawat from politics and disbanded the ruling People Power Party (PPP). "We will deploy eight companies of the police force in and around parliament on December 15, when the house is due to vote for a new prime minister," Lieutenant General Suchart Mueankaeo, commander of Bangkok Metropolitan police, was quoted as saying.

Police commandos would be on guard at the parliament building while border patrol police and anti-riot police would be on standby," he said, adding that "But if there is a clash we will request assistance from the military.

## **Strategic Front**

## **Economic Front**

- **Poverty is the real Thai scandal**

AT some point this weekend we will hopefully hear the end of that whining noise as the last aircraft touches down bringing back holidaymakers who were stranded in Thailand.

The sound will, of course, be coming not from the jets but from the passengers. Ever since anti-Government protestors took over Bangkok's airports up to 7,000 Brits have been stuck out there, moaning. They've bleated about the British Government, the holiday companies, they've even had the nerve to carp about the protestors.

Yet nobody forced these over-indulged, middle class, whingers to go and sit on their fat backsides in a country where 19 million people live in poverty and one in 10 women is forced into prostitution.

If they descend on a Third World country where people are struggling for their future, not to mention the next bowl of rice, what do they expect? I do hope it's not sympathy when they get home

## **Social Front**

- **Thailand has made tremendous advances in health development - Healthcare Minister**

Minister De Silva was addressing the National Health Assembly held in Thailand. He said that the world is well aware of the tremendous and most impressive advances Thailand has made in health development during the past few decades. The achievements made in morbidity, mortality and life expectancy are truly impressive. Sri Lanka has achieved many advances similar to Thailand in the health sector. Successive Governments have considered health and education as investments for building a healthy and literate workforce which will support the future social and economic development of the country. Therefore historically Sri Lanka has maintained a strong policy of providing health and education absolutely free to its people, Minister De Silva pointed out.

Sri Lanka has been able to control and contain immunisable and certain communicable diseases which were significant public health problems in the past. Malaria, Leprosy, Filariasis and Iodine deficiency diseases are in the elimination stage while Polio has already been eradicated. HIV remains to be low prevalent through effective broad based control measures used, Minister De Silva added.

## **Environmental Front**

### **● Singapore**

## **Political Front**

- **Changes to Criminal Procedure Code to be discussed during Budget debate**

A day after proposed changes to the Criminal Procedure Code were made public, several high-level committees have begun studying them. Among them, is the Government Parliamentary Committee for Law and Home Affairs.

It intends to raise the proposed changes for discussion under the Law Ministry's estimates in Parliament during February's Budget debate. A wider range of sentencing options for young offenders and those who commit minor crimes is proposed in the draft changes to Criminal Procedure Code.

Such community-based sentencing options include short detention orders, day reporting orders and community work orders. One important development which lawyers welcome is the proposal to give criminal lawyers more access to statements and evidence gathered by the prosecutors ahead of the trial. Lawyers said this will help them better prepare for the trial.

However, Mr Yeo feels that other interested groups are likely to focus on two areas. They may propose that the prosecution make available all statements given by the accused and not just those being used in the trial. They may also call for a stipulated time frame by which the accused gets to see a lawyer. Speaking to reporters at a legal fraternity event on Friday evening on the subject of whether all statements made by the accused even those not be used in trial or which might exonerate the accused, could be handed to the defence, Law Minister K Shanmugam said the prosecution had the discretion to decide what evidence it would be relying on in court.

This would then be shared with the defence under the new discovery process set out in the new draft Criminal Procedure Code.

## **Strategic Front**

## **Economic Front**

- **S'poreans less confident of getting by without main source of income**

Singaporeans these days are less confident of surviving without their main source of income, according to a recent survey conducted by American International Assurance (AIA) Company.

The AIA survey showed that only 19 per cent of interviewees said they could get by for more than two years without a primary source of income – down from 27 per cent a year before. The survey was conducted between June and July this year, so the results and findings did not take into account the recent episode of financial products linked to failed US investment bank Lehman Brothers. It also did not factor in the global financial developments in the past few months.

The survey suggested that Singaporeans are now more aware that they cannot cope without an income. Due to inflation, a person's savings for future plans may only last for less than a year. "I've taken away my cable TV, and I've started shifting to NTUC for grocery purchases. I'm going to sell my car. It's going to be tough times," another responded. More than 1,200 people over 18 years old were surveyed.

- **MICA bracing for major challenges in light of slowing economy**

Sustaining emerging creative industries will be one of the major challenges for the Information, Communication and the Arts Ministry next year, in light of the current economic slowdown.

The other is nurturing the arts, said its minister, Dr Lee Boon Yang. He was speaking at the Ministry's Annual Press Cocktail Reception on Tuesday evening. While his Ministry will explore measures to assist local arts groups, Dr Lee said the groups must also make the special effort to gain support from sponsors.

This includes being more creative in introducing events and bringing productions which have greater mass appeal which can be mounted at lower cost. When it comes to the challenge of sustaining emerging creative industries such as 3D content and infrastructure, Dr Lee said MICA has already introduced many support programmes and funds within its available resources. The fund will help local firms make 3D films and build expertise in the area.

- **SMEs to be self-sufficient to survive crisis**

Manage your business costs like you would your personal finances -- this is the advice experts have for small and medium enterprises (SMEs) in the face of tightening credit conditions.

Funding is scarce and small businesses are at risk of going under amidst the lack of financing. Market watchers say in order for smaller firms to survive, self-sufficiency is the way to go. Funds from banks, private equity and even government assistance are not guaranteed. Thus, firms must learn to tackle the economic crisis on their own while managing their cash prudently, because having capital on hand is critical.

Funding from other sources comes in handy as this frees up a company to make full use of additional resources that become available, such as the government's S\$2.3 billion assistance package announced last month. Observers and companies say the current crisis is a proving ground for SMEs, where survivors will earn their chance to reap the recovery's rewards.

- **S'pore oil and gas firms form consortium to tap Middle Eastern market**

A consortium has been formed by four local companies to provide offshore and energy services to the Middle East, including Saudi Arabia and the Gulf Region. The partners in the International Process and Marine Consortium are Rotary Engineering, Heatec Jietong, Jason Electronics and Pamarine.

The team will focus on providing a suite of turnkey engineering, procurement and construction services as well as supply chain solutions for downstream oil and gas industries, and offshore and marine industries. It is the first grouping of oil and gas firms formed under the International Enterprise Singapore's International Partners programme which aims to encourage local companies to band together when venturing abroad. The group is aiming for overseas sales of S\$10 million by 2013.

- **Good governance can help countries overcome financial crisis**

Good governance can help countries overcome the current global financial crisis. Singapore's Foreign Affairs Minister George Yeo said this in a speech at the Bali Democracy Forum on Wednesday. He used Singapore as an example to illustrate how the government takes a pragmatic approach when it comes to democracy and things like protecting minority rights, and the rule of law. In the case of ASEAN, he said it is improving regional governance through adoption of the ASEAN Charter, which will begin its implementation next week when foreign ministers meet in Jakarta.

- **High oil prices impact Southeast Asia's trade exports**

A study has found that high oil prices are impacting Southeast Asia's trade exports more than any other region in Asia. And if oil prices double, as it did this year, the value of trade between ASEAN countries and the West - Europe and the United States - could drop by 30 per cent over the next five years.

- **World Bank says Singapore's economy may bottom out in Q3 2009**

Singapore's economic growth will be weak going into 2009 and its economy could bottom out in the third quarter, according to the World Bank. The city state is expected to be one of the worst-hit in the region, given its small and open economy.

The World Bank said East Asian economies will fare better than their Western counterparts in the months ahead as they are less exposed to the financial turmoil there.

These economies also have stronger current account balances and better balance sheets due to better government policies and supervision following the Asian financial crisis in the late 1990s. The World Bank expects East Asia to grow by 5.3 per cent next year, although analysts said the growth pattern is not uniform across the region. Analysts said the three most vulnerable economies are Hong Kong, Singapore and Malaysia due to their heavy dependence on trade. He added that it is important to ensure that banks

continue to lend, so that companies have sufficient funds to complete projects in Singapore.

- **Islamic finance attracts investors leaving conventional markets**

Troubled times in the financial markets could mean boom time for Islamic finance. Experts say the non-leveraged, asset-backed Islamic finance system makes it an attractive option for investors worldwide. Investors who have lost their confidence in conventional financial markets may find the Islamic financing system more attractive.

Islamic financial institutions have emerged relatively unscathed from the recent financial turmoil. Observers say this is due to the relatively conservative nature of the industry, which is based on the shariah or Islamic law. And Islamic finance could be the vehicle that brings liquidity back to the markets, unlocking funds not just from the Middle East, but internationally as well. But this does not mean that Islamic finance is set for unmitigated growth.

Different interpretations of how Islamic regulations should be understood have resulted in different standards for products across religious jurisdictions. This has hampered the growth of the industry. And if this can be achieved, observers say that it would go a long way in making Islamic finance a competitive alternative to conventional financial systems.

- **S'pore expected to be first Southeast Asian country to recover from crisis**

Singapore may be the worse-hit Southeast Asian country in the current economic crisis, but it could well be the first economy in the region to rebound, according to economic forecaster Thierry Apoteker. A jump in US consumer confidence in November is just one of the indicators that could signal signs of a global recovery next year. Consumer confidence index rose in November to 44.9, up from 38.8 in October which was the lowest on record. Coupled with signs of liquidity tensions loosening up, it is suggested that banks may start lending to corporations soon which could put the US on a recovery path.

Increased spending in the US and Eurozone would translate to an increase in demand for exports from Asia. And while global trade numbers may pick up, Dr Apoteker expects a slower growth rate of between 4 and 5 per cent, as opposed to the almost 10 per cent growth in 2006. He warned that if Chinese companies are unable to export surplus stocks financed on credit, the losses they chalk up could impact their trade with other Asian economies. But for the moment, the decline in Chinese exports is expected to be short-lived, with the country's growth rate still expected to come in at 7.5 per cent next year.

## **Social Front**

- **S'pore, Aceh discuss ways to strengthen economic and cultural links**

Singapore and Aceh are looking at ways to strengthen their economic and cultural links. Senior Minister of State for Foreign Affairs Zainul Abidin Rasheed and Governor of Aceh Irwandi Yusuf discussed this when they met in Banda Aceh on Thursday. Mr Zainul was also updated on the progress made in Aceh's reconstruction following the December 2004 tsunami. During his visit, Mr Zainul met the province's cultural leaders at the Aceh Cultural Institute.

The Foreign Affairs Ministry says they explored opportunities for exchanges between cultural institutions in Singapore and Aceh. Mr Zainul also met Aceh academics and religious scholars, and discussed the challenges of implementing syariah law in the Indonesian province.

## **Environmental Front**

### **• Vietnam**

#### **Political Front**

#### **Strategic Front**

#### **Economic Front**

- ***Vietnam: what happened to the next Asian Tiger?***

Vietnam was supposed to be the lair of the next Asian Tiger. Ripe for development, open for business, and with a young population eager for the homeland to emulate the economic miracle of its giant neighbour China.

By 10 p.m. the streets are dark and free of pedestrians, shops are shuttered and there are few lights on in any buildings, a result of the government's campaign to conserve energy. The airport at Ho Chi Minh is nearly empty and a handful of cars own the road downtown, even though this is a city of seven million people -- three times the size of Toronto.

Vietnam's recent economic data is equally dismal, as rampant optimism has given way to a more realistic view of the country's future.

The country's stock market is the worst performer in Asia this year, with the benchmark index tumbling by about 67%. Real estate prices in Hanoi, the capital, and Ho Chi Minh City, the country's economic hub, have fallen too.



Early in the year, inflation was Vietnam's main concern, reaching 28% by August. Inflation eased slightly to 24.2% in November, and growth is now the big issue. Vietnam sells about one fifth of all exports to the U.S., and like its emerging Asian neighbours, the country will suffer if a prolonged global slowdown inhibits foreign investment and limits the developed world's appetite for cheap exports.

"A deeper global downturn -- especially in advanced economies which account for the bulk of Vietnam's total exports and remittances -- will have a material impact on Vietnam," said IMF assistant director for the Asia and Pacific Department Shogo Ishii in Hanoi this week.

In an effort to stimulate a sputtering economy, the State Bank of Vietnam, which raised interest rates throughout the first half of 2008, has now cut its benchmark interest rate four times since late October. Still, gross domestic product growth is expected to slow from 8.5% in 2007 to 5% this year and 4% in 2009, according to Asian brokerage CLSA.

Indeed, the communist country, which started on a path to economic liberalism in the mid-1980s, very recently began to make much bigger strides, especially after it was admitted to the World Trade Organization last year.

In particular, Vietnam has plentiful cheap labour and began to open up that resource just as factories in China were hit with costly new labour laws that made them less competitive.

Corruption is another major problem, ranked the second most important business issue facing Vietnam by foreign investors surveyed in a recent Economist Intelligence Unit poll. A measure of the international concern about this issue is that Japan, which pledged US\$1.1-billion in low interest development loans to Vietnam last year, this week froze further lending to Hanoi until the government takes "meaningful" steps to eradicate corruption in its public works programs.

The Vietnamese government recently announced it will spend US\$2.2-billion to upgrade the country's waterways by 2020. But for now Vietnam's ports are not nearly deep enough to carry the massive container vessels that carry global manufacturing shipments. In fact, Western business leaders ranked Vietnam as "providing the broadest range of opportunities [of any South East Asian nation] across most sectors in the next three years, from consumer goods and healthcare to IT," according to a survey by The Economist Intelligence unit.

- **ADB grants highway construction loans to Vietnam**

The Asian Development Bank (ADB) signed agreements with the State Bank of Viet Nam (SBV) on Dec. 12, granting a 26 million USD loan to Vietnam for the implementation of three highway construction projects.

The loan also aims to help Vietnam Highway Investment and Development Company that will be responsible for carrying out the projects, to enhance its operational and management capacities.

ADB has also agreed to provide 1.5 million USD in non-refundable aid from the Japan Special Fund for the Ben Luc – Long Thanh highway project, as well as additional technical assistance worth 1.5 million USD for the designing of the other two highways.

ADB's Country Director for Viet Nam , Ayumi Konishi, affirmed that the bank would continue to provide financial and technical assistance for the construction of Vietnam 's highways in the future.

- **Mekong Delta region sustains growth rate**

The Mekong Delta has maintained relatively high growth levels despite fluctuations of the domestic market in 2008, yet economic growth still lags behind other areas of the country.

Industry and Trade Ministry officials announced that the Mekong Delta's export turnover this year reached more than 5 billion USD, while import turnover hit over 3 billion USD total, rising 22.05 and 13.74 percent against the previous year, respectively.

The delta also saw total retail sales of goods and services of more than 10.9 billion USD this year, increasing 26.8 percent over a year ago with industrial output rising 18 percent.

Enterprises with less than 60,600 USD capitals make up 48 percent of the total in the region, while the national average is 28 percent. The competitive ability of enterprises are also impacted by some external elements including a weak transport system and out-of-date infrastructure, said Nguyen Phuong Lam, an officer of VCCI Can Tho branch. Hoang hoped that the region would hit the economic growth target of 10.5 percent within the period of 2006-10, as well as move away from farming to reach a ratio on non-agricultural production to agricultural production of 64/36 by 2010.

With the delta bordering HCM City and the sea in parts, this makes it a good location for trading with neighboring regions on the coastline, said director of VCCI branch Can Tho, Vo Dung Dung. Therefore, it would be wise to increase the region's strength by engaging in more foreign trade.

- **PRP to spend 1.7 billion kip on infrastructure construction**

The Poverty Reduction Programme is planning to spend 1.7 billion kip on the construction of infrastructure and organizing vocational training courses for local authorities in community of Champassak province.

The plan was disclosed at recent month meeting held in Bachiengchaluensouk district, Champaks province. The meeting discussed how to divide budget for implementing infrastructure construction sub-projects and vocational training courses for each district. Next year, the Poverty Reduction Programme will conduct eight projects of infrastructure construction and 13 vocational training courses in Champassak province. The projects are carrying out the construction of gravity-fed water, a school construction, education equipment supply, training course on livestock raising, fish culture and garmenting.

- **The public concerns justice and economic issues**

The National Assembly has received a number of letters, phone calls and e-mails complaining about various issues and most of them are concerning the transparency of justice officials and economic issues.

Mr. Chaleun said that his ministry held a nation-wide meeting on the malpractice of some government officials in justice system late last month and some necessary actions were approved to reduce the shortcomings in the justice system. They say the good prices remain high and some transport providers remain their high fare although the oil prices have been adjusted downward. They also ask the government to have concrete policy on or pay an active role in stabilizing the prices of agricultural produce such as maize, sugarcane and tea to assure the confidence of farmers. The people also raise their need to have small banknote to circulate in the society to facilitate trading. Immoral acts of young people at entertainment places, which are a chronic problem, the running of dump trucks along the national roads and the management of industrial factories to ensure they are environmental friendly as well as the increase of public transport vehicles and reduce private luxurious cars also, are informed to the National Assembly.

- **Lao tourist hits by global financial and economic crisis**

The tourist circumstances of Laos this year was affected by the global financial crisis and stemmed economy worldwide and the political crisis of neighboring country occurred recent month, Chairman of National Tourism Administration, Mr Somphong Mongkhounvilay yesterday.

Over the past 10 month this year, over 1.3 million tourist visited Laos compared to previous year it soared 3 percent. This figure compared to the expected figure was not high according to the plan Laos will receive 1.8 million people and will receive income about US\$250 million. In the period of 2007-08, Laos' tourist has considerably expanded which indicated that the Laos welcomed 1.6 million tourists in 2007 or increased by 34 percent and draw income over US\$233 million which covered 8 percent of GDP. This income considers it the second rank next to mining sector. This year, 134 tourist

companies are running their business in Laos that increased 22 companies and 1,381 guesthouses and hotels with 22,233 bed rooms.

The United Nations World Food Programme (WFP) in Laos last Thursday received a generous contribution worth more than \$9 million from the United States of America, which will be used to fund the expansion of the WFP School Feeding Project to three Southern provinces of Saravan, Sekong and Attapeu.

The assistance includes 180 tons of canned fish, 300 tons of corn-soya blend, 90 tons of vegetable oil, 1,670 tons of rice and some morning snack. The handover was performed by the United States Ambassador to Laos Mr. Ravic R. Huso and WFP Country Representative in Laos Ms Karin Manente, and Deputy Minister of Education Mr Lytou Buapao. For the next school semester in February 2009, about 25,000 schoolchildren in 11 districts and 232 schools in three provinces will receive a nutritious snack everyday at the school and take-home rations to share with their families. This is in addition to the current school feeding activities in the north, which involve more than 1,000 schools in Phongsaly, Luangnamtha and Oudomxay provinces. With the three new provinces, WFP School Feeding Programme will be able to reach almost 115,000 primary schoolchildren in the six provinces with over 380,000 people as beneficiaries.

## **Bilateral**

- **Vietnam, China to push up hi-tech cooperation**

Vietnam and China have agreed to further enhance their science and technology cooperation in the future, particularly in hi-tech development and attraction of foreign investment into hi-tech zones.

The agreement was reached during the talks in Beijing on Dec. 8 between the two ministries of Science and Technology. The two sides stressed the need for them to share experiences in the construction of hi-tech zones, the management of intellectual property in the sci-tech area and the formulation of quality standards in the field.

During its stay in China from Dec. 7-14, the delegation of the Vietnamese Ministry of Science and Technology plans to visit a number of industrial zones, universities, research centers and prominent businesses in Shanghai City and Hainan province.

- **PM gives green light to foreign-funded projects**

The Prime Minister has approved a credit agreement of a World Bank-financed project on building an information management system and modernizing the banking system.

He has also agreed in principle to the reception of a non-refundable grant worth 830,000 USD provided by the Japanese Policy and Human Resource Development Fund to the project. The project aims to increase banking services in the economy in order to boost

capital rotation as well as raise institutional capacity of commercial banks regarding internal management and banking services. The Prime Minister also gave green light to a 285,250 EUR technical assistance project funded by French foundation FASEP.

The project, to be implemented by the Mekong Delta's Dong Thap provincial People's Committee, aims to study measures to eliminate arsenic in drinking water and waste water treatment for small- and medium-sized communities.

At the same time, he approved the investment portfolio and a governmental agreement regarding a Belgian-funded project on water supply and hygiene in central Binh Dinh province worth a total 8.95 million EUR.

- **Key US senator to visit UAE, Vietnam**

A key US Senator with power over trade deals announced Friday he will visit the United Arab Emirates and Vietnam this month on a mission to reassure the world about the US economy.

The senator's December 13-20 trip will take him to Dubai, Abu Dhabi, Hanoi, and Ho Chi Minh City, his office said.

US president-elect Barack Obama, who takes office January 20, has said he wants to polish the tarnished US image overseas and shore up the battered US economy.

Baucus said the United States must strive to understand "boom economies" like the UAE, that relations with Vietnam must remain "strong," and that he hoped to ensure that Asian markets "are as open as they should be to American products like beef," a key export of his home state of Montana.

## **Social Front**

- **Test for Vietnam government: free-speech bloggers**

Last fall, when police clashed with Catholic protesters over confiscated church land, the Vietnamese public didn't need to rely on the sanitized accounts in the government-controlled media. They could read all about it on the blogs.

The photos and translated Western news reports about last September's outlawed prayer vigils were posted in a Vietnamese blogosphere where anything goes - from drugs, sex, marriage and AIDS to blunt criticism of the communist government.

In June, two journalists who had aggressively covered a major government corruption case were arrested and one of them was sentenced to two years in prison. Four others had their press cards revoked after running front-page stories decrying the journalists' arrests.

The bloggers were quick to react. Such sentiments would never appear in Vietnam's state-controlled media, which are dominated by admiring stories of the country's leaders or dull accounts of the bureaucracy at work.

In the reporting of the vigils organized by the Catholic Church to demand the return of lands seized decades ago, the state media portrayed the protesters as lawless, while the bloggers portrayed them as principled and brave.

Roughly 20 million of Vietnam's 86 million citizens use the Internet, according to the latest government figures. While high-profile bloggers are concentrated in the big cities, cyber-cafes can be found in all but the most remote corners of the country.

Vietnam's government is particularly sensitive to anything it regards as fomenting public protests, and also is wary of upsetting its giant northern neighbor. Vietnamese bloggers often write confessional postings that have nothing to do with politics.

- **President: Vietnam joins efforts to ensure human rights**

Vietnam, as a member of the international community, has been participating in concerted efforts to ensure and enforce human rights, said State President Nguyen Minh Triet.

President Triet made this statement in a message of congratulations addressed to the United Nations Secretary General, Ban Ki-moon, to celebrate the 60 th anniversary of the adoption of the Universal Declaration of Human Rights, which falls on Dec. 10.

The president wrote that the Universal Declaration of Human Rights contains the essence of the noble spiritual values of all nations and has become a symbol of progress of humankind during the last century.

Vietnam, he said, believes that the lofty values contained within the Universal Declaration of Human Rights, which have stood the test of time, would continue to be a foundation for cooperation, mutual understanding and trust among countries under the common United Nations umbrella, and create momentum for the sustainable development of the humankind for the 21 st century and beyond.

- **UN report: injuries major cause of child death**

Accidental injury is a leading cause of death among children in underdeveloped countries, killing some 2,000 children every day, according to a UN report released Wednesday. But the report says efforts to reduce injuries among children are under funded and have been too often ignored.

The report, released by the World Health Organization and the UN Children's Fund (UNICEF) at a press conference in Hanoi, uses Vietnam as an example of how efforts to prevent injuries in children can be unexpectedly complex.

Traffic accidents are the second leading cause of death in children 5 and over. Vietnamese law that made it mandatory to wear helmets on motorbikes, which achieved

90 per cent compliance among adults, was altered to exempt children due to popular complaints.

The report says Vietnamese parents and some doctors spread false rumors that wearing helmets could injure children's necks. In fact, wearing a helmet reduces the risk and severity of injuries by 72 per cent.

The report also cites burns, falls, and poisoning as major risk factors for children. It recommends countries adopt national programs to alter roads, playgrounds and infrastructure, and develop new rules and educational programs to prevent child injuries.

Injury and violence were responsible for 900,000 children's deaths each year, 90 per cent of which were accidental, the report said. The leading cause of death resulting from an injury was road traffic accidents, followed by drowning and fires or burns.

- **Vietnam's military geared up for fight against AIDS**

Officials from the US Department of Defence provided 30 Vietnamese military doctors and nurses with specialized training in HIV/AIDS testing and counseling in Ho Chi Minh City on Dec. 9.

The training was conducted within the framework of the US President's Emergency Plan for AIDS Relief (PEPFAR) and as part of a field cooperation programme carried out by the two countries' armies.

As well as the Dec. 9 training session, the US Department of Defence will further assist their Vietnamese counterparts in the establishment of six additional facilities to provide volunteer HIV/AIDS testing and counseling services to Vietnam's military healthcare system. One such facility is already operational at the Military Institute of Hygiene and Epidemiology, thanks to the cooperation programme.

A training course was held recently in Nghe An province to raise awareness among border guards and border area residents of HIV preventative measures and to reduce discrimination against HIV/AIDS sufferers.

It has granted 3.8 million USD, from its total annual budget of 88.5 million USD, to Vietnam for the implementation of this programme. Since 2004, PEPFAR has provided 232 million USD to support the provision of comprehensive HIV/AIDS prevention, care and treatment services in Vietnam.

### **Environmental Front**

- **Laos**

### **Political Front**

- **National Assembly passes three new laws**

The 6th National Assembly Session closed yesterday after it had passed four amendments and three new laws and amended the expenditure plan for 2008-09. The laws were on printing, quarantine and public investment and the other four were amendments to existing laws, such as contract, inheritance, electricity and mining. However, the sessions over the 11-day period concentrated on several key issues: the classification of 49 Lao ethnic groups, an appraisal of the achievements of the Lao government in 2007-8, an evaluation of the recent flood and the effects of the global financial crisis on Laos.

NA members enthusiastically brainstormed when they were debating each of the seven laws and listened intently on the achievements of the Standing Committee of National Assembly.

The Cambodian Senator, President Chea Sim, and his delegation attended the sixth National Assembly Session on 28 November and he gave a speech at this meeting, referring to the bilateral cooperation and development of legislatures in the region. Mr Thongteun Sayasene, Head of National Assembly Office and a spokesman of National Assembly, who spoke on behalf of the National Assembly, thanked the officials, officers, intellectuals and people of the various social stratas for contributing ideas and proposals to NA.

### **Economic Front**

- **Laos, Japan discuss investment promotion**

) The Ministry of Planning and Investment and the Embassy of Japan in the Laos held the 2nd meeting of Lao and Japanese public and private sectors joint dialogue last Friday, at the Lao Plaza Hotel in Vientiane to enhance mutual cooperation and promote the investment between two countries.

Attending the event were Dr Sinlavong Khoutphaythoun, Minister of the Planning and Investment of Laos and Mr. Masaaki Miyashita, Ambassador of the Japanese Embassy to Lao PDR and representatives from the Japan Embassy, Japan External Trade Organization (JETRO) in Bangkok, Japan Bank for International Cooperation Office in Bangkok and Japanese International Cooperation Agency in Laos. Two sides signed an agreement on liberalization, promotion, protection of investment in 2008 and it has been entered into force in August 2008, the visa exemption for Japanese people travelling in Laos for 15 day.

Apart from that, there are several activities on promoting trade and investment under the framework of ASEAN+3 and now there are in the beginning of investment agreement negotiation between ASEAN and Japan.



The inflation remains under control in one digit, rate exchange is stable and political and social stability,” he said. In 2008-2009, there is the world financial crisis, severe flood in September of this year. In the past, the Japanese investment into Laos is increasing gradually, although recently Thailand is the number one ranking of foreign direct investment to Laos, followed by China and Vietnam respectively and Japan is at number 5th ranking of foreign direct investment to Lao PDR and in the approval amount of US\$ 421 millions (2000-2008). At the meeting there was a frank exchange of views mainly on the improvement of investment environment with the purpose of increasing investment from Japan to Laos.

- **Laos, China pledge to further comprehensive cooperation**

Vientiane Capital and Kunming city, Yunnan province of China pledged to further the existing comprehensive cooperation and mutual investment between two capitals. The commitment was made during two high ranking delegations of Vientiane Capital and Yunnan province on 8 December in Vientiane.

The Vientiane Capital delegation led by Vientiane Mayor Sombath Yialihier while Chinese delegation led by Mr Qiu He, a Member of Standing Committee of the CPC Yunnan Province Committee and Secretary of Kunming Municipal Committee of the Communist Party of China. The Chinese delegation visited Laos in response to the invitation of Vientiane Mayor between 7-10 Decembers.

The bilateral meeting reviewed previous cooperation, particularly in the assistance of Kunming City to Vientiane Capital. The assistance of Kunming City has so far granted personnel computers and technical training for teachers of Lao political administration **school**.

- **Laos, Thailand meet to boost trade ties**

Trade officials from provinces sharing borders between Laos and Thailand have met in Savannakhet province, to boost bilateral trade. Authorities from nine provinces of Laos and 11 provinces of Thailand reviewed previous cooperation efforts and discussed mechanisms to promote trade, investment, tourism and transport logistics between the two countries, the Vientiane Times newspaper said on December 9, citing an official from the Production and Trade Department under the Ministry of Industry and Commerce.

The governments of Laos and Thailand set a target to double the value of bilateral trade by 2010, and Laos hopes to triple the value of its exports to Thailand in that time.

- **More pharmaceutical firms opt to tie up with public sector**

Pharmaceutical firms face a host of challenges from blockbuster drugs going off-patent to competition from generics. It is therefore crucial for these companies to have a steady pipeline of new medicines for the market.

But discovering new drugs is a long process, taking between eight and eleven years from the laboratory to patients. Moreover, not all drugs being developed will eventually succeed. To speed up the process and increase success rate, pharmaceutical companies are now seeking tie-ups with the public sector.

Dr Robert Lim, Department of Haematology-Oncology, NUH, said: "I think this is a very useful strategy. By and large, most of the drugs that we are looking at for potential use in patients in the early setting or as trials would come from these private companies. Interestingly, these public-private sector tie-ups are also taking on a more Asian focus, especially the need to tailor medicines for people in Asia.

Patrick Keohane, head, R&D, Asia Pacific & Japan, AstraZeneca, said: "We now realize that the needs and responses of patients in Asia may not be exactly the same. We need to look at the right doses, the right indications and the best way to deliver the new medicines to patients in Asia. Other big pharmaceutical firms, including Bayer Schering Pharma, have also formed strategic partnerships with the public sector to develop drugs. Bayer has tied up with National University of Singapore's medical school to conduct cancer research in September. Eli Lilly has also said it plans to work together with non-industry partners, academic partners or governmental partners to develop drugs faster and more efficiently.

## **Social Front**

- **Developed countries want Lao workers**

Even though there is the serious ongoing economic turmoil in the world, Japan and Korea are recruiting 3,000 workers from Laos for their industrial and agricultural sectors.

Lao officials also said that another two countries, Sweden and Russia want to recruit Lao workers to fill vacancies in their labour market.

Director General of Department of Skills Development and Employment, Mr Phouvanh Chanthavong disclosed yesterday that the demand for Lao workers by the developed countries is on a slight upturn.

However on the contrary, Thailand, a developing country, is planning to downsize its foreign labour force and as many as 100 Lao workers will be retrenched by their Thai employers, said Mr Phouvanh.

On the other hand, officials in the Ministry of Labour and Social Welfare said that while there is still a demand for Lao workers in foreign countries but at the same time in Laos the local employers have vacancies for 58,000 jobs in the industrial and agricultural sectors and so uppermost in their minds is the interest of Laos.

The Ministry of Thai Labour has recently publicised in the newspapers and television that they are reducing the number of legal foreign workers from Laos, Myanmar and Cambodia as part of its measures to solve the unemployment problems of Thailand.

This new labor policy aims to reduce the total of two million foreign workers from the three countries to just 800,000 by the beginning next year. Under the new policy, legally registered foreign workers will be allowed to work only in the industries that are significantly short of labor and rejected by Thai workers, such as construction, fishery and agriculture, while the manufacturing sector will be reserved for Thai workers. Thai authorities expect 700,000 Thai workers to be jobless by 2009 and they also said they would be looking for employment.

By a rough estimation 300,000 Lao people are working in Thailand but only a fraction of them, 80,000, are registered and so as the new Thai labour policy comes into force the retrenched Lao workers will face stiff competition in finding new jobs in their host country.

Another reason for Laotians to sneak to Thailand to work illegally is that they get low wages in Laos. A serious employment problem faced by Lao workers in their own country is that foreign firms based in Laos prefer to hire foreign workers as they find that Lao workers are lacking in skills and experiences. The same reason accounts for the fact that businessmen in Thailand are not willing to hire the total number of Lao workers allocated to this country as indicated in the government to government contract.

## ● Cambodia

### Political Front

#### ● Cambodia welcomes visa agreement with Vietnam

The visa exemption agreement between Cambodia and Vietnam, which came into effect on December 4, has been welcomed by local media.

The agreement was awaited by the peoples of the two countries for such a long time, the media quoted Cambodian Tourism Minister Thong Khon as saying.

It will help boost tourist activities as well as trade and economic relations between the two countries, he said. With the agreement, the number of Vietnamese tourists going to Cambodia is likely to increase in the future, he added.

Cambodia's travel and transportation companies believed that the agreement would create more jobs for people of the two countries, especially those who live in border areas. The agreement was signed during a visit to Vietnam by Prime Minister Hun Sen in early November. Under the agreement, ordinary passport holders from Viet Nam and Cambodia who want to stay in either country for up to 14 days will be exempt from visa requirements.

### Economic Front

- **ADB helps Cambodia modernise banking, improve environment**

The Asian Development Bank (ADB) has decided to approve a 43 million USD assistance to help Cambodia modernize its banking system and improve environment.

ADB said Of the money, 10.8 million USD in non-refundable aid will be allocated in the Ministries of Agriculture-Forestry-Fisheries, Rural Development and Water Resources in order to raise their financial management capacity to effectively using investment capital in rural development and water supply and drainage system projects, helping improve people's living conditions and environment.

The remaining 32.2 million USD in loan will help the country modernize its banking system, develop links between domestic banks and international monetary groups, ensuring faster and more exact financial transactions.

The fund will also help the government carry out administrative reforms and policies in line with the current situation in order to reduce costs of business operations, expand trade and improve goods safety.

## **Social Front**

- **Inequality is fuelling rights violations, UN warns govt**

The benefits of Cambodia's recent development remain concentrated in the hands of a few, lawmakers are told

A child plays on the fringes of Phnom Penh's Boeung Kak lake. Conditions for Cambodia's poorest are worsening, especially in the countryside, despite apparent gains made by the economy. RISING income inequality is fueling human rights abuses across the Kingdom, making reducing the gap between rich and poor "among the most significant human rights challenges facing Cambodia today", a UN official told Cambodian lawmakers on Tuesday at the government celebration of International Human Rights Day. Despite years of double-digit growth, the fruits of Cambodia's development have remained concentrated in the hands of a few, many rights groups say, adding that this pattern is intensifying as development makes land prices rise, precipitating mass forced evictions.

Celebrations are expected to take place across the country to mark Human Rights Day - which is officially held today - with many groups saying they will be using the opportunity to highlight rights violations.

Despite concerns the government would, as has happened in the past, veto public celebrations of Human Rights Day, Minister of Interior Sar Kheng stepped in to save the holiday.

- **Cambodia reports new human case of bird flu**

Cambodia's Health Ministry has confirmed the country's eighth human case of virulent bird flu since 2005.

The ministry was quoted by news reports as saying in a statement issued with the UN's World Health Organization on December 12 that a 19-year-old man from Kandal province, southeast of the capital Phnom Penh, was confirmed to have the deadly H5N1 strain of the virus.

The man is being treated at Calmette Hospital in the capital. Cambodian health and agriculture ministry officials have been dispatched to the victim's village to ensure that there is no further spread of the disease.

The case, the first this year in Cambodia, comes a day after a senior World Health Organization official warned that Asian nations must remain vigilant against the disease .

- **'Climate of impunity'**

Sok Sam Oeun, executive director of the Cambodian Defenders Project, did not comment on Om Yentieng's address but said corruption in Cambodia resulted in drastic losses in national revenue and a climate of impunity.

Corruption cannot be eliminated completely when it affects all national institutions, such as the courts and law enforcement, he said.

Graft in Cambodia has led to national income losses of millions of per year, Mam Sitha, president of the Cambodian Independent Anti-Corruption Committee, said in a statement, citing a 2004 study. Tuesday's ceremony aimed to promote greater awareness and participation by the public to curb corruption and urge a more rapid adoption of international standards of justice, the statement said.

Corruption worldwide accounts for \$1 trillion per year in lost revenues, according to figures from the UN Office on Drugs and Crime.

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

### **South Asia**

Ghashia Kayani

Weekly Report: 6 December from to 12 December 2008

Presentation: 17 December2008

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### **BANGLADESH:**

**ALWC focuses on illiteracy, corruption and price hike in election manifesto**

With a fresh vow to mitigate common people's sufferings, eliminate illiteracy and to fight

against corruption, a meeting of Awami League Working Committee was going on to give approval to its electoral manifesto till filing of this report on Friday night. Awami League Presidium Members and senior leaders were taking part in the ALWC meeting which was chaired by Sheikh Hasina held at Dhanmondi party office yesterday. Earlier in the morning, the party sat for the ALWC meeting but the meeting was adjourned till 4 pm for taking part in the funeral function of Ganotantri Party President Nurul Islam. Later, Awami League leaders again held its Working Committee meeting to approve the election manifesto. Sheikh Hasina will announce the electoral manifesto for the upcoming national parliament election on December 12. According to party insiders, AL election manifesto configuring a vision upto 2020 was drawn on hundredth birth anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman as well as golden jubilee of independence by a team of experts led by HT Imam and Abul Maal Abdul Muhith. It was based on views from experts and academics of leading national and international universities and 31-point election reform programme of AL. BSS adds: President of Bangladesh Awami League and former Prime Minister Sheikh Hasina on Friday called for united efforts at all levels to free the Bangalis from the clutches of all evil forces to establish the rights of people and help democracy to give permanent shape in Bangladesh. In a message on the eve of the 'Democracy Freeing Day' today (Saturday), she said "We must take a fresh vow on this day to free our nation from the clutches of the evil forces to establish the peoples' right to vote and help establish democracy in the country."

#### **No code of conduct for media to cover election news**

Chief Election Commissioner (CEC) ATM Shamsul Huda yesterday said that there would be no code of conduct for mass media in election coverage during forthcoming parliamentary election."As there was no electoral code of conduct for media in the past, the EC in its last meeting decided that there is no need of formulating any code of conduct for the mass media," said CEC while addressing at a roundtable discussion on 'Ninth Parliamentary Election and Our Mass Media' organized by Alumni Association of Mass Communication and Journalism Department of Dhaka University (DU) at Senate Bhabhan yesterday morning. He said that the incoming elected government would take the decision as to whether there is any need for formulating this media code of conduct or not."It is the political parties which will decide about the much talked about code of conduct for mass media. At this time, the EC will not take any decision on this sensitive issue," CEC added.

#### **NBR to collect tax info of rich buyers in cattle markets to net tax dodgers**

The National Board of Revenue (NBR) has now set its sight on the country's cattle markets ahead of Eid-ul-Azha as part of its intensified drive against tax evaders. The revenue board thinks that the rich and upper class people go for high-priced sacrificial animals in their efforts to get social attention."We want to avail of this chance to net more tax dodgers," NBR Chairman Muhammad Abdul Mazid told UNB over phone on Thursday. The NBR also apprehended that the candidates, who are contesting the December 29 elections, would go

for expensive sacrificial animals for this Eid-ul-Azha as the Eid is going to be celebrated just over two weeks before the 9th general election. The 3rd upazila elections are also round the corner. A total of 2,460 people have submitted their nomination papers to contest the upcoming national election and of them the nominations of 1899 were found valid after scrutiny.

### **Constitution of taskforce proposed to suggest strategy to face global crisis**

Financial analysts and business leaders at a meeting here on Friday proposed constitution of a taskforce to suggest the next elected government the strategies to face the global economic crisis, a Centre for Policy Dialogue (CPD) press release said. "Taking account of the transitional state of governance the group felt that it was particularly important that the incoming government should be fully briefed on the state of the economy and implications of the crisis on various sectors of the economy," said the release. CPD organised the meeting of economists, business leaders and civil society representatives which suggested the formation of the taskforce as the next elected government would need to undertake various measures to address the crisis. "It was felt (at the meeting) that the incoming government should have at their disposal concrete recommendations and actionable agendas to address the emerging situation on a continuing basis," the release of the leading economic watchdog said. The group decided that a task force may be convened to coordinate these initiatives to oversee the work to be undertaken while "context specific responsibilities" were to be shared by the CPD, BIDS, and other relevant stakeholders who will monitor the impact of the ongoing crisis and suggest appropriate policy interventions.

### **Next govt will have to face challenge in formulating coal policy:**

Finance Adviser AB Mirza Azizul Islam said it was not possible for the caretaker government to formulate the draft of an integrated coal policy due to indiscriminate opinions made by different groups over the issue. "We had wanted to formulate the draft of a proper integrated coal policy to make the best use of our natural resource but when we tried to accumulate the decisions and opinions of various sections, it would not possible to do it. But the next government will have to face the challenge. The new government will have to face these challenges of protecting investment, ensuring environment friendly coal exploration and prioritising country's internal demands in case of coal exporting," Mirza Aziz said while addressing a discussion on 'Maximising Growth for Bangladesh: A Private Sector Vision' organised by FBCCI held at Bangladesh-China Friendship Conference Centre yesterday. He said to improve the power situation, the government approved some rental power projects. "Meanwhile some of the rental power plants are already generating power. We are expecting that 300MW to 350MW electricity will be added to the National Power Grid after this month. But if we want to overcome the severe power crisis, there is no alternative to rental power plants though it is more expensive," Finance Adviser said.



### **12 countries to display products**

Export Promotion Bureau (EPB) has nearly completed preparation for holding a month-long 14th Dhaka International Trade Fair (DITF)-2009 that will begin from January 1, 2009. "We are prepared for the fair and hopefully, we will be able to kick off the fair as per the schedule of DITF and allocation of stalls and pavilions for the DITF-2009 has already been completed," said Vice Chairman of EPB Mir Md Shahabullah. DITF is a yearly programme of Bangladesh government, which mainly aims to showcase local products to foreign buyers. The Ministry of Commerce and Export Promotion Bureau (EPB) is jointly organising the fair at Sher-e-Bangla Nagar in Dhaka. Chief Adviser Fakhruddin Ahmed is expected to inaugurate the fair. Organisers expect the participating companies will get Tk 50 crore spot orders from the month-long gathering for local and foreign traders. A high EPB official said, "We are very much hopeful of receiving good response from both the local and foreign customers, adding that "Like the previous fairs, DITF-2009 will also get significant export orders from foreign buyers." The fair will help foreign investors and buyers create new business opportunities in Bangladesh and also establish direct and fruitful business contacts with their Bangladeshi counterparts, EPB officials said.

### **Khaleda likely to begin election campaign on December 12**

In order to combat corruption and terrorism, bring economy to the right track and make proper use of natural resources, BNP is preparing the draft of electoral manifesto for the national parliament election. BNP Standing Committee Member Lieutenant General Mahbubur Rahman (Retd) and Joint Secretary General Nazrul Islam Khan told reporters that the work on preparing BNP's electoral manifesto draft for the 9th parliament election is going on and after completing the draft it would be placed to the BNP's Standing Committee meeting for approval. Later, BNP Chairperson Begum Khaleda Zia will announce her party's manifesto before the nation, they added. Talking to The Bangladesh Today on Sunday Mahbubur Rahman said some key issues like combating corruption and crime, arresting skyrocketing price hike of essential commodities, developing the country's overall economy, creating employment opportunity, defusing tension in the border areas and proper using of natural resources have been given highest priority in the election manifesto. They also hinted that after offering prayer at Shahjalal's Mazar in Sylhet on December 12, BNP Chairperson Begum Khaleda Zia will begin her party's election campaign formally. She might take part at different rallies on her way to Dhaka.

### **RMG manufactures optimistic on increased orders**

Bangladesh's garment manufactures are upbeat about the prospect of export this year as they are receiving increased orders from buyers. They said buyers have been diverting order to Bangladesh after a large scale shutdown of factories in China. The manufacturers said the orders for clothing might be 30 per cent higher this year over the export last year. "We are really

surprised at the orders. Buyers are coming here in large number to place orders," Nazrul Islam Swapan, Managing Director of Nassa Group, the country's leading apparel maker said, adding that his company has received more than 30 per cent higher supply orders, especially for knit products. On the other hand, many leading manufacturers remain 'conservative' in outlook in view of world economic crisis and development in Bangladesh's politics.

**Modern notion of human security shifts from military considerations to social, economic factors**

Foreign Affairs Adviser Dr. Iftekhar Ahmed Chowdhury has said that modern notion of human security has shifted from military considerations to social and economic factors. "The preponderance of human security interests, the focus on poverty, disease and natural disasters have grown. Security threats now come both in 'hard' and 'soft' forms. The response, therefore, must be more calibrated, sophisticated and holistic," he said in a statement at a seminar on "Security of Bangladesh: Contemporary Perspective" at BISS. BIIS Chairman Maj Gen (Retd) Moinul Hussain Chowdhury presided over the seminar where Prof Shahiduzzaman of Dhaka University and Ambassador Shahed Akhtar, Principal, Foreign Service Academy, presented two keynote papers. Iftekhar said exposure to violence is not limited to armed conflicts. It is also related to the erosion of state control. This is not just time of failed status. "As the madness of Mumbai showed, even powerful states have been found their capabilities strained in making adequate and appropriate response," he noted. The Foreign Adviser reiterated 10-point objectives of the foreign policy that envisages stabilizing Bangladesh's relations with her neighbours, including India "with whom we want to live in friendship and concord, but clearly as a distinct entity." Secondly, he said the country is fostering cooperation within multilateral frameworks; expanding economic cooperation with developed and other developing countries and ensuring duty-free, quota-free access into foreign markets.

**Jatiya Party finally in AL-led grand alliance with 49 seats**

After a see-saw over seat sharing issue the Jatiya Party will contest the parliamentary election jointly with Awami League as a component of the grand alliance, as it has been ensured of 49 seats on Thursday. A rift had developed between Awami League and Jatiya Party centering seat sharing issue. As Awami League had offered 41 seats to Jatiya Party, it didn't accept the proposal. A series of meetings between Awami League and Jatiya Party failed to reach a consensus. Later on Wednesday, Jatiya Party Chairman HM Ershad went to Awami League President Sheikh Hasina's Sudhasadan residence to discuss the issue. On Thursday morning, while announcing his party's election manifesto Ershad said his party would contest the national polls along with Awami League-led grand alliance, if Awami League withdraws its nominations from 47 seats by five pm. Later a crucial meeting between Awami League and Jatiya Party leaders was held at Sudhasadan and they reached a consensus over seat sharing. Awami League Presidium member Sheikh Fazlul Karim Selim and Spokesman Syed Ashraful Islam and Jatiya Party Secretary General ABM Ruhul Amin Hawlader and Presidium Member Ziauddin Bablu took

part in the closed door meeting. Emerging from the meeting Ziauddin Bablu told journalists that Jatiya Party would remain with Awami League-led grand alliance and contest the national election unitedly. "We had some misunderstandings between us. But through fruitful discussions, we have reached a consensus on seat sharing. We have been given 49 seats as per demand. We hope that, Jatiya Party and Awami League-led grand alliance will contest the 9th parliamentary election jointly. Besides, we are expecting that we will be able to form a democratic government," Ziauddin Bablu said.

### **Global crisis hits local leather industry**

The ongoing global economic crisis has dampened the country's leather export markets dealing a blow to the hides and skins traders during the Muslim Eid ul-Azha festival. "There were hardly any orders for raw hides this time though orders for the finished leather were more or less fine," Joynal Abedin Bhuiyan Khokan, owner of Dhaka Tannery, told bdnews24.com. "This is the reason why the prices of hides this year have plummeted down to half," said Joynal, a member of Bangladesh Finished Leather Goods and Footwear Exporters Association (BFLLFEA). He said 20 sq ft of cattle hide this year sold at Tk 600-650 against Tk 1300-1400 and hides of goats were priced at Tk 100-150 against last year's Tk 250-300. A pre-Eid meeting between the government and the tannery owners fixed Tk 30 per square foot of cattle hide in Dhaka and Tk 25 for elsewhere, Joynal said, adding that a similar meeting last year fixed the price at Tk 70 for Dhaka and Tk 65 for the rest of Bangladesh.

### **WB projects BD's GDP growth to slow down to 5.7pc in 2009**

A World Bank analysis has indicated Bangladesh's apparel exports likely to benefit from the global financial crisis due to shifts in spending by the high income countries to low-priced retailers like Wal-Mart. The benefit would come as one of the potential mitigating factors of a weakening foreign demand, expected to lead to a significant slowing in export growth in the South Asia, said the Bank's Global Economic Prospects (GEP) 2009 released in Washington on Tuesday. The report said the information technology and communications sector is considered vulnerable to shifts in financial sector activity, and clothing and tourism revenues are vulnerable to shifts in discretionary spending. "Potential mitigating factors include cost-cutting measures by companies in high income countries to the benefit of outsourcing suppliers (such as India) and shifts in spending to low-priced retailers, such as Wal-Mart, to the benefit of their suppliers (such as Bangladesh)," it said. According to the GEP, the financial crisis has dimmed short-term prospects for developing countries, including Bangladesh, while the volume of world trade is likely to contract for the first time since 1982. It projected Bangladesh's GDP growth at 5.7 percent in the calendar year 2009, a 0.5 percentage points decline from 6.2 of the year 2008, and projected the country's GDP to rebound again in the year 2010 to reach 6.2 percent. The GEP said the outlook for regional growth is highly uncertain, because of the sustained degree of

volatility and synchronized nature of the slowdown across countries - and because the full extent of financial disruption on both the regional and global economies remains unclear.

### **BAPEX likely to sign contract with Chinese company to procure drilling rig**

Bangladesh Petroleum Exploration and Production Company (BAPEX) is likely to sign contract with a Chinese company to procure a new drilling rig to expedite its hydrocarbon exploration programme across the country. According to official sources, a Chinese company - Superstructure - has been selected to supply the drilling rig within one and a half year at a cost of Tk 200 crore plus. The state oil and gas exploration company has already completed tender procedure to purchase the rig. "BAPEX has completed the bidding process and also issued a letter of intent to the Chinese rig supplier," said Petrobangla chairman Jalal Ahmed. Petrobangla is the state hydrocarbon corporation holding the BAPEX and other state-owned oil and gas production and distribution companies. Jalal said the BAPEX is going to receive a performance guarantee (PG) from the Chinese supplier before signing the contract in January next. The proposed drilling rig and its associated equipment will come from Europe and USA manufacturers.

### **Import of capital machinery stood at \$1,664m last year**

The import of capital machinery in the country stood at worth US\$ 1,664 million during 2007-08 which is quite on the high side compared to the recent past, except the previous 2006-07. The official figures, although in a provisional estimate, said the country's capital machinery import stood at US\$ 1929 million, so far the highest in 2006-07 indicating a phenomenal rise in local manufacturing and expansion of the economy. There is a slight slowdown in the capital machinery import last year compared to the previous year but it stood much higher in absolute terms than the US\$ 1539 million import recorded for 2005-06. In the previous two years of 2004-05 and 2003-04 the capital machinery imports recorded were US\$ 1211 million and 786 million. It grew phenomenally from only US\$ 294 million, the official figures supplied by Board of Investment (BOI) said. The import of capital machinery has direct bearing on manufacturing, employment and expansion of backward linkage and the base of the economy including exports.

### **Betel leaves export grows due to high quality**

The country's export of betel leaves has been growing sharply over the past few years to Pakistan, Middle-East and European countries mainly because of its high quality. Bangladesh's export of betel leaves stood at US\$ 21 million in the last fiscal year from nearly half a million dollars in 2004, according to the Export Promotion Bureau (EPB). "Our export of betel leaves has been growing sharply, and we have been able to penetrate into the markets that have long been occupied by competing nations," Md Jamal Uddin Sikdar, General Secretary of Bangladesh Betel Leaves Exporters Association (BBLEA) said. He said export of the item has been growing on an average of 20 percent a year. Local betel leaves exporters ship around 230 tons a month to Saudi Arabia, from where the cargo is transshipped to other gulf nations. Leaders of the BBLEA said they are planning to boost the export volume of the leaves to \$ 100 million within a short span of time. "We are capable of fetching around \$ 100 million a year if the government gives us some policy support to this country's emerging export item," Jamal added.

## **Business and Politics in Muslim World**

### **India**

Sadia Khanum

6<sup>th</sup> December to 12<sup>th</sup> December 2008

Presentation date: 17<sup>th</sup> December 2008

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#### Political front:

- Congress wrests Mizoram, Rajasthan; retains Delhi
- BJP set to retain MP
- Chhattisgarh appears to go saffron way
- Fuel price cut inadequate, says CPI (M)
- More women voters in Rajasthan polls
- Lok Sabha elections likely in April-May
- Rajasthan results 'depressing', says BJP
- Tribal votes helped BJP win Chhattisgarh
- Elephant's march promising

- Winning Delhi is winning India: Moily
- BJP unable to create momentum for Lok Sabha polls
- Kashmir issue has no link to terror in India: Mukherjee
- Will Parliament speak in one voice on terror?
- CPI(M) makes inroads into Rajasthan politics
- Congress and its problem in Madhya Pradesh news analysis
- 'Cong shying away from naming Pak'

#### Mumbai Carnage and Aftermath

- Mumbai terror suspect's Pakistan link "confirmed"
- Use U.N. Security Council Resolution 1373 to bring pressure on Pakistan, says N. Ram
- Pranab decries hoax call
- Abortive Lashkar plot holds clues to Mumbai massacre
- Time for introspection, stop blame game"
- India-Pakistan composite dialogue "on hold"
- Mumbai terror mastermind among 20 LeT activists held: Report
- Armed forces capable of 'surgical strikes' in Pak, PoK
- Mumbai attacks: Ex-ISI chief Gul terms Post report 'nonsense'
- India admits 'lapses' over Mumbai
- Restrictions put on Masood Azhar
- Mumbai terror cash trail leads to Karachi
- 'The terrorists want to destroy Pakistan, too'
- India wants Lashkar front declared terror outfit
- Ajmal names trainers: police
- After Mumbai, Pakistan wants Indian mullahs to issue fatwas against suicide bombings

#### Domestic Situation:

- Haryana Deputy Chief Minister sacked
- Uttar Pradesh bus fire toll rises to 63
- Rights report slams armed opposition groups in Assam
- Curbs coming on live coverage of anti-terror operations
- Beware of Maoists, tribal leaders tell villagers
- West Bengal preparing list of terror suspects
- Minister quits over sex scam

#### Economic Front:

- Central package ignores States, says Minister
- Cars, cement to be cheaper
- India Inc. hails package, but expects much more
- Sony Corporation to cut 16,000 jobs
- 'Economic growth may fall short of forecast'
- HSBC lays off 193 staff in India

#### Geo-strategic developments:

- More nuclear reactors planned on coast

#### Kashmir:

- Stray incidents mar phase IV of J&K polls
- Pakistan invokes the 'K' word
- Day ahead of polls, it's like curfew in Kashmir

#### Social front:

- M.F. Husain responds to Mumbai terror with an angry work of art
- Bird flu could spread to humans in Assam, warns health minister
- Only 1,500 tigers left in India: official booklet

#### Foreign Relations:

- Rice: evidence of involvement 'somehow' on Pakistani soil
- Russia will back India's battle against terrorism
- London Mayor offers help in terror probe
- China's stand on JuD
- China offers help to India
- India unhappy with Pak reaction on those wanted'
- China top general on India visit

#### Political front:

#### Congress wrests Mizoram, Rajasthan; retains Delhi

The Congress on Monday stormed back to power in Mizoram and was on its way to wresting Rajasthan while scoring a hat-trick in Delhi as BJP was well on course to retaining power in Madhya Pradesh and Chhattisgarh. The BJP, which tried to capitalise on the terror card especially after the November 26 Mumbai attacks, suffered a shock in Rajasthan when Chief Minister Vasundhara Raje failed to deliver the State for the party. The party secured 21 of the 23 seats for which results have been declared in a House of 40. Two-time Chief Minister Lal Thanhawla won from both Serchhip and South Tuipui seats. The MNF cut a sorry figure with Chief Minister Zoramthanga biting the dust in his Champahi North constituency where he lost to a Congress greenhorn T.T. Zothansanga. In Rajasthan, the Congress appeared headed for a victory gaining power after a gap of five years. The party has won 22 seats while BJP got 17 in the 200-member Assembly so far. BSP and JD(U) have got one seat each and independents three. While Congress is leading in over 60 seats, BJP is ahead in 50 seats. Independents and others were leading in rest of the seats in Rajasthan. Congress headed for a hat-trick on Monday in Delhi having bagged 28 out of 43 seats, results for which were available, leaving its rival BJP way behind with 13 seats. Dikshit, Chief Minister for past ten years, got 39,747 votes defeating BJP's Vijay Jolly by a margin of 14,078 votes. This is her third consecutive win in the Assembly elections, this time from the newly created New Delhi constituency following delimitation. BJP's Chief Ministerial candidate V.K. Malhotra won from his Greater Kailash constituency with a margin of 11,218 votes. Om Prakash Chautala-led INLD sprang a surprise by winning Najafgarh seat while BSP bagged the Gokulpuri seat.

#### **BJP set to retain MP**

The ruling BJP in Madhya Pradesh was on the path of emerging a clear winner with its candidates bagging 15 out of 18 constituencies for which results have been declared so far. Leading the list of BJP winners was Madhya Pradesh Chief Minister Shivraj Singh Chouhan, who won yet again from Budhni assembly constituency with a huge margin of more than 40,000

votes. Other BJP winners included State Assembly Speaker Ishwardas Rohani, who won by more than 25,000 votes from Jabalpur Cantonment, Vijay Shah from Harsud, Raghavji from Vidisha, Tukojirao Pawar from Dewas, Kailash Vijayawargiya from Mhow and Surya Prakash Meena from Shamshabad. The Congress winners were Lakhan Ghanghoriya from Jabalpur north, Satyanarayan Patel from Depalpur and Yadvendra Singh from Tikamgarh. Singh had the gratification of defeating Uma Bharti, Bhartiya Janshakti Party President.

### **Chhattisgarh appears to go saffron way**

Chhattisgarh appeared to go the saffron way once again as the first two results went in favour of the ruling BJP which also established lead in 49 other constituencies while its main rival Congress projected to win 34 seats. Requiring 46 seats to secure a simple majority in the 90-member State Assembly, BJP, led by 56-year-old Chief Minister Raman Singh, retained Bijapur and wrested Dhalsivan seat. The party was leading in 49 seats pushing to distant second the Congress which was ahead in 34 seats, as per the official Website of the state Election Commission. BSP and NCP are projected to win one seat each. If the trend is translated into final results, BJP is expected to do a shade better than its tally of 50 seats in the previous assembly polls in 2003. Congress had won 37 seats last time. The BJP forged ahead in the race after being initially locked in a neck and neck race with Congress.

### **Fuel price cut inadequate, says CPI (M)**

Describing the cut in petrol and diesel prices as “highly inadequate,” the Communist Party of India (Marxist) on Saturday demanded that the United Progressive Alliance government announce a further reduction. In a statement, party Polit Bureau said the cut was belated and was not adequate considering that the international price of crude oil had come down to almost \$40 a barrel. It said the petrol price should have been brought down by at least Rs. 10 per litre and diesel by Rs. 5 per litre, which could have given some urgent relief to the people. The party also demanded a reduction in the price of cooking gas.

### **More women voters in Rajasthan polls**

Women voters outnumbered their male counterparts in more than two dozen constituencies in the Rajasthan Assembly elections held on Thursday. Considering the State’s adverse male-female ratio (1,000 males against 909 females) and the lesser number of female voters in the electoral rolls here, this development has aroused the curiosity of political observers and sociologists. Rajasthan has a population-voter ratio of 1,000:551 and male-female voter ratio of 1,000:906 (against 19,000,430 male voters, there are 17,213,900 female voters). Perhaps there is more to the upsurge in woman power in the State though generally it is attributed to the charisma of Chief Minister Vasundhara Raje. Ms. Raje is considered popular among women as they attend her rallies in large numbers, but curiously enough the polling by women voters in her constituency Jhalrapatan, has been less than that of men (against 74 per cent polling by men, only 62.68 per cent women). “Women voting more than men in some of these constituencies cannot be due to Ms. Raje’s popularity. There are multiple reasons for the evolution of women in Rajasthan and I would mention the National Rural Employment Guarantee programme as one of them,” said Magsaysay Award winner Aruna Roy when asked to comment. “Ms. Raje has no influence on rural women,” she asserted. There is a geographical pattern in the female voters outperforming



their male counterparts. The trend is noticed in the three Shekhawati districts of Sikar, Jhunjhunu and Churu, where the female literacy rate is the highest in the State. The pattern is missing in the constituencies in the adjoining, more tradition-bound, Bikaner. Going further north, the pattern is seen in some constituencies in Sriganganagar, a district where the Human Development Index of women is high.

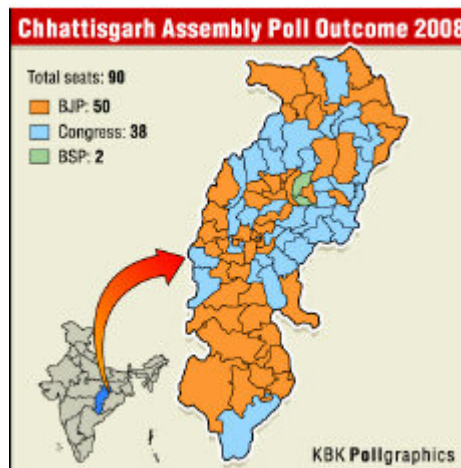
### **Lok Sabha elections likely in April-May**

Elections to the Lok Sabha are likely to be held on schedule in April-May next year and there is no "particular interest" to advance it unless absolutely necessary, Chief Election Commissioner N Gopalaswami said on Monday. Normally, the Chief Election Commissioner said as a convention the elections are held just before the government's term ends. "Elections will take place in the normal course," he said. When asked whether his comments meant that the elections would be held "only" in April-May, Gopalaswami said there were "no procedural difficulties" in holding them earlier.

### **Rajasthan results 'depressing', says BJP**

As the early trends for the assembly elections in five states came in, the BJP said it was disappointed with the outcome in Rajasthan. The trends suggested a clear defeat for the ruling BJP in Rajasthan while it is in a neck and neck fight with Congress in Chattisgarh. The saffron party is also trailing the Congress in Delhi. However, it appears all set to return to power with a thumping majority in Madhya Pradesh. "It is sad. The results have been depressing in Rajasthan," party spokesperson Ravi Shankar Prasad told reporters. While the party is relieved that its government is returning to power in Madhya Pradesh "defying the Uma Bharti factor", it is hoping to retain Chhattisgarh.

### **Tribal votes helped BJP win Chhattisgarh**



It was, once again, the tribal votes that helped the Bharatiya Janata Party (BJP) win the Assembly elections in Chhattisgarh. The party managed to bag 23 of the 29 reserved Scheduled Tribe seats in the State, leaving six to the Congress, including the former Chief Minister Ajit Jogi's Marwahi constituency. The BJP did incredibly well in the Bastar division where it won 11 of the 12 seats as against nine in the 2003 elections. The show in the northern part of the State was equally good as the BJP put 10 of the 14 Assembly segments into its kitty. The surprise for the BJP in the naxal-affected Bastar division came from the Dantewada and Bijapur constituencies, which it wrested from the Congress. Dantewada was, for years, considered a stronghold of the Congress stalwart and champion of the 'Salwa Judum' movement Mahindra Karma who was a strong contender for the Chief Minister's post. The contest here was believed to be between Mr. Karma and the Communist Party of India candidate Manish Kunjam. BJP's Bhimram Mandavi was a surprise win but certainly not a fluke as he secured 12,000 votes more than his nearest CPI rival. An analysis of the results shows that the controversial Salwa Judum movement (government-sponsored anti-naxal group) did not actually impact the poll outcome. Had it happened, either Mr. Karma or the 'Salwa Judum' opponent Manish Kunjam would have won. It was, in all probability, the BJP's stand on the naxal movement coupled with the subsidised rice scheme and the influence wielded by the Vanvasi Kalyan Ashram networks of the Rashtriya Swayamsewak Sangh (RSS) that earned the BJP votes. In 2003, the Vanvasi Kalyan Ashrams providing education (including religious knowledge) and hostels to children from the tribal areas had made the BJP popular in the tribal belt. This time, the subsidised rice scheme and the National Rural Employment Guarantee Scheme gave a further push. The lack of a united stand on naxalism pushed the voters away from the Congress. Had Salwa Judum been the issue though naxalism was the voting pattern would have been decisive either for Mr. Karma or Mr. Kunjam. It would also not be correct to say that the BJP received the votes of the Salwa Judum-displaced people living in the government camps because a majority of them could not vote as they had no photo identity cards. Also, the BJP's impressive performance in the northern part cannot be explained on the basis of Salwa Judum because there is no such movement in the Surguja region. Jagdalpur, which was deserved in the delimitation process, also went to the BJP. The only seat that went to the Congress in the Bastar region was Konta from where Kawasi Lakhma won for the third time but with a slim margin of 192 votes. In the Surguja region, Pathalgaon and Lailunga came as a rude shock to the BJP as its State chief Vishnu Dev Sai and the Food and Supplies Minister Satyanand Rathia lost from these two reserved seats respectively. The Congress faced a crisis of tribal leadership. Mr. Jogi did project himself as the tribal leader and prospective Chief Minister but when people compared him with Chief Minister Raman Singh's image of a "thorough gentleman," he lost out, due to the numerous controversies surrounding him. Infighting within the Congress never allowed the leaders to share a common platform and it is an open secret now that some senior leaders had worked at cross-purposes, costing the party dear.

### **Winning Delhi is winning India: Moily**

The Congress described the results of the Assembly elections as a "physical and moral defeat" for the national leadership of the Bharatiya Janata Party that claimed that it was set to win in all the five States. Congress leader M. Veerappa Moily, head of the party's media department, said the BJP tried to divert attention from issues of governance to terrorism and inflation. The unprecedented victory for the Congress in Delhi, where the party won the Assembly elections for the third time in a row, was proof of the good performance of the Congress-led United Progressive Alliance government, Congress party president Sonia Gandhi's leadership, and by the Shiela Dikshit government. "Winning Delhi is winning India," Mr. Moily said. He said the party would have to introspect the defeats in Madhya Pradesh and Chhattisgarh where it was anticipating to come to power. Winning Mizoram and Rajasthan showed the will of the people as

well as party work. Senior Congress leader Digvijay Singh felt that the Mumbai terror attack did cast a shadow on the overall performance in Madhya Pradesh and Rajasthan. Mr. Singh, who served as Madhya Pradesh Chief Minister for two terms, said results showed that the Congress did well wherever the party was able to organise itself and failed where such efforts did not succeed. As for the BSP, Mr. Singh was of the view that the party would not be able to expand its base in the upcoming Lok Sabha elections.

### **BJP unable to create momentum for Lok Sabha polls**

The Bharatiya Janata Party had been hoping for a 4 to 1 score, the anticipation being the party would bag four States. Now with the election tally at 2 to 3, with three States in the Congress kitty, party leaders have openly admitted that the fight for the Lok Sabha elections next year will be evenly poised, with their party unable to create a momentum for itself. "We are squarely placed [alongside the Congress]," party general secretary Arun Jaitley said, while also acknowledging that the biggest disappointment for the party was in Delhi, where the Congress has ruled for 10 years. "The results in Delhi are much below the expectations of the party," the BJP's Parliamentary Board said, and announced that a small committee would be set up by BJP president Rajnath Singh to analyse the results and report back to the Board. Senior leaders admitted that the party had been hoping to get a jumpstart for the Lok Sabha elections from the results of the six Assembly polls held over November and December. However, the BJP has bagged only two of the five States; the results in Jammu and Kashmir are expected at the end of this month. Six months ahead of the elections, the BJP had placed Delhi on top in terms of possibility of winning and Madhya Pradesh at the bottom. Almost the reverse has happened. "The results are in reverse proportion to the arrogance of projected Chief Ministers," was one view in the BJP. It was pointed out that the two "low-profile" Chief Ministers, Shivraj Singh Chouhan (Madhya Pradesh) and Raman Singh (Chhattisgarh), "who took the party and its cadre along" have won. Unofficially, party leaders across the board are acknowledging that Vijay Kumar Malhotra was no match for Delhi's Chief Minister Sheila Dikshit and perhaps a new and younger face could have done the electoral trick for the BJP, which had swept in the Municipal Corporation polls about 18 months ago. One major question before the leadership was whether its terrorism plank had collapsed. Despite the Mumbai terror strike taking place ahead of polling in three States, and coming after a series of other terrorist attacks, the BJP could not make electoral capital out of this national tragedy. The unofficial answer to that from one highly placed source was: "Gujarat Chief Minister Narendra Modi's untimely appearance at the Mumbai Taj Hotel when operations against terrorists was on; L.K. Advani not travelling with the Prime Minister to Mumbai after announcing he would sent a very wrong message; and advertising in Delhi and elsewhere trying to make direct political capital out of India's 9/11 did not help the BJP."

### **Kashmir issue has no link to terror in India: Mukherjee**

Slamming Pakistan for linking Mumbai attacks to non-resolution of Kashmir issue, India on Thursday asked it to take "serious" action to completely dismantle terror infrastructure and end infiltration but maintained that war against the neighbour was not a solution. Talking tough in the Lok Sabha, External Affairs Minister Pranab Mukherjee raised questions over Pakistan's sincerity in curbing activities of terror groups operating from its soil as he suggested that "house arrest" of Lashkar-e-Taiba chief Hafiz Mohd Saeed was not enough. Intervening in the debate in Lok Sabha on Mumbai attacks, he said India has repeatedly given Pakistan a list of 40 terrorists, including Dawood Ibrahim, with a demand that they be handed over and expressed hope that Islamabad would respond positively. He asked Pakistan to come out of the "denial mode" on existence of terrorists, including "non-state actors", who operate from the confines of that

country as he wondered: "did the non-state actors come from heaven, did the non-state actors come from another planet?" Mukherjee also slammed Pakistan for creating a war "hysteria" by indulging in "propaganda" on the basis of a hoax call that "big power" India was going to attack. "That is not the solution," he said when Shiv Sena member Mohan Rawale said India should attack Pakistan in the wake of the terror strikes. Rubbishing efforts by Pakistan to link the terror strikes to non-resolution of Kashmir issue, Mukherjee asserted that such a "straight jacket simple formula" will not help solve the problem as the series of attacks in India are part of global terrorism. "It (attacks) is not related to Jammu and Kashmir issue. It is part of global terrorism," Mukherjee said in the House amid repeated thumping of desks, significantly on both ruling and opposition sides. Referring to the "solemn assurances" given by the then President Pervez Musharraf and his successor President Asif Ali Zardari to end terrorism emanating from Pakistan, he said "expression of intent is not sufficient" and that Islamabad needs to "act" to convincing levels. "It is not India-Pakistan issue, not a Jammu and Kashmir issue... Terrorism is not confined to borders of any country. It is international phenomenon," Mukherjee said, describing terrorism as the biggest threat to the world post-Cold War. "It is not India-Pakistan issue, not a Jammu and Kashmir issue... Terrorism is not confined to borders of any country. It is international phenomenon," Mukherjee said, describing terrorism as the biggest threat to the world post-Cold War. Noting that terrorists have struck in important tourist place Jaipur, science and technology hub Bangalore, industrial hub Ahmedabad and financial capital Mumbai during the year, the External Affairs Minister said there is a "design" and "method" behind these attacks. "We tell Pakistan, please do not deny facts. Accept it," he said, as he observed that there was a "sense of anger and outrage" in India over the Mumbai attacks and people want the government to "rise to the occasion" and send a "resolute message" to Pakistan. During the debate which saw unusual unity between ruling and opposition benches, Mukherjee asserted that India will not allow its "territorial sovereignty and integrity to be played with" and "nobody should dare to attack us. This message must be conveyed." Apparently hinting at the disconnect between the political leadership and military establishment in Pakistan that allows terrorists to operate from that country, he said Islamabad needs to address its internal problems and that New Delhi was ready to help in this regard. Seeking to highlight this aspect, he said Prime Minister Manmohan Singh was promised that Director General of ISI would visit India to help in probe into Mumbai attacks. "But within hours, it was denied. It may be Pakistan's internal problem. They have to solve it. International community should help."

### **Will Parliament speak in one voice on terror?**

Backroom efforts are on to ensure that the Lok Sabha speaks in one strong voice against terrorism when the issue is taken up for discussion at noon on Thursday. At a meeting of party leaders convened by Speaker Somnath Chatterjee just before the House was convened on Wednesday, the general political mood was that through Parliament the nation should speak in one voice on terror. When some suggested a statement be made on the Mumbai and other terror attacks by the government, Parliamentary Affairs Minister Vayalar Ravi apparently immediately agreed. That statement or a consensus resolution approved beforehand by all parties would be discussed in the Lok Sabha, which is then expected to adopt that resolution unanimously. It is learnt that Leader of the House Pranab Mukherjee and Leader of Opposition L.K. Advani have been in touch with each other on the draft of such a resolution. It seems that the Speaker took the initiative when he said the country would expect Parliament to voice the nation's feelings on the terrorist outrage in Mumbai. With the government readily agreeing and the main opposition showing its willingness to go along, the decision was taken that the issue will be taken up immediately after Question Hour. The political understanding reached, it seems, was that while political parties would, and perhaps should, be critical of the government, the final message from the Lok Sabha should be of

national unity. The Bharatiya Janata Party's deputy leader in the Lok Sabha, V.K. Malhotra, said this on Wednesday evening: "Nothing final has emerged. We are insisting that the government agree to say in what circumstances the former Home Minister, Shivraj Patil, resigned and there should be a review of the entire events that led to the Mumbai attacks. The carnage in Assam, it was agreed, would also be taken note of. Depending on the outcome of the discussion, the BJP would be willing to go along."

### **CPI(M) makes inroads into Rajasthan politics**

It is celebration time for the Communist Party of India (Marxist) in Rajasthan with the party winning three seats and making it to the third position in as many as nine out of the 34 constituencies from where it contested the State Assembly elections. The party, which had virtually replaced the Congress as an active Opposition in certain rural pockets of the State during the past five years of the Bharatiya Janata Party-led Government, understandably took away the potential seats of that party only. The CPI (M) winners also proved giant-killers defeating two Congress stalwarts Parasram Mordia, the working president of the Pradesh Congress Committee, in Dhod (Scheduled Castes) and Narain Singh, former president of the PCC, in his pocket-borough Datta Ramgarh in Sikar district where the party's experiments with farmers have borne fruit. The third seat, Anupgarh, came to its kitty straight away out of the struggle it had led for the farmers of the Indian Gandhi Canal Project, Phase I. "We have accomplished our task of '*ek sei anek*' (from one MLA to many). Even when the Congress and the BJP got together to defeat us, the CPI (M) could win three seats," said CPI (M) State secretary Vasudev commenting on the party's "big leap". "This is a turning point for the party both politically and organisationally," he said, revealing that the CPI (M) is looking forward to the Lok Sabha elections. The State Secretariat of the CPI (M), which met here to assess the party's performance, explained the feat as "unprecedented" and very encouraging. "This is an indication of the growing popular support to the party in Rajasthan. It is also recognition of its past struggles for farmers and the downtrodden," noted.

### **Congress and its problem in Madhya Pradesh news analysis**

After the Congress leadership gets over its well-deserved celebration and the crowing about winning Delhi and Rajasthan, it will need to give serious thought to what can only be described as its "Madhya Pradesh problem." This problem manifested itself in Chhattisgarh also; earlier it was at work in Karnataka and Gujarat. The problem is simple: in State after State it is blessed with quite a few very tall leaders, who also loom large in the party's national decision-making process, but despite these "national" bosses the Congress is gradually losing its capacity to win elections in the States. In Madhya Pradesh, the party has an extraordinary slate of experienced leaders: the former Chief Minister and Union Cabinet Minister, Arjun Singh; another former Chief Minister and a powerful general secretary, Digvijay Singh; Union Cabinet Minister Kamal Nath; Union Minister of State Jyotiraditya Scindia; and Pradesh Congress Committee chief and former Union Minister, Suresh Pachuri. And, to this embarrassment of riches can be added the tally of tall leaders from Chhattisgarh: Vidya Charan Shukla, Motilal Vora, and Ajit Jogi, besides many others. A similar muster can be put together for Karnataka and Gujarat. The party lost the Assembly elections in both the States. Why is it that the party leadership is unable to inspire all of these leaders, who are part of the decision-making mechanism in the All India Congress Committee, to behave in a constructive manner? Or to put the question in another way: why are these leaders not afraid of the leadership and continue to remain committed to the culture of internal sabotage and intrigue? The problem is most acute in Madhya Pradesh and Chhattisgarh, and it has jeopardised the party's quest for a decent Lok Sabha tally. In 1996, the Congress could

win only eight out of 40 seats (from the undivided State); in 1998, it won only 10; in 1999 (by then Sonia Gandhi had taken over as Congress president) the party won only 11 seats; and in 2004, the combined Congress tally in Madhya Pradesh and Chhattisgarh went down to six seats. The Congress does not seem to have the will or the appetite to challenge the BJP in the region that comprises the old undivided Madhya Pradesh. Part of the problem is of course the manner in which the party chooses to conduct its internal elections. This is most acutely manifested in Madhya Pradesh. Notwithstanding the trappings of some kind of electoral exercise, the entire effort comes down to dividing the State among five or six “senior” leaders — those who have for long established themselves in the Delhi power structure. They thus get to control the AICC members and the PCC delegates (who constitute of the electoral college for the choice of the party president). Because of this clout they appear to wield in the presidential electoral college, these leaders get into the Congress Working Committee or the Central Election Committee or the Union Cabinet. The party leadership feels obliged to accommodate their wishes and preferences (including for tickets and “adjustments” for their relatives). The more the party becomes a closed shop, the greater will be the influence of these leaders inside the organisation. The end result is reduced influence with the voters. The long-term solution to the problem is to find ways and means to make the Congress a genuinely democratic organisation, open to all sections of society as also to new ideas and energies. In the short term, the party leadership has to proceed on the simple and fundamental principle that the organisation is bigger than any single individual. Does the Congress leadership have the ability to discover the negative role the tall leaders played in Madhya Pradesh and Chhattisgarh? Ms. Gandhi will do herself and the organisation a big favour if she can act objectively and without fear or favour. If she cannot enforce accountability, the party will have to be satisfied with less than a quarter of the Lok Sabha seats from these two States. The successive defeats in Madhya Pradesh and Chhattisgarh have given Ms. Gandhi an opportunity to weed out the deadwood and, in the process, give the Congress a working shot at reconnecting with the younger electorate. Without denying the BJP the comfort of its Madhya Pradesh and Chhattisgarh seats, the Congress will have no chance of making it back to power.

### **‘Cong shying away from naming Pak’**

The UPA government got a tongue lashing from the BJP on Wednesday for "shying away" from naming Pakistan "as the accused" in the terror attacks that have taken place in the country over the years at the United Nations Security Council (UNSC) meeting. The saffron party also demanded that India take a "tough stance" on the issue before the Security Council. Speaking to reporters, senior party leader M. Venkaiah Naidu said, "We have taken so much beating over the years. This terrorism has been going on for decades. Thousands of people have been killed. The government should talk tough and name Pakistan as the accused." Mr Naidu added, "I don't think India did well (at the UN). It is very obvious that Pakistan is involved yet India is shying away from naming this country and giving all the proof." The BJP leader was reacting to minister of state for external affairs E. Ahamed's statement before the Security Council in which he named only the Jamaat-ud-Dawaah, a wing of the banned Lashkar-e-Tayabba (LeT), as the organisation responsible for the November 26 Mumbai terror attacks.

## **Mumbai Carnage and Aftermath**

### **Mumbai terror suspect's Pakistan link “confirmed”**

Contradicting Pakistani denials that its nationals were involved in the Mumbai terror attacks, *The Observer* reported on Sunday that it had established that Ajmal Amir 'Kasab,' the lone surviving suspect, came from a village called Faridkot in the Okara district of Pakistan. The story indicated that the terrorist's correct name is Mohammed Ajmal Amir, son of Mohammed Amir Iman. The British newspaper said its investigation had confirmed that Ajmal had lived in the village but had been away for about four years, returning once a year to meet his family. In what it described as a "crucial a piece of evidence" about Ajmal's native origins, it said names of his father, Mohammed Amir, and mother, Noor, appeared on the village's electoral list along with their identity card numbers 3530121767339 and 3530157035058 respectively. "That seems to be the last piece of the jigsaw. A man called Amir and his wife, Noor, do live in Faridkot, official records show. They have a son called Ajmal," it concluded. Villagers reportedly told *The Observer's* correspondent, Saeed Shah, that Ajmal's parents had lived in Faridkot for "some 20 years" but were "mysteriously spirited away" a few days ago. At their address, a man who identified himself as Sultan said he was father-in-law of Mohammed Amir. A local farmer, Noor Ahmed, said he knew Ajmal's father. "Amir had a stall he pushed around. He was a meek man, he wasn't particularly religious. He just made ends meet and didn't quarrel with anyone," he said. Local residents are apparently under pressure not to talk to outsiders but one villager, who agreed to speak on condition of anonymity, revealed that "we've all known from the first day [of the news of the terrorist attack] that it was him, Ajmal Amir 'Kasab'." "His mother started crying when she saw his picture on the television," he said. According to him, Ajmal used to go to Lahore for work as a labourer and had been away for four years. "When he came back once a year, he would say things like, 'We're going to free Kashmir'," the informant added. Faridkot and another adjoining village, Tara Singh, he said, were a "recruitment hotbed" for the Lashkar-e-Taiba, which is accused of being behind the Mumbai attacks.

### **Use U.N. Security Council Resolution 1373 to bring pressure on Pakistan, says N. Ram**

India should build international pressure on Pakistan to hand over those who masterminded the Mumbai terror attack by going to the United Nations Security Council under Resolution 1373, N. Ram, Editor-in-chief of *The Hindu*, said on Sunday. Resolution 1373, adopted by the Security Council in September 2001, is a counter-terrorism measure that mandates member-countries of the U.N. to initiate steps to curb terrorist activities. Mr. Ram criticised the view that a military attack against Pakistan was the answer to the Mumbai terror attack. "This will only escalate tension and also create an international crisis," he said. Though Pakistan had initially responded positively to India's request for cooperating with the investigation, it backtracked after an all-party conference "scotched any chance of responding in the decent way the President and Prime Minister of that country had initially offered," Mr. Ram said. "The elected civilian democratic government in Pakistan is weak, and the ISI, which is controlled by the Army, is only nominally answerable to the President." The challenge before India is to respond to the terror attack "in an intelligent and peaceful way," he said, making a case for approaching the international forum "persuasively and democratically" through the powerful instrument of Resolution 1373. Unfortunately, the country's present political leaders are reluctant to pursue this option as they are afraid that the Kashmir issue might get linked with this, Mr. Ram said. "If you are scared to refer to it because somebody else will raise Kashmir, then you have got into a defensive state of mind and have lost the battle even before you have started," he said. India's diplomatic and political capabilities would be tested in the coming weeks. Referring to the remarkable resilience that the average citizen of Mumbai had shown after the terror attack, he was, however, critical of the "very reactionary" view, egged on by the media that all politicians and political parties are corrupt and should be driven away. "While the anger and frustration is understandable, we need

more politicians with good political skills and capabilities to manoeuvre our way through this situation.” The second challenge that the country faces in the current situation is that of combating communalism that “threatens the campaign against terrorism,” Mr. Ram pointed out. Expressing concern over communalism making it to the central stage of politics in the country of late, he said, “You cannot fight terrorism unless you set your own house in order by treating all people equally.”

### **Pranab decries hoax call**

With reports in Pakistan continuing to swirl about an alleged phone call made by him threatening Islamabad with war, External Affairs Minister Pranab Mukherjee said these “misleading stories” were being put out to “divert attention from the fact that a terrorist group operating from the Pakistani territory planned and launched a ghastly attack on Mumbai.” In a statement the Minister said India had been informed “by friends from third countries” that President Asif Ali Zardari of Pakistan believed he had received a threatening telephone call from Mr. Mukherjee on November 28, after the attack on Mumbai. “We immediately clarified to those friends, and we also made it clear to the Pakistan authorities, that I had made no such telephone call.” Mr. Mukherjee said his “last and only conversation” with Mr. Zardari was in Islamabad during his May 2008 visit to the Pakistani capital. “The only telephone conversation that I have had with a Pakistani leader since the attack on Mumbai was on the evening of November 28 when I spoke to the Pakistan Foreign Minister Shah Mahmood Qureshi who was then in New Delhi,” he added. While setting the record straight, the Minister added that it was “worrying that a neighbouring State might even consider acting on the basis of such a hoax call, try to give it credibility with other States, and confuse the public by releasing the story in part.” He said he could only ascribe this series of events “to those in Pakistan” who wanted to divert attention away from the involvement of Pakistan-based terrorist groups in the Mumbai carnage.

### **Abortive Lashkar plot holds clues to Mumbai massacre**

Osama bin-Laden, Fahim Arshad Ansari’s co-workers at the al-Bilal Printing Press in Dubai used to call him. Few realised that his impassioned support of bin-Laden or the beard he had trimmed in the style of the al-Qaeda chief weren’t just theatrical gestures. The Maharashtra Police were among those who didn’t take Ansari’s story seriously when he was arrested in February for his alleged role in a plot to stage a fidayeen operation in Mumbai. Arguing that Ansari had not committed a criminal offence in Maharashtra, the police declined to prosecute him. But now, Mumbai Police investigators seeking insight into the Lashkar-e-Taiba networks that facilitated last month’s terror attack on the city are preparing to move a Lucknow court for permission to question the alleged terror operative. Ansari’s infatuation with jihadists, according to investigation records obtained by *The Hindu*, began while still a student at the Malad Municipal Secondary School in Mumbai, from where he graduated in 1989. He was later to tell friends that he applauded the al-Qaeda attacks of September 11, 2001. For the first several years of his adult life, though, his nose was kept to the grindstone in the family’s paper-envelope manufacturing business. Nor, after he began working in Dubai in June, 2005, does he appear to have made contact with jihadists. But during a visit home in October, 2005, Ansari met with Hyderabad resident Sami Ahmad at a restaurant in Mumbai’s Goregaon area. Ahmad, a Hyderabadi who was arrested by the Bangalore Police in 2006, agreed to put Ansari in touch with the Lashkar. Back in Dubai, Ansari received a call from a Pakistani Lashkar operative who introduced himself as Abdul Aziz. In December, Ansari was smuggled into Pakistan through Iran, a move intended to ensure no incriminating visa stamps would be found on his passport. Muzammil, the Lashkar’s commander for operations directed at India, personally welcomed Ansari to the organisation’s



base near Muzaffarabad, the Bait ul-Mujahideen [House of the Holy Warriors]. He was later to meet the Lashkar's overall military commander, Zaki-ur-Rahman Lakhvi. According to Ansari's testimony, Muzammil, who also uses the code names Yusuf and Abu Hurrera, and is among three top Lashkar commanders India has demanded Pakistan hand over, was 6 feet tall, sported a long beard and flowing hair, and appeared to be of Punjabi origin. From here on, Ansari's story closely mirrors that of the fidayeen who attacked Mumbai. He was put through the 21-day Daura Aam [Ordinary Tour] basic combat course, followed by rigorous three-month advanced Daura Khaas [Special Tour]. Ansari learned guerilla warfare techniques as well as the use of maps, compasses and global positioning systems. But while the fidayeen who attacked Mumbai went on to study marine commando techniques at the Lashkar's headquarters in Muridke and the Mangla Dam reservoir, Ansari was put through the one-month Daura-e-Ribat intelligence tradecraft course. At the end of his training, Ansari told his interrogators, Muzammil showed him Google Earth satellite maps of Mumbai, and asked him to investigate perimeter security at key locations, including government buildings, the Mumbai Stock Exchange, airports, the offices of Reliance Energy, the Haji Ali shrine and significantly the Taj Mahal Hotel. In November, 2007, a Lashkar operative code-named Abu Hamza handed a New Delhi driving licence, issued in the name of a fictitious Lajpat Nagar resident named Sahil Pavaskar, as well as a passport, BM 6809341, issued on November 1, 2007, which proclaimed him to be a Pakistani national named Hammad Husain. Ansari arrived in Kathmandu, Nepal, using this Pakistani passport, and he travelled overland to Mumbai. From November 28 to December 10 Ansari stayed at the Sunlight Guest House in Mumbai, before renting a room on Falkland Road and signing up as a student at Soft Pro Computers, close to the Mumbai Stock Exchange. Most of his time, however, was spent photographing and mapping the targets he had been shown among them, the Chattrapati Shivaji Terminus and the Taj Mahal Hotel. During this time, Ansari told his interrogators, he met his wife, Yasmeen Ansari, just twice at a hotel. Their five-year-old daughter Iqra, he did not see at all. Mohammad Sabahuddin, who Uttar Pradesh authorities have charged with leading a New Year's Eve attack on a police training camp in Rampur, was also held in the course of the Intelligence Bureau-led operation that led to Ansari's arrest. So were Pakistani nationals Imran Shehzad from Bhimber, and Gujranwala resident Mohammad Farooq Bhatti. Shehzad carried Pakistani passport EK5149331, issued on March 14, 2007, while Mr. Bhatti used AW3177021, issued a day earlier. Police believe Lashkar-trained intelligence operatives like Ansari played a role in facilitating last month's massacre in Mumbai, gathering the video footage, SIM cards and route information which guided the fidayeen to their targets. However, the Lashkar seems to have avoided involving Indian nationals in the actual attack plan, hoping to avoid penetration by India's intelligence services.

### **Time for introspection, stop blame game"**

Instead of finger-pointing, all sections have to do some introspection on why the prospect of routine terrorist attacks is staring India in the face, legal activists and journalists said. With the former Chief Justice of India, A.M. Ahmadi, in the chair, they gathered at the Institute of Objective Studies here to give their perspective on the issue that is consuming the nation's attention. Senior journalist M.J. Akbar advised India's Muslim community to look within. He pointed out that the Urdu press, especially, was still day-dreaming and taking refuge behind far-fetched conspiracy theories. A society reaps what it sows. After decades of prosperity and little accountability, the upper middle class elite in the country wants increased security after their favourite haunts in Mumbai the Taj and the Oberoi were targeted by the terrorists on November 26, said journalist Pankaj Pachauri. "If we sow the seeds of babool [a wild and thorny tree], we cannot hope to pluck sweet mangoes," he said, lambasting the cry comparing India's security set-up with that of the United States, where not a single terrorist attack took place after 9/11. "The

U.S. spends \$ 69 billion on homeland security. Are our rich and famous prepared to cough up the money instead of asking the government for tax holidays such as that enjoyed by the booming information technology industry? Some of the high-end “fashionwallahs” were now lighting candles in Mumbai, after having evaded taxes most of their lives. “There is a price to pay for what the country and its people have been doing a thoroughly corrupt police force, a criminal justice system that has all but collapsed, no action against rioters whether they be in Meerut, Maliana and Hashimpura more than 20 years ago or Gujarat 2002, no action after the demolition of the Babri Masjid 16 years ago. There can be no stopping groups of people taking the law into their own hands and resorting to terrorism when the rule of law cannot redress grave wrongs done to thousands of victims.” Not sparing the media, Mr. Pachauri said the electronic and print media cared mostly about Television Rating Points and to boost their own profits. The country is very angry. Yet, this is not the time to be jingoistic, veteran journalist Kuldip Nayar warned, even as he pointed out that he had witnessed the horrors of Partition. “Hindus and Muslims have to listen to each other. Unless that happens, another bigger disaster is in the making.” Amity between India and Pakistan held the key to communal harmony at home. This was not time to get deflected from peace as “war is not an option.” Lawyer-activist Prashant Bhushan cautioned against any attempt to turn India into a police state. “There is no state where security measures were stiffer than in Israel, yet it is constantly plagued by insecurity. Security lies in addressing people’s grievances and problems, not in acquiring guns.”

### **India-Pakistan composite dialogue "on hold"**

With Pakistan President Asif Ali Zardari saying no to returning fugitives from Indian law and little sign of cooperation coming from Islamabad in the wake of Mumbai's terror attacks, India has decided to put its bilateral dialogue "on hold" till its concerns are addressed. "The talks are on hold till the atmosphere is conducive for such an engagement. It's not possible to carry on the dialogue in this atmosphere," highly-placed sources told IANS, indicating New Delhi's exasperation with the lack of an adequate response from Islamabad to its demarche. The decision to suspend what is called the composite dialogue process has come after more damning evidence emerged, linking not just Pakistan-based elements but its Inter Services Intelligence (ISI), to the Mumbai blasts. New Delhi is convinced "without a shadow of doubt" about Pakistan's spy agency ISI's involvement in the Mumbai terror attacks and is readying to present to Islamabad "a list of ISI handlers" who allegedly masterminded the terror strikes, reliable sources said. The first casualty of the chill in India-Pakistan ties in the aftermath of Mumbai carnage has been trade talks - an area in which the new civilian government in Islamabad has shown great enthusiasm, echoing India's long-standing position on improving relations through trade ties. India has called off a trip by a Planning Commission team which was going to Islamabad to lay the groundwork and finalise the dates for a visit by Deputy Chairman Montek Singh Ahluwalia. Ahluwalia was to return a visit by his Pakistani counterpart Salman Faruqui who came here earlier this month and explored the possibility of cooperation in building Metro and in renewable energy. India and Pakistan launched the fifth round of composite dialogue in July in the shadow of the bombings outside the Indian mission in Kabul. New Delhi blamed the ISI for the blasts, which put the dialogue process under strain. In less than two weeks it's a dramatic U-turn in India-Pakistan relations. On the fateful night of Nov 26,

less than an hour before the Mumbai mayhem started, External Affairs Minister Pranab Mukherjee and his Pakistani counterpart Shah Mehmood Qureshi were talking confidently about boosting trade, people-to-people contacts and combating terrorism. India was also seriously considering sending Indian cricket team to Pakistan after a stringent security review. But three days later, India was accusing Pakistan-based elements of fomenting terror attacks in Mumbai and speculation was rife about troops build-up on the border.

### **Mumbai terror mastermind among 20 LeT activists held: Report**

Lashker-e-Taiba commander Zakiur Rehman Lakhwi, accused of masterminding the Mumbai terror attacks, is among over 20 members of the group arrested by Pakistani security forces during a crackdown in Pakistan-occupied Kashmir. The security forces, including the army, on Sunday launched a secretive crackdown on activists of the LeT and its front organisation Jamaat-ud-Dawah in PoK and other part of the country. Helicopters were used in the operation in Muzaffarabad, the capital of PoK. Ajmal Amir Iman, the lone terrorist captured by Indian authorities after the Mumbai attacks, had named Lakhwi as one of the Lashker commanders who had planned the terrorist strike. Lakhwi was among more than 20 members of the LeT arrested in Muzaffarabad during a major army operation on a camp used by the outlawed group, the Dawn newspaper quoted sources as saying. Other sources had told PTI late last night that a militant named Lakhwi had been taken into custody but it could not then be independently confirmed if he was the same terrorist linked to the Mumbai attacks. There was no immediate official word on the crackdown. The Dawn said there were reports that similar actions were planned in some cities and towns of Punjab, a province where the LeT and the Jamaat have a significant presence. Iman, the gunman captured in Mumbai, hails from a village in Okara district of Punjab. Pakistan is under intense international pressure, including from the US, to take action against the LeT for its involvement in the Mumbai attacks. The LeT was founded by militant ideologue Hafiz Mohammad Saeed, who formed the Jamaat soon after the Lashker was banned in 2001.

### **Armed forces capable of 'surgical strikes' in Pak, PoK**

Quoting Prime Minister Manmohan Singh, US Senator John McCain warned a gathering of Islamabad's elite on Saturday that India was determined to strike terror camps in Pakistan and Pakistan-occupied-Kashmir if the Zardari government did not act against jihadis of the Lashker-e-Taiba and former ISI officers behind the Mumbai terror attack. While the veracity of McCain's

statement could not be verified, Indian armed forces are confident of their ability to launch swift cross-border "surgical strikes" if the leadership gives the green signal. "Yes," is the unequivocal answer of the military brass, when asked whether they had the capability to take out the targets that have been a thorn in India's side for decades if the ongoing diplomatic "push" comes to military "shove". Given "real-time intelligence", with exact coordinates about the terror camps, IAF fighter jets can swing into action with laser-guided bombs "within four hours" of a government go-ahead. But even though Pakistan remains intransigent about moving against the people who planned the Mumbai carnage, matters are not expected to escalate to the military level as of now, especially with the US working overtime to prevent such an outcome. The UPA government is keeping the military option against terror camps on the table as an indicator of its "firm intent" to get Pakistan to deliver this time. That was the message driven home by McCain, the Republican candidate who lost to Barack Obama in the US presidential sweepstakes, during his visit to Islamabad over the weekend. "We certainly have the capability to destroy the camps but would need real-time intelligence about them with their exact coordinates," said a senior officer. This will be crucial since intelligence reports, backed by surveillance and radio intercepts, are already showing "heightened activity" in many of the around 40 training and launching camps in Pakistan and PoK. "The camps are largely makeshift in nature. The main clusters are in the Kotli-Muzaffarabad, Muridke, Karachi and Manshera belts. After the Mumbai attack, some are in the process of relocating, while others are emptying out," said a source. "Consequently, though the process is already underway, it will take some time to identify the camps still housing militants. If the government gives the go-ahead, they will have to be kept under constant surveillance till the actual delivery of PGMs (precision-guided munitions) on them. Otherwise, the exercise will be reduced to just bombing empty jungles," he added.

### **Mumbai attacks: Ex-ISI chief Gul terms Post report 'nonsense'**

Former ISI chief Hamid Gul on Sunday dismissed as "nonsense" reports that Pakistan has agreed to arrest and hand him over to India in connection with the probe into the Mumbai terror attacks. "It is nonsense, it is disinformation because (Secretary of State) Condoleezza Rice and America want my name to be included," he told a private Indian channel over phone from Rawalpindi. He was reacting to a Washington Post report that said Pakistan has agreed to a 48-hour timetable set by India and US to take action against Lashkar-e-Taiba and arrest at least three Pakistanis believed to be linked to the Mumbai attacks. Citing a top unnamed Pakistani official, the Post said among the people India asked Islamabad to arrest and hand over is the former ISI Director Gul. "They (the US) don't like this loud voice in which I condemn them, their aggression, their oppression, their invasion over Afghanistan and lies in Iraq. I expose them, their 9/11 was a fraud, it was an inside job," he told NDTV. "I want to say to the Indian public and the Indian leadership please don't fall into their trap, look at what they have done to us, they are deceitful and they will use you for their own purpose," he said. On his links with the Pakistani spy agency, Gul said: "I left the ISI 20 years ago ... I have no contact with ISI." The former ISI head claimed that the US now wanted Indian troops to be "committed" to Afghanistan "because they have run short of their own troops and NATO is pulling out." Asked whether he will cooperate with India in probe into

the deadly attacks, Gul said he is ready to help if his government tells him to do so. However, he said New Delhi should show "more sagacity" in dealing with Islamabad.

### **India admits 'lapses' over Mumbai**

India's new home minister has admitted that there were security lapses in last week's militant attacks on Mumbai. Palaniappan Chidambaram said the lapses were being "looked into" and their "causes would be addressed soon". The Indian government has faced growing criticism at home over its handling of the attacks. The source of the attacks was clearly linked to organisations which have in the past been identified as behind terrorist attacks in India. Mr Chidambaram refused to give any details of the investigation into the attacks. "Work is under way. A lot of evidence has been gathered. Many aspects are being checked... and when the full picture is drawn up I expect to be able to make a statement in parliament," he said. When asked about the possible involvement of Pakistan's spy agency, the Inter-Services Intelligence, Mr Chidambaram said: "There is ample evidence to show the source of the attacks was clearly linked to organisations which have in the past been identified as behind terrorist attacks in India." US media said this week that Washington had warned India in October that Mumbai could be targeted by militants arriving by sea.

### **Restrictions put on Masood Azhar**

Pakistan has confined Maulana Masood Azhar, the Jaish-e-Mohammed chief wanted by India, to his home in Bhawalpur in the south Punjab province, an unconfirmed report in a Pakistani newspaper said on Tuesday. There was no official confirmation of the restrictions on the JeM founder-leader, and it remained unclear if his confinement, reported by *The News* daily, was a house arrest in the legal sense of the term. The only word has come from the country's Defence Minister Ahmed Mukhtar, who told an Indian television channel that Lashkar-e-Taiba commander Zaki-ur-Rehman Lakhvi and Azhar had been "picked up." Azhar, who was under arrest in India, was freed by the Indian government in 1999 as part of a negotiated deal with the hijackers of IC 814. The only time Pakistani authorities arrested him was in December 2001 after a U.S. ban on the group, but he was released in December 2002. Speaking in his hometown Multan, Foreign Minister Shah Mahmood Qureshi said handing over any Pakistani to India was "out of the question." He confirmed the arrests in the raids on Sunday. "The arrests are being made for our own investigations. Even if allegations are proved against any suspect, he will not be handed over to India," the Foreign Minister said. "We will proceed against those arrested under Pakistani laws."

### **Mumbai terror cash trail leads to Karachi**

Investigators have determined that payments for a voice-over-Internet protocol service used by the terrorists who stormed this city last month were made from Karachi, Mumbai police sources told. The investigators have found that a still-unidentified individual using false identification papers routed \$ 290 to the VOIP service Vox Phone through a Karachi office of the money-transfer giant, Western Union. Police in Mumbai intercepted calls made by the Lashkar-e-Taiba terrorists, who attacked Mumbai, to two VOIP numbers from six Indian mobile phone numbers.

During the calls, Zaki-ur-Rahman Lakhvi the top Lashkar commander reported to have been held in Pakistan in raids carried out by authorities there on Monday gave instructions to the terrorists as their operations at the Taj Mahal Hotel and the Chhatrapati Shivaji Terminus unfolded. No calls were, however, intercepted in the Oberoi and Trident Hotels complex. The investigators suspect that the individual who arranged for SIM cards, VOIP connections and satellite phones used by the terrorists was Zarar Shah, who, India's intelligence services say, is the Lashkar communications chief. It is unclear if the name Zarar Shah is real or, as is the case with most Lashkar commanders, an operational alias. Shah if that is indeed his name is also believed to have despatched an e-mail, claiming responsibility for the attack under the false flag of an organisation called the Deccan Mujahideen. The e-mail, which said the attack was intended to avenge atrocities on Muslims in India, is believed to have been generated on a Hindi language voice-recognition software. The investigators say it was sent to Indian newsrooms from a Lahore-based server. Vox Phone, a popular VOIP service, allows users to create virtual phone numbers bearing the international dialing codes of several countries from which calls can be made and received. No physical verification of the individuals opening accounts takes place, the police sources said, a fact which facilitated the terror operation. The terrorists set up phone numbers which bore the calling codes of New Jersey in the U.S. and Vienna, Western Union's services, which are widely used across the South Asian region to facilitate foreign currency transfers, have been misused in the past by terrorists operating against India. For example, Pakistani al-Badr operatives Mohammad Fahd and Mohammad Ali Husain, who attempted to set up a Mysore-based cell in 2006, received funds through Western Union.

### **'The terrorists want to destroy Pakistan, too'**

The recent death and destruction in Mumbai, India, brought to my mind the death and destruction in Karachi on Oct. 18, 2007, when terrorists attacked a festive homecoming rally for my wife, Benazir Bhutto. Nearly 150 Pakistanis were killed and more than 450 were injured. The terrorist attacks in Mumbai may be a news story for most of the world. For me it is a painful reality of shared experience. Having seen my wife escape death by a hairbreadth on that day in Karachi, I lost her in a second, unfortunately successful, attempt two months later. The Mumbai attacks were directed not only at India but also at Pakistan's new democratic government and the peace process with India that we have initiated. Supporters of authoritarianism in Pakistan and non-state actors with a vested interest in perpetuating conflict do not want change in Pakistan to take root. To foil the designs of the terrorists, the two great nations of Pakistan and India, born together from the same revolution and mandate in 1947, must continue to move forward with the peace process. Pakistan is shocked at the terrorist attacks in Mumbai. We can identify with India's pain. I am especially empathetic. I feel this pain every time I look into the eyes of my children. Pakistan is committed to the pursuit, arrest, trial and punishment of anyone involved in these heinous attacks. But we caution against hasty judgments and inflammatory statements. As was demonstrated in Sunday's raids, which resulted in the arrest of militants, Pakistan will take action against the non-state actors found within our territory, treating them as criminals, terrorists and murderers. Not only are the terrorists not linked to the government of Pakistan in any way, we are their targets and we continue to be their victims. India is a mature nation and a stable democracy. Pakistanis appreciate India's democratic contributions. But as rage fuelled by the Mumbai attacks catches on, Indians must pause and take a breath. India and Pakistan and the rest of the world must work together to track down the terrorists who caused mayhem in Mumbai, attacked New York, London and Madrid in the past, and destroyed the Marriott Hotel in Islamabad in September. The terrorists who killed my wife are connected by ideology to these enemies of civilization. For India, Pakistan and the United States, the best response to the Mumbai carnage is to coordinate in counteracting the scourge of terrorism. The world must act to strengthen

Pakistan's economy and democracy, help us build civil society and provide us with the law enforcement and counterterrorism capacities that will enable us to fight the terrorists effectively. Benazir Bhutto once said that democracy is the best revenge against the abuses of dictatorship. In the current environment, reconciliation and rapprochement is the best revenge against the dark forces that are trying to provoke a confrontation between Pakistan and India, and ultimately a clash of civilisations.

### **India wants Lashkar front declared terror outfit**

Taking a tough posture in the wake of the Mumbai terrorist attacks, India on Tuesday urged the U.N. Security Council to declare Jamaat-ud-Dawa, a front of the Pakistan-based Lashkar-e-Taiba (LeT), as a terrorist outfit. Jamaat-ud-Dawa is the public name of LeT, which was banned in 2002. India and the U.S. have said that the LeT and its leaders were involved in the attacks. During the course of a debate on terrorism at the Security Council, Minister of State for External Affairs E. Ahamed also asserted that the country from where the terrorist attack originated and was planned should take immediate steps to stop their operations.

### **Elephant's march promising**

With the 2008 Assembly polls billed as the semi-finals before next year's Lok Sabha election, there has been much speculation over the role and prospects of the Bahujan Samaj Party. Will it play spoiler in 2008? Will it be the party to watch out for in 2009? The elephant (party symbol) march in Delhi was particularly impressive. Figures released by CNN-IBN and the Centre for the Study of Developing Societies show that though the party won only two seats in the State, it increased its vote share by 8.5 percentage points to nearly 14 per cent. Not just this. It came second in another five constituencies, losing one, Narela, by less than 1000 votes. The party had zero presence in the previous Assembly. The BSP had two seats each in the State Assemblies of Rajasthan and Madhya Pradesh. In the former, it won five additional seats and doubled its vote share from 3.9 per cent to over eight per cent. In Madhya Pradesh, the party had won six seats and was leading in one other at the time of writing. It increased its vote share by two percentage points to about 8.35 per cent. The only State to disappoint the BSP was Chhattisgrah: The party made no addition to its 2003 tally of two seats. Yet even here its vote share registered an upswing increasing by 2.5 percentage points to over six per cent. Did the BSP adversely affect the Congress or the BJP? Take Delhi, where the party had its best showing. The BSP made no difference to the Congress, which pulled off a third spectacular victory. Early pointers here suggest that the Congress did very well among the rich and the upper middle classes, pulling ahead of the BJP in these sections. This might explain why the BSP, seen as the party of the poor, did not damage the Congress as much as it could have. As against this, the BSP appears to have affected the Congress in Rajasthan and Madhya Pradesh. Impressive as they are, the increases in the BSP's vote shares must be seen also in the context of the party contesting far more seats compared to 2003 in three of four States – Delhi, Rajasthan and Madhya Pradesh. In Delhi, it contested all 69 seats compared to only 40 in 2003. In the 20-seat Assembly of Rajasthan, it contested 199 seats against 124 in 2004. In the 230-seat House of Madhya Pradesh, it contested 173 seats against 157 in 2003.

### **Ajmal names trainers: police**

The interrogation of Mohammad Ajmal Amir Iman, the only terrorist caught alive after the Mumbai attacks, has named those who trained the terrorists, Joint Commissioner of Police (Crime) Rakesh Maria told journalists here on Wednesday. Lashkar operative Zaki-ur-Rahman

Lakhvi, Abu Hamza, Kahfa and Hafiz Saeed were among the trainers. The police were still verifying the details of others. While each of the four played key roles, the names of the chieftains were yet to be learnt, Mr. Maria said. He said the training was imparted under the Lashkar banner and Ajmal was “quite clear that it [the attack] was a Lashkar operation.” Ajmal has delineated specific roles played by the four. Lakhvi planned the whole operation. He even “bid farewell to the 10 terrorists before they left Karachi for Mumbai on November 22.” The ship al-Hussaini, which carried the terrorists for some 12 nautical miles before they hijacked the trawler Kuber to come to the Mumbai coast, belonged to Lakhvi. Hamza, involved in the 2005 terror attack on the Indian Institute of Science, Bangalore, imparted “advanced training” in weapons and hand grenades, and maritime training. Hafiz provided moral support. “He spoke to them and motivated them,” Mr. Maria said. The fourth trainer “Kahfa was with the group right through the training.” He was the “course coordinator” and “shepherded” the attackers. The three-month training was conducted somewhere in Azizabad in Karachi, said Mr. Maria. Kahfa and Hamza, high up in the training hierarchy, showed photos of various target locations to the attackers during the training. Lakhvi was present during the training. Hafiz also addressed them. Ajmal will be produced in court on Thursday, as his remand ends then. Police have registered 12 offences in connection with the attacks.

#### **After Mumbai, Pakistan wants Indian mullahs to issue fatwas against suicide bombings**

In remarks to a special session of the Security Council in New York on Tuesday, Pakistan’s Permanent Representative to U.N. Abdullah Hussain Haroon denied his country was involved in the Mumbai terrorist attacks in any way and said he was “a bit surprised by the strong denouement of the Indian statement.” Pakistan was itself subject to terrorist attacks, he said, and had taken action against extremist groups which sought to destroy the peace of the country and its neighbours. Mr. Haroon said terrorist acts against Pakistani citizens had originated in India as well. In a further attempt to underline Islamabad’s belief that incidents like Mumbai could equally be the product of homegrown terrorists, the **Pakistani ambassador said mullahs from Indian provinces could cooperate in promoting a fatwa against suicide bombings and other forms of violence in both countries.** As far as Mumbai was concerned, Mr. Haroon said his government had already instigated an investigation, on its own, and prepared a strategy to “arrest individuals found to be part of those attacks and to provide effective supervision of various welfare organisations that could have provided support.” “Simplistic approaches,” he said, would only create more problems. Initiatives to promote international harmony were critical, as well as political solutions to long, unresolved conflicts such as Kashmir and Palestine, and “as appropriate solutions to other root causes.” In a direct reference to the Indian demand for the U.N. and its members to act against the Jamat-ud-Dawah, Ambassador Haroon noted: “After the designation of Jamat-ud-Dawah [JuD] under [Security Council resolution] 1267, the government, on receiving communication from the Security Council, shall proscribe the JuD and take other consequential actions, as required, including the freezing of assets.” The Jaish-e-Mohammed, the Lashkar-e-Taiba and Dawood Ibrahim have been proscribed by the U.N. Security Council under Resolution 1267 since October 2001, May 2005 and November 2003 respectively. India now wants the JuD, the parent organization of the LeT also added to the banned list.



## **Domestic Situation:**

### **Haryana Deputy Chief Minister sacked**

Haryana Deputy Chief Minister Chander Mohan, who disappeared from the public view over a month ago, was on Sunday sacked from the post amid reports that he has allegedly married a woman and both converted to Islam.

### **Uttar Pradesh bus fire toll rises to 63**

The toll in Tuesday's bus accident in Firozabad district of Uttar Pradesh has risen to 63 with the recovery of more bodies of those who were burnt to death when the vehicle went up in flames, police said on Wednesday. The accident occurred at around 5 p.m. Tuesday in Shikohabad area of Firozabad, about 50 km from here. The bus was going from Mathura to Sultanpur. The passengers were apparently returning after a pilgrimage and all hailed from Sultanpur. "The death of 63 people, including women and children, has been confirmed," Firozabad District Magistrate Amit Gupta told IANS on phone. Till late Tuesday, 40 bodies had been recovered from the bus. "According to initial information, witnesses said that the bus caught fire while it was running and overturned. Thirty-three passengers managed to escape and have received minor injuries," city police chief Navneet Kumar said.

### **Bizarre ritual leaves six dead**

Six persons, who went in search of hidden treasure believed to have belonged to ancient rulers, were found dead in a 30 foot-deep open well in Arkavathi Layout near Amrithahalli here on Tuesday. Based on the statement of Kalavathi (38), the seventh member of the group, the police suspect that the victims were part of a bizarre ritual murder masterminded by a so-called tantrik in his quest to retrieve hidden treasure on the land near the well. He apparently sacrificed the six to appease the deity Kalimatha who he believed would help him find the treasure. The police are on the look out for the tantrik. According to Basavaraja Malagathi, Deputy Commissioner of Police (North East Division), Anand may have lured the five women to the well under the cover of darkness and pushed them in. Later, fearing reprisal, he possibly committed suicide by jumping into the well. Anand was a bangle-seller from Mysore, who moved to Amrithahalli last year. A few months ago, he apparently came in contact with the tantrik who convinced him that the ancient rulers of Bangalore had hidden a huge treasure in farmland at Arkavathi and Amrithahalli. "Anand was bankrupt and borrowed Rs. 1.5 lakh from moneylenders. This may have instigated him to sacrifice the women for hidden treasure," Villagers of Amrithahalli still believe in the hidden treasure. "The region was ruled by many people. I have come across others who have found such treasures hidden by Tipu and Magadi Kempe Gowda," Sarvamangala Mahadev, a postal employee, said.

### **Rights report slams armed opposition groups in Assam**

Among the armed opposition groups in the country, those in Assam are the worst violators of international humanitarian laws, indulging in targeted killings of Bihari labourers and political leaders. Armed opposition groups across India are responsible for gross violations of international humanitarian law, including killings, abductions and mutilation. This was alleged by the Asian Centre for Human Rights (ACHR) in its "India Human Rights Report 2008" released here on Tuesday. The report further states that the armed opposition groups in the State were responsible

for indiscriminate killings of civilians, especially by using improvised explosive devices. These groups continued to target Hindi-speaking people in 2007. The report documents widespread acts of violence and terror by such groups as well as alleged widespread use of violations of human rights violations by Indian security forces to counter insurgency. The report released by ACHR Director Suhas Chakma alleged that human rights violations by the State, combined with the failure of state institutions to address these violations, were fuelling internal conflict in the country. "If this was not bad enough, the report exposes the extraordinary low level of state and non-state monitoring of human rights violations in India. Both failures can be attributed to a mixture of state inaction and in some cases deliberate policy. Similar mistakes that led to the external attack on Mumbai can be seen in India's approach to internal conflict. Limited and poor quality human rights information is failing to provide the right information to decision makers to prevent further internal conflict," Mr. Chakma told reporters while releasing the report at the Guwahati Press Club here. Alleging official cover up, the ACHR said the government had not brought any of the reports of the National Commissions for Scheduled Tribes and Scheduled Castes before Parliament since 2002. "In 2007 in Madhya Pradesh, not a single court ruled in favour of a tribal in the 29,596 cases of alienation and restoration of tribal land. Should we be surprised that the support base of the Maoists is increasing in the tribal belt of the State? Unless preventive measures are taken, Madhya Pradesh will find itself with a naxalite insurgency similar to West Bengal, Jharkhand and Orissa," warned Mr. Chakma. The report alleged that official statistics of human rights violations were inaccurate. And despite the Army and the para-military forces being responsible for gross human rights violations in conflict situations, there were no official crime statistics involving the Army in tackling insurgency as the National Crime Records Bureau of the Ministry of Home Affairs did for the police. The report alleged that in mainland India, the naxalites were responsible for widespread killings. "Political activists were killed by the naxalites in Andhra Pradesh, Chhattisgarh, Jharkhand, Orissa and West Bengal. The crimes committed by the armed groups are international crimes but the governments have failed to establish accountability." Among the States, Uttar Pradesh has the worst human rights record accounting for 66 per cent of the fake encounter killings. It recorded the highest number of crimes against the Scheduled Castes, with 6,114 cases out of the total 30,031 during 2007, an increase of 23.8 per cent over 2006 (4,960 cases). Maharashtra has the worst record of deaths in police custody, with almost two custodial deaths every month.

### **Curbs coming on live coverage of anti-terror operations**

Faced with demands from security agencies to keep the media at bay during operations like the Mumbai hostage situation, the Information and Broadcasting Ministry is planning to amend the Cable Television Networks Rules (CTNR) to prohibit live coverage of such crises. The move comes in the wake of the self-regulation guidelines, adopted by private television networks on October 2, coming to naught during the Mumbai terror strikes, and the broadcasters' rejection of the Ministry's advisory to exercise restraint. Since earlier attempts to regulate the electronic media through the Broadcasting Services Regulation Bill had to be withdrawn in the face of opposition from the media, the Ministry has decided to go in for a CTNR amendment, which requires only a gazette notification. As per the proposal, live coverage shall not be permitted in operations where the security forces have to overcome terrorists or other hostile groups or in a violent law and order situation. Instead, delayed carriage of live feed could be allowed with the approval of an "authorized officer." And, when the footage is replayed, channels cannot tag them as "live," a recurring phenomenon despite repeated requests from the Ministry to networks to specify replays. Phone-in calls and interviews with the perpetrators of a crime or anyone associated with them during the course of the violence cannot be aired live. Operational details should not be compromised and care ought to be taken not to jeopardise any criminal

investigation during coverage of the process. These changes seek to bar telecast of audiovisuals of a narco-analysis/lie-detector test, judicial confession or any other method of investigation; explicit images of sexual perversions or violence against women and children; portrayal of a distorted picture of reality by frequent repetition of images or words; and close-up shots of blood and gore, dismembered/disfigured limbs of victims of any violence.

### **Beware of Maoists, tribal leaders tell villagers**

Leaders of a section of tribals at Belpahari in West Bengal's Paschim Medinipur district on Tuesday cautioned locals against attempts by Maoists to induce them to take to militancy. The region was hit by an agitation, lasting more than four weeks, against alleged police excesses before it was called off on Sunday.

### **West Bengal preparing list of terror suspects**

The West Bengal government is preparing a list of persons suspected to have links with terrorist outfits. The job has been entrusted with the city and State police. "Such a list will come in handy in investigations," State Home Secretary Ashok Mohan Chakravarty said here on Tuesday. It will also share intelligence relating to terrorism with other States. The J&K government, meanwhile, is being kept informed of the progress in the interrogation of Mukhtar Ahmed Sheikh, a resident of that State. He was arrested by the city police from Delhi last week in connection with the procurement of SIM cards suspected to have been used by those behind the Mumbai attacks.

### **Minister quits over sex scam**

Orissa Revenue and Disaster Management Minister Manmohan Samal resigned on Wednesday evening in the wake of a controversy generated by his alleged involvement in a sex scandal. Mr. Samal, who has been under pressure from various quarters for the past several days, met Chief Minister Naveen Patnaik at his residence and handed over his resignation letter. Mr. Samal, who belonged to the Bharatiya Janata Party, told journalists that he resigned on moral grounds. The Opposition parties stalled the the Assembly session demanding that Mr. Samal step down. Both Mr. Samal and the woman concerned had earlier denied the charge of involvement. The Minister said that he had arranged for the woman's stay in New Delhi and helped her contact some guests for a festival in Bhadrak district.

## **Economic Front:**

### **Central package ignores States, says Minister**

Finance Minister T.M. Thomas Isaac has slammed the Union government for its total neglect of States in the economic stimulus package announced by the Prime Minister's Office on Sunday. Reacting to the announcement Dr. Isaac said this, in fact, was the most objectionable part of the package, particularly because States were already kept on a tight leash with unjustified limits on their borrowing capacities. "The only revenue for States is from sales tax collections and Central funds. One effective way for the country to break out of the global financial crisis and its impact is to increase direct spending by the Central and State governments on infrastructure projects, for which steps to increase public investment are essential. The Centre should show the courage to hike the borrowing limit of States by at least 25 per cent," the Minister said. He called upon the Centre to specify what steps it would take to increase State revenues.

### **Cars, cement to be cheaper**

The government notified with immediate effect four per cent across-the-board reduction in excise duty in its bid to induce demand through lower prices of cars, consumer products, steel, cement and a host of other products to provide relief and lessen the impact on various sectors of the manufacturing industry. The loss to the exchequer by way of revenue forgone during the remaining months of the current fiscal is estimated at Rs.8,700 crore. An official statement here said the three slabs of excise duty 14, 12 and eight per cent which are applicable to non-petroleum products have been cut by four percentage points each to 10 per cent, eight and four per cent respectively. Tax incentives have also been announced for export, iron and steel sectors and the changes in excise and customs duties are expected to stimulate demand through lower prices. Elaborating on the tax concession, the statement noted that the ad valorem component of the excise duty on passenger cars of 1,500 cc and above stand reduced from 24 to 20 per cent, while in the case of cement, the ad valorem duty has been reduced from 12 to eight per cent. The specific rates have also been reduced proportionately by four per cent. As for the mini-cement plants, the concessional rates have also been reduced accordingly. For cotton textiles and other textile articles, the duty has been reduced from four per cent to zero. The statement made it clear that no changes have been made in the excise duty rates on petroleum products, specific rated items and tobacco products. To provide relief to the power sector, naphtha, if imported for generation of electric energy, is to be fully exempted from basic customs duty. The exemption will be effective up to March 2009. For iron ore, the eight per cent export duty on iron ore fines has been withdrawn completely while the export duty on iron ore lumps stands reduced by 10 per cent to five per cent. The government has also allowed refund of service tax to exporters on foreign agent commission of up to 10 per cent of the value of export. The benefit of such refund has now been extended to services provided by a clearing and forwarding agent to exporters. Also, the duty drawback benefit can now be availed of simultaneously with refund of service tax paid in respect of exports.

### **India Inc. hails package, but expects much more**

India Inc. welcomed the stimulus package announced by the government, but said they expected much more. The realty sector players too gave a mixed reaction. Some termed it good while others said it was a total disappointment. By and large, India Inc. said the duty cuts and other sector-wise incentives would help generate demand. Automobile major Maruti Suzuki announced that it would pass on the benefit of 4 per cent duty cut to consumers. FICCI secretary-general Amit Mitra said the package had enough punch to re-start the overall economic activity. ASSOCHAM president Sajjan Jindal said he was not satisfied with the Rs. 20,000 crore package and industry was expecting a stimulus of around Rs.70,000 crore. "I hope the government will take more drastic measures to create demand...." Realty players DLF and Unitech said the measures would have a good impact but there was nothing to boost the demand in metros and super metros. They felt that the package for home loans by banks should have been for borrowings up to Rs. 50 lakh instead of Rs. 20 lakh. Parsvnath Developers' chairman Pradeep Jain said the government should have a re-look at the package. Omaxe chief Rohtas Goel said it was totally disappointing.

### **Sony Corporation to cut 16,000 jobs**

Japanese electronics major Sony Corporation will cut 8,000 full-time jobs, representing five per cent of its global workforce, and lay off another estimated 8,000 temporary workers.

## **'Economic growth may fall short of forecast'**

India's economic growth may fall short of the 7.5-8 per cent forecast for this fiscal by the Reserve Bank and the next year could be even more painful, RBI Governor D. Subbarao said on Wednesday.

## **HSBC lays off 193 staff in India**

Foreign lender, HSBC has decided to cut 193 jobs in its Indian consumer assets business segment after it reviewed the portfolio in the backdrop of the prevailing economic conditions, the bank said. The bank is restructuring its consumer assets business division in the country owing to the economic downturn and had made "every effort to redeploy the staff," HSBC said in a statement on Friday. "Some 620 people have been redeployed in suitable positions in the bank and other group entities in India. The leavers have been placed in the bank's priority returners scheme which will give them first preference for suitable jobs that come up in the next year," the statement said. Total number of jobs affected represents less than 0.53 per cent of HSBC's total India staff, the bank said. "In the past few months, we have engaged in an exercise to restructure our consumer assets business so that we can focus on reducing costs, devote resources to areas that offer the most potential for growth," HSBC India Chief Executive Officer, Naina Lal Kidwai said. HSBC has total staff strength of around 36,650 people in India.

## **Geo-strategic developments:**

### **More nuclear reactors planned on coast**

Apart from constructing four more nuclear power plants at Kudankulam in Tamil Nadu, Russia is discussing the possibility of constructing 10 reactors near the eastern coast, Russian Ambassador to India Vyacheslav Ivanovich Trubnikov told journalists on Saturday. "The agreement to construct four new reactors is not the end of the story," he said, adding that Russian President Dmitry Medvedev and Prime Minister Manmohan Singh had agreed to keep open the prospects of building more nuclear power plants in other parts of the country. Currently Russia is providing technical assistance to construct two reactors at Kudankulam. The location of these reactors was under consideration and it "depends on the decision of the Indian government where Russian assistance will be required." Mr. Trubnikov said all future contacts would be "all inclusive," meaning they will come with guaranteed life-time fuel supplies. "By the time we start striking contracts, it [fuel supply] will be in the text of the contracts," he said, pointing out that there was no question of India doubting fuel supply assurances since Russia had even helped supply a different type of fuel for the Tarapore plants.

## **Kashmir:**

### **Stray incidents mar phase IV of J&K polls**

Defying separatists yet again, voters came out in good numbers in the fourth phase of the Jammu and Kashmir Assembly elections on Sunday. An estimated 55 per cent turnout has been recorded for 18 seats in four districts amid stray violence. Braving the winter chill and cocking a snook at the separatists, the electorate in 12 seats in the Kashmir Valley and six in the Jammu region followed the trend of enthusiastic turnout in the previous three phases when there was over 60 per

cent voting. There was tight security during the polling. Sporadic clashes between anti-poll protesters and security forces occurred at a few places while there was a grenade explosion at Sopore, but none was killed. The voting was spread over Baramulla, Udhampur, Budgam and Reasi districts. Four photojournalists, covering anti-poll protests at Arampora, were allegedly roughed up by security personnel. Reports of malfunctioning of electronic voting machines at four places in Reasi and Udhampur were reported. Gool Arnas, once the operational hub of the militants in lower Pirpanchal ranges, recorded a very high turnout (70 per cent), while Sopore, the home town of Hurriyat leader Syed Ali Shah Geelani, had the lowest turnout of 14 per cent. As per tentative data, 55 per cent electorate in Baramulla, Budgam, Udhampur and Reasi districts cast their votes, Chief Electoral Officer B.R. Sharma said.

### **Pakistan invokes the 'K' word**

Pakistan on Tuesday responded to India's call for the United Nations to act against the Jamat-ud-Dawah and other organisations linked to the Mumbai terrorist attacks by saying it would ban the outfit if asked by the U.N. to do so. But it also added the diplomatic equivalent of a non-sequitur by invoking the 'K' word and calling for terrorism's "root causes" to be addressed. Speaking at a special session on terrorism of the Security Council, Pakistan's U.N. ambassador began by saying he was "deeply troubled" by what had happened in Mumbai. "The best outcome of the tragedy," he said a few seconds later, "would be the resolution of the issue of Kashmir." Exercising its right of reply, the Indian delegation responded by stressing the important issue was that terrorist groups had used Pakistani territory to launch attacks against India. "That country must take real action against those groups, instead of bringing up extraneous issues," an Indian diplomat told the Council.

### **Day ahead of polls, it's like curfew in Kashmir**

Streets in this Jammu and Kashmir summer capital were deserted on Friday and shops and offices closed as authorities imposed restrictions in response to separatists calling for peaceful protests against the ongoing state elections. The joint coordination committee of both the separatist Hurriyat groups issued a statement calling for businesses to be shut down and peaceful demonstrations after the Friday prayers. It also appealed to the people to march to the south Kashmir district headquarters of Pulwama and Shopian where voting for the fifth phase of elections will be held on Saturday. Leaders of both the factions of the Hurriyat Conference, Syed Ali Geelani and Mirwaiz Umer Farooq, were placed under house arrest to prevent their participation in the proposed separatist protests on Friday and Saturday. Traffic remained off the roads as businesses, shops, educational institutions and banks closed following strict restrictions imposed by the authorities. "These are preventive restrictions to ensure that miscreants do not disturb peace in the city," a senior police officer said here. Similar reports came in from other parts of the Kashmir Valley. Six south Kashmir constituencies of Pampore, Tral, Pulwama, Rajpora, Wachi and Shopian go to vote Saturday. "All arrangements of security, poll staff, electronic voting machines (EVMs) and sanitisation of areas around polling stations are in place for tomorrow's polling," a poll official told IANS in Srinagar. In the first four rounds of the seven phased elections that end Dec 24, voter turnout has been around 60 per cent.

## **Social Front**

### **M.F. Husain responds to Mumbai terror with an angry work of art**

A painting by M.F. Husain on the Mumbai attacks, titled the 'Rape of India,' was on Wednesday unveiled at a leading London art gallery. Mr. Husain, who was forced to leave Mumbai following a violent campaign by Hindutva fringe groups objecting to his depiction of 'Mother India,' said he had called his latest work the 'Rape of India' because to him what happened in Mumbai was as offensive and brutal as rape. The master said the "blood-spattered" painting was an artist's response to the outrage. "We're painters. We can express our anger only through our art," he said. 'Rape of India' is among 15 of his works on show at the Serpentine Gallery as part of an exhibition called 'Indian Highway,' which is conceived around issues central to the daily lives of millions of Indians. The entire exterior of the gallery, based in Kensington Gardens, has been given over to a series of large-scale paintings by Mr. Husain on India. The exhibition, comprising works of some of India's best-known artists, is part of the gallery's focus on India, China, and West Asia and will run until February.

### **Bird flu could spread to humans in Assam, warns health minister**

The Assam health department on Thursday expressed serious fears about strains of the deadly bird flu virus spreading to humans and sparking a pandemic in the northeastern state. "We are really worried about the bird flu virus spreading to humans as the strains transmit rapidly. We don't know for sure if at all our health department would be able to cope if such a thing happens," Assam Health Minister Himanta Biswa Sarma told journalists. The bird flu virus has spread across six Assam districts and authorities have claimed it has assumed an epidemic proportion. More than 250,000 poultry birds have been culled in the past two weeks in Assam. The districts hit by bird flu are Kamrup (Metro), Kamrup (Rural), Dibrugarh, Nalbari, Barpeta, and Chirang.

### **Only 1,500 tigers left in India: official booklet**

India has around 1,500 tigers left in the wild, says an official survey. The figure might come as a shock to wildlife lovers as a census conducted six years ago had pinned the big cat population at 3,652. Brought out as a booklet titled "Status of Tigers, Co-predators and Prey in India", the survey was jointly conducted by the National Tiger Conservation Authority of the ministry of environment and forests and the Dehradun-based Wildlife Institute of India. The report, which is available with IANS, says the total tiger population in India is just 1,500. The figure, however, excludes the count from Jharkhand and the Sundarbans area. "The assessment has shown that though the tiger has lost much ground due to direct poaching, loss of quality habitat and loss of

its prey, there is still hope," it says. The last census conducted in India in 2001-2002 said there were 3,642 tigers left in the wild. Going by this figure, the tiger population has fallen by 60 per cent today. A century ago the number was around 40,000. The report divides the tiger population into four regions. The first is the Shivalik- Gangetic plain landscape complex covering Uttarakhand, Uttar Pradesh, Bihar. The total tiger count in this region is 297, with Uttarakhand recording the highest numbers at 178. The second region is the Central Indian landscape complex and Eastern Ghats landscape complex that includes Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Maharashtra,, Orissa, Rajasthan and Jharkhand. In this region, the total count is 601, with Madhya Pradesh having 300 tigers. The third region is the Western Ghats landscape complex that includes Karnataka, Kerala and Tamil Nadu. In the third region, the total tiger count is 402 with Karnataka having 290 tigers. The fourth is the North East Hill and Brahmaputra Flood Plains and includes Assam, Arunachal Pradesh, Mizoram, West Bengal. In this region, the total tiger count is 200. The tiger count in Jharkhand and the Sundarbans could not be assessed as data provide by the state was not as per protocol. This time data was collected by a scientific method. In past, it used to be collected by counting tiger pugmarks that depended on experts identifying individual big cats. "The pilot project evolved field-friendly data collection protocols in consultation with field managers and scientists," says the report. "The monitoring programme used remote sensing, geographical information system and global positioning system technology in combination with high resolution spatial data and field data, based on sign surveys, camera tapping and distance sampling, to effectively monitor tiger and prey population." Tigers are a conservation dependent species, requiring large contiguous forest with fair interspersion of undisturbed breeding areas. This leaves little choice other than to evolve strategies by mainstreaming conservation priorities in regional development policy and planning for managing priorities areas identified in the landscape complex."

## **Foreign Relations:**

### **Rice: evidence of involvement 'somehow' on Pakistani soil**

United States Secretary of State Condoleezza Rice has said that there is evidence of involvement "somehow" on Pakistan soil in the Mumbai terror attacks and pressed Islamabad to act quickly to arrest suspects to ensure there is no "follow-on attacks." Ms. Rice also advised an "outraged" India to exercise restraint so as to not to make the situation "worse." "I think we do believe that there was – there is evidence of involvement somehow on Pakistani soil...even if these were non-state actors, which I believe they were – non-state actors operating on Pakistani soil. It is still Pakistan's responsibility to respond," she told Fox News.

### **Russia will back India's battle against terrorism**

Russian Ambassador to India Vyacheslav Ivanovich Trubnikov pointed out that Dr. Singh had chosen the correct path by seeking to involve the world community in the battle against senseless terrorism. Russia would continue to support India's initiative wholeheartedly, he assured. While "understanding" the feelings in India after the Mumbai attacks, Mr. Trubnikov did not think that ending dialogue was a better option. Indian should discuss with the democratic government of



Pakistan ways to deal with the menace of terrorism. Exchange of information and transparency of measures taken by Pakistan should be the steps in this direction. "The stronger the government in Pakistan, the easier it is to deal with this activity. First of all, the Pakistan government must be strengthened." Taking a personal view, the Ambassador did not see any reason why the U.N. Security Council would not discuss the issue. But the proof from the Indian side of Pakistani involvement must be "absolutely pucca," he added.

### **London Mayor offers help in terror probe**

Even as Scotland Yard detectives are helping the Indian police in the investigations into the Mumbai attacks, London Mayor Boris Johnson has offered further support of the Metropolitan Police to provide their "unrivalled expertise" to investigators. Noting that London had a large Indian population, Mr. Johnson said he wished to offer the city's sympathy and support to them at "this difficult moment." "Our close relationship is particularly important in these sad times. I was shocked by the terrible and indiscriminate attacks on the people of Mumbai and have offered the support of the Metropolitan Police to provide their unrivalled expertise following the attacks," he said at a function organised by ThinkLondon, which promotes foreign investment in London. The Mayor said it was important to continue building ties between India and Britain by "engaging with the Indian business community both in London and India to maintain London's status as one of the world's most attractive inward investment locations." He was confident that Mumbai would "not be deflected from its course" by these indiscriminate attacks and would recover as London had from the July 7, 2005 bombings.

### **China's stand on JuD**

Attempts to proscribe the Jamat-ud-Dawah in the U.N. Security Council were blocked by China in the past, and now all eyes will be on what Beijing does on the fresh move to ban the outfit. The sanctions committee of the Council had circulated a note to its members that the United States, backed by Britain and France, had twice tried to add JuD chief Hafiz Mohammed Saeed to the list of individuals and organisations connected to terrorism in May 2007, but the move was blocked by China, according to a note circulated in the UNSC on Wednesday. A similar attempt directed against the organisation in April 2006 was also blocked by China, the note said.

### **China offers help to India**

China on Wednesday offered its help to India to host the Commonwealth Games here in 2010.

### **India unhappy with Pak reaction on those wanted'**

Minister of state in the Prime Minister's Office and in-charge of J&K affairs Prithviraj Chavan on Wednesday asserted that India was not satisfied with the response of Pakistan vis-à-vis its action against "those wanted" in the aftermath of the Mumbai terror attacks or the "list of wanted given to it". Mr Chavan, while addressing a press conference here on Wednesday, asserted, "We won't be convinced till Pakistan stops sponsoring of terrorism from its soil. We won't read much behind its recent action in the form of crackdown on certain terrorist leaders. We hope that if it is really serious in tackling terror and cooperating with India on this account, as a goodwill gesture, it will hand over our criminals, our citizens. This has been our emphatic demand." He, however, declined to comment on the queries related to "any deadline given to

Pakistan to meet this demand" and "the reported detention of Masood Azhar" saying that he won't comment on this account. "I would just say if and when Pakistan will hand over criminals. They (criminals and terrorists) would be tried under Indian law. I won't comment about the law and order situation in other country."

### **China top general on India visit**

China has extended a "strong message of support" to India and conveyed this through a visit to Mumbai by one of its top generals, China stated on Wednesday. Lt. Gen. Ma Xiaotian, deputy chief of General Staff of the Chinese People's Liberation Army has visited Mumbai and said that his "visit was intended to convey a strong message of support to India at this point of time". Significantly, defence minister A.K. Antony, who met the Chinese general on Wednesday in New Delhi, said that the theme of the current Sino-Indian joint Army exercise in Belgium (counter-terrorism) "was timely as both countries faced the common threat of terrorism". Lt. Gen. Xiaotian, who condemned the Mumbai terror attacks, will proceed to Belgium for the closing ceremony of the exercise before returning to New Delhi on Monday to head the Chinese delegation at the Annual Defence Dialogue with India. The visit and expression of support by China comes at a time when China's close friend Pakistan is facing the heat at the UN for being unable to stop terror attacks directed at other countries from its soil.

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

### **ASIA REPORT**

December 24, 2008

Nadia Tasleem:	Report on Asia	163
Madiha Kaukub:	Report on GCC	167
Tatheer Zehra:	Report on South East Asia	200
Ghashia Kayani:	Report on South Asia	247

**BUSINESS AND POLITICS IN THE MUSLIM WORLD**

**SOUTH & EAST ASIA and GCC & Fertile Crescent**

Nadia Tasleem

Weekly Report from 13 December to 19 December 2008

Presentation: 24 December 2008

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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; South Asia, East Asia, GCC and Fertile Crescent from 13 December to 19 December 2008 as have been collected by interns.

***Summary***

## **South Asia:**

### Political Front:

AL & BNP have launched their political campaigns for upcoming elections in **Bangladesh**. Both have been trying hard to convince masses to get votes by making promises to uplift economy and ensure peace & security in the country. Peaceful negotiations are now being considered as the only way to bring stability in **Srilanka**. At **Nepali** political front PM has been accused by lawmakers from Nepali Congress, CPN (UML) and Madhesi Janadhikar Forum (MJF); for being outrageous while talking about any attempt to subvert political changes in the country. Newly elected government of **Maldives** has reiterated its commitment to carry on efforts towards decentralization. The President of National Front for Democracy (NFD) has accused so-called democratic government of **Bhutan** for neglecting the issue of more than one hundred thousand refugees; who have been leading miserable lives in Nepal. UN Secretary General has reiterated his criticism about **Myanmar's** military junta for its oppressive policies.

At **Indian** political front all parties seem to be actively involved in their efforts to gain vote in upcoming Lok Saba elections. Meanwhile great emphasis is being placed on the need of national unity in order to counter security threats. Communist party has asked all parties apart from Congress and BJP to join hands in order to form third front to counter these two main political parties. Likewise Elections in Kashmir are still underway. Besides that, bills on anti-terror law have been passed by parliament. Mumbai carnage kept Pakistan and India under severe tension throughout last week. Both states have been at the brink of war since this incident. Besides Mumbai episode Maoists remained active in their anti regime activities.

### Geo-Strategic Front:

Palestinian Muslims have urged Muslims of **Srilanka** to support President Rajapakse in his war against Tamil tigers. Meanwhile the American Ambassador has asked government and Tamils to start negotiations in order to resolve conflict. Besides that 11 Srilankan fishermen have been arrested by Indian coastal guards for crossing Indian territorial waters. **India** has been accused for violating Pakistani air space, they however denied the allegation. Meanwhile India snubbed US Secretary of State for trying to raise Kashmir issue in her discussion.

### Social Front:

Intensity of the cold has swept the whole country of **Bangladesh**. Load shedding remained the most significant issue in **Srilanka** hence government kept its focus on reducing hours of load shedding in the country.

### Economic Front:

Remittances have increased in **Bangladesh** by 18pc due to Eid ul Azha. **Nepal** Stock Exchange (Nepse) this week saw an increment in its total transaction by 0.87 percent to Rs 446.37 million against last week's transaction. **Indian** industry has faced a decline of 0.4% by October 2008. Meanwhile FDI has dropped by 26% in October while exports have substantially declined as well because of global economic slowdown. The only positive development has been sharp drop in the rate of inflation to 6.84 per cent for the week ended December 6 from eight per cent in the previous week owing to the sharp fall in petroleum product prices and paving the way for a further reduction in interest rates.

### **East Asia:**

#### Political Front:

**Malaysian** PM Abdullah Badawi declared end of ethnic issues to be his main objective while opposition accused his regime for dividing different communities of Malaysia on ethnic lines. Thousands of protesters rallied in Manila against moves by allies of **Philippine** President Gloria Macapagal Arroyo to revise the constitution to allow her to stay in power beyond 2010. No response of government has yet been disclosed. People of **Thailand** have elected Abhisit Vejjajiva, former opposition leader, as their third PM in last four months. Things remained quite stable this week yet future will unfold the situation. **Vietnam** has declared successes in reducing its poverty rate, improving the living conditions of its people and creating a more prosperous society to be the outcomes of democracy.

#### Geo-Strategic Front:

**Indonesia** has signed defense agreement with Pakistan. Meanwhile **Singapore** and India have conducted joint military exercises with India. As far as **Thai-Cambodian** border issue is concerned no progress has been observed at that account last week.

#### Social Front:

Floods as well as growing number of HIV/AIDS' patients have been regarded as the main social issues being confronted by **Philippines**. Rebels have killed four people in Southern **Thailand**. Human trafficking in **Lao** and bird flu in **Cambodia** appear to be worrisome issues at social front.

#### Economic Front:

Reduction in fuel price plus return of 250,000 **Indonesian** migrant workers due to global economic crisis remained striking issues at economic front. Meanwhile **Singapore** has signed FTA with GCC. Growing economic ties of **Vietnam** with Cambodia, Laos, Japan and Hong Kong also remained potent.

#### **GCC:**

#### Political Front:

Political developments have been seen only in **Kuwait**. Kuwaiti Emir has finally accepted resignations of MPs hence have asked PM to choose his new cabinet Ministers.

#### Geo-Strategic Front:

**UAE** kept its prime focus on enhancement of ties with the US (with whom UAE is looking towards nuclear deal) and Yemen. Meanwhile Iranian MP's visit to **Bahrain** as well as Bahraini King's meeting with GCC secretary general remained potent developments. People in **Saudi Arabia** and **Qatar** are anxiously watching prospects of development of close ties between the two countries. Besides all that Arab and African foreign ministers had a meeting at Doha to discuss Darfur issue.

#### Social Front:

The Upper House of **Bahrain** remained engaged in more than five-hour of heated arguments over a proposal to reinforce Arabic as the official language of all establishments in Bahrain. Meanwhile media persons attending a reception organized by the **Saudi** Ministry of Culture and Information in Jeddah called on the Muslim journalists to portray the true image of Islam to the world.

#### Economic Front:

All regional markets of **GCC** declined during November except Oman which was up marginally. However external financing in the GCC increased at a compound annual growth rate (CAGR) of 71 per cent.

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

### **Gulf Cooperation Council (GCC)**

Madiha Kaukab

Weekly Report: from 13<sup>th</sup> December 2008 to 18<sup>th</sup> December 2008

Presentation Date: 24<sup>th</sup> December 2008

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Following news monitoring report is based on the important political, social, economic and International events occurred in Gulf Cooperation Council States.

#### Gulf Economy

- Regional bourses decline despite positive sentiment
- Market activity
- Turkey mulls Gulf funds for liquidity
- OPEC may cut output by 2mbpd
- Work on Qatar-Bahrain causeway to start next month
- UAE, US senior officials call Obama's Administration to support bilateral relations
- Qatar petrochemical sector
- Saudi foreign assets to hit \$ 878b by 2010
- Saudi central bank cuts repurchase rate
- Dolphin Energy plans to refinance \$ 3.45 billion of debt in 2009
- Qatar urges EU to seal trade pact GCC-Singapore deal signed
- Strong rise in GCC external financing

#### GCC

#### IR Desk

- Attiyah hopes for new US focus on Middle East
- Gulf Arabs rap closer EU-Israel ties amid trade spat
- GCC rules out expansion to include Iraq

#### Iran Nuclear Program Desk

- US wants Gulf states to impose curbs on Iran
- US invites GCC+3, P5+1 to discuss security in Gulf
- UN ministerial meeting on Iranian nuclear program
- World powers, Arabs share concern on Iran nuclear program

#### Human Rights Desk

- Arab countries urged to develop human rights protection plan

#### Foreign Labor Desk

- AGCC summit to discuss five-year cap on expatriate employees in the Gulf
- A proposal by the Arab Gulf Cooperation Council labor ministers to impose a cap on

#### UAE

#### Social Desk

- Draft media law to be finalised by January 2009 in UAE

#### IR Desk

- Gergash, Baucus discuss UAE- US bilateral relations
- UAE, Yemen discuss bilateral relations
- UAE backs peace, stability in region: Shaikh Mohammed

#### Foreign Labor

- Arroyo hails UAE efforts for Filipino workers
- Govt has no magic wand to solve foreign labour concerns: Gobash

#### Nuclear Energy Desk

- US, UAE close to civilian nuclear cooperation deal: US
- UAE seeks US Congress nod for nuclear pact

#### Defense and strategic Desk

- UAE embarks on sophisticated anti-missile programme



## Bahrain

### Social Desk

- Bahrain debates proposal to make Arabic official language
- Change key to progress: Bahraini PM
- A new chapter in Bahrain's progress

### IR Desk

- Gates, Iranian MP to attend security meeting in Bahrain
- We'll fight for peace: Bahraini FM
- Bahraini King meets GCC secretary general

### Terrorism Desk

- 'Terrorism, nuke arms spread, climate change key challenges in Gulf region'
- Bahrain arrests group suspected of planning attack
- A group planning a terrorist attack in the Gulf state of Bahrain has been arrested, the state

## Saudi Arabia

### Social Desk

- Muslim journalists urged to portray true image of Islam

### IR Desk

- Crucial meeting set to bolster Saudi-Qatari ties
- Expectations high from Saudi-Qatar meeting
- Saudi, Qatar demarcate borders, agree cooperation

### Terrorism Desk

- Bush touts relations with Pakistan, Saudi Arabia

### Human Rights

- HRC moots plan to promote 'rights culture' in Saudi Kingdom

### Foreign Labor

- Saudi Arabia's NCR seeks to suspend visas for Indonesia

## Kuwait

### Political Desk

- Kuwaiti Emir accepts PM and cabinet's resignation
- 'Work together to maintain stability': Al-Khorafi
- Kuwait could replace oil minister in new cabinet
- Kuwaiti MPs urge Amir to pick new PM
- Consultations continue on cabinet formation in Kuwait
- Blocs mull role in Kuwait new Cabinet
- Kuwaiti Amir re-appoints Nasser Al-Mohammad as PM

### Regional Desk

- Kuwait is keen on securing peace in Mideast - official

### IR Desk

- Corruption impedes nations' development - GOPC chief

### Labor Desk

- Private sector trying to dismiss Kuwaiti workers: Union chief
- Kuwait new govt may deport excess laborers
- 'Salafist MPs' participation in incumbent Kuwaiti govt satisfactory'
- Kuwait new labor law fails to guarantee job security: KTUF

## Oman

### IR Desk

- 'Oman-Iran common interests and security assume significance'

### Nuclear Energy Desk

- Royal decree ratifies Oman joining IAEA

## Qatar

### Foreign Labor

- Qatar still issuing visas to Vietnamese

- Qatar provides ray of hope for retrenched Filipinos

#### Social Desk

- Qatar Red Crescent gives \$ 250,000 for Gaza health care

#### Nuclear Desk

- Royal decree ratifies Oman joining IAEA

#### Human Rights Desk

- First Arab human rights conference to begin in Doha tomorrow
- Qatar willing to engage with Amnesty: Expert

#### IR Desk

- Philippine President Gloria's Visit to Qatar
  1. Manila seeks Qatar's push for OIC status
  2. Arroyo seeks Qatar's support over Mindanao
  3. Doha to study Manila's plea for peace role
- Arab and African foreign ministers to meet in Doha on Darfur crisis

### **DETAILED REPORT**

#### **Gulf Economy**

##### **Regional bourses decline despite positive sentiment**

Though we saw an improvement in the market sentiment towards the second half of the November-08, the overall direction of the market remained downward. All regional markets declined during November except Oman which was up marginally. During November-08, MSM Index was up 0.9% to reach 6,263.9 points. Among regional markets, UAE markets saw maximum decline during November-08. **UAE** market, as represented by NBAD Index, was down by 22.1% to reach 6,987.9 points.

**Saudi Arabia** market was the second highest decliner during the month as it declined by 14.4% to reach 4,738.1 points. With this, YTD decline in Saudi market has reached 57.1% making it worst performing market in the region for the year. Most of the declines in regional markets took place in the first half of the month, whereas during the second half markets were relatively stable and even improving in some cases like **Oman and Kuwait**. Positive developments in international markets during the second half of the month proved to be beneficial for the

regional markets. However given the current volatile environment, it is very early to think that markets have reached the bottom.

### **Market activity**

GCC bourses saw 21.8bn shares being traded in the month of November-08 as compared to 23.0bn shares recorded in the previous month. Similarly, the value of shares traded on the bourses declined to \$ 49.4bn in November-08 as compared to \$ 56.9bn reported in the previous month.

The breadth of GCC stock markets was heavily tilted towards decliners in November-08 as 117 stocks registered monthly gains as compared to 417 decliners whereas 200 stocks remain unchanged.

### **Turkey mulls Gulf funds for liquidity**

The Turkish government hopes to open another door as US and European markets continue to struggle against the global financial crisis. A committee formed by top Turkish officials is set to tour the Gulf countries, seeking to secure liquidity by luring in much needed investment funds.

In an environment where global external financing conditions are getting tougher by the minute, Turkey will focus on investment funds in the Gulf countries, **estimated to be worth \$ 2.5 trillion.**

A committee formed by Turkey's top-level officials in search of luring in investment and liquidity is planning to tour the Gulf countries, mainly Saudi Arabia, Kuwait and the United Arab Emirates. The committee will invite Saudi Arabia's investment fund, which is considered to be the world's largest sovereign wealth fund, as well as other investment funds in the Gulf to invest in Turkey. Besides the giant investment fund Saudi Arabia is expected to set up, Turkey also aims to lure in an annual investment of at least \$ 10 billion to \$ 15 billion.

Meanwhile, Gulf investment funds have shown interest in the telecommunications, energy, retail and logistics sectors in Turkey. Asset-backed securities, or VDMK, are also an area of interest for Gulf investment funds seeking joint investment opportunities.

Gulf investment funds could provide a lot of benefit to Turkey in meeting its liquidity needs, said the officials.

### **OPEC may cut output by 2mbpd**

OPEC should cut output by 1.5 to 2 million barrels per day at its meeting in Algeria this week if it wants an oil price of \$ 50 per barrel, Kuwait state news agency KUNA quoted a top Kuwaiti official as saying on Friday.

Moussa Maarifi, a member of the Gulf Arab state's Supreme Petroleum Council, told KUNA in a statement that Opec's previous reduction at its October meeting was not enough. All Opec member nations would have to work together to move the price towards \$ 75 per barrel, Maarifi said. The price has been declared by Saudi Arabia as a fair level.

The fundamental problem of the organisation is a lack of commitment of some of its member nations to its decisions," KUNA reported Maarifi as saying in his statement.

#### **Work on Qatar-Bahrain causeway to start next month**

Construction of the 40km-long Qatar-Bahrain causeway is expected to start early next year, according to Ahmed Hassan Al Hammadi, chairman of the Qatar-Bahrain Causeway Foundation (QBC Foundation).

“Geological and marine surveys have already started, and the implementation stage will begin in January 2009”, Arabic dailies have quoted Al Hammadi as saying. The bridge will be one of the most important infrastructure projects in the region and is a “quantum leap in strengthening economic development and social ties” between the two countries in particular, and the Gulf Cooperation Council countries in general, the dailies reported.

#### **UAE, US senior officials call Obama's Administration to support bilateral relations**

UAE Minister of Foreign Trade Sheikha Lubna Al Qassimi and U.S Senate Finance Committee Chairman Max Baucus, D-Mont, here today discussed the UAE-USA bilateral relations and ways to further promote them in economic and trade areas in particular.

The two sides underscored the exchange of information and updates on the economic developments in both countries as well as updating the U.S Congress on the process of development in the UAE and the growing economic global role it is playing. The two sides called

Congress and the incoming US Administration to support the distinguished relations between the UAE and the U.S.

### **Qatar petrochemical sector**

By the end of 2007, the production capacity of the State of Qatar claimed 7.5% of the overall production capacity of the world. On the other hand, the State also captured 11.3% of the MENA region capacity and ranked 3rd after Saudi Arabia and Iran. A major part of Qatar's petrochemical production is exported. It is worth mentioning that the production capacity of petrochemical products in Qatar is held by the affiliates / subsidiaries of two state-owned companies i.e. Qatar Petroleum and IQ.

### **Saudi foreign assets to hit \$ 878b by 2010**

Saudi Arabia's foreign assets could increase more than twofold to nearly \$ 878 billion (SR3.22 trillion) at the end of 2010 because of massive fiscal surpluses spawned by a surge in its petrodollar income, according to a Saudi bank.

The assets controlled by the Saudi Arabian Monetary Agency (SAMA), the Kingdom's central bank, peaked at an all time high of about SR1.62 trillion (\$ 432 billion) at the end of August, a staggering increase of SR424 billion from their level of SR1.196 trillion at the end of 2007.

### **Saudi central bank cuts repurchase rate**

The official Saudi Press Agency says the country's central bank has cut its benchmark lending rate by 0.5 percentage points to boost liquidity.

The press agency said Tuesday that the Saudi Arabian Monetary Agency cut the repurchase rate from 3 percent to 2.5 percent. That's the rate at which it lends money to commercial banks. The cut was the second in less than a month, and it comes as the oil-rich kingdom tries to boost liquidity amid a global credit squeeze.

### **Dolphin Energy plans to refinance \$ 3.45 billion of debt in 2009**

Dolphin Energy Ltd., the company behind the \$ 4.8 billion gas pipeline project linking Qatar's giant North Field with the UAE and Oman, said on Monday it plans to arrange a project finance facility in 2009 to replace \$ 3.45 billion of debt arranged in 2005.

In an emailed statement, the Abu Dhabi-based company confirmed that it would arrange a third tranche of project finance during the first half of 2009. "The new tranche will be used to repay capital costs of the Dolphin Gas Project during the next 10-15 year period. "Recent Press speculation on the amount of the new finance package is inappropriate as no decisions have yet been taken on either the value or the nature of the lending facilities involved," the company said, denying a report on Sunday by the London-based weekly Middle East Economic Digest (MEED) that Dolphin Energy would issue a \$ 1 billion bond early next year as part of a \$ 5 billion financing deal expected in 2009.

#### **Qatar urges EU to seal trade pact GCC-Singapore deal signed**

The Prime Minister and Foreign Minister, HE Sheikh Hamad bin Jassim bin Jabor al-Thani, criticised the EU for delaying the signing of a Free Trade Agreement with GCC states, saying that "Gulf states should take a decision soon to suspend talks over the Free Trade Agreement until the EU works out this issue."

Addressing a joint press conference with the visiting Singaporean Prime Minister Lee Hsien Loong to announce the signing of an FTA between the GCC states and Singapore, Sheikh Hamad bin Jassim al-Thani said that the negotiations to reach an agreement had taken too much time. "The EU is our biggest trading partner and should think much of the issue. These talks would not last forever. I think that the EU should reconsider its (stance) if it is keen enough on such a partnership," he said.

#### **Strong rise in GCC external financing**

External financing in the GCC increased at a compound annual growth rate (CAGR) of 71 per cent during 2003-07, according to the Kuwait-based consultancy Global. At the end of the year 2007, external financing in GCC was over \$ 67 billion as compared to \$ 7.8 billion in 2003. The UAE ranked at the top with financing of over \$ 33.5 billion accounting for more than 50 per cent of the total followed by Qatar at \$ 14.7 billion (22 per cent). Kuwait witnessed the least at \$ 1.9 billion (3 per cent).

At the end of 1H-2008, external financing in the GCC was recorded at \$ 21.6 billion, of which a majority was in bonds reported at \$ 18 billion, constituting 84 per cent of the total. Eleven per cent of the total inflow was witnessed in the form of equities, while the rest came in as loans amounting to \$ 1 billion. Countries like UAE, Bahrain and Qatar rate high on the ratio of external financing as percentage of real GDP. In 2007, Qatar external financing as percentage of GDP increased from 41 per cent to 45.2 per cent. Bahrain also witnessed an increase from 35 per cent to 52.3 per cent.

## GCC

### IR Desk

#### **Attiyah hopes for new US focus on Middle East**

The new US administration will adopt a clear approach towards issues in the Middle East, especially the Palestinian crisis, GCC secretary-general Abdul Rahman Al Attiyah hoped yesterday. This year's Manama Dialogue is different from previous editions because of the new US administration and the ideas circulated by some of its officials, including Defence Secretary Robert Gates, on Iraq and current issues, Mr Al Attiyah said.

On expansion of the GCC to include Iraq, Mr Al Attiya said that the country was not ready for this move because of the current situation. What matters now is the stability and prosperity of Iraq and it should be free from foreign intervention, division and sectarianism, he said.

#### **Gulf Arabs rap closer EU-Israel ties amid trade spat**

Gulf Arab countries on Tuesday criticized the European Union for upgrading its relations with Israel which they accused of stalling peace efforts.

"The decision will encourage Israel to continue stalling peace efforts, especially as Israel is still imposing its blockade on Gaza," said the general secretariat of the six-nation Gulf Cooperation Council (GCC). The EU's decision comes at a time when Israel continues to build settlements on Palestinian territories, among other policies that go against international law," the GCC said. The GCC countries called on the EU to "push Israel to adhere to international accords and commitments it has made at the Annapolis conference"

#### **GCC rules out expansion to include Iraq**

The GCC is not ready to expand to include Iraq, Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa declared yesterday. US Defence Secretary Robert Gates yesterday suggested the war-torn country should be included in such organisations to bolster its rehabilitation and help counter Iran's influence.



But Shaikh Khalid said the GCC would be unable to do so while the coalition was still in the process of finalising its structures and institutions.

### **Iran Nuclear Program Desk**

#### **US wants Gulf states to impose curbs on Iran**

US Defence Secretary Robert Gates on Saturday urged the Gulf states to impose tough economic sanctions against Iran, while maintaining that “nobody is after a regime change in Iran.”

Gates, who was addressing an international security conference here in the Bahraini capital, added, “what we are after is a change in the policies and a change in behaviour so that Iran becomes a good neighbour of people in the region (rather) than a source of instability and violence. This can be done by exerting both economic and diplomatic pressure — as called for by the United Nations.”

On whether the incoming administration in Washington, when US president-elect Barack Obama takes office on January 20, will broaden the conditions for ‘direct diplomacy’ with Iran, he said, “that still remains to be seen.” But any attempts to test the new administration would be ‘a mistake.’

He also urged Middle East nations to set aside old hostilities and reach out more openly to the Shia-led government in Baghdad, as part of a concerted bid to counter Teheran’s influence — that has already cost many lives. A failure to do so, he cautioned, will increase the risk of Iranian influence undermining political stability in Iraq and “if the country falls back into extremist control it will be a threat to the entire region.”

#### **US invites GCC+3, P5+1 to discuss security in Gulf**

US envoy Zalmay Kalilzad late Friday said US Secretary of State Condoleezza Rice has invited the foreign ministers of the six Gulf Cooperation Council (GCC); Egypt, Iraq and Jordan; the Security Council's five permanent members (P5); and Germany to meet here next Tuesday to discuss security in the Gulf.

The Iranian nuclear file will also be discussed, according to another western diplomat. So far, only the foreign ministers of Saudi Arabia, Bahrain, the United Arab Emirates, Iraq, Jordan, the UK and Russia have confirmed their participation.

The remaining states have not responded yet or responded saying they will be represented at the ambassadorial level. The GCC countries are Kuwait, Saudi Arabia, Qatar, UAE, Bahrain and Oman. The P5 are US, UK, France, Russia and China.

### **UN ministerial meeting on Iranian nuclear program**

Ministers from the six nations involved in talks over Iran's nuclear program will meet Tuesday at the United Nations with representatives of several Arab countries, diplomatic sources said Monday.

### **World powers, Arabs share concern on Iran nuclear program**

The Arab nations -- Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain and Qatar of the Gulf Cooperation Council, plus Jordan, Iraq and Egypt received an update on efforts by leading world powers to apply pressure on Tehran.

One GCC nation, Oman, did not send an envoy to the meeting. "All there expressed their concern about Iran's nuclear policies and its regional ambitions," US Secretary of State Condoleezza Rice said after the meeting. "All participants expressed support for the ongoing work of the UN Security Council, the (six powers) and the IAEA (International Atomic Energy Agency) regarding the Iranian nuclear file," she said.

### **Human Rights Desk**

#### **Arab countries urged to develop human rights protection plan**

The first Arab Conference on Human Rights concluded here yesterday with a call to the Arab League and its member countries to develop a work plan that can guarantee the rights of all sections in the society, particularly women, children, migrant workers and refugees.

The two-day conference was organised jointly by the National Human Rights Committee (NHRC) and the Arab League. The final declaration approved in the conference called for efforts to strengthen a “free and responsible” media as well as civil society organisations that can serve as watchdogs of human rights in the region.

### **Foreign Labor Desk**

#### **AGCC summit to discuss five-year cap on expatriate employees in the Gulf**

A proposal by the Arab Gulf Cooperation Council labor ministers to impose a cap on expatriate workers is likely to be endorsed at the forthcoming 29th AGCC summit, according to official sources. It is being said that the ban would be imposed only on “unskilled workers”. Unskilled workers make up about 85 per cent of the around 13 million foreigners living in the six Gulf States which include Oman, the UAE, Qatar, Bahrain, Kuwait and Saudi Arabia.

“The suggestion to limit the stay of foreigners in an AGCC country to five years has a 70 per cent chance of being approved by the forthcoming Muscat summit,” Gulf News reported yesterday quoting Majeed Al Alawi, Bahrain’s labor minister. The reason for the cap is reportedly to stop the erosion of local culture and to reduce the soaring unemployment among nationals.

### **UAE**

#### **Social Desk**

##### **Draft media law to be finalised by January 2009 in UAE**

\_The draft of the amended media law would be finalised by January 2009 for submission to the Cabinet for ratification, said Dr Amal Al Qubaisi, head of the Federal National Council’s Committee of Education, Youth, Culture and Media.

#### **IR Desk**

##### **Gergash, Baucus discuss UAE- US bilateral relations**

UAE Minister of State for Foreign Affairs yesterday received U.S Senate Finance Committee Chairman Max Baucus, D-Mont.

The meeting discussed the UAE-USA bilateral relations and exchange of visits by senior officials among other ways to further promote relations in economic and trade areas in particular.

Gergash and Gergash, Baucus also exchanged views on the latest regional and international developments. Present at the meeting were Director of Director of European, Asia and Oceanic Affairs at the UAE Foreign Ministry Ali Mohammed Al Zarouni.

#### **UAE, Yemen discuss bilateral relations**

H.H Sheikh Hamdan Bin Zayed Al Nahyan, Deputy Prime Minister yesterday at Nakheel Palace recieved Brigadier Ahmed Ali Abdullah Saleh, Comamnder of the Yemeni Republican Guards and Commander of the Yemeni Speical Forces.

The meeting discussed relations between the UAE and Yemen and ways to further bolster them in various areas.

#### **UAE backs peace, stability in region: Shaikh Mohammed**

His Highness Shaikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, expressed on Wednesday the UAE's support for efforts aimed at promoting and entrenching foundations of peace and stability in the region in cooperation with different countries of the world through the UN umbrella.

It is in the interest of the UAE, the region and the world at large, that the culture of peaceful co-existence and inter-dialogue among cultures and nations prevails on the basis of mutual respect and recognition of the other, Shaikh Mohammed said on Wednesday during talks with visiting members of the US Senate Committee on Banking.

#### **Foreign Labor**

##### **Arroyo hails UAE efforts for Filipino workers**

President His Highness Shaikh Khalifa bin Zayed Al Nahyan, received on Monday, the Philippines' President, Gloria Arroyo at the Emirates Palace Hotel, in the presence of His Highness Shaikh Mohammad bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

From her side, Arroyo hailed the achievements of the UAE. She appreciated UAE's efforts to and attention given to the Filipino workforce here.

Saqr Ghobash Saeed Ghobash, Minister of Labour and Dr Anwar Gargash, Minister of State of Foreign Affairs were also present on the occasion. He said that the UAE signed a new MoU with the Philippines and India to implement the 'Pilot Project' beginning in January 2009. It will provide the workers more protection from malpractices and streamline the movement of workers from the labour-exporting countries.

### **Govt has no magic wand to solve foreign labour concerns: Gobash**

Around 250,000 UAE nationals are projected to enter the private sector labour market over the next 13 years and the economic development pattern could bring a similar figure of foreign workers into the country by 2020, Labour Minister HE Saqr Gobash disclosed today.

"There are no quick or magic solutions to the foreign workforce issue," the minister told a session of the Federal National Council (FNC) to discuss the policy of his ministry. The minister unveiled an important initiative by the country's leadership for creating a permanent council to tackle the imbalance in the demographic structure and formulate policies to achieve good percentage of Emiratisation.

### **Nuclear Energy Desk**

#### **US, UAE close to civilian nuclear cooperation deal: US**

The United States and the United Arab Emirates (UAE) are close to clinching a deal for civilian nuclear cooperation, State Department spokesman Sean McCormack said Friday.

However, McCormack, who did not make clear if President George W. Bush hoped to sign it before he leaves office, cautioned that such a deal would still have to clear many legislative and other hurdles before it takes effect. McCormack was commenting on a report in the Wall Street Journal that said the Bush administration plans to sign a nuclear cooperation deal with the UAE, the first such pact with a Middle East country. "We have engaged the UAE on this topic because we think it is an important way for countries in the region to potentially realize peaceful uses of nuclear energy and clearly prescribing the limits of the use of nuclear technology," McCormack said.

## **UAE seeks US Congress nod for nuclear pact**

The UAE said on Monday that it is working to secure American lawmakers' endorsement of a planned nuclear energy cooperation agreement with the United States.

Dr Mohammed Anwar Gargash, UAE Minister of State for Foreign Affairs, confirmed to Khaleej Times that the negotiations have been completed but said no agreement has been signed yet. "Representatives of the US administration and the UAE government are working closely with members of Congress to inform them about the agreement and seek their views," the official Wam news agency quoted the UAE's Ambassador to Washington, Yousef Al Otaiba, as saying.

"The proposed ... agreement sets a new standard in ensuring the highest standards of safety, security and non-proliferation within the UAE programme." US Secretary of State Condoleezza Rice signed a memorandum of understanding with the UAE in April pledging to cooperate on a peaceful nuclear energy programme, with the emirates promising to be a "responsible partner".

## **Defense and strategic Desk**

### **UAE embarks on sophisticated anti-missile programme**

UAE has embarked on a programme to equip itself with a sophisticated air defence structure in view of the widespread reports of proliferation of ballistic missiles and other modern systems capable of fast delivery of weapons with severe destructive capabilities, in the region.

Asked whether the anti-missile programme was launched in the wake of the reported threats from Iran, the former Commander of UAE Air Force said: "I want to make it clear that UAE was modernising its air defence capabilities not to target any country. We want to provide the best possible security to our people, resources, land, water and air space. The military or political strategy of UAE has never been to attack any country. There are several possible threats in the region.

"There are also reports of several countries adopting modern defence capabilities including advanced missile systems in our neighbourhood and outside. So we have to upgrade our defence capabilities also to provide effective security to our country."

## **Bahrain**

### **Social Desk**

#### **Bahrain debates proposal to make Arabic official language**

The Upper House was engaged in more than five-hour of heated arguments over a proposal to reinforce Arabic as the official language of all establishments in Bahrain.

Parliamentarian Samira Rajab who tabled the proposal defended her calling to promote Arabic language to avoid being similar to some other Arab states that consider Arabic as their second language.

### **Change key to progress: Bahraini PM**

Change is the dynamo of progress, the Premier stressed yesterday. Without it no country can move forward, said Prime Minister Shaikh Khalifa bin Salman Al Khalifa. He was speaking during an interview with Akhbar Al Khaleej editor-in-chief Anwar Abdulrahman. He also vowed that reforms would continue.

### **A new chapter in Bahrain's progress**

His Majesty King Hamad will officially open the BD20 million Shaikh Isa Cultural Centre and National Library in Juffair this afternoon as part of the ongoing National Day and Accession Day festivities.

The landmark cultural edifice, the biggest of its kind in the GCC, is a tribute to the late Amir His Highness Shaikh Isa bin Salman Al Khalifa. Affiliated with the Royal Court, the centre will offer readers and researchers a wide range of books in all fields of human knowledge.

### **IR Desk**

### **Gates, Iranian MP to attend security meeting in Bahrain**

US Defence Secretary Robert Gates and an Iranian politician are among people from 25 countries scheduled to take part in a conference on security which opened in Bahrain on Friday, organisers said.

Gates, who will retain his post when president-elect Barack Obama takes over the White House, will attend the Manama Dialogue after visiting Afghanistan on Thursday.

### **We'll fight for peace: Bahraini FM**

Bahrain will fight to protect the region's security if forced to, it declared at a global security conference last night. No country should be allowed to threaten the region's security while pursuing its own aims, warned Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa.

### **Bahraini King meets GCC secretary general**

King Hamad bin Isa Al Khalifa of the Kingdom of Bahrain has affirmed that the next GCC leaders' summit, in its 29th session, will certainly come up with significant decisions capable of further cementing joint action and coordination. The Bahraini monarch gave these remarks during a meeting here Sunday with GCC Secretary General Abdulrahman bin Hamad Al Attiyah, currently visiting Bahrain, in preparation for the next GCC summit due to kick off in Muscat, Sultanate of Oman. During the meeting, Sheikh Hamad bin Isa was briefed by the GCC Secretary General on the agenda which would cover a host of political, economic, security and social issues, raised by the ministerial committees.

### **Terrorism Desk**

#### **'Terrorism, nuke arms spread, climate change key challenges in Gulf region'**

British Secretary of Defense John Hutton said here Saturday terrorism, proliferation of nuclear weapons, health problem and climate change were key security challenges in the Gulf region.

Hutton, in a speech before the Manama Dialogue in Bahrain, said for a time like the one in the Bahraini capital would boost security of people. Obviously the world was not at today's level of economic and security cooperation, said Hutton, and understanding security needs would improve economic links between the people.

Energy insecurity, he said, is a source of tension. Hutton also warned against the spread of civil nuclear energy because this technology might be abused. Confidence and cooperation in civil energy should be enhanced, he said. Hutton said Iran was the only country that did not accept offers to develop its nuclear program "peacefully" and it was evidence that Iran's nuclear ambitions were "not peaceful." He said Iran refused the UN resolutions related to its nuclear program. He added that the proliferation of nuclear arms in the Middle East would be a disaster for all in the region.



Hutton said the Gulf Cooperation Council (GCC) was doing remarkable efforts to shed security fears.

### **Bahrain arrests group suspected of planning attack**

A group planning a terrorist attack in the Gulf state of Bahrain has been arrested, the state security authority said in a statement on Wednesday.

"A group of people were arrested early Tuesday," the statement said. "They were planning to detonate locally-made explosives containing flammable materials and large amounts of small iron balls," it said, in an attack timed to coincide with Bahrain's national day celebrations.

## **Saudi Arabia**

### **Social Desk**

#### **Muslim journalists urged to portray true image of Islam**

Media persons attending a reception organized by the Saudi Ministry of Culture and Information in Jeddah on Thursday night called on the Muslim journalists to portray the true image of Islam to the world.

"Muslim journalists, writers and thinkers living and working in non-Muslim countries should present the true image of Islam to the world through their work," said Farah Al-Attasi, chief of the US-Arab Center for Translation, Research and Information, at the reception held at Jeddah Hilton for media persons who covered this year's Haj. "Custodian of the Two Holy Mosques King Abdullah's initiative for holding interfaith dialogues has, undoubtedly, contributed to broadening a Muslim's vision about other religions and has emphasized the need to promote dialogues rather than violence, fanaticism and hatred," she said.

### **IR Desk**

#### **Crucial meeting set to bolster Saudi-Qatari ties**

The first meeting of the Saudi-Qatari Joint Council will be held in Riyadh on Tuesday. The meeting will be co-chaired by Interior Minister Prince Naif and Qatari Crown Prince Sheikh Tamim bin Hamad Al-Thani.

The recently constituted council aims to increase the political coordination and cooperation in all issues of mutual concern for the two countries. It would promote cooperation in areas of energy, industry, telecommunication, transportation, civil aviation, exchange of technical know-how, environment and agriculture. The council's objectives also include collaboration in military matters and joint maneuvers. Saudi Arabia and Qatar, like other Gulf countries, share the same security concerns and face the same limited options that should lead to the adoption of close strategic decisions.

### **Expectations high from Saudi-Qatar meeting**

The Saudi-Qatar Coordination Council meeting here on Tuesday has generated high expectations among media and cultural figures in the Kingdom.

Dr. Fahd Bin Abdullah Al-Samari, Secretary General of King Abdul Aziz Foundation for Archives and Information, said "The Saudi Qatari Coordination Council under the umbrella of the GCC has a pressing need to rejuvenate common characteristics between the two countries besides enhancing cooperation in the environmental fields and elevating cooperation at global levels on political, economic, cultural and media tracks."

### **Saudi, Qatar demarcate borders, agree cooperation**

Saudi Arabia and Qatar have finalised the demarcation of their borders and agreed to enhance cooperation between the once-estranged Gulf Arab countries, Saudi state media reported.

The two U.S.-allied nations signed agreements to foster cooperation on political, military and security issues, as well as business, economy, and media, the Saudi Press Agency (SPA) said late on Tuesday. It did not give further details.

### **Terrorism Desk**

### **Bush touts relations with Pakistan, Saudi Arabia**

In a speech at the U.S. Army War College, Bush praised the coalition of countries that sided with Washington to fight terrorism. "We will leave behind a strong coalition of more than 90 nations composing almost half the world that are committed to combating terror and sharing intelligence and keeping our citizens safe

"This coalition includes Pakistan. A country that was a supporter of the Taliban before Sept. 11 today is a strong partner of the United States," Bush said.

The U.S.-Saudi relationship is another delicate one President-elect Barack Obama will inherit next month. U.S. ties with Saudi Arabia deteriorated in the aftermath of the Sept. 11 attacks and the 2003 U.S.-led invasion of Iraq, which leaders of the two countries have tried to mend. Bush praised Saudi relations, saying: "A nation that produced 15 of the 9/11 hijackers now serves as a staunch ally in the war on terror."

## **Human Rights**

### **HRC moots plan to promote 'rights culture' in Saudi Kingdom**

The governmental Human Rights Commission has put out a plan to promote the culture of human rights in the Kingdom. The announcement came as the world celebrated the 60th birthday of the Universal Declaration of Human Rights this past week.

The HRC plan includes organizing a number of lectures and seminars, issuing awareness handouts and periodicals for both genders regarding the rights of women, children and workers, especially in the context of Shariah and international agreements.

As for labor rights, the HRC intervened recently in the case of a group of Indian workers who were thrown out of their accommodation by their employer.

## **Foreign Labor**

### **Saudi Arabia's NCR seeks to suspend visas for Indonesia**

Saudi Arabia's National Committee for Recruitment (NCR) has called on the government to stop issuing visas to Indonesian workers after the Indonesian Labor Federation called on recruitment agencies in that country to ignore labor regulations implemented recently in the Kingdom.

"The government should suspend recruitment of Indonesian workers until differences between the two sides over the new regulations are settled," said Saad Al-Baddah, chairman of the NCR, an affiliate of the Council of Saudi Chambers of Commerce and Industry.

The new regulations — entitled "The Unified Labor Contract" — seek to unify rules for bringing domestic workers to the Kingdom and protect the rights of Saudi employers and expatriate workers. The regulations were issued with the approval of the Ministry of Interior.

## **Kuwait**

### **Political Desk**

#### **Kuwaiti Emir accepts PM and cabinet's resignation**

HH the Amir yesterday issued a decree accepting the government's resignation that was submitted about three weeks ago following a dispute after three Islamist MPs filed to grill the prime minister. The decree asked the prime minister and other ministers to 'decide on urgent matters' until a new Cabinet is formed. According to Kuwait's constitution, the Amir will begin consultations with Assembly Speaker Jassem Al-Khorafi and former speakers, besides leading personalities on the formation of the new

Cabinet.

Khorafi and a number of MPs have said that the Amir intends to reappoint Sheikh Nasser Mohammad Al-Ahmad Al-Sabah to form a new Cabinet which would be his fifth since he was appointed to the post in February 2006. As per the constitution, the Amir can ask Sheikh Nasser or anyone else to form the Cabinet.

#### **'Work together to maintain stability': Al-Khorafi**

Kuwaiti National Assembly Speaker Jassem Al-Khorafi said yesterday the parliament would hold today's ordinary session and adjourn it in case the outgoing cabinet failed to attend. "The session on Dec 17 might be put off till Dec 30 due to the possible absence of the government after the Amiri Decree approving its resignation," Al-Khorafi told reporters. "In this case the parliament will not continue the session.

The house secretariat invited the MPs to attend a two-day ordinary session scheduled for December 17-18, and a special session devoted to the issue of individuals with special needs on the following day.

### **Kuwait could replace oil minister in new cabinet**

The Kuwaiti political bloc to which Oil Minister Mohammad al-Olaim belongs said on Tuesday it would not join the OPEC member's next government, raising chances he will be replaced next year.

Last month, the cabinet resigned after three Sunni Islamist lawmakers asked to question the prime minister over a controversial visit by an Iranian Shi'ite cleric. Changing the oil minister usually has no effect on Kuwait's oil export policy, which is set by a council that includes oil industry and other government officials.

### **Kuwaiti MPs urge Amir to pick new PM**

The three Islamist MPs who last month filed to grill the prime minister, triggering a political crisis that resulted in the Cabinet's resignation, yesterday said the country needed a new prime minister. The multibillion-dollar deal Kuwait signed with the US firm Dow Chemical meanwhile took center stage yesterday with the oil minister describing it as strategic while MPs called for a probe.

MP Waleed Al-Tabtabae, Mohammad Hayef Al-Mutairi and Abdullah Al-Bargash said in a joint statement that the Amir has the absolute constitutional right to select the prime minister. "But we think that it is important at this juncture to appoint a new prime minister capable of running the affairs of the country and taking it out of its continued crises," the three MPs said in their statement. They also called for a fundamental change in the methodology of forming cabinets in the country in a bid to avert future crises.

### **Consultations continue on cabinet formation in Kuwait**

Speaker of the Parliament Jassem Al-Khorafi on Monday met HH the Amir Sheikh Sabah Al-Ahmad Al-Sabah to discuss the possible nominees for ministerial posts in the new Cabinet as well as the prime minister. Speaking to the Arab Times after his meeting with the Amir, Al-

Khorafi refused to divulge details of the meeting but affirmed that speeding up the process of forming the new Cabinet is in the best interest of the new Cabinet, Parliament and the whole nation.

### **Blocs mull role in Kuwait new Cabinet**

National Assembly Speaker Jassem Al-Khorafi adjourned the Assembly till December 30 after no ministers showed up for yesterday's session, even as the formation of the new government and the Dow Chemical deal dominated the political scene. Several MPs strongly criticized the government for boycotting the session, with MP Faisal Al-Muslim holding the government responsible for blocking development and MP Ahmad Al-Mulaifi calling to send the issue to the constitutional court.

Political groups meanwhile continued to assess their participation in the new government after the Islamic Constitutional Movement (ICM) and the Popular Action Bloc decided not to take part. The surprising move by the ICM was taken at a meeting late Monday night citing a lack of clarity and continued chaos in the country. It however said it will support the next government based on its program and attitude.

### **Kuwaiti Amir re-appoints Nasser Al-Mohammad as PM**

Kuwait's ruler has reappointed his nephew as prime minister after the cabinet resigned last month over a standoff with parliament, state news agency KUNA said on Tuesday.

The cabinet resigned in November over a request by three Sunni Islamist MPs to question Prime Minister Sheikh Nasser al-Mohammad al-Sabah, over a controversial visit by an Iranian Shi'ite cleric. The Emir Sheikh Sabah al-Ahmad al-Sabah accepted the resignation but did not name a new prime minister though Kuwait's parliament speaker had previously said that Sheikh Nasser would keep his job. Sheikh Nasser, a member of the ruling family, will pick the new ministers in his cabinet and present the names to the emir for final approval, KUNA reported, citing a decree by the ruler.

### **Regional Desk**

### **Kuwait is keen on securing peace in Mideast - official**

Kuwait is keen on securing peace in the Middle East, a matter that could sustain cooperation among countries of the region, Head of Kuwait's delegation to the "Manama Dialogue" Conference Ambassador Abdulaziz Al-Sharekh said Friday.

Kuwait, an active member of the political agenda in the region, was always ardent to take part in such forums that contributed to supporting peace and stability in the region, Al-Sharekh, who is also the Director General of the Kuwait Diplomatic Institute, told KUNA. The Manama conference, the fifth of its kind to take place in the Kingdom, focuses on security aspects and concepts, Al-Sharekh said, adding that the global financial crisis and its impacts on the region's security is among the issues to be discussed during the gathering, which indicated "positive and swift response" with the region's security affairs.

### **IR Desk**

#### **Corruption impedes nations' development - GOPC chief**

Corruption constitutes a major snag in the face of nations' political-economic-social development, the head of an international authority against corruption says.

President of the Global Organization of Parliamentarians against Corruption (GOPAC), Kuwaiti MP Nasser Al-Sane', said in a statement released on Friday by the GOPAC Beirut headquarters on the occasion of the International Day against Corruption, that fell a few days ago, that the international order has suffered a major flaw due to corruption. Elaborating, the veteran Kuwaiti legislator pointed out that the value of paid kickbacks, in 2004, amounted to USD 1,000, according to estimates of the World Bank.

### **Labor Desk**

#### **Private sector trying to dismiss Kuwaiti workers: Union chief**

A prominent Kuwaiti union chief has accused leading private sector firms of attempting to dismiss Kuwaiti workers on the basis of the global economic crisis.

Khalid Al-Tahous, the chairman of the National Union for Kuwaiti Laborers and Employees, said that local private sector employers, including banks and investment companies, have been making concentrated efforts to terminate the contracts of Kuwaiti workers. He added that the union has received information that steps have already been taken by a number of boards of directors of private sector firms to dismiss Kuwaiti employees. Al-Tahous called upon the government to intervene in this issue in order to protect Kuwaiti workers, given its direct effect on the private sector's stability through its ability to intercede via the Public Investment Authority (PIA) and the Central Bank.

### **Kuwait new govt may deport excess laborers**

Government officials recently revealed that one of the priorities of the new government would be to reduce the presence of members of certain nationalities whose presence may be a threat to the national security and economy of the state.

Officials from the Ministry of Social Affairs and Interior Ministry have been tasked with solving the overpopulation of certain nationalities issue. As much as 80 percent of the total salaries of some communities is sent back to their home countries, and this places a major strain on Kuwait's local economy.

### **'Salafist MPs' participation in incumbent Kuwaiti govt satisfactory'**

The Salafist MPs have expressed their satisfaction over the group's participation in the incumbent government, asserting Commerce and Industry Minister Ahmad Baqer — their representative in the government — performed well and greatly contributed to the success of the executive authority, reports Al-Anba quoting sources.

MP Khaled Sultan bin Essa said the government's resignation will end the grilling against HH the Prime Minister Sheikh Nasser Mohammad Al-Ahmad Al-Sabah but if the Cabinet attends the parliamentary session on Tuesday, the grilling will be on top of the list of items in the agenda for that session. On the possibility of a Salafist participation in the next government, Essa revealed the group will hold a series of meetings to discuss the issue. He hopes the prime minister will form a Cabinet consisting of highly qualified ministers.

### **Kuwait new labor law fails to guarantee job security: KTUF**



"The new labor law does not guarantee job security and it is not preventing the random termination of employees in the private sector," says Secretary for Information and Cultural Affairs at Kuwait Trade Union Federation (KTUF) Awadh Shaqeer Al-Mutairi.

The federation recommended about thirty amendments in the law, but only two or three were approved, he said, adding "the amendments were about leaves, job contracts and penalties against employees, in addition to freedom of labor unions." The aim was to provide job security to workers, he noted.

## Oman

### IR Desk

#### **'Oman-Iran common interests and security assume significance'**

Abdulaziz bin Mohammed al Rowas, Adviser to His Majesty the Sultan for Cultural Affairs, met here yesterday with Mujtaba Thamra, Supreme Adviser to the Iranian President, and Dr Manouchehr Mottaki, Foreign Minister of Iran. They discussed means of enhancing bilateral relations in many spheres.

They also discussed regional and international issues of common concern. Security and common interests assume significance in bilateral relations and that is why the leaders of the two countries stress the need to develop co-operation, particularly in economic spheres where steady progress is taking place.

### Nuclear Energy Desk

#### **Royal decree ratifies Oman joining IAEA**

His Majesty Sultan Qaboos bin Said yesterday issued four royal decrees. Royal Decree No. 135/2008 on the Sultanate joining the International Atomic Energy Agency (IAEA).

Article 1 ratifies the Sultanate joining IAEA and its structural organisation. Article 2 says that the authority concerned will deposit the documents of the Sultanate joining the agency in line with its laws. Royal Decree No. 136/2008 endorses the pact of special regulations on commercial most-favoured status among the member countries of the Organisation of Islamic Conference (OIC).

## Qatar

### Foreign Labor

#### **Qatar still issuing visas to Vietnamese**

Qatar has not stopped issuing visas to workers from the Southeast Asian country of Vietnam, according to reports.

Labour-export companies in Vietnam said Qatar was still extending visas to workers and denied reports that said Qatar had stopped granting visas to people of Vietnam.

The information that Qatar had stopped granting visas came out of a dispatch on November 27 that the Overseas Labour Management Department under the Ministry of Labour, War Invalids and Social Affairs of Vietnam sent to labour-export companies. As per the dispatch, companies that sent workers to Qatar were instructed to urgently send representatives to Qatar to deal with cases related to Vietnamese workers.

### **Qatar provides ray of hope for retrenched Filipinos**

Nearly 3,000 Filipinos who have been made redundant by their firms in the UAE as a result of the financial meltdown may have a ray of hope as Qatar has approved allocation of 120,124 visas for Filipinos for next year.

These retrenched Filipinos, still in the UAE during the one-month grace period to leave the country after the visa is cancelled, would get preference in selection of recruits for jobs in Qatar, Philippine Labour Secretary Marianito D. Roque said here on Tuesday night. He is heading a fact-finding mission to the UAE and other Middle East countries to verify reports that thousands of Filipinos working in the region have lost their jobs due to the global financial crisis. Roque, who accompanied Philippine President Gloria Macapagal Arroyo on her three-day visit to Doha from December 13, received the visa allocation document for placement in 22 major companies from his counterpart in Qatar before leaving for the UAE on Monday.

### **Social Desk**

#### **Qatar Red Crescent gives \$ 250,000 for Gaza health care**

Qatar Red Crescent (QRC) has allocated \$ 250,000 for Gaza Red Crescent to help increase the stock of medicines in Gaza, which has run out as a result of the Israeli economic blockade.

### **Nuclear Desk**

#### **Royal decree ratifies Oman joining IAEA**

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## **Human Rights Desk**

### **First Arab human rights conference to begin in Doha tomorrow**

The first Arab human rights conference will begin here tomorrow at the Four Seasons Hotel.

The conference is an initiative of the National Human Rights Committee and the Arab League, and coinciding with celebrations marking the 60th anniversary of the Universal Declaration of Human Rights on December 10.

### **Qatar willing to engage with Amnesty: Expert**

Amnesty International has only “limited access” to most Arab countries while investigating and documenting human rights violations in the region, according to an expert from the organisation.

“For many decades we have been documenting human rights violations in the region. The response to our reports from Arab governments has been varied. Some are engaging with us while some others react with outright denial of our findings,” said Dr Lamri Chirouf, researcher at Amnesty’s Middle East Programme.

He was talking to The Peninsula on the sidelines of the First Arab Conference on human rights, which concluded here yesterday. “We have access to most Arab countries, though it is limited. Countries like Qatar are willing to talk out the issues with us and listen to our views,” added Chirouf. Asked about Amnesty’s role in the Doha conference, he said, “As a participant we were taking part in the discussions. The conference has given an opportunity for governmental and non-governmental organisations in the region to take on board the concerns raised by Amnesty

## IR Desk

### Philippine President Gloria's Visit to Qatar

- **Manila seeks Qatar's push for OIC status**

Philippine officials accompanying President Gloria Macapagal Arroyo here today will be following up on their country's quest for observer status in the Organisation of Islamic Conference (OIC) states that would pave the way for the renegotiation of peace with the Moro Islamic Liberation Front (MILF) in Mindanao.

A report from the state-run Philippine News Agency said a high-level Philippine diplomat in the delegation will be meeting with Qatari counterparts to follow up the country's efforts to get observer status in the OIC. Qatar is a very influential member of the OIC, which is helping the Philippines in peace talks in Mindanao.

- **Arroyo seeks Qatar's support over Mindanao**

Philippine President Gloria Macapagal Arroyo will seek Qatar's mediation in finding a peaceful solution to the Moro insurgency when she meets HH the Emir Sheikh Hamad bin Khalifa al-Thani today, a top official accompanying the president told Gulf Times yesterday.

"We will request HH the Emir to support us with rehabilitation and development assistance in the conflict-hit Mindanao region, in our scheduled meeting on Sunday," presidential peace advisor General (R) Hermogenes Esperon Jr said.

- **Doha to study Manila's plea for peace role**

Doha has asked Manila for more time to study the situation in the conflict-hit Mindanao region after Philippine President Gloria Arroyo made a formal request to Qatar to act as a "facilitator of the peace process", a top Filipino official told Gulf Times yesterday.

Before departing for Manila at the end of a two-day official visit, Philippine Secretary of Trade and Industry Peter Favila said that Arroyo presented the request in her meeting with HH the Emir Sheikh Hamad bin Khalifa al-Thani, and now "they need to have a more complete briefing of the situation."

### **Arab and African foreign ministers to meet in Doha on Darfur crisis**

Arab and African foreign ministers will meet in Qatar on January 4 to prepare for talks between the Sudanese government and Darfur rebels, an Arab diplomat said yesterday.

Qatar was tasked by the Arab League and the African Union to host negotiations aimed at ending five years of warring between the Arab-dominated government in Khartoum and ethnic Darfur rebels. Darfur's largest rebel group Justice and Equality movement had said last month that it would boycott any peace conference but it recently sent a delegation to Qatar to discuss whether it would participate.

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

### **SOUTH EAST ASIA**

Tatheer Zahra Sherazi

## Monitoring Report

From 12 December to 19 December

Presentation: December 24, 2008

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### Indonesia

#### Political Front

- Indonesia's policies not protectionist, says minister(pol,eco)
- Indonesian lawmakers pass new mining law, but analysts say investment could drop

#### Strategic Front

- Pakistani cabinet inks defense agreements with Ukraine, Indonesia

#### Economic Front

- Indonesia cuts fuel price again
- Indonesia wants EU to lift ban on Jakarta airlines
- 250,000 Indonesian migrant workers return home due to global crisis (eco,social)\_
- ADB Gives Indonesia \$500 Million to Clean Up World's Dirtiest River

#### Social Front

- Timor-Leste: Humanitarian update 08 - 21 Nov 2008(soicial,political)
- Indonesia: Army stages anti-terror drills

#### Environmental Front

- Integrated approach planned for river clean-up

#### Environmental group says preventing corruption is key

- Malaysia

#### Political Front

- Badawi's final mission
- Win by-election for Pak Lah, Umno urged
- Govt agrees to body to handle oil royalty(eco,pol)
- Anwar aims to highlight Sarawak's situation
- Malaysia welcomes election of new Thai premier
- Judges are currently appointed by the prime minister.

#### Strategic Front

#### Economic Front

#### Social Front

- Somali Pirates Hijack Malaysian, Turkish (social,eco,strategic)

#### Environmental Front

- Philippine

#### Political Front

- Arroyo seeks Qatar's support over Mindanao (social,pol)
- Thousands march in Manila against Arroyo
- Arroyo signs energy bill into law
- Philippines Cuts Key Rate for First Time in 11 Months

#### Strategic Front

#### Economic Front

- Philippines' strongest economic growth thrust now on hold
- Migrant workers face squeeze amid global crisis: ILO chief (eco,social)

#### Social Front

- MILF, Abu Sayyaf planned Philippines attacks: suspect
- 13 dead, 4 missing in Philippines floods
- Manila backs UN resolution vs. pirates(pol,social)
- HIV/AIDS "hidden but growing" problem in the Philippines
- Death toll in boat sinking in Philippines now 46; eight missing

#### Environmental Front

- Thailand

#### Political Front

- Thailand was wracked by tensions
- Thai ex-PM warns of 'interference' in democracy
- The 'Silent Coup'
- New Thai PM faces protests
- Thailand's third PM in four months

#### Strategic Front

#### Economic Front

#### Social Front

- Rebel attacks kill 4 in Thai Muslim south

#### Environmental Front

- Singapore

#### Political Front

#### Strategic Front

- Defence Minister Teo outlines strategies for dealing with security challenges
- S'pore and Indian air forces conduct joint military exercise in India

#### Economic Front

- PM Lee in Doha to sign milestone FTA between S'pore and GCC countries
- Singapore's labour market shows signs of slowing.
- MM Lee says East Asia will be where the action is in next 50 years
- Singapore's seaport to be world's first WiMax enabled by 2008

#### Social Front

#### Environmental Front

- Vietnam

#### Political Front

- Vietnam attributes successes to its pursuit of democracy

#### Strategic Front

#### Economic Front

- Vietnam boosts legislative ties with Laos and Cambodia(eco,po).
- PM pledges to build strategic partnership with Japan(eco,pol)
- Vietnam hopes to learn from Hong Kong's financial experience
- PM Dung asks expanded capital to tackle reforms
- Cambodia, Vietnam expect 2 bln USD in trade

#### Social Front

- President: Vietnam joins efforts to ensure human rights

Environmental Front

- Laos

Political Front

- [EU supports government reform](#)

Strategic Front

Economic Front

- Laos, Thailand boost trade through exhibition .
- Lao tourist hits by global financial and economic crisis

Social Front

- Developed countries want Lao workers
- [Human trafficking still worries Savannakhet](#)

Environmental Front

- Cambodia

Political Front

- Govt optimistic over appointment of new Thai PM: Minister

Strategic Front

- Thailand's turmoil delays border work

Economic Front

- Small loans give big employment boost

Social Front

- Cambodia confirms bird flu outbreak
- Opposition sparks more merger rumours

Environmental Front

## **Summary**

In this week this region has faced few new changes and for these changes time will tell whether these were positives in their effects or negative including the elections of



Thailand for president. It's the fifth presidents in last two years and third in last four months. Mr Abhisit's backing by 235 MPs, based on support from small parties and a breakaway and is nominated by opposition part Democrats

The situation of political instability has badly hit Thailand's economy at a time when it is also starting to feel the pinch from the global financial crisis, with economic growth forecast at just two per cent next year. Malaysia is also facing many issues including racial, co, political.Badawai has said that to end the racial tensions is his main mission but according to his critics racial conflicts have been increased throughout his time period.

Now a day there is a great issue of pirates that is arising the vulnerabilities of many countries especially of Somalia pirates. This week Somali pirates have hijacked two Malaysian and Turkish ships.

There is no progress in talks between Thailand and Cambodia this week. At economic front Vietnam is still attractive many countries of not only its own region but also for other regions. There is a lot of progress among the bilateral relations in indo china.

At strategic front Air force of republic of Singapore and India has stated joint exercise that is very significant in the time of tensions between India and Pakistan.

There is also progress in Mindanao case that government is ready to resume the peace talks with Muslims of southern Area and now the president Ayrryo has asked to Qatar to give some help on this issue.

The summary of news item is as follows:

## **Indonesia**

### **Political Front**

- **Indonesia's policies not protectionist, says minister(pol,eco)**

Indonesia's policies to tackle imports and drive domestic demand are not protectionist, but are necessary to curb smuggling, meet safety rules, and spur growth at a time of global economic crisis, the trade minister said. .

- **Indonesian lawmakers pass new mining law, but analysts say investment could drop**

Indonesian lawmakers passed a new mining law Tuesday that will give the mineral-rich nation greater control over its resources, though analysts warn it could deter investment by multinational corporations.

## **Strategic Front**

- **Pakistani cabinet inks defense agreements with Ukraine, Indonesia**

Pakistani cabinet Wednesday approved ratification of Protocol of Accession of Afghanistan to South Asian Free Trade Agreement (SAFTA) by Pakistan, besides signing two on defense cooperation with Ukraine and Indonesia.

## **Economic Front**

- **Indonesia cuts fuel price again**

INDONESIAN President Susilo Bambang Yudhoyono yesterday announced further cuts in fuel prices, to take effect today. It is the second such price reduction this month and is aimed at softening the blow of a global economic crisis and aiding the poor as the country heads towards elections next year.

- **Indonesia wants EU to lift ban on Jakarta airliners**

Indonesia has called on the European Union to lift its ban on the country's blacklisted carriers from the 27-nation bloc's airspace after Jakarta passed a new aviation law, media reports said.

- **250,000 Indonesian migrant workers return home due to global crisis (eco,social)**

The global financial crisis has forced about 250,000 Indonesian migrant workers to return home, worsening the unexpected high unemployment rate in the country.

- **ADB Gives Indonesia \$500 Million to Clean Up World's Dirtiest River**

The Asian Development Bank has approved a \$500 million loan to Indonesia to clean up the nation's Citarum River, often called the worlds most polluted. But activists worry the loan does not have enough safeguards in place to stop corrupt practices.

## **Social Front**

- **Timor-Leste: Humanitarian update 08 - 21 Nov 2008(soicial,political)**

The Humanitarian Update (HU) aims at providing a periodic analysis of current humanitarian issues, facts and policy developments in Timor-Leste with primary attention given to internally displaced persons (IDPs).

- **Indonesia: Army stages anti-terror drills**

Around 50 soldiers from the Indonesian army's anti-terrorist squad (Kostrad) on Thursday took part in a series of anti-terror exercises at their headquarters in the Indonesian capital, Jakarta.

## **Environmental Front**

- **Integrated approach planned for river clean-up**

ADB senior water resources engineer Christopher Morris says cleaning up the river will require an integrated approach.

### **Environmental group says preventing corruption is key**

But Dadang Sudarjam from the People's Alliance for Citarum, a local non-government organization, says there are not enough safeguards in place to prevent corruption or enough information given to the people who live along the river.

## • **Malaysia**

### **Political Front**

- **Badawi's final mission**

MALAYSIA'S prime minister said on Wednesday that his final mission is to cool racial and religious tensions in this multiethnic country, as he rushes through a raft of reforms in his last weeks in office. Prime Minister Abdullah Ahmad Badawi told The Associated Press that a shrinking economy and deepening divisions between the majority Malays and minority Chinese and Indians are the biggest threats facing the country.

- **Win by-election for Pak Lah, Umno urged**

An Umno victory at the Kuala Terengganu parliamentary by-election would be a perfect parting gift for Prime Minister Datuk Seri Abdullah Ahmad Badawi who is scheduled to step down in March.

- **Govt agrees to body to handle oil royalty(eco,pol)**

The Government has agreed to the setting up the Terengganu Investment Authority, a sovereign wealth fund which will manage oil royalty payments to the state.

- **Anwar aims to highlight Sarawak's situation**

Opposition Leader Datuk Seri Anwar Ibrahim went on a "trouble identification" exercise in central and northern Sarawak of issues which he said should be accorded national attention.

- **Malaysia welcomes election of new Thai premier**

Malaysia is happy with the election of the new Thai prime minister yesterday but would continue to monitor developments in the country over the next two weeks, Foreign Minister Datuk Seri Dr Rais Yatim said here.

- **Judges are currently appointed by the prime minister.**

The anti-corruption bill was passed Tuesday, but the opposition has refused to vote for the judicial committee because it can only recommend the appointment of judges while final approval remains with the prime minister.

## **Strategic Front**

### **Economic Front**

### **Social Front**

- **Somali Pirates Hijack Malaysian, Turkish (social,eco,strategic)**

Pirates have hijacked a Turkish cargo ship and a Malaysian tug boat and attacked three other vessels in the Gulf of Aden in the past week, a global maritime watchdog said Wednesday.

### **Environmental Front**

## • **Philippine**

### **Political Front**

- **Arroyo seeks Qatar's support over Mindanao (social,pol)**

HH the Emir Sheikh Hamad bin Khalifa al-Thani with President Arroyo at the reception ceremony at the Doha International Airport yesterday

- **Thousands march in Manila against Arroyo**

Thousands of protesters rallied in Manila on Friday against moves by allies of Philippine President Gloria Macapagal Arroyo to revise the constitution to allow her to stay in power beyond 2010.

- **Arroyo signs energy bill into law**

: President Gloria Macapagal Arroyo has signed Republic Act 9153 or the Renewable Energy Act of 2008 in the effort to make the country less dependent on imported oil.

- **Philippines Cuts Key Rate for First Time in 11 Months**

The Philippine central bank cut its benchmark interest rate for the first time since January to boost economic growth as it forecast inflation will slow to less than the targeted pace in 2009.

## **Strategic Front**

### **Economic Front**

- **Philippines' strongest economic growth thrust now on hold**

AMERICA'S cold is putting a damper on what the World Bank calls "the strongest pace of economic expansion in three decades" in the Philippines.

- **Migrant workers face squeeze amid global crisis: ILO chief (eco,social)**

The International Labour Organisation has appealed for governments to show restraint when considering layoffs of migrant workers

Millions of migrant workers face layoffs and worsening conditions as the global financial crisis bites in the countries where they are employed, the International Labour Organisation said Wednesday.

### **Social Front**

- **MILF, Abu Sayyaf planned Philippines attacks: suspect**

A detained senior member of the rebel Moro Islamic Liberation Front (MILF) has admitted the Islamic group has connections to extremist group Abu Sayyaf. Radio Australia's Shirley Escalante reports the MILF member was arrested last week and is facing charges related to several bomb attacks over the past three years.

- **13 dead, 4 missing in Philippines floods**

At least 13 people have been killed in flooding caused by heavy rains in the central Philippines this week, the civil defence office said on Saturday. Four people were still missing in Camarines Norte province, it said.

- **Manila backs UN resolution vs. pirates(pol,social)**

WITH 91 Filipino seafarers on board five ships still held captive by Somali pirates, the Philippines is backing the United Nations Security Council (UNSC) Resolution that allows air, sea and land operations against the pirates, the Department of Foreign Affairs reported.

- **HIV/AIDS "hidden but growing" problem in the Philippines**

"I came out to show people we are normal," says AIDS worker Roberto Ruiz, who is fighting the social stigma that HIV/AIDS still carries in the Philippines.

This makes it unlikely that the Philippines will adopt the massive HIV/AIDS prevention campaigns that were so effective in Thailand, Ghidinelli said.

- **Death toll in boat sinking in Philippines now 46; eight missing**

The death toll in the sinking of a passenger vessel off the northern Philippines has risen to 46 while eight people remained missing, the coast guard and police said Thursday. Forty-five people survived the accident Sunday off the coast of Ballesteros town in Cagayan province, 420 km north of Manila.

## **Environmental Front**

### ● **Thailand**

#### **Political Front**

- **Thailand was wracked by tensions**

Thailand was wracked by tensions on Sunday on the eve of a vote for a new prime minister, after former leader Thaksin Shinawatra weighed in from exile to demand an end to army interference in politics.

- **Thai ex-PM warns of 'interference' in democracy**

Thailand's ousted leader Thaksin Shinawatra addressed tens of thousands of supporters by video from exile Saturday, warning against efforts to "interfere" in democracy as lawmakers prepared to select yet another new prime minister amid political crisis.

- **The 'Silent Coup'**

*Thailand calms, but maybe not for long.*

Thailand's transition to a new government looks set to be completed within days. This is a welcome sign of normalcy in a country that's been wracked by unrest for months. But Thailand's democratic system remains deeply -- perhaps fatally -- wounded..

- **New Thai PM faces protests**

Opposition leader Abhisit Vejjajiva became Thailand's third prime minister in as many months today, taking control with a slender majority in parliament and an economy teetering on the brink of recession.

- **Thailand's third PM in four months**

THAI Opposition Leader Abhisit Vejjajiva was elected today as the nation's third prime minister in four months, triggering protests from supporters of the old Government who tried to block Parliament.

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Rebel attacks kill 4 in Thai Muslim south**

Three Muslim men and a Buddhist policeman were killed in two separate gun and bomb attacks in Thailand's far south, police said on Saturday, the latest violence in a five-year separatist rebellion.

## **Environmental Front**

- **Singapore**

## **Political Front**

## **Strategic Front**

- **Defence Minister Teo outlines strategies for dealing with security challenges**

Singapore's Defence Minister Teo Chee Hean has outlined three strategies for dealing with global security challenges in the 21st century.

- **S'pore and Indian air forces conduct joint military exercise in India**

The Republic of Singapore Air Force (RSAF) and the Indian Air Force (IAF) are conducting a Joint Military Training programme (JMT 2008) at the Kalaikunda Air Force Station in India.

## **Economic Front**

- **PM Lee in Doha to sign milestone FTA between S'pore and GCC countries**

Singapore and the Gulf Co-operation Council will sign a free trade agreement during Singapore Prime Minister Lee Hsien Loong's official visit to Qatar beginning on Sunday. Qatar is currently the Chairman of the GCC.

- **Singapore's labour market shows signs of slowing**

Singapore's labour market is slowing with total employment growing by 55,700 in the third quarter of this year.

- **MM Lee says East Asia will be where the action is in next 50 years**

East Asia and China will be where the action is in the next 50 years, said Minister Mentor Lee Kuan Yew at a dialogue on Tuesday to celebrate 30 years of China's reform and opening up. Going forward, the minister mentor said he hopes to see at least 300 capable mid-career Singaporeans carving their niches there each year. .

- **Singapore's seaport to be world's first WiMax enabled by 2008**

Singapore's non-oil domestic exports fell by a worse-than-expected 17.5 per cent year-on-year in November.

## **Social Front**

## **Environmental Front**

## • **Vietnam**

## **Political Front**

- **Vietnam attributes successes to its pursuit of democracy**

Vietnam 's successes in reducing its poverty rate, improving the living conditions of its people and creating a more prosperous society are concrete outcomes of the process of building and promoting democracy in the country.

## **Strategic Front**

## **Economic Front**

- **Vietnam boosts legislative ties with Laos and Cambodia(eco,po)**

Vietnam will continue its legislative cooperation with Laos and Cambodia , including exchange of experiences and mutual assistance in policy making and encouraging people to support commitments made by the countries.

- **PM pledges to build strategic partnership with Japan(eco,pol)**

Vietnam will spare no efforts to develop a long-term strategic partnership with Japan , Prime Minister Nguyen Tan Dung told the former Japanese PM, Fukuda Yasuo, during their talks in Hanoi on Dec. 13.

- **Vietnam hopes to learn from Hong Kong's financial experience**

Vietnam wishes to learn from Hong Kong's experiences in the financial, monetary and securities sectors, which are key areas identified by Vietnam as having huge potential for development.



- **PM Dung asks expanded capital to tackle reforms**

Prime Minister Nguyen Tan Dung has made administration reform a top priority for Hanoi authorities during 2009 during a working session with the municipal leadership on Dec. 17.

- **Cambodia, Vietnam expect 2 bln USD in trade**

Vietnam and Cambodia have discussed measures to further boost their economic cooperation, with the aim of increasing two-way trade to 2 billion USD by 2010.

## **Social Front**

- **President: Vietnam joins efforts to ensure human rights**

Vietnam, as a member of the international community, has been participating in concerted efforts to ensure and enforce human rights, said State President Nguyen Minh Triet.

## **Environmental Front**

### • **Laos**

## **Political Front**

- **EU supports government reform**

The European Commission (EC) yesterday approved 13 million Euro grant to support Lao government reforms under the Poverty Reduction Strategy Operation (PRSO). This is a four-year general budget support committee that aims to ensure greater predictability of the resources available to the government. .

## **Strategic Front**

## **Economic Front**

- **Laos, Thailand boost trade through exhibition**

More than 200 booths from the public sector and private companies of Laos and Thailand are represented at the Indochina Exhibition, That Inghang square, Savannakhet province.

- **Lao tourist hits by global financial and economic crisis**

The tourist circumstances of Laos this year was affected by the global financial crisis and stemmed economy worldwide and the political crisis of neighboring country occurred

recent month, Chairman of National Tourism Administration, Mr Somphong Mongkhounvilay yesterday. ?

## **Social Front**

- **Developed countries want Lao workers**

Even though there is the serious ongoing economic turmoil in the world, Japan and Korea are recruiting 3,000 workers from Laos for their industrial and agricultural sectors.

- **Human trafficking still worries Savannakhet**

Savannakhet has recognised the human trafficking mainly of children and women, which is one of the organised translational crimes. It breaches human rights, and causes both physical and mental suffer to human beings, said Vice Governor of Savannakhet province.

## **Environmental Front**

### ● **Cambodia**

## **Political Front**

- **Govt optimistic over appointment of new Thai PM: Minister**

But civil society leaders say that Cambodia is simply wasting time negotiating with a succession of powerless Thai governments

## **Strategic Front**

- **Thailand's turmoil delays border work**

ONGOING political turmoil in Bangkok has obliged the Thai-Cambodian Joint Border Commission - charged with marking the neighboring countries' 805 kilometers of shared border - to delay demarcating and de-mining the contested area near the Preah Vihear

## **Economic Front**

- **Small loans give big employment boost**

Micro financing has created as many as 2.5m jobs across Cambodia. The sector is also a big employer in its own right

## **Social Front**

- **Cambodia confirms bird flu outbreak**

Cambodian officials began the culling of poultry near the capital of Phnom Penh on December 17, five days after a young man from the area was confirmed to have contracted H5N1 bird flu by the World Health Organization (WHO) and the Cambodian government.

- **Opposition sparks more merger rumours**

OFFICIALS with the opposition Sam Rainsy and Human Rights parties say they will explore the possibility of uniting under one name to contest future national elections.

## **Detailed monitoring Report**

### **Indonesia**

#### **Political Front**

- **Indonesia's policies not protectionist, says minister(pol,eco)**

Indonesia's policies to tackle imports and drive domestic demand are not protectionist, but are necessary to curb smuggling, meet safety rules, and spur growth at a time of global economic crisis, the trade minister said.

South-east Asia's biggest economy, a top producer of tin, palm oil and other commodities, has been hit by the global slowdown. Exports slumped, the rupiah fell to a decade low against the dollar, and growth prospects have dimmed.

The government, which faces elections next year, has issued restrictions on foreign exchange, and is encouraging domestic spending, while pushing ahead with longer-term reforms of customs and other departments in order to stop illegal imports.

The result: foreign wines and cheeses have vanished from some hotels and supermarkets, prompting an avalanche of angry letters from tourists and 'dismayed-of-Jakarta' to the local media.

The prospect of slower global economic growth is prompting Indonesia to turn to its huge domestic market of 226 million people in order to keep GDP growth ticking along at 6 per cent or more and to reduce unemployment of about 10 per cent.

Infrastructure spending will help to drive domestic demand for locally produced cement and steel, Pangestu said, while tax incentives may be introduced to provide additional stimulus, for example, with the government paying sales tax on certain products.

Problems over imports of food and wine, particularly important for the tourism sector, are being resolved, she added. Indonesia was one of several countries to discover melamine

in food products imported from China, prompting the authorities to clamp down on importers and retailers to make sure imported food was correctly labelled.

- **Indonesian lawmakers pass new mining law, but analysts say investment could drop**

Indonesian lawmakers passed a new mining law Tuesday that will give the mineral-rich nation greater control over its resources, though analysts warn it could deter investment by multinational corporations.

Indonesia has some of the most abundant reserves of coal, copper, gold, tin and nickel in the world and has lured mining giants like Denver-based Newmont Mining Corporation, Freeport-McMoran Copper & Gold and the Rio Tinto Group — most of whom arrived before the 1998 ouster of longtime dictator Suharto. Critics say deals signed under the notoriously corrupt regime offered contracts

## **Strategic Front**

- **Pakistani cabinet inks defense agreements with Ukraine, Indonesia**

Pakistani cabinet Wednesday approved ratification of Protocol of Accession of Afghanistan to South Asian Free Trade Agreement (SAFTA) by Pakistan, besides signing two on defense cooperation with Ukraine and Indonesia. The Federal Cabinet, which met here under the chairmanship of Prime Minister Syed Yusuf Raza Gilani, approved the ratification of the Memorandum of Understanding (MoU) on military and defense production between Ukraine and Pakistan and an agreement on cooperative activities in defense sector between Indonesia and Pakistan.

The MoU with Ukrain, according to a press statement, will enhance cooperation between the armed forces and promote collaboration between defense industries.

The scope of cooperation extends from military training of armed forces personnel, joint military exercises, exchange of defense equipment and services, in conformity with national legislation and regulations of both countries. Whereas, the agreement with Indonesia will provide an opportunity for the Pakistan armed forces to enhance military and defense relations as well as a Pakistan-Indonesia defense co-operation committee will be established.

The cabinet also ratified the Protocol of Accession of Afghanistan to South Asian Free Trade Agreement (SAFTA). The Agreement was signed by ministers of foreign and external affairs of seven SAARC member states during the 15th SAARC Summit at Colombo in August. Upon completion of ratification by all SAARC members and subsequent notification by SAARC Secretariat, Afghanistan shall have same concessions

and obligations as are available to other Least Developed Contracting States (LDCS) of the SAFTA. (end) amn.gta KUNA 171515 Dec 08NNNN

## **Economic Front**

- **Indonesia cuts fuel price again**

INDONESIAN President Susilo Bambang Yudhoyono yesterday announced further cuts in fuel prices, to take effect today. It is the second such price reduction this month and is aimed at softening the blow of a global economic crisis and aiding the poor as the country heads towards elections next year. Indonesia's fuel prices are heavily subsidised, putting a huge burden on state finances, but the government's decision to raise the price of subsidised fuel by an average of nearly 30 per cent in May in the face of soaring global energy prices hit DrYudhoyono's poll ratings. He has said that he plans to run for re-election next year, when his government's track record in managing the economy, tackling graft, creating jobs and alleviating poverty will be put to the test in presidential and parliamentary elections. The cuts in subsidised petrol and diesel fuel prices are by 9.1 and 12.7 per cent, respectively. Petrol prices will be cut to 5,000 rupiah (S\$0.68) per litre from 5,500 rupiah. Diesel will fall from 5,500 rupiah a litre to 4,800 rupiah. The cuts follow an 8 per cent reduction in subsidised petrol prices at the beginning of this month.

US crude closed at US\$46.58 last Friday, down more than US\$100 (S\$150) a barrel from record highs of over US\$147 a barrel in July.

- **Indonesia wants EU to lift ban on Jakarta airliners**

Indonesia has called on the European Union to lift its ban on the country's blacklisted carriers from the 27-nation bloc's airspace after Jakarta passed a new aviation law, media reports said.

On December 17, the Indonesian parliament passed a bill to improve the country's air safety in response to demands by the EU after Indonesia saw a string of deadly air crashes.

The EU imposed a ban on all Indonesian airliners in mid-2007 after the crash landing of a **Garuda Airlines** plane in Yogyakarta in Central Java in March 2007, which killed 21 people, and the deaths of 102 people aboard an **Adam Air** jet that plunged into the sea off central Indonesia on New Year's Eve.

The ban also requires tourist agencies in the EU to warn customers that Indonesian airlines are unsafe if they sell package tours that use domestic carriers. The **International Civil Aviation Organization** (ICAO) has singled out 121 problems in Indonesia's aviation safety system, including the lack of aircraft surveillance and inability of inspectors to have a plane grounded.

Djamal said the new aviation law addresses at least 18 of the recommendations by the **United Nations'** Montreal-based aviation-safety agency. "If the ICAO approves our standards, the EU will have no reason to ban us, except on a discrimination basis," Djamal argued. Air travel in Indonesia has blossomed since the sector was deregulated in 1999, but the rapid growth has raised questions about whether safety has been compromised.

- **250,000 Indonesian migrant workers return home due to global crisis (eco,social)**

The global financial crisis has forced about 250,000 Indonesian migrant workers to return home, worsening the unexpected high unemployment rate in the country.

"The cause is obviously the global economic downturn. Employers are facing financial problems due to sluggish demand," the Jakarta Post daily on Thursday quoted Indonesian Manpower and Transmigration Minister Erman Suparno as saying.

According to Erman, the return of these workers to Indonesia increased the country's unemployment rate. Currently, around 40 million people are jobless in Indonesia.

Meanwhile, the country has no social security guarantee for the unemployed. The jobless people now have no choice but to do any indecent jobs

- **ADB Gives Indonesia \$500 Million to Clean Up World's Dirtiest River**

The Asian Development Bank has approved a \$500 million loan to Indonesia to clean up the nation's Citarum River, often called the world's most polluted. But activists worry the loan does not have enough safeguards in place to stop corrupt practices.

The ADB agreed Friday to support Indonesia's efforts to clean up its most important river, the Citarum, through a \$500 million multi-tranche loan, which will run for 15 years.

The loan will support the government's \$3.5 billion plan to clean up the river, which has become a dumping ground of untreated waste from some 2,000 factories, millions of homes, and a health hazard for the 28 million people who depend on it. The Citarum river basin delivers 20 percent of Indonesia's gross domestic product and provides 80 percent of the surface water supply to the 12 million people living in the capital Jakarta.

## **Social Front**

- **Timor-Leste: Humanitarian update 08 - 21 Nov 2008(soicial,political)**

The Humanitarian Update (HU) aims at providing a periodic analysis of current humanitarian issues, facts and policy developments in Timor-Leste with primary attention given to internally displaced persons (IDPs). The HU is based on voluntary

information inputs from UN Agencies, Funds and Programmes, NGO members of the Humanitarian Coordination Committee and other partners. It analyses information from a variety of sector coordination meetings involving Timorese authorities. The HU is coordinated and issued by the OCHA/UNMIT Integrated Humanitarian Coordination Team (IHCT), on a fortnightly basis.

- **Indonesia: Army stages anti-terror drills**

Around 50 soldiers from the Indonesian army's anti-terrorist squad (Kostrad) on Thursday took part in a series of anti-terror exercises at their headquarters in the Indonesian capital, Jakarta.

The exercises included scenarios simulating terrorist acts, in which the soldiers practised negotiation and hostage-rescue tactics. Kostrad Division I Commander Maj. Gen. Hatta Syafruddin said the exercises were a way to anticipate terrorist threats which are ever-present in Indonesia.

Indonesia has in recent years seen a number of deadly terrorist attacks, notably the Bali nightclub bombings in 2002, those in 2003 at the Marriott Hotel in Jakarta and the 2004 Australian embassy blasts in the capital. Islamist terror group Jemaah Islamiyah, has been widely blamed for these attacks.

## **Environmental Front**

- **Integrated approach planned for river clean-up**

ADB senior water resources engineer Christopher Morris says cleaning up the river will require an integrated approach.

"Cleaning up the river is a mix of approaches in an integrated way. We're looking at working with villages and communities in terms of the environment - waste being thrown into the river," he said. "Working with industry, the private sector, putting in place more environmental controls, establishing relationships between industry and water management and the communities of the basin."

### **Environmental group says preventing corruption is key**

But Dadang Sudarjam from the People's Alliance for Citarum, a local non-government organization, says there are not enough safeguards in place to prevent corruption or enough information given to the people who live along the river. The ADB's Morris says corruption can be prevented through the multi-tranche loan scheme, which will lend the money through a number of smaller disbursements over the next 15 years.

"In terms of both the government and the ADB safeguards and policies including good governance, it allows us to ensure that we have the programs in place, the institutions set up right, modalities for implementing, so that it minimizes opportunities for inefficiencies," said Morris. The river stretches from Bandung, in West Java, to Jakarta, around 160 kilometers to the northwest.

## ● Malaysia

### Political Front

- Badawi's final mission

MALAYSIA'S prime minister said on Wednesday that his final mission is to cool racial and religious tensions in this multiethnic country, as he rushes through a raft of reforms in his last weeks in office. Prime Minister Abdullah Ahmad Badawi told The Associated Press that a shrinking economy and deepening divisions between the majority Malays and minority Chinese and Indians are the biggest threats facing the country.

Mr Abdullah agreed to step down four years before the end of his term after facing a virtual rebellion from colleagues after the opposition made tremendous gains in March elections. The results robbed the ruling coalition of a two-thirds majority for the first time in four decades. The opposition's gains have been attributed to anger among ethnic Chinese and Indians who complain of discrimination in jobs, education and other areas by the Malay-dominated government. They say their religious rights have also become secondary to Islam.

Malays, who are Muslims, form 60 percent of the country's 27 million people and control the government, the judiciary and the security forces.

Critics say racial polarisation has increased since Mr Abdullah took office in 2003. Mr Abdullah suggested he could establish an institution 'where all communities' can take their grievances. The answer could also lie in new legislation, ostensibly clarifying gray areas in laws on religious disputes, he said.

Muslims in Malaysia are governed by Shariah laws in family and personal matters. Ethnic Chinese, Indian and other races come under civil courts. There is no clear-cut guidance on which court has greater authority when it comes to disputes between Muslims and non-Muslims, but civil courts have always allowed Shariah courts to adjudicate and verdicts generally favor Muslims.

The ambiguity of the law has allowed religious authorities to occasionally claim the bodies of dead Indians or Chinese by asserting they had secretly converted to Islam, leaving relatives heartbroken. Muslims are not allowed to renounce their faith, raising questions about religious freedom. In recent weeks, Mr Abdullah introduced legislation



in Parliament to set up a powerful anti-corruption agency and create a committee to appoint senior judges in a bid to ensure judicial independence.

- **Win by-election for Pak Lah, Umno urged**

An Umno victory at the Kuala Terengganu parliamentary by-election would be a perfect parting gift for Prime Minister Datuk Seri Abdullah Ahmad Badawi who is scheduled to step down in March.

Malacca Chief Minister Datuk Seri Mohd Ali Rustam said members should work hard to achieve this. "It is a perfect gift for Abdullah and his anointed successor (Datuk Seri) Najib Tun Razak. This by-election is a significant one for Umno," said Mohd Ali who launched Malacca's domestic tourism promotion campaign called "Jom ke Melaka."

Mohd Ali said the Umno polls in March would not affect the party's preparation in the by-election. "We have faced such situations in the past. We can manage it as members know that the priority is winning the by-election." Mohd Ali also said the People's Progressive Party should not hold Barisan hostage by demanding that the Internal Security Act be amended or else it would leave the coalition. "Barisan cannot stop the party from leaving if it wants to," he said, adding that the PPP must aspire to be an asset to Barisan and not a liability.

- **Govt agrees to body to handle oil royalty(eco,pol)**

The Government has agreed to the setting up the Terengganu Investment Authority, a sovereign wealth fund which will manage oil royalty payments to the state.

Deputy Prime Minister Datuk Seri Najib Tun Razak said the Cabinet had on Wednesday given the nod to the setting up of the authority with a starting fund of RM10bil.

In good hands: Najib handing over the cheque for part of the oil royalty to Ahmad Said in Kuala Terengganu Saturday

The amount is the remainder that the state was supposed to get for the 2007-2008 period. The TIA was proposed by Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin as a way to channel part of the oil royalty into a sovereign wealth fund which would be operated by a team of professionals and supervised by foreign bankers and investors. He said revenue earned by the TIA would be able to complement the state's income when oil and gas resources were exhausted.

Najib said he was confident that development in Terengganu would take off with the payment of oil royalty directly to the state. Asked whether the Government would now

reduce its allocation to Terengganu, Najib said any allocation would be based on the requirement by the state.

Earlier in his speech, Najib said the royalty money would be transferred to the state's treasury via electronic transfer.

- **Anwar aims to highlight Sarawak's situation**

Opposition Leader Datuk Seri Anwar Ibrahim went on a "trouble identification" exercise in central and northern Sarawak of issues which he said should be accorded national attention.

The PKR adviser visited Sibuan, Belaga, which is near the controversial Bakun hydroelectric dam project, and Sibuti where thousands of people were facing possible eviction. At a dinner on Sunday here, Anwar publicly named state political leaders whom he claimed were involved in nepotism and cronyism.

He also highlighted what he claimed to be massive discrepancies involving timber logging, land grab by some politicians and private developers. Natives affected by land disputes, he said, had sought his help. Anwar said he would bring their plight to the federal capital and highlight them for national attention.

Anwar was accompanied by PAS Youth chief Saifuddin Nasution, DAP leaders and state Parti Keadilan leaders.

- **Malaysia welcomes election of new Thai premier**

Malaysia is happy with the election of the new Thai prime minister yesterday but would continue to monitor developments in the country over the next two weeks, Foreign Minister Datuk Seri Dr Rais Yatim said here.

Commenting on the news that had been circulating at the Special Asean Foreign Ministers Meeting here, he said Malaysia hoped that the situation in Thailand would return to normal soon. Democrat Party leader Abhisit Vejjajiva was elected Thailand's 27th prime minister by the country's lawmakers yesterday, bringing a glimmer of hope that months of street rallies and chaos would soon end. He is the kingdom's third prime minister in four months.

- **Judges are currently appointed by the prime minister.**

The anti-corruption bill was passed Tuesday, but the opposition has refused to vote for the judicial committee because it can only recommend the appointment of judges while final approval remains with the prime minister.

Mr Abdullah said he does not intend to abolish the Internal Security Act, which allows indefinite detention without trial. It was used against communist insurgents decades ago and Islamic extremist suspects after the Sept 11 attacks in the US. More recently the law was used against two journalists and an ethnic Chinese lawmaker, triggering a nationwide uproar. 'Preventive detention has a role in any society, in any democratic country,' Mr Abdullah said. 'But a country's leader has to be very careful how this legislation is being applied'

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Somali Pirates Hijack Malaysian, Turkish (social,eco,strategic)**

Pirates have hijacked a Turkish cargo ship and a Malaysian tug boat and attacked three other vessels in the Gulf of Aden in the past week, a global maritime watchdog said Wednesday.

The latest incidents came as a European Union naval task force took over from a NATO operation patrolling the pirate-infested seas near the Horn of Africa with six warships and three surveillance planes.

In the first hijacking, pirates armed with rocket-propelled grenades and automatic weapons boarded a Malaysian tug Tuesday, said Noel Choong, head of the International Maritime Bureau piracy reporting center in Kuala Lumpur. The tug with 11 crew on board was heading to Malaysia from the Middle East.

Choong said the E.U. armada, which officially started operations on Dec. 8 and whose flagship was to begin its mission Wednesday, had so far been unable to stop the attacks because the waters off Somalia were so wide.

Choong said in three other incidents last week, Somali pirates attempted to hijack a Singapore tanker, an Italian cargo ship and a Greek ship. Choong also said that the Indian navy last Saturday captured a suspected pirate's "mother ship" and detained 24 pirates - 12 Yemeni and 12 Somali - and seized weapons including RPGs and AK47 automatic rifles.

Indian officials earlier said 23 pirates were captured. Choong said 108 ships have been attacked by pirates off Somalia so far this year and 42 ships hijacked.

Fourteen foreign merchant vessels and their crew of 240 are being held by gunmen in the area where the northeast tip of the Somali coast juts into the Indian Ocean.

The pirates, heavily armed and using high-powered speedboats, prey on a key maritime route leading to the Suez Canal, through which an estimated 30% of the world's oil transits.

The pirates are believed to number about 1,200 former and seasonal fishermen and coast guards, many of them from lawless Somalia, which has been ravaged by years of conflict and starvation.

## **Environmental Front**

### ● **Philippine**

#### **Political Front**

- **Arroyo seeks Qatar's support over Mindanao (social.pol)**

HH the Emir Sheikh Hamad bin Khalifa al-Thani with President Arroyo at the reception ceremony at the Doha International Airport yesterday

PHILIPPINE President Gloria Macapagal Arroyo will seek Qatar's mediation in finding a peaceful solution to the Moro insurgency when she meets HH the Emir Sheikh Hamad bin Khalifa al-Thani today, a top official accompanying the president told Gulf Times yesterday.

Esperon, who holds the rank of a federal minister, said that third country participation in the peace process could come in the form of 'facilitation'. "They ('facilitators') put together the talks, they arrange the talks with the Moro Islamic Liberation Front (MILF)," he said.

The International Monitoring Team (IMT) used to be composed of Malaysia, Libya, Brunei and Japan. Malaysia has been heading the IMT for four years as well as facilitating the conduct of the peace talks between the government and MILF for the past seven years.

However, Malaysia has decided to suspend its participation in the IMT upon expiry of its mandate on November 30. According to him, the government now needs to tackle the "ancestral domain aspect" as

He denied the last ceasefire deal had failed and said it was still holding. President Arroyo is on a three-day state visit to Qatar. HH the Emir Sheikh Hamad bin Khalifa al-Thani led the well-wishers who received President Arroyo upon her arrival at Doha International Airport. Also on hand to receive the president were HE Sheikh Mohamed bin Fahd al-Thani, the chief of the Emiri Protocols, HE Dr Sultan bin Hassan al-Dhabit al-Dousari, the minister of labour, who is also head of the accompanying mission of honour, HE

Sheikh Fahd bin Jassim bin Mohamed al-Abdurrahman al-Thani, the minister of business and trade, HE Abdullah Ahmed al-Muttawa, Qatar's ambassador to the Philippines and Isaias Begonia, the Philippine ambassador to Qatar.

- **Thousands march in Manila against Arroyo**

Thousands of protesters rallied in Manila on Friday against moves by allies of Philippine President Gloria Macapagal Arroyo to revise the constitution to allow her to stay in power beyond 2010.

Police said around 6,500 activists, students, opposition politicians and Catholic clergy converged on the city's business district, site of many anti-government protests in the past.

Arroyo, who survived at least three attempted coups and four impeachment attempts on allegations of corruption, human rights abuse and vote fraud, must leave office in 2010 under the rules of the constitution. But her allies in the 238-member House of Representatives have begun moves to amend the charter. Analysts said Arroyo, who gained political strength after a Senate coup last month gave her control of both houses of the legislature, has been silent on the issue although she has allowed her allies to debate

Lim said. "She is more known to pursue her own agenda." Analysts said Arroyo, although deeply unpopular, appears secure because of a divided opposition, public weariness of political upheaval, and her careful courting of the military, lawmakers and local officials.

- **Arroyo signs energy bill into law**

: President Gloria Macapagal Arroyo has signed Republic Act 9153 or the Renewable Energy Act of 2008 in the effort to make the country less dependent on imported oil.

"From 45 percent before our administration, we have become 57 percent self-sufficient in energy and we aim to reach 60 percent by 2010. Thanks in part to previous legislation and also in part to industries developing our renewable energy resources," Arroyo said in her address before the signing of the law.

Arroyo expressed optimism that the new law, along with the Biofuels Act, would make the country 60 percent self-sufficient by 2010. The president said the new legislation is the first and most comprehensive renewable energy law in Southeast Asia.

She said the new law would enable the Philippines to capture a part of the soaring investments in renewable energy development worldwide pegged at \$71bn last year. Arroyo said, referring to solar, biomass, geothermal, hydropower, wind and ocean energy technologies.

Arroyo pointed out the Philippines is the second largest geothermal power producer in the world, the highest wind power potential in the region, and one with the highest solar power penetration and abundant hydropower and biomass resources.

Energy Secretary Angelo Reyes said some \$1.23bn or equivalent to 4,000 megawatts worth of investments are expected to come into the Philippines with the enactment of the Renewable Energy Bill (REB).

- **Philippines Cuts Key Rate for First Time in 11 Months**

The Philippine central bank cut its benchmark interest rate for the first time since January to boost economic growth as it forecast inflation will slow to less than the targeted pace in 2009.

Bangko Sentral ng Pilipinas reduced the rate it pays banks for overnight deposits to 5.5 percent from 6 percent, Governor Amando Tetangco told reporters in Manila today. The decision was expected by four of 13 economists in a Bloomberg News survey. Six had predicted a quarter-point cut, one forecast a reduction to 5.25 percent, and two expected the rate to be left unchanged.

The Philippines joins countries from the U.S. to Malaysia in lowering borrowing costs as easing inflation allows policy makers to focus on countering the global economic slump. Bangko Sentral had refrained from cutting interest rates in the past two meetings on concern the peso's drop to a two-year low last month may stoke prices anew by making imports more expensive.

The central bank expects inflation to average 5.5 percent next year, lower than its target range of 6 percent to 8 percent, Guinigundo said. The bank forecasts inflation will average 5.25 percent in 2010, within its target of 3.5 percent to 5.5 percent.

The rate cut follows the U.S. Federal Reserve's Dec. 16 decision to reduce the country's main interest rate to as low as zero for the first time. Central banks from the U.K. to India have cut interest rates as a global credit crunch pushed the U.S., Europe and Japan into a recession.

## **Strategic Front**

### **Economic Front**

- **Philippines' strongest economic growth thrust now on hold**

AMERICA'S cold is putting a damper on what the World Bank calls "the strongest pace of economic expansion in three decades" in the Philippines.

In its East Asia and Pacific Update, the latest half-yearly assessment of the region's economic health, the World Bank says economic growth in the country slowed this year.

Real GDP growth slowed to 4.6 percent in the first nine months of 2008 from 7.2 percent in 2007 as a whole. Higher prices for food and fuel hurt real household incomes, reducing the pace of expansion in private consumption.

Government consumption and investment, meanwhile, contracted in the first half of the year before improving significantly in the third quarter. The recent global slowdown has taken a toll on export growth and has put downward pressure on foreign investment inflows. After a period of falling inflation in the last three years, prices started rising rapidly in early 2008 as inflation breached the central bank's 4-percent to 5-percent target as prices for food and oil surged.

Higher food and fuel prices were initially muted by the strong peso, which appreciated by a fifth over the last two years. Inflation eventually peaked at 12.5 percent in August. While headline inflation has receded since, without respite from rising prices of basic consumer goods, prices of other goods have also risen rapidly, causing core inflation to more than double from the start of the year to 7.9 percent year-on-year in November 2008.

Higher inflation prompted the central bank to hike interest rates by a cumulative 100 basis points in three steps during mid-2008.

Domestic financial markets have been relatively resilient in the face of the global financial turmoil. While the direct impact on the banking system from the turmoil has been marginal, as overall exposure to structured products is estimated at about 2 percent of banking assets, banks are nonetheless affected through their large holding of Philippine sovereign paper whose price has fallen substantially because of the global turmoil.

Tax collection has slowed in recent months, however, in part reflecting slower economic growth, decreased commodity prices, the introduction of tax cuts and the non-indexation of specific excises amid high inflation.

Higher inflation and slower economic growth have significantly increased the hardships faced by the poor despite robust remittance inflows. Given the large share of food in the poor's consumption basket, there are indications that the inflation faced by the poor rose faster and remains higher than the headline inflation reported by the statistics office.

The government has responded by postponing its goal to balance the budget in 2008 to allow for increases in infrastructure and social protection spending and subsidies to the poor.

- **Migrant workers face squeeze amid global crisis: ILO chief (eco, social)**

The International Labour Organisation has appealed for governments to show restraint when considering layoffs of migrant workers

Millions of migrant workers face layoffs and worsening conditions as the global financial crisis bites in the countries where they are employed, the International Labour Organisation said Wednesday.

The Geneva-based UN agency's regional office for Southeast Asia and the Pacific, in Manila, released the statement on the eve of International Migrants Day, Wednesday.

It is important that migrant workers do not become scapegoats . In the Philippines, one of the biggest labour-exporting countries in the world, the government has reported that several thousand of its nationals have lost their jobs abroad. The downturn comes after a record year for remittances from Filipino workers abroad. According to figures from the Central Bank of the Philippines, these workers sent US\$1.43 billion home in October, up 3.3 percent on a year earlier.

It was the second-largest amount in a single month since records began, behind the \$1.45 billion remitted in June.

The eight million Filipinos working abroad remitted a total \$13.71 billion in the 10 months to October, up 16 percent from 11.87 billion a year earlier. Figures from Cambodia's Ministry of Labour show more than 70,000 Cambodians work abroad. Remittances accounted for four percent of the country's national income last year, according to the World Bank.

## **Social Front**

- **MILF, Abu Sayyaf planned Philippines attacks: suspect**

A detained senior member of the rebel Moro Islamic Liberation Front (MILF) has admitted the Islamic group has connections to extremist group Abu Sayyaf. Radio Australia's Shirley Escalante reports the MILF member was arrested last week and is facing charges related to several bomb attacks over the past three years. Officials says the suspect, Guiamalodin Edsrafil, belonged to a group of bomb operatives under the MILF. Police chief Jesus Versoza says the suspect admitted to plans by the MILF and the Abu Sayyaf to bomb major cities, including the capital Manila.

The suspect also told investigators that an Abu Sayyaf leader funded the terror operations, and wired money to bank accounts of the MILF. Edsrafil faces charges for bomb attacks since 2005. The MILF was in peace negotiations with the Philippine government and has previously denied claims of collusion with the known terrorist group Abu Sayyaf.



- **13 dead, 4 missing in Philippines floods**

At least 13 people have been killed in flooding caused by heavy rains in the central Philippines this week, the civil defence office said on Saturday. Four people were still missing in Camarines Norte province, it said. Deaths also occurred in the central islands of Samar and Leyte. Three people were also injured in the flooding with almost 1,500 people still housed in makeshift evacuation centres. However the civil defence office said the rains had eased and the floods were starting to subside.

- **Manila backs UN resolution vs. pirates(pol,social)**

WITH 91 Filipino seafarers on board five ships still held captive by Somali pirates, the Philippines is backing the United Nations Security Council (UNSC) Resolution that allows air, sea and land operations against the pirates, the Department of Foreign Affairs reported.

The UNSC authorized nations to use "all necessary measures that are appropriate in Somalia" in an effort to stop parties from using Somalia to stage piracy in its nearby waters, particularly in the Gulf of Aden where thousands of cargo ships sail to and from Asia and the Suez Canal. The resolution was released the same day a French-operated tugboat and a Turkish cargo ship were seized by pirates in the Gulf of Aden.

Vice President Noli de Castro, however, stressed the Philippines cannot advocate the use of military force to defend ships against pirate attacks since that would imperil the lives of Filipino seafarers.

Foreign Affairs spokesman Claro Cristobal agreed, saying that what the Philippines welcomes is the international resolve expressed in the UNSC resolution, as it provides hope for suppressing a scourge that has long endangered the lives of seafarers, including Filipinos.

- **HIV/AIDS "hidden but growing" problem in the Philippines**

"I came out to show people we are normal," says AIDS worker Roberto Ruiz, who is fighting the social stigma that HIV/AIDS still carries in the Philippines.

While the government puts the number of HIV/AIDS cases at 8,600, Ruiz believes the number is much higher.

He said local and foreign health experts used to say the Philippines is "low and slow in the prevalence of HIV/AIDS".

While the foundation acts as a support group for HIV/AIDS sufferers in the Philippines it also conducts research and has an education programme aimed at lifting the stigma associated with the disease in a country where more than 80 percent of the 90 million

population are Roman Catholic. United Nations data, based on government figures, shows that last year there were 8,600 people suffering from HIV/AIDS in the Philippines despite the country's thriving sex industry and vast army of some eight million overseas workers.

In Thailand the figure is 610,000, in Vietnam 290,000 and Cambodia 75,000.

Transmission among sex workers and other risk groups is going down "but it is in the general population that it is increasing," he said, citing the threat particularly among the young.

So far, health officials have found 481 people aged 15-24 who were infected, with 50 children below the age of 15 also infected. The children were all born of mothers with the disease, said Ruiz.

Had HIV/AIDS education been carried out in high school, then perhaps many of the young people now infected would have avoided the disease, he said.

Ironically, the Philippines is credited with carrying out effective HIV/AIDS programmes among marginalised groups.

There are some obstacles: the Catholic Church has opposed sex education among children and the promotion of condoms -- two things that would help prevent the spread of HIV/AIDS.

This makes it unlikely that the Philippines will adopt the massive HIV/AIDS prevention campaigns that were so effective in Thailand, Ghidinelli said.

- **Death toll in boat sinking in Philippines now 46; eight missing**

The death toll in the sinking of a passenger vessel off the northern Philippines has risen to 46 while eight people remained missing, the coast guard and police said Thursday. Forty-five people survived the accident Sunday off the coast of Ballesteros town in Cagayan province, 420 km north of Manila.

The MB Maejan was already near the dock of nearby Aparri town when it capsized as huge waves battered it and strong currents dragged it away. The coast guard said search operations for the eight missing were continuing despite bad weather.

Local police said one more body was recovered off the coast of nearby Sanchez Mira town, bringing the death toll to 46.

The coast guard said the wooden-hulled boat was overloaded as it was ferrying nearly 100 people when it was only allowed to carry 50 people. There were also cargoes of pigs, cows and water buffaloes on the ship. Sea travel is a major mode of transportation in the Philippines, an archipelago of more than 7,000 islands.

The country was the site of the world's worst peacetime shipping disaster in 1987 when more than 4,000 people perished in a collision between a ferry and an oil tanker just before Christmas.

## **Environmental Front**

### ● **Thailand**

#### **Political Front**

- **Thailand was wracked by tensions**

Thailand was wracked by tensions on Sunday on the eve of a vote for a new prime minister, after former leader Thaksin Shinawatra weighed in from exile to demand an end to army interference in politics.

MPs are due on Monday to choose Thailand's third premier in four months, with opposition leader Abhisit Vejjajiva set to win after the pro-Thaksin government was toppled by a court order and then hit by a series of defections.

But billionaire Thaksin, who was deposed in a military coup in 2006, told 50,000 supporters in a video address late on Saturday that there would be no end to Thailand's political strife if the generals keep meddling.

The political manoeuvres follow six months of protests by the anti-Thaksin People's Alliance for Democracy (PAD), which peaked with a week-long blockade of Bangkok's airports beginning in late November, which left 350,000 passengers stranded.

The turmoil has badly hit Thailand's economy at a time when it is also starting to feel the pinch from the global financial crisis, with economic growth forecast at just two per cent next year. The PAD ended the airport siege after a court on December 2 dissolved the ruling People Power Party and handed a five-year political ban to then-premier Somchai Wongsawat, who is Thaksin's brother-in-law.

Behind Thailand's political machinations lie a growing divide between Thaksin's support base among the rural and urban poor - especially in his native northern Thailand - and the country's Bangkok-based establishment. Thaksin, who won elections in 2001 and 2006, alienated elements in the palace, military and bureaucracy with his populist policies and was accused by the PAD of trying to damage Thailand's revered monarchy.

- **Thai ex-PM warns of 'interference' in democracy**

Thailand's ousted leader Thaksin Shinawatra addressed tens of thousands of supporters by video from exile Saturday, warning against efforts to "interfere" in democracy as lawmakers prepared to select yet another new prime minister amid political crisis.

For most of the day, the red-shirted crowd — estimated by police at 30,000 to 40,000 — cheered and danced as speaker after speaker accused the army of using its influence to force Thaksin's political allies from power despite their winning elections a year ago. They criticized efforts by the opposition Democrat Party to form a new government as early as Monday.

Previous Prime Minister Somchai Wongsawat was forced to step down earlier this month, when a court dissolved his pro-Thaksin People's Power Party for fraud committed in the December 2007 election that brought it to power.

The Democrat Party — which has been in opposition to the Thaksin camp since 2001 — says it has enlisted enough lawmakers from other parties to form a parliamentary majority and name its leader, Oxford-educated Abhisit Vejjajiva, the prime minister.

Thaksin's supporters are in the Phuea Thai party, whose members claimed Friday they had enough backing in Parliament to elect former national Police Chief Pracha Promnok, leader of the allied Puea Pandin party.

The new leader will be Thailand's fifth prime minister in a little more than two years. The country has been disrupted by months of protests by an anti-Thaksin alliance that occupied the prime minister's office from late August until earlier this month.

Last month, the protest alliance occupied Bangkok's two airports — which stranded upward of 300,000 travelers — until Somchai, who is Thaksin's brother-in-law, was forced out of office.

The ousted premier is still supported by many in the impoverished countryside because of his populist policies while in power.

- **The 'Silent Coup'**

*Thailand calms, but maybe not for long.*

Thailand's transition to a new government looks set to be completed within days. This is a welcome sign of normalcy in a country that's been wracked by unrest for months. But Thailand's democratic system remains deeply -- perhaps fatally -- wounded.

Yesterday Parliament elected Abhisit Vejjajiva, the leader of the Democrat Party, as the country's next prime minister. His coalition government plans to announce its cabinet appointments within six days. This will bring much-needed stability in the short term.

But in the longer term, Mr. Abhisit's coalition is unlikely to resolve the fundamental conflicts that brought about this month's "silent coup" and may have trouble holding on to its tenuous grasp on power.

Mr. Abhisit's government has come to power by riding the dangerous wave of antidemocratic protest that brought the country to a standstill earlier this month. The previous government, loyal to former Prime Minister Thaksin Shinawatra, was ousted by a combination of violent street protesters, with whom the military and police were largely complicit, and an activist judiciary operating under laws written by the military leaders who ruled from 2006-2007.

The immediate task of the new government will be to help Thailand weather effects of the global financial crisis. Thai officials forecast GDP growth of 2% or less next year, and Thailand's tourism sector, which comprises around 6% of GDP, has been hurt by the recent airport occupations that stranded thousands of travelers. Mr. Abhisit, an Oxford-educated economist, says he will lead his economic team himself, and previously suggested that Thailand needs a large-scale stimulus package.

Mr. Abhisit is Thailand's third prime minister in as many months. While he has the support of the military and the Bangkok elite, it will be difficult for him to win over pro-Thaksin rural voters, who remain angry at ouster of the duly elected government. Thailand's recent turmoil has been a battle between those who benefit from democracy, and those who don't. For now, the latter group is winning. Mr. Abhisit, despite his best intentions, may not be able to do much about that.

- **New Thai PM faces protests**

Opposition leader Abhisit Vejjajiva became Thailand's third prime minister in as many months today, taking control with a slender majority in parliament and an economy teetering on the brink of recession.

In a sign of the trouble in store for the Oxford-educated economist, 200 supporters of the government sacked by the courts two weeks ago blocked access to parliament after the vote and smashed windows of cars carrying MPs from his Democrat Party.

Chanting "Abhisit, army nominee", the red-shirted demonstrators denounced the 44-year-old as a front man for the military, which ousted elected leader Thaksin Shinawatra in 2006 and which has been accused of political meddling ever since.

Mr Abhisit said last week reviving growth through increased government spending would be his top priority, although it remains to be seen where he will get the money from. Talking to reporters immediately after the vote, he said he would not outline any ideas or initiatives until he was sworn in by King Bhumibol Adulyadej.

- **Thailand's third PM in four months**

THAI Opposition Leader Abhisit Vejjajiva was elected today as the nation's third prime minister in four months, triggering protests from supporters of the old Government who tried to block Parliament.

British-born Democrat Party leader Abhisit will head up a weak coalition Government after winning a parliamentary vote nearly two weeks after a court dissolved the ruling party linked to ousted premier Thaksin Shinawatra.

Dozens of angry Thaksin supporters clad in red shirts clashed with police and threw traffic barriers outside the gates of Parliament to try to prevent MPs from leaving after the session. He said 44-year-old Mr Abhisit won 235 votes to 198 for ex-police chief Pracha Promnong, who had been proposed by the former ruling party and its allies. The turmoil left 350,000 passengers stranded and has badly hit Thailand's international image and its economy, with GDP growth forecast at just 2 per cent next year. PAD supporters said the previous Government was running the nation on behalf of Mr Thaksin, and had already occupied the prime minister's offices since August and forced the suspension of Parliament on one occasion. Several members of the PPP defected to the Democrats in recent days, along with several smaller parties that were part of the previous coalition Government.

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Rebel attacks kill 4 in Thai Muslim south**

Three Muslim men and a Buddhist policeman were killed in two separate gun and bomb attacks in Thailand's far south, police said on Saturday, the latest violence in a five-year separatist rebellion. A remote-controlled bomb left in front of a karaoke bar exploded on Saturday, killing one policeman and wounding two other officers and two civilians in Pattani, one of four southern provinces roiled by violence that has killed 3,200 since 2004.

## **Environmental Front**

- **Singapore**

## **Political Front**

## **Strategic Front**

- **Defence Minister Teo outlines strategies for dealing with security challenges**

Singapore's Defence Minister Teo Chee Hean has outlined three strategies for dealing with global security challenges in the 21st century.

Speaking at the Manama Dialogue in Bahrain on Sunday, Mr Teo said the changed security landscape would require a more inclusive international community, leveraging on new modes of inter-regional dialogue and co-operation to address common challenges.

He suggested that one such platform could be the Asia-Middle East Dialogue which could help countries devise appropriate political and economic models to bring progress and development to both regions.

Secondly, he said with the complex nature of security challenges this century, multi-dimensional solutions would be needed.

These would address not just security concerns but underlying issues of economic development, governance, cultural and historical realities. Thirdly, he said flexible and speedy responses were needed from both the international and regional community to address security challenges, or any hesitation could sometimes result in catastrophic consequences.

This is Mr Teo's first time speaking at the Manama Dialogue which brings together the national security establishments of participating states from the region and beyond to exchange views on regional security challenges. Countries represented at this year's dialogue include the Gulf Cooperation Council members - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, Afghanistan, Egypt, Iraq, Jordan, Turkey and Yemen, as well as extra-regional countries such as Australia, China, France, Germany, India, Japan, Pakistan, Russia, Singapore, the United Kingdom and the United States.

- **S'pore and Indian air forces conduct joint military exercise in India**

The Republic of Singapore Air Force (RSAF) and the Indian Air Force (IAF) are conducting a Joint Military Training programme (JMT 2008) at the Kalaikunda Air Force Station in India.

Singapore's Ministry of Defence (MINDEF) said the three-week exercise, which ends on Wednesday, provides a valuable opportunity for the two air forces to interact in realistic and challenging conditions. The ministry added that the training also helps to enhance mutual understanding and inter-operability between the two air forces. The training is conducted under a bilateral agreement signed in October 2007.

## **Economic Front**

- **PM Lee in Doha to sign milestone FTA between S'pore and GCC countries**

Singapore and the Gulf Co-operation Council will sign a free trade agreement during Singapore Prime Minister Lee Hsien Loong's official visit to Qatar beginning on Sunday. Qatar is currently the Chairman of the GCC.

A statement from the Prime Minister's Office said this will be the Gulf Cooperation Council's first FTA. Observers said while Mr Lee's primary visit to Qatar is to sign the FTA, it will also be an opportunity for him to renew the healthy bilateral ties that Singapore has with the Middle Eastern state.

Mr Lee last visited Doha in November 2006 during his first official visit to the Middle East. Qatar is Singapore's fourth largest trading partner in the Middle East with bilateral trade last year standing at S\$6.7 billion.

- **Singapore's labour market shows signs of slowing**

Singapore's labour market is slowing with total employment growing by 55,700 in the third quarter of this year.

This is down from second quarter's 71,400 and the 58,700 jobs created in the third quarter of 2007. But the Ministry of Manpower (MOM) says total job gains in the first nine months of 2008 was 200,400. This is more than the 172,400 posted in the same period of 2007. The services sector added 34,300 workers in the third quarter, which is also lower than last quarter's 38,300. Construction also slowed to 16,500 workers, from 22,400 the previous quarter. Manufacturing had a slight increase of 4,600, sharply down from the trend of 10,000 jobs added every quarter since the third quarter of 2006. About 56,000 residents were unemployed in September 2008. There were 2,346 workers retrenched in third quarter of 2008, which is more than the previous quarter's 1,798 and a year ago at 1,827. Singapore companies are also paying their high performers 60 per cent more in base salary increase than to the other employees.

- **MM Lee says East Asia will be where the action is in next 50 years**

East Asia and China will be where the action is in the next 50 years, said Minister Mentor Lee Kuan Yew at a dialogue on Tuesday to celebrate 30 years of China's reform and opening up. Going forward, the minister mentor said he hopes to see at least 300 capable mid-career Singaporeans carving their niches there each year.

Mr Lee also added that China is on the right track by not blocking imports and attracting multi-national corporations to operate in the country. Another thing that the Chinese have going for them is the sheer size of its population. Mr Lee said China's reform and growth hold many learning points for ASEAN countries, which boil down to having a well-organized system and good quality human resources.

- **Singapore's seaport to be world's first WiMax enabled by 2008**



Singapore's non-oil domestic exports fell by a worse-than-expected 17.5 per cent year-on-year in November.

This follows a 15 per cent on-year decline in October, making it the 7th straight fall this year. And some economists expect the trade figures to get worse. According to figures released by the International Enterprise Singapore, contractions in electronic and non-electronic domestic exports contributed to the slide.

Exports to all of Singapore's top 10 non-oil domestic export markets registered a double-digit drop last month - with Europe, the United States and China leading the declines.

Non-oil domestic exports to Europe dropped 26 per cent, while exports to the US fell 27 per cent in November. Exports to China also contracted by 28 per cent last month.

Some economists said Singapore's non-oil domestic exports could contract by as much as 6 per cent for the full year, and there are signs that this contraction could grow next year.

But economists said it is unlikely the Monetary Authority of Singapore will revise its current neutral exchange rate policy downwards. A total of S\$12.06 billion worth of non-oil domestic goods were exported last month.

## **Social Front**

## **Environmental Front**

# ● **Vietnam**

## **Political Front**

- **Vietnam attributes successes to its pursuit of democracy**

Vietnam 's successes in reducing its poverty rate, improving the living conditions of its people and creating a more prosperous society are concrete outcomes of the process of building and promoting democracy in the country. Since the Democratic Republic of Vietnam was established in 1945, the country has pursued a consistent policy of building a state of the people, by the people and for the people, the minister stressed.

According to the minister, democracy is a process of development whose success and practical effectiveness is decided by the equal participation of every citizen within a country as well as every nation in the world.

Close to 200 government officials from 32 Asian countries, including Indonesia 's President Susilo Bambang Yudhoyono, and delegates from eight observer nations in Europe and America attended the forum.

The forum aims to set up an inter-governmental mechanism for all Asian nations to exchange experiences and increase regional cooperation in the field of democracy and on a basis of dialogue, equality, mutual respect, understanding and benefit and non-interference in each other's internal

## **Strategic Front**

### **Economic Front**

- **Vietnam boosts legislative ties with Laos and Cambodia(eco,po)**

Vietnam will continue its legislative cooperation with Laos and Cambodia , including exchange of experiences and mutual assistance in policy making and encouraging people to support commitments made by the countries.

The idea was shared by Vice Chairwoman of the Vietnamese National Assembly Tong Thi Phong with her guests, Deputy Prime Minister and MP of Cambodia Men Sam An, and Vice Chairman of the Lao NA's Committee for Cultural and Social Affairs Pholsena Phonethep, during their meetings in Hanoi on Dec. 13.

The two foreign officials are leading delegations to attend the Asian Forum of Parliamentarians on Population and Development (AFPPD) which is held in Hanoi from Dec. 13-14. She appreciated the Cambodian and Lao delegations to the AFPPD and the role of Cambodian and Lao MPs in boosting the traditional relationship and comprehensive cooperation between Vietnam , Laos and Cambodia .

The guests expressed thanks to the Vietnamese NA, Government and people for their wholehearted assistance to the national construction and development of both Laos and Cambodia.

- **PM pledges to build strategic partnership with Japan(eco,pol)**

Vietnam will spare no efforts to develop a long-term strategic partnership with Japan , Prime Minister Nguyen Tan Dung told the former Japanese PM, Fukuda Yasuo, during their talks in Hanoi on Dec. 13.

PM Dung hailed Fukuda's attendance at the Asian Forum of Parliamentarians on Population and Development, saying that the issue has topped Vietnam 's concern. Vietnam , he noted, has posted a lot of achievements while implementing the population strategy, but still faces various difficulties in stabilizing and improving the quality of its population.

The country's population has increased by 1.1 million people each year and is estimated to reach a stable level of 120 million between 2020-2025, PM Dung said, adding that this will pose big a challenge to Vietnam 's development and require more assistance and experiences from the international community.

The government leader spoke highly of former PM Fukuda's contributions to promoting relations between the two countries. Currently, Japan is Vietnam 's leading investor, trade partner and official development assistance (ODA) provider, with two-way trade value hitting 17 billion USD this year, a year-on-year increase of 40 percent, he said.

Regarding the alleged corruption case involving Japan 's Pacific Consultants International (PCI), he said the two sides' effort to set up a joint committee to prevent bribery was very necessary, and Japan will consider resuming the provision of ODA for Vietnam . The PM said his government already proposed relevant Japanese agencies to channel information and coordinate to handle the PCI case. The investigators prosecuted the case and the Vietnam Supreme People's Procuracy has asked Japan to provide more evidences in order to bring it to trial in accordance with Vietnamese law.

PM Dung also applauded the establishment of the Vietnam-Japan joint committee to prevent the misuse of Japanese ODA capital. While reiterating Vietnam 's resolve to combat corruption, PM Dung said he was regretted at Japan 's unilateral decision to stop the provision of ODA for Vietnam at the Consultative Group (CG) Meeting early this month.

- **Vietnam hopes to learn from Hong Kong's financial experience**

Vietnam wishes to learn from Hong Kong's experiences in the financial, monetary and securities sectors, which are key areas identified by Vietnam as having huge potential for development.

Deputy Prime Minister Nguyen Sinh Hung expressed this aspiration while receiving the visiting Financial Secretary of Hong Kong, John Tsang in Hanoi on Dec. 15. The Deputy PM affirmed that Vietnam continually strives to create favourable conditions to welcome Hong Kong investors to Vietnam , particularly in areas such as transport, education and healthcare. Deputy PM Hung told the Hong Kong official that foreign investment in Vietnam in recent years has doubled annually and that the country is currently reorganizing and equitising enterprises.

Deputy PM Hung expressed his belief that cooperation between the Vietnamese and Russian parliaments would contribute to boosting the friendship and multifaceted cooperation between the two countries. Ivanovich stressed the huge potential for cooperation between Russia and Vietnam . Bilateral cooperation in education, culture, sports and tourism has been strengthened and achieved a number of successes. He said he

hoped that the cooperation between the two countries' localities would also be improved in the near future.

- **PM Dung asks expanded capital to tackle reforms**

Prime Minister Nguyen Tan Dung has made administration reform a top priority for Hanoi authorities during 2009 during a working session with the municipal leadership on Dec. 17.

The working session, which was also attended by four of his five deputies, reviewed the capital city's socio-economic development during 2008 and examined solutions to next year's threat of economic recession. The Government leader identified staff appointments and administrative reforms as the toughest tasks for the leaders of the capital, which has emerged as the world's 17 th largest capital city following its expansion, incorporating Ha Tay province and part of Hoa Binh province. He also instructed the Hanoian authorities to take steps to increase levels of investment and tourism and extend practical assistance to enterprises to facilitate production and exports in the midst of a global economic downturn.

He also urged the capital city to tighten public security, transport safety and food sanitation measures while accelerating site clearance activities for projects related to the Thang Long-Hanoi Millennium Anniversary celebrations in 2010.

After recognising the achievements recorded by Hanoi during 2008, including its efforts to control the rate of inflation, the Government leader expressed his dissatisfaction over the city's ongoing problems regarding planning, land management, disbursement of capital for infrastructure projects, environmental pollution and administrative reforms.

Hanoi has set itself the target of posting a GDP growth rate of between 9.5 and 10 percent for 2009, as well as increasing export revenues by 20 percent.

- **Cambodia, Vietnam expect 2 bln USD in trade**

Vietnam and Cambodia have discussed measures to further boost their economic cooperation, with the aim of increasing two-way trade to 2 billion USD by 2010.

The discussion took place during the meetings in the Cambodian capital of Phnom Penh between the Vietnam - Laos - Cambodia Association for Economic Cooperation Development of Vietnam and the Council for the Development of Cambodia and a number of Cambodian ministries.

At the working sessions, the two sides also highlighted the importance of further accelerating economic cooperation and investment between Vietnam , Laos and Cambodia .

During its visit to Cambodia from Dec. 8-12, the delegation of the association, led by Chairman Lai Quang Thuc, former deputy minister of Planning and Investment, was received by Cambodian Prime Minister Hun Sen.

## **Social Front**

- **President: Vietnam joins efforts to ensure human rights**

Vietnam, as a member of the international community, has been participating in concerted efforts to ensure and enforce human rights, said State President Nguyen Minh Triet.

President Triet made this statement in a message of congratulations addressed to the United Nations Secretary General, Ban Ki-moon, to celebrate the 60 th anniversary of the adoption of the Universal Declaration of Human Rights, which falls on Dec. 10.

The president wrote that the Universal Declaration of Human Rights contains the essence of the noble spiritual values of all nations and has become a symbol of progress of humankind during the last century.

Vietnam , he said, believes that the lofty values contained within the Universal Declaration of Human Rights, which have stood the test of time, would continue to be a foundation for cooperation, mutual understanding and trust among countries under the common United Nations umbrella, and create momentum for the sustainable development of the humankind for the 21 st century and beyond.

## **Environmental Front**

- **Laos**

### **Political Front**

- **[EU supports government reform](#)**

The European Commission (EC) yesterday approved 13 million Euro grant to support Lao government reforms under the Poverty Reduction Strategy Operation (PRSO). This is a four-year general budget support committee that aims to ensure greater predictability of the resources available to the government.

The EC has contributed with 3.2 million Euro to the PRSO 3 early this year and with this additional support to PRSO 4 to 7, the contribution of the EC will amount more than 16 million Euro.

1 million Euros will support specifically capacity development efforts of the Ministry of Education and the Ministry of Health.The PRSO is a 2004 initiative by the World Bank, implemented by the Ministry of Finance and other key line ministries and agencies such as the Ministry of the Education and the Ministry of Health.

By joint the PRSO with a four-year commitment, the EC is contributing to greater aid effectiveness and ensuring predictability of donor funding. This is critical in the context of global financial crisis when resources for social sectors risk being even more limited,? said Dr. Lock.

## **Strategic Front**

### **Economic Front**

- **Laos, Thailand boost trade through exhibition**

More than 200 booths from the public sector and private companies of Laos and Thailand are represented at the Indochina Exhibition, That Inghang square, Savannakhet province.

The exhibition started on 8 December and will close on 13 December. Mr Somvang Vongvat, Head of the Industry and Commerce Division of Savannakhet province, said that the 2008 Laos-Thailand Indochina Exhibition was to stimulate the bilateral trade, investment and tourism between the two countries. In addition to opening more opportunity for customers of the two countries to access to each other products, he continued, the event was to share views and experiences on production and meet trade and investment partners so as to stimulate mutual economic growth of each country,? he said. The exhibition was held in cooperation with the Ministry of Industry and Commerce and the Thai Ministry of Commerce.

- **Lao tourist hits by global financial and economic crisis**

The tourist circumstances of Laos this year was affected by the global financial crisis and stemmed economy worldwide and the political crisis of neighboring country occurred recent month, Chairman of National Tourism Administration, Mr Somphong Mongkhounvilay yesterday. ?

This condition considerable impacts to the tourist of Laos and made a large number of foreign tourists canceled flight headed to Laos via neighbouring country, particularly the tourists who traveled with Thai airline,? he continue. ?

However the turmoil has reduced and it expects the number of tourists with destination to visit Laos will soon come back to normal in this high season?. Mr Somphong released his key note speech to open the 4th nationwide meeting of National Tourism Administration took place yesterday, Vientiane Capital where drew line-deputy governors countrywide and officials from relevant agencies.

Over the past 10 month this year, over 1.3 million tourist visited Laos compared to previous year it soared 3 percent. This figure compared to the expected figure was not high according to the plan Laos will receive 1.8 million people and will receive income about US\$250 million. In the period of 2007-08, Laos? tourist has considerably expanded which indicated that the Laos welcomed 1.6 million tourists in 2007 or increased by 34 percent and draw income over US\$233 million which covered 8 percent of GDP. This income considers it the second rank next to mining sector.

This year, 134 tourist companies are running their business in Laos that increased 22 companies and 1,381 guesthouses and hotels with 22,233 bed rooms.

- **Laos-Vietnam enhance cooperation in bank sectors**

The central banks of Laos and Vietnam signed a Memorandum of Understanding on last Thursday in Vientiane to exchange lesson on managing banks and financial institutes.

The MoU was signed by Mr Somphao Faisith, Vice Governor of the Bank of the Lao PDR and Mr Tran Minh Tuan, Vice Governor of the Bank of Vietnam.

The MoU is aimed to facilitate the translation into reality of the MoU signed last December by the Governors of both national banks on lesson exchange on managing banks and financial institutes.

## **Social Front**

- **Developed countries want Lao workers**

Even though there is the serious ongoing economic turmoil in the world, Japan and Korea are recruiting 3,000 workers from Laos for their industrial and agricultural sectors.

Lao officials also said that another two countries, Sweden and Russia want to recruit Lao workers to fill vacancies in their labour market.

However on the contrary, Thailand, a developing country, is planning to downsize its foreign labour force and as many as 100 Lao workers will be retrenched by their Thai employers, said Mr Phouvanh.

On the other hand, officials in the Ministry of Labour and Social Welfare said that while there is still a demand for Lao workers in foreign countries but at the same time in Laos

the local employers have vacancies for 58,000 jobs in the industrial and agricultural sectors and so uppermost in their minds is the interest of Laos.

The Ministry of Thai Labour has recently publicised in the newspapers and television that they are reducing the number of legal foreign workers from Laos, Myanmar and Cambodia as part of its measures to solve the unemployment problems of Thailand.

This new labor policy aims to reduce the total of two million foreign workers from the three countries to just 800,000 by the beginning next year. Under the new policy, legally registered foreign workers will be allowed to work only in the industries that are significantly short of labor and rejected by Thai workers, such as construction, fishery and agriculture, while the manufacturing sector will be reserved for Thai workers. Thai authorities expect 700,000 Thai workers to be jobless by 2009 and they also said they would be looking for employment.

By a rough estimation 300,000 Lao people are working in Thailand but only a fraction of them, 80,000, are registered and so as the new Thai labour policy comes into force the retrenched Lao workers will face stiff competition in finding new jobs in their host country.

This new labour policy of Thailand will affect the plan of Laos to create 108,000 jobs for its growing work force in 2008-09, of which 83,000 jobs will be created domestically while 25,000 jobs will be outsourced to neighboring countries, especially Another reason for Laotians to sneak to Thailand to work illegally is that they get low wages in Laos.

A serious employment problem faced by Lao workers in their own country is that foreign firms based in Laos prefer to hire foreign workers as they find that Lao workers are lacking in skills and experiences. The same reason accounts for the fact that businessmen in Thailand are not willing to hire the total number of Lao workers allocated to this country as indicated in the government to government contract.

- **[Human trafficking still worries Savannakhet](#)**

Savannakhet has recognised the human trafficking mainly of children and women, which is one of the organised translational crimes. It breaches human rights, and causes both physical and mental suffer to human beings, said Vice Governor of Savannakhet province.

The vice governor, Dr. Souphan Keomisay, talked to a meeting on child trafficking held at the Administration Office of Kayson Phomvihane district, Savannakeht province, that the Party and Government and their relevant organizations and authorities have made efforts in resolving human trafficking problem with the assistance and cooperation with international and regional countries, especially those in Mekong region including Vietnam, Cambodia, Myanmar, Thailand and China.



At present human trafficking is challenging and suffering children. Annually, 1.2 children aged 5-17 become the victims of human trafficking. They are physically tortured and forced to work as sex workers and various jobs against their will, said Mr. Souphan. The Lao Youth Union in the province realizes the problem and makes efforts in tackling it.

The main activities of the project include capacity building of the provincial youth union and encouraging the schools across the province to recognize the province of human trafficking and helping the victims of human trafficking restore their common life. The project benefits 21 secondary schools and 44 villages in three districts

## **Environmental Front**

### **• Cambodia**

#### **Political Front**

- **Govt optimistic over appointment of new Thai PM: Minister**

But civil society leaders say that Cambodia is simply wasting time negotiating with a succession of powerless Thai governments

WHILE the newly selected premier of Thailand, opposition leader Abhisit Vejjajiva, had criticised his country's ruling party for allowing Cambodia to list Preah Vihear temple as a UN World Heritage site in July, the Cambodian government insists the change will not reshape the border talks, which they say have always been rooted in past treaties and not in the personalities of the negotiators.

While he acknowledged that the new government "will have a tough time dealing with the (border) issue", he said they could not deny the existing treaties in place to support Cambodia's claims.

Union leader Rong Chhun, who has been a vocal critic of the government's hands-off approach in negotiations with Thailand over the disputed territory along the shared border, said the time to abandon bilateral talks was long overdue.

He also suspected the new premier's Democrat Party of involvement in the PAD's protest against Cambodia's ownership of the 11th-century border temple, despite there being no formal links between the groups.

## **Strategic Front**

- **Thailand's turmoil delays border work**

ONGOING political turmoil in Bangkok has obliged the Thai-Cambodian Joint Border Commission - charged with marking the neighboring countries' 805 kilometers of shared

border - to delay demarcating and de-mining the contested area near the Preah Vihear temple, officials said.

On November 12, Foreign Minister Hor Namhong and his Thai counterpart agreed during a meeting in Siem Reap to reduce the troop buildup along the shared border and allow the JBC to commence its work in the area by mid-December.

Meas Yoeun, deputy military commander stationed at Preah Vihear, told the Post that he had received no recent orders pertaining to the work of the JBC. Phay Siphon, a secretary of state at the Council of Ministers, said there is no schedule set for the next meeting of the JCB and this will not change until newly appointed Prime Minister Abhisit Vejjajiva takes office.

## **Economic Front**

- **Small loans give big employment boost**

Micro financing has created as many as 2.5m jobs across Cambodia. The sector is also a big employer in its own right

AMK CEO Paul Luchtenburg says every micro-loan extended immediately creates at least two new jobs. LOANS from Cambodia's microfinance institutions (MFIs) have directly or indirectly created at least 1.8 million jobs nationwide and possibly as many as 2.5 million, according to industry estimates.

ACLEDA, which is now one of the country's largest commercial banks, began operations in 1993 offering credit to micro and small enterprises. It transformed itself into a commercial bank in October 2000 but is still one of the largest microfinance lenders in the country.

It has provided almost 400,000 loans, including more than 200,000 micro-loans, 130,000 small loans and 45,000 medium-sized loans, In Channy said.

Say Sony, marketing manager at Prassac Microfinance, said MFI lending had resulted in remarkable poverty reduction even in remote areas of Cambodia.

### A career in microfinance

As well as creating jobs for the poor through loans, the rapid growth in the sector is also turning MFIs into substantial employers in their own right.

Cambodia now has 17 registered MFIs, each employing more than 500 workers on average. A typical large-scale MFI may have more than 1,000 employees while the smaller ones tend to have around 300. The biggest, ACLEDA, now employs 5,820 people, although those numbers are boosted by its commercial banking operation.

He estimated that the bank's loan portfolio would increase around 50 percent to \$700 million in 2009 from \$470 million at the end of 2008.

The International Finance Corporation, part of the World Bank group, said earlier this month it expects as much as 50 percent growth in microlending next year, down from the 60 to 100 percent previously expected, based on information provided by MFIs.

## **Social Front**

- **Cambodia confirms bird flu outbreak**

Cambodian officials began the culling of poultry near the capital of Phnom Penh on December 17, five days after a young man from the area was confirmed to have contracted H5N1 bird flu by the World Health Organization (WHO) and the Cambodian government. The country's Agriculture Minister Chan Sarun was quoted by news reports as saying that he had ordered a three-month ban on poultry transportation from the province of Kandal, 50km south of Phnom Penh, after tests proved it had been hit by the deadly virus. Cambodia's Health Ministry said in a statement last week that the 19-year-old man, the eighth person in Cambodia to have contracted bird flu since 2005, was in a stable condition in the capital's Calmette hospital. The patient fell ill on November 28th, but was only confirmed as having bird flu on December 11th, a Health Ministry-WHO statement said. All seven of Cambodia's previous human cases have died.

- **Opposition sparks more merger rumours**

OFFICIALS with the opposition Sam Rainsy and Human Rights parties say they will explore the possibility of uniting under one name to contest future national elections.

HRP Secretary General Yem Ponharith told the Post Wednesday that leaders from both parties have begun discussions of a merger but were afraid of attempts by other political parties to block the plan. Yem Ponharith said party officials are not concerned about leadership positions within a united party but with their ability to get approval for the coalition.

HRP President Kem Sokha could not be reached for comment on Wednesday, but he told the radio program Voice of America last week that the parties, led by Sam Rainsy, must unite for future elections.

### **Unified democratic force**

Ke Sovannaroeth, acting SRP secretary general, told the Post Wednesday that democrats must join together for the benefit of the Cambodian people.

Government spokesman Khieu Kanharith could not be reached for comment on Wednesday, but Anti-corruption Unit chief Om Yentieng said the ruling Cambodian People's Party would welcome the new coalition. Lawmakers from the newly formed HRP were silenced during the National Assembly's first session earlier this month for

refusing to team themselves with either the ruling Cambodian People's Party or the opposition Sam Rainsy Party, despite knowing they would lose their right to speak.

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

### **South Asia**

Ghashia Kayani

Weekly Report: from 13 December to 19 December 2008

Presentation: 24 December 2008

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BANGLADESH:

POLITICAL:

- Hasina pledges economic emancipation
- Vote for 'Sheaf of Paddy' to ensure prosperity restoring democracy
- Call to establish 'allied force monument'
- Govt to train up BD workers
- EC declares 1,572 candidates as valid, finalises candidature
- With slogans 'save people', 'save country' Begum Zia hits election trail after Sylhet
- South Asia needs network for migrant workers' welfare
- AL manifesto termed positive subject to implementation
- If militant partronisers return to power, country to face disaster: Hasina
- Khaleda promises stamping out "monga" in northern region

SOCIAL:

- Nation observes 38th Martyred Intellectuals Day today with due respect
- Nation celebrates Victory Day
- Chilly wind sweeping country

ECONOMIC:

- BTCL earnings up despite fall in subscribers
- Remittances increase by 18pc due to Eid-ul-Azha last month
- CS Karim argues for continued farm subsidies
- Govt to set up automated DEDO for online bill collection

GEO-STRATEGIC:

- *Muscat to host conference on 'Islam, politics & security in South Asia' Dec 15*

### **If militant partronisers return to power, country to face disaster: Hasina**

Awami League President Sheikh Hasina, now on her election campaign at the south-western districts, addressed at least five election rallies at Chitalmari, Mollarhat, Fakirhat, Battolli and Bagerhat on Thursday seeking vote for 'boat'. The former Prime Minister, in her public meetings, pledged to build a secular Bangladesh for people of all religions if the AL-led grand alliance is voted to power. Urging to build strong resistance against militants and bomb-attackers, Hasina said the whole country would plunge into a deep disaster if the enemies of Islam (partroniser of militancy) returned to power. The AL Chief's three-day election tour was extended for one more day. She is likely to come back to Dhaka tonight (Friday). Hasina would deliver speeches at least a dozen of street rallies and public meetings today on her way to the capital via-Jessore, Magura Narail and Arichaghat. Meanwhile, the Co-Chairman of AL Election Steering Committee HT Imam, at a press conference, urged the government to take special measure about the 'identified culprits' who earlier went into hiding soon after the promulgation of the Emergency Rule across the country.

### **Khaleda promises stamping out "monga" in northern region**

*BNP Chairperson Begum Khaleda Zia during her wayside rallies and public meetings at different northern parts of the country on Thursday said if BNP is voted to power, special measures will be taken for "monga" affected people for alleviation of their poverty and increase in agro products. "BNP believes in politics of development. Party's election symbol 'sheaf of paddy' is the symbol of development. In the last two years of the present caretaker government, country's overall economy and development activities have been facing serious setback. If we are able to form the next government, BNP will give first priority to increase of agriculture production in order to reduce price hike of essentials and decrease unemployment problem providing subsidy in this sector. Besides, the farmers will get fertiliser and seeds easily," Begum Zia said this at a public meeting in Thakurgaon District High School play ground yesterday. She further said special steps will be taken to reduce the hardship of monga-prone areas and stop land erosion by the Jamuna and Tista rivers. To make the mission a success, you (people) can cast your votes in favour of BNP candidates in the upcoming national parliamentary election. At a public rally in Dinajpur, Khaleda Zia introduced her party candidate Lieutenant General Mahbubur Rahman (retd) for constituency-2 of the district and said*

*the caretaker government was compelled to lift the state of emergency after wasting much time and hatching conspiracy.*

### **With slogans 'save people', 'save country' Begum Zia hits election trail after Sylhet**

BNP Chairperson Begum Khaleda Zia on Friday started hitting her party's election campaign trail from Sylhet after saying prayers at the shrines of Hazrat Shah Jalal, Shah Paran and Gazi Borhanuddin there in order to achieve victory in the upcoming 9th parliamentary election scheduled to be held on December 29. In the morning, Begum Khaleda Zia along with some senior leaders including BNP Standing Committee Member Khandaker Mosharraf Hossain, Vice-Chairman Sarwari Rahman left her cantonment residence in the capital Dhaka for Sylhet by road. She arrived at Sylhet city at about 12.05 pm. Thousands of leaders and activists including former Finance Minister M Saifur Rahman and local leaders welcomed her by giving flowers and chanting slogans in favour of her and BNP. Later she took rest for sometimes at the Sylhet Circuit House from where she went to the shrines of Hazrat Shah Jalal, Shah Paran and Gazi Borhanuddin and offered prayers there. It may be pointed out that when Begum Zia was on the way to Sylhet from the capital, carrying banners, festoons and placards and chanting slogans, BNP leaders, activists and supporters were standing on both sides on the Dhaka-Sylhet Highway waving their hands to greet her. With slogans of 'save people' 'save country' Begum Zia addressed the first election rally at Lala Bazar in Sylhet sadar. Begum Zia in her first election rally, called upon the people to cast their vote in favour of BNP led four-party alliance to continue the country's development flow.

### **EC declares 1,572 candidates as valid, finalises candidature**

Declaring some 1,572 candidates as valid, the Election Commission on Friday finalised the candidatures of 299 constituencies out of 300. According to the Election Commission a total of 2456 aspirant candidates of 39 registered political parties including Awami League led grand alliance, BNP-led four-party alliance and independent candidates had submitted their nomination papers from their respective constituencies across the country. Of them 557 were cancelled during scrutiny, some 425 candidates withdrew their candidatures across the country. Later the aspirant candidates, whose candidatures were cancelled, appealed

to the Election Commission which after hearing declared some 119 as valid, in the race for the December 29 national parliament election.

### **Nation observes 38th Martyred Intellectuals Day today with due respect**

The 38th Martyred Intellectuals Day will be observed today (Sunday) across the country paying glowing tributes to the intellectuals assassinated only two days before the nation's victory after the nine month long Liberation War in 1971. To mark the day, various political and socio-cultural organisations have chalked out elaborate programmes. On this day in 1971, the Pakistani occupation army and their collaborators abducted leading Bengali intellectuals and professionals and killed them with a design to leave the nation intellectually crippled. University teachers, physicians, journalists, litterateurs and artistes were hounded out of their homes in the city as per a list and massacred at Rayerbazar and other places. The martyred intellectuals include Prof Muneir Chowdhury, Dr Alim Chowdhury, Prof Muniruzzaman, Dr Fazle Rabbi, Sirajuddin Hossain, Shahidullah Kaiser, Prof GC Dev, Jyotirmoy Guha Thakurta, Prof Santosh Bhattacharya, Mofazzal Haider Chowdhury, journalists Khandaker Abu Taleb, Nizamuddin Ahmed, SA Mannan (Ladu Bhai), ANM Golam Mustafa, Syed Nazmul Haq and Selina Pervin.

### **AL manifesto termed positive subject to implementation**

Economists and political analysts on Saturday termed Awami League 'election manifesto' as positive but said political parties before election usually promise to do all good for the people and the country but when they go to power, they don't implement their commitment. To The Bangladesh Today, economist and political analyst Farhad Mazhar said "Any political party can say many things will be done for the people but it will only be proved right if the party implements the election manifesto after forming government. We are waiting to see what they will do if voted to power." He said election manifestos of Awami League and BNP as regards to their promise to contain price hike and develop economy are almost common except commitment for taking anti-terrorism steps made by the former. "AL's secular plan should be weighted in terms of the ongoing war against terrorism across the world. Western countries are already launching their drives against terrorism across the globe but after terrorist attacks in Mumbai a change has taken place in the stand of different political parties in Bangladesh ahead of poll. So basic difference between AL led alliance and BNP lies in AL's pledge to fight against terrorism after going to power," he added. About implementation of economic policies taken by Awami League, he said practically implementation of economic policies is not within the power of AL or BNP and these things are controlled by World Bank and IMF. So, a party which will form next government should be highly technical in order to implement economic policies



dismantling the above fetter, he said adding "A government may implement these only after severing connection with WB and IMF."

### **BTCL earnings up despite fall in subscribers**

Revenue earnings by Bangladesh Telecommunications Company Limited (BTCL) increased by Tk 696.60 million in the first quarter of fiscal 2008-09 over the corresponding period of last fiscal despite a significant fall in the number of its subscribers. BTCL, once Bangladesh Telegraph and Telephone Board (BTTB), earned revenues after beginning its journey as a limited company on July 1, this year. Revenue income by the state-run telecommunications enterprise during the period from July to September this fiscal amounted to Tk 3.80 billion while the amount was Tk 3.11 billion in first three months of last fiscal. A recent BTCL report on region-wise telephone connections shows that the number of its subscribers fell by 7,659 in September last compared to October 2007. In October last year, BTCL had a total of 8,59,136 subscribers and the number stood at 8,51,477 in September this year. The report also reveals that even after its transformation into a limited company, the number of total BTCL subscribers did not increase. The number of its subscribers declined from 8,51,477 in September this year to 8,50,858 in October last. The report said that a total of 6,657 telephone lines were disconnected in October last. Of these, 6,217 telephone lines were disconnected on charge of non payment of dues by the subscribers while 440 lines were disconnected on request by the subscribers concerned.

### **South Asia needs network for migrant workers' welfare**

Speakers at a discussion on Saturday underscored the need for creating a network among the trade unions of the SAARC member states for ensuring welfare of the migrant workers abroad. The network, they suggested, could act as bargaining agents with the receiving countries so that the workers were not deprived of their dues and rights at home and abroad. The discussion on 'The Role of Trade Union in Protecting Migrant Workers' Rights', was organised by Bangladesh Construction and Wood Workers Federation (BCWWF) in cooperation with the Welfare Association for the Rights of Bangladeshi Emigrants (WARBE) Development Foundation. WARBE Development Foundation Chairman Syed Saiful Haque, Bangladesh Trade Union Centre (BTUC) Secretary General Dr Wajed-ul Islam Khan, BCWWF general secretary of BCWWF Pulak Ranjan Dhar and Home Net Bangladesh President Dilruba Anguri, among others,

spoke. Dr Wajed-ul Islam Khan said that despite an enormous contribution of the migrant workers of Bangladesh to the economies of the host countries, they were deprived of their rights in line with the UN and ILO conventions. Syed Saiful Haque said the country's workers who intended to go abroad for work faced harassment in every step of processing their jobs. Interference from the intermediaries must be eliminated for the workers to have a smooth process for going abroad on work, he said. Pulak Ranjan Dhar said that in 2007 alone Bangladeshi workers abroad had sent home about seven billion US dollars, equivalent to 48.5 per cent of the country's export earning.

### **Govt to set up automated DEDO for online bill collection**

The government has decided to set up an automated Duty Exemption and Drawback Office (DEDO) aiming to reduce time to collect bills of entry from the customs houses through online across the country. "Collection of DEDO copy of bills of entry that is one of the major hassles often takes a long time. We have decided to collect the copy directly from the customs house through online," said the DEDO Director General (DG) Nasir Uddin. The DEDO usually writes letter to the customs house to send a copy of bill of entry as a document to examine eligibility of duty drawback. It takes at least one month to get the copy from respective customs house due to procedural delay, Nasir Uddin mentioned. It was also taken decision to mainly simplify the duty exemption and drawback systems. Earlier, a sub-committee of the Regulatory Reforms Commission (RRC) also proposed to simplify the duty exemption and drawback system. "We have decided to request the Chittagong customs house and IT department of the National Board of Revenue (NBR) to send the bills of entry online through ASYCUDDA++ system," he said. The automation will be introduced gradually to expedite the DEDO activities. In the first phase, we will prioritise the collection of bills of entry, he said. The DEDO is also trying to stop misuse of duty exemption facilities offered to the export-oriented business sectors, he said.

### **Muscat to host conference on 'Islam, politics & security in South Asia' Dec 15**

A three-day 8th conference on "Islam, politics and security in South Asia" will begin in Muscat of Oman from December 15, an official source said here on Sunday. The conference, jointly organised by London-based the International Institute for Strategic Studies (IISS) and Washington-based Near East South Asia Centre for Strategic Studies (NESA), will be attended by 40 senior officials and experts from Bangladesh, Afghanistan, India and Pakistan. Some officials from the USA and the United Kingdom are expected to attend the conference. The participants will discuss the causes and consequences of Islamic radicalism and extremism in the region, and the ways and means to counter it on a national, regional and

international basis, the source said. The main objective of the conference is to examine the challenges posed by Islamic radicalism and assess the impact of radical and militant Islamic groups on stability and security. It also will contribute to a policy-oriented national, regional and international dialogue to counter Islamist extremism in the region, the source said. The IISS is expected to prepare a policy-oriented brief from the discussion and outcomes of the conference for its distribution among the participants of the conference, the source said. The conference is expected to help build trust and confidence to lead to closer understanding and greater cooperation among the participating countries. Director General of the Ministry of Foreign Affairs Zulfiqur Rahman of the UN and Multilateral and Economic Affairs Desk will leave here for Muscat tomorrow to represent Bangladesh at the conference.

### **Nation celebrates Victory Day**

The nation celebrates the 38th Victory Day with a renewed pledge to make the country a peaceful abode for posterity. On this day in 1971, Pakistan occupation forces surrendered to the freedom fighters after a nine-month of war and supreme sacrifices by millions of people resulting in a free, independent and sovereign Bangladesh. The day is a public holiday. The government, different political parties, socio-cultural organisations and educational institutions have drawn up elaborate programmes to celebrate the Victory Day. With a fresh vow for upholding the spirit of independence and democracy, the day will be observed in the country as well as its foreign missions. President Iajuddin Ahmed, Chief Adviser Fakhruddin Ahmed, Awami League President Sheikh Hasina and BNP Chairperson Begum Khaleda Zia have given separate messages on the occasion urging the people to work sincerely and honestly for consolidating national sovereignty and independence and build a happy, prosperous and self-reliant Bangladesh. They paid rich tribute to the memories of the martyrs who sacrificed their lives so that the future generations could live freely in a democratic society free from hunger, poverty, disease, injustice and exploitation.

### **CS Karim argues for continued farm subsidies**

Adviser Dr CS Karim has argued strongly for continued state subsidies for Bangladesh's "resilient" farmers, recounting how they battled and won, in the wake of successive disasters in 2007. "The state has to support them," he told diplomats, donors and editors Monday, in a presentation titled 'A saga of resilience'. "The government, with all its might and machines, must continue to assist our real heroes, the farmers of Bangladesh," the adviser said, reviewing his two years at the helm of the agriculture ministry. "Now that it has been proved beyond any

reasonable doubt that the rewards are far greater than the investments the state makes in the process," he said, "I would argue, in strongest possible terms, that there is no alternative to continued support to our farmers." Karim referred to the first-ever direct cash handout to farmers to pay for their irrigation fuel, heavily subsidised fertiliser and rice price support through a public procurement scheme. He reminded his audience of the days of despair in 2007 when "in some countries sporadic bread riots were reported" and Bangladesh suffered two consecutive floods-in August and October-and then Cyclone Sidr, in November. "Queues for food, even when it was available on the shelves, were becoming longer in some countries."

### **Remittances increase by 18pc due to Eid-ul-Azha last month**

The flow of remittances increased by over 18 per cent in the month of November over the previous month due to the Eid-ul-Azha festival, officials said. The remittances from Bang-ladeshi nationals working abroad were estimated to be S\$ 767.35 million in November this year. In October the remittances stood at \$646.51 million, according to the Bangladesh Bank (BB) statistics. "We expect the upward trend of remittances will continue this month due to the parliamentary election scheduled for Dec-ember 29," a senior official of the Central Bank said. However, remittances from Bangladeshi expatriates stood at \$ 3.752 billion in the first five months of the current fiscal, growing by 33.77 per cent from that of the corresponding period of last fiscal. Bangladesh received \$ 3.752 billion during the period from July to November of the fiscal 2008-2009 against \$ 2.805 billion of the corresponding period of the previous fiscal, the BB data showed. In the last fiscal, the country received remittances worth over \$7.914 billion from Bangladeshis working abroad. The country's foreign exchange reserve stood at \$ 5.437 billion till Monday due to robust growth of remittances. The central bank earlier took a series of measures to encourage the expatriate Bangladeshis to send home their hard-earned money through the formal banking channel instead of "hundi" and boost the country's foreign exchange reserve.

### **Call to establish 'allied force monument'**

Freedom fighters on Monday urged the caretaker government and the next elected democratic government to implement their ten point demands including establishment of an 'allied force monument' at Suhrawardy Uddyan in the capital in memory of 1,477 war heroes of the force martyred during the war of Liberation in 1971. The demands were placed at a press conference organised by the Citizens Rights Movement at the National Press Club yesterday. In a written statement, Tushar Rehman, general secretary of the movement said with the inception of the war around one crore people from this country took shelter in India to save their lives from the

attack of Pakistan Army."Besides, the then political leaders also took shelter in India for strategic reasons and organised a temporary government to conduct the war," he added.Recalling the contribution of India to the Liberation war, Tushar said, "The Allied force was formed comprising Indian Army and Mukti Bahini to help expedite the victory."Among others former secretary and adviser of the movement Syed Marghub Morshed, first vice-president of the organisation Fakir Delwar Hossain, freedom fighter Major (Retd) Ziauddin, professor Nim Chandra Bhaumik and columnist Syed Abul Maksud were also present.They also demanded inclusion of a chapter in the text book of junior high school level informing the new generation about the contribution of 'allied force' during the war of Liberation in 1971.

### **Vote for 'Sheaf of Paddy' to ensure prosperity restoring democracy**

As part of election campaign BNP Chairperson Begum Khaleda Zia on Wednesday visited different districts of the northern regions of the country and addressed at least five public meetings at Sherpur, Shariakandi, Majhira of Bogra and two wayside rallies in Sirajganj district.In the meetings and wayside rallies, Begum Khaleda Zia said that the caretaker government had imposed the state of emergency to grab state power and to hand over state power to a puppet government. "During two years rule of the caretaker government, it has destroyed the country's overall economy, democracy and politics. It had a plan to hand over the state power to a puppet government by promulgating the state of emergency. As all the sectors of the country have been ruined, we will have to now reorganise in order to resolve people's sufferings and sorrows caused by skyrocketing price hike of essentials and to restore democracy. If you (people) want to bring back your happy and peaceful days, you should cast your votes in favour of BNP-led-four-party alliance. I assure all of you, like in the past BNP will always stand besides the country and its people," she told a meeting held at Majhira High School Play ground.

### **Hasina pledges economic emancipation**

Awami League (AL) President Sheikh Hasina has said if the grand alliance is voted to government, it would work to ensure economic emancipation, peace, prosperity and terrorism free Bangladesh. "Although the nation has achieved independence but didn't get economic freedom till date. With a view to ensuring a prosperous and hunger-free Sonar Bangla, cast your valuable votes to the 'Boat', election symbol of AL," Co-chairman of AL Election Coordination Committee HT Imam on Wednesday quoted Sheikh Hasina as saying.The former Prime Minister Sheikh Hasina, now on her three-day election tour of the southwest region since Tuesday morning, addressed a number of public gatherings and meetings in Munshiganj, Faridpur, Madaripur and Gopalganj.The AL President addressed a public rally at Kotalipara College at her

own electoral constituency Gopalganj-3 yesterday afternoon. Hasina is scheduled to attend in some election rallies in Bagerhat, Jessore and Khulna today, according to the press briefing of AL Media Cell yesterday afternoon. Quoting Hasina, HT Imam said, Sheikh Hasina, while addressing different election rallies, assured to gear up different development works if the AL gets people's mandates in the forthcoming general election on December 29. She promised to build women's colleges in every upazila if the AL-led mega alliance would be able to assume office. Hasina also assured the people to institute measures arrest the price spiral of essentials. Sheikh Hasina urged the people to take right decision in the changed circumstances so that no anti-liberation and militant forces, corrupt individuals and money plunderers can snatch people's fundamental rights. The former premier in the gatherings in Munsoganj and Madaripur on Tuesday pledged to construct Padma Bridge, ensure gas supply in those areas, if the AL comes to power. Accompanied by her younger sister Sheikh Rehana and Rehana's daughter Azmina Siddique Ruponti, the AL Chief is likely to come back to Dhaka today. Meanwhile, Awami League will lodge complains with the Election Commission against some candidates of BNP-led four-party alliance for violating EC 's Code of Conduct during the election campaign. HT Imam also accused a quarter of publishing 'fabricated' news items in some newspapers that there might be militant attacks on Hasina's rallies and termed such reports as baseless and ill-motivated to create panic among the people who spontaneously take part in the AL programmes.

### **Chilly wind sweeping country**

The intensity of the cold now sweeping across the country and the capital has led to a sharp fall in temperature with the mercury level dipping low everywhere in 24 hours till Wednesday evening. The density of fog will continue in Rajshahi, Khulna and Sylhet divisions while Barisal, Chittagong and the southern part of Dhaka division will out of dense fog, so the temperature will be comparatively high in this area of the country, sources in the Met Office told the Bangladesh Today adding the temperature of Tangail, Mymensingh, Jessore, Kushtia, Srimangal, Dhaka, Khulna, and Sylhet district will decline slightly. "Due to weather disturbance, a chilly weather is now sweeping across the country and this foggy weather will continue for two or three days more. The dense fog may continue. It is not a cold wave rather it is a weather disturbance," the Met office said adding night temperature may remain nearly unchanged. With the mercury dipping across the country, people of northern region and char areas are passing bad days. On the other hand, normal life across the country was disrupted on Wednesday due to dense fog as it covered roads, water and air ways. The sky remained overcast with clouds and fog all day long.

### Govt to train up BD workers

The government and different recruiting agencies have jointly taken massive initiative to make Bangladeshi workers worthy of employment in foreign countries by providing them adequate training. "Over eight lakhs people are working in different foreign countries and they are sending a huge amount of remittance to Bangladesh. If they were provided proper training and other knowledge, they would be able to send more remittance to the country," the government's and recruiting agencies' officials said at a press conference held at the National Press Club on Wednesday. Syed Saiful Hoque, Chairman of WARBE development foundation presented a key note paper and said, "We all are going to make history" because for the first time in Bangladesh, the government will observe 'International Migrant's Day'-2008 today. It may be mentioned here that 55th convention of the United Nations General Assembly decided to observe 18th December as International Migrant's day at 4th December 2000. He said, "More than 250 millions migrants are working around the World. But they are the victim of inequality, discrimination and fraud. Lack of employment opportunity, economic instability and natural disaster are also the causes of migration where poverty is the main reason of being migrants." Replying to a query about taking more money than government recruiting agencies from the people who are interested in going abroad, BAIRA President Gulam Mostafa denied the allegation and said, "It is not true that we are taking extra money." At the same time he admitted that migration cost should be lessened.

#### **SRILANKA:**

#### **POLITICAL:**

- ***BBC Sinhala service 'Spin-Masters' malicious propaganda exposed one more time***
- ***Europol on coordinated and harmonized approach on LTTE and its front organizations***
- ***Sri Lanka needs a political solution despite many think to the contrary***
- ***American Ambassador Blake admits Sri Lanka's 'East' was 'Liberated': But highlights LTTE agenda items***
- ***Government supply food and necessities to people in areas under the control of the LTTE - Foreign Minister Rohitha Bogollagama***
- ***Sri Lanka: Tamil Tigers Abuse Civilians in Stronghold : Forced Recruitment, Restrictions on Movement Put Lives at Risk***
- ***Process regarding the visit of Pranab Mukerjee to Sri Lanka hasn't yet taken off***

- ***Catholics in Ramallah Pray for Peace in Sri Lanka***
- ***Asian Tribune asks President Rajapaksa to summon "SAARC Summit on Terrorism"***
- ***Palestinian clerics urge Muslims in Sri Lanka to support President Rajapaksa***
- ***Not Only SAARC, But Commonwealth Too Must Strike Against Terrorism***
- ***European Commission extends GSP+ eligibility to Sri Lanka pending investigation***
- ***BBC wants Sri Lanka under its Colonial jackboots***

#### **SOCIAL:**

- ***ILO – CB TREE Supports Tsunami and Conflict Affected Families In North And East***
- ***Tourism Strategic Action Group Formed***
- ***Sri Lanka: National Science & Technology Awards 2008***
- ***CIMA Sri Lanka Branch reports as usual***
- ***FCCISL wins awards one after the other***

#### **ECONOMIC:**

- ***ADB to provide \$ 630 million within 3 years***
- ***Sri Lanka ICT innovations strike gold at APICTA***

#### **GEO-STRATEGIC:**

- ***Another 11 Sri Lankan fishermen arrested in the Indian waters***
- ***Whither Sri Lanka Norway Friendship***
- ***Indian Coast Guards arrest Twenty Sri Lankan fishermen from Puttalam off Tuticorin***
- ***SPUR Urges Sri Lanka President for a SAARC Summit on Terrorism***

#### **BBC wants Sri Lanka under its Colonial jackboots**

the media corporation that is in hot water at home on several controversial issues, ranging from manipulating phone-in programmes to letting its presenters to leave livid messages on the answer machines of grandfathers, is good at presenting an image of an media company dedicated for integrity and fairness. The administrators at the BBC talk to their counterparts in



the developing world, as if they were whiter than white, clearly turning a blind eye to the embarrassing facts that has the potential to tarnish the squeaky-clean image of the institute that it wants to depict.

#### **Indian Coast Guards arrest Twenty Sri Lankan fishermen from Puttalam off Tuticorin**

Twenty Sri Lankan fishermen from Puttalam were arrested by the Indian Coast Guard on Tuesday off Tuticorin in the Indian waters. Also four boats belonging to them have been taken over by the Indian Coast Guards. According to a spokesperson from the Sri Lankan Deputy High Commission in Chennai, these arrested Sri Lankan fishermen has told the Indian Coast Guards that their boats strayed into Indian waters due to gusty wind. The Sri Lankan Deputy High Commission spokesperson told "Asian Tribune" that these 20 fishermen from Puttalam will face soon the Joint Interrogation Committee to ascertain their motives for straying into the Indian waters.

#### **SPUR Urges Sri Lanka President for a SAARC Summit on Terrorism**

Australian based, Society for Peace, Unity and Human Rights has urged Sri Lanka President to act quickly to curb the rising menace of terrorism in the South Asian Region. Ranjit Soysa, Spokesperson of the SPUR has appealed to Sri Lanka President to consider calling a summit meeting of the leaders SAARC countries to resolve crucially important security issues of the region. In the letter to the Sri Lanka President urging for a special SAARC summit on Terrorism, SPUR has said that they are happy to endorse the timely proposal of the Editorial Board of the Asian Tribune made on 17 December 2008, requesting the SAARC leaders to urgently convene a summit meeting.

#### **A Sri Lanka parliamentary delegation to dispell misinformation campaign**

A Sri Lankan parliamentary delegation which arrived in the Swedish capital, clarified the current situation prevailing in the country, steps taken by the government to restore peace and order and also of the war to evict the terrorists from the country. They dispelled the misinformation campaign ceaselessly carried on by the Tamil Tiger supporters in Sweden as well as in the other European capitals. The four member Sri Lankan Parliamentary delegation arrived in Sweden yesterday and met with their Swedish counterparts as well as the Sri Lankan expatriates and the student community in Sweden.

### **Not Only SAARC, But Commonwealth Too Must Strike Against Terrorism**

The Asian Tribune has editorially urged Sri Lanka's President Mahinda Rajapaksa to call a meeting of the South Asian regional organization to discuss the critical issue of terrorism. The Tribune's appeal is directed at the President Rajapaksa as Sri Lanka is the current chairman of the South Asian Association for Regional Cooperation (SAARC) which it assumed at the summit meeting held in Colombo last August. Moreover in the summit declaration issued at the end of the August meeting, the leaders of the eight nations pledged to fight terrorism which it saw as a scourge haunting the region and beyond and agreed to cooperate in defeating it.

### **Palestinian clerics urge Muslims in Sri Lanka to support President Rajapaksa**

Sheikh Jamal Ali Saleh Suleiman (Sammarah), Head of the Daawa & Tableegh Center of Beit – Or Tehta in Ramallah, Palestine has made an appeal to all followers of Islam in Sri Lanka to extend their undivided support to President Mahinda Rajapaksa in his struggle to unite the country and make Sri Lanka a prosperous nation. Sheikh Jamal, representing this influential Islamic body in Palestine made this call in a signed statement dated 03rd December 2008, which has been conveyed to the Representative Office of Sri Lanka to the Palestinian National Authority in Ramallah.

### **FCCISL wins awards one after the other**

The Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) received the Silver award in the category of NGO/NPO in the Best Annual Reports Competition conducted by the Institute of Chartered Accountants of Sri Lanka (ICASL), proving that FCCISL is within the ambit of Transparency, Social Accountability and good governance reflecting its excellent performances. Earlier FCCISL has received several awards including some international awards. Among them for the first time in Sri Lanka FCCISL won the award for the Best Unconventional project for SMEs at the 5th World Chambers Congress held in Turkey for the FCCISL project "Back to Business".

### **CIMA Sri Lanka Branch reports as usual**

Chartered Institute of Management Accountants Sri Lanka Branch in a press release indicated that contrary to certain media reports, the CIMA Sri Lanka division that its branch office will not be shut and that business and operations will continue as usual. The branch will not be closed. The only development is that the Sri Lanka Divisional Council, which consisted of elected members have been suspended. Charles Tilley, CEO CIMA said 'Business will continue as usual and members and students in Sri Lanka can be assured that there will be no impact on the service and support they can expect'.

### **Asian Tribune asks President Rajapaksa to summon "SAARC Summit on Terrorism"**

In Mumbai the terrorists struck again and more than 175 innocent civilians and members of the security forces were killed. Unfortunately innocent civilians of not only in Sri Lanka, but also in India, Pakistan, Bangladesh, Nepal, and Afghanistan are victims of terrorists' attacks at regular intervals. This issue has not been addressed in the proper way to end this continued attacks by the home grown terrorists, as well as by the international terrorists' organizations in many South Asian Countries. These countries are all members of the regional organization SAARC. It is high time SAARC leaders get together immediately to address this scourge before it gets out of their hands.

### **Catholics in Ramallah Pray for Peace in Sri Lanka**

Sri Lanka Representative in Palestine, Dr. T. Jayasinghe met Rev. Fr. Emmanouel Awwad on 16th Dec. 2008 at the Greek Orthodox Church (Convent of Transfiguration), and discussed the situation in Sri Lanka specially with regard to the terrorist threat. Fr. Emmanouel Awwad while appreciating the contribution made by Sri Lanka, specially by the present President Mahinda Rajapaksa, agreed to hold a prayer meeting next Sunday. He will pray with the Ramallah congregation for the well being of Sri Lanka and bless the President wishing him the strength to take the country towards peace.

### **Process regarding the visit of Pranab Mukerjee to Sri Lanka hasn't yet taken off**

Indian Government has so far not given thoughts to the visit of Minister Pranab Mukerjee, to Sri Lanka. "Asian Tribune" learns even the precursor to such a high profile visit; the logistical process, has not even taken place. Hope of ending the military campaign against the Liberation Tigers of Tamil Eelam by those in Tamil Nadu still remains a distant dream. Tamil Nadu Chief Minister M.Karunanidhi and some leaders of the state political parties met India's Prime Minister on 4th of December and insisted that India should bring about pressure on Sri Lanka President to stop forthwith his military campaign against the LTTE, a banned terrorist's outfit in India, and enter into a ceasefire.

### **Whither Sri Lanka Norway Friendship**

As far as I know Arne Fjortoft, the affable Norwegian was the first to establish practical links of friendship with Sri Lanka. After arriving in Sri Lanka in 1967 he went to Karainagar in Jaffna and established the "CEYNOR" project to help a so called untouchable Tamil community there who were engaged in fishing. With funds from a temperance movement in Norway he successfully started a boat building factory and shrimp processing unit. This Tamil community belonging to the so called depressed class

is not allowed to worship at the Hindu temple and is denied even water from the wells of the high caste Tamils who now call themselves the liberators of the Tamils.

### **Sri Lanka: National Science & Technology Awards 2008**

"At present advanced technology is being used only on 1.5% of the products being exported from Sri Lanka whereas other countries use more than 30%." Minister Professor Tissa Vitarana said so participating at the National Science and Technology Awards 2008 ceremony held at the Presidential Secretariat recently. The awards ceremony which was jointly organized by the Ministry of Science & Technology and the National Science Foundation offered awards to those who have excelled in 3 criterion, namely for research in Basic Sciences, Agriculture and Food Science and Environment and Biodiversity), TWAS/NSF Young Scientists and NSF/SCOPUS Awards for Scientific Excellence.

### **Sri Lanka: Tamil Tigers Abuse Civilians in Stronghold : Forced Recruitment, Restrictions on Movement Put Lives at Risk**

Sri Lanka's separatist Tamil Tigers are subjecting ethnic Tamils in their northern stronghold, the Vanni, to forced recruitment, abusive forced labor, and restrictions on movement that place their lives at risk, Human Rights Watch said in a report released today. The 17-page report, "Trapped and Mistreated: LTTE Abuses against Civilians in the Vanni," details how the Liberation Tigers of Tamil Eelam (LTTE), which have been fighting for an independent Tamil state for 25 years, are brutally abusing the Tamil population in areas under their control. "The LTTE claims to be fighting for the Tamil people, but it is responsible for much of the suffering of civilians in the Vanni," said Brad Adams, Asia director for Human Rights Watch. "As the LTTE loses ground to advancing government forces, their treatment of the very people they say they are fighting for is getting worse."

### **Government supply food and necessities to people in areas under the control of the LTTE - Foreign Minister Rohitha Bogollagama**

Foreign Minister, Rohitha Bogollagama has said that reports of a scarcity of food and essential items in the Wannu are far from true. On the contrary, despite prevailing adverse weather conditions and obstacles placed by LTTE, the Government has ensured that there is an uninterrupted supply of food and basic necessities to the civilians in the un-cleared areas of the Wannu, who are caught up in the current conflict.

### **Sri Lanka ICT innovations strike gold at APICTA**

Sri Lanka won 5 awards at the Asia Pacific Information Communication Technology Alliances (APICTA) Annual Competition and Awards 2008 at the awarding ceremony held in Jakarta, Indonesia on 15th November, bringing great honor to Sri Lanka. Sri Lanka stood the test of not only the highest caliber of the contestants placed before this prestigious international competition, but also proved the excellent judging and selection

process as five out of the 11 nominees from Sri Lanka were placed at the APICTA in the same order of ranking as was awarded at the national event.

### **ADB to provide \$ 630 million within 3 years**

Explaining the Asian Development Bank and Sri Lanka Country Partnership Strategy 2009-2011 Dr Richard Vokes, Country Director ADB said that the indicative planning figure for 2009-2011 would be \$ 630 million from the Public Sector Window of ADB. Dr Vokes was speaking at the 18th Business for Peace Initiative organized by the Federation of Chamber of Commerce and Industry of Sri Lanka (FCCISL) held at JAIC Hilton Hotel. Kosala Wickramanayake, President, FCCISL welcoming the guests said that all indications and roads lead to the likely ultimate analysis that the conflict in the NE will cease before long. He said that it would not mean that they could be at ease with the termination of the conflict alone.

### **American Ambassador Blake admits Sri Lanka's 'East' was 'Liberated': But highlights LTTE agenda items**

The American Ambassador in Sri Lanka Robert Blake who used the American Chamber of Commerce in Colombo as a platform on December 11 to give a 'lecture' to the Government of Sri Lanka was with full of contradictions. He reiterates the importance of a political solution and upholding human rights as a prerequisite for marginalizing the Tamil Tigers but in the same breath he acknowledges that the East was liberated from the Tigers enabling the U.S. to get involved in the province's economic development. Mr. Blake forgets for a moment that the 'military solution' preceded the 'liberation' of the east.

### **European Commission extends GSP+ eligibility to Sri Lanka pending investigation**

The European Commission has decided to give 16 developing countries including Sri Lanka duty-free access to the EU market for around 6400 tariff lines, under the European Union's special incentive arrangement for sustainable development and good governance. Though European Commission has decided to extend the GSP+ beneficiaries from 1 January 2009 until the end of 2011 to developing countries, it was pointed out that Sri Lanka and El Salvador are two countries, currently the subject of an investigation by the European Commission into the implementation of certain UN and ILO conventions.

### **Another 11 Sri Lankan fishermen arrested in the Indian waters**

Another 11 Sri Lankan fishermen in two boats were arrested by the Indian Coast Guards when they strayed into the Indian territorial waters. The Coast Guards also arrested the two boats used by them which had all the facilities for multi-day fishing. According to sources it was revealed the arrested Sri Lankan fishermen were from Negambo as well as from Matara. Earlier eight Sri Lankan fishing vessels with forty two crew members were

apprehended by the Indian Coast Guard and were brought to the Chennai fisheries harbor on 7th December. A joint Interrogation Committee is expected to meet today in Chennai to ascertain the motives of the arrested fishermen for straying into the Indian waters.

### ***Sri Lanka needs a political solution despite many think to the contrary***

"An important part of achieving a political solution and reconciliation between all of Sri Lanka's communities will be to improve human rights in Sri Lanka. The high numbers of extra-judicial killings, abductions, and other human rights violations in Sri Lanka have disproportionately affected Tamils. A concerted effort to end such practices and bring the culprits to justice would not only hasten reconciliation in Sri Lanka, it would allow countries like the United States to do more in Sri Lanka."

### ***Tourism Strategic Action Group Formed***

A committee has been formed to look into the challenges ahead of Sri Lanka Tourism, caused by the world economic crisis and other regional developments impacting tourist arrival to Sri Lanka. The committee has been appointed On the advice of the Minister of Tourism, Milinda Moragoda. Commenting on impact of the the world economic crisis and other regional developments, the Secretary of the Ministry of Tourism, Mr George Michael said that the global economic crisis is illustrated in the drastic drop of prices in key luxury hotels and the significant reduction of country arrivals in key locations throughout the world.

### ***Europol on coordinated and harmonized approach on LTTE and its front organizations***

Europol has hosted a two day seminar which focused on the worldwide activities of the Liberation Tigers of Tamil Eelam (LTTE). Europol is the European Union law enforcement agency which handles criminal intelligence, is devoting many efforts to support EU Member States efforts to achieve a coordinated and harmonized approach on Liberation Tigers of Tamil Eelam and its front organization. The seminar, 09 and 10 December, gathered representatives from 15 EU Member States as well as from Australia, Canada, New Zealand, Sri Lanka, The USA, Switzerland and Interpol. Representatives from other European Institutions; Eurojust and SitCen (the European Union (EU) Joint Situation Centre) were also present.

### ***BBC Sinhala service 'Spin-Masters' malicious propaganda exposed one more time***

World Food Program country director for Sri Lanka Adnan Khan has apologized to the Sri Lankan government over a story filed by the BBC Sinhala service calling 'Sri Lanka a Somalia'. The country director meeting with Defence Secretary Gotabaya Rajapaksa treated with disdain this diabolical lie disseminated by the BBC Sinhala Service and said he would launch a special inquiry to the matter. Meanwhile Cabinet Spokesman Anura

Priyadarshana Yapa said the government has sent adequate stocks of medicine and food to Wanni. He made this statement responding to a comment made by a UN representative to BBC where he had falsely compared the situation in Sri Lanka to that of Somalia.

**ILO – CB TREE Supports Tsunami and Conflict Affected Families In North  
And East**

The International Labor Organization - Community-based Training for Economic Empowerment (ILO CB-TREE) is a joint undertaking of the International Labor Organization and the Government of Belgium to help the Government of Sri Lanka specifically, in the restoration of livelihoods and revival of local economies, in areas that have been affected by the tsunami. The project assists communities and individuals in rebuilding their livelihoods through skills training, enterprise development and the installation of appropriate economic support mechanisms at the community level.

**NEPAL:**

**POLITICAL:**

- **Maoist victims to continue stir against failed promises of PM Dahal**
- **NC, UML lawmakers raise objection to PM's remarks; Maoists blame NC overarmy integration row**
- **Nemwang to lead efforts to elect committee chairs**

**SOCIAL:**

- **Ten hours a day of load shedding**
- **Make economic revolution more than a slogan: Entrepreneurs**
- **Renowned littérateur Bikal passes away**
- **CA committee consulting experts**
- **Govt to look for ways to end load-shedding**
- **Human remains found in Shivapuri**

**ECONOMIC:**

- **Nepse sees 0.87 percent rise in transaction**
- **FNCCI chief deplores 'political meddling' in industrial sector**
- **Global meltdown affects Nepali remittance**
- **NOC ready to allow private sector to transport fuel**
- **Trade unions shut down factories; Surya Nepal resumes its operation**

## **GEO-STRATEGIC:**

- **Indian envoy confers with PM Dahal**

### **Ten hours a day of load shedding**

In what is certain to cripple normal life and industrial activities, the Nepal Electricity Authority (NEA) has announced a fresh calendar of load shedding deciding to cut power by ten hours everyday. From the 45 hours a week load shedding, there will be 63 hours of load shedding every week – ten hours a day for six days and three hours a day for one day in a week. The fresh routine has come a few days after the 70 MW Middle Marsyangdi project was inaugurated. Due to the onset of dry winter season, the water level in snow-fed rivers have sharply come down leading to severe cutdown in generation capacity of most of the run-of-the-river type projects. The country currently has 619 Mw of installed capacity, but in winter only 400 Mw can be generated while the peak demand reaches 750 Mw. On Wednesday, the cabinet had declared national power emergency situation and decided to explore building thermal plants to tide over the load shedding woes.

### **Nemwang to lead efforts to elect committee chairs**

Constituent Assembly (CA) chairman Subas Nemwang is all set to lead efforts to urge the political parties to quickly reach understanding to elect chairpersons of CA committees. Although the committees have been formed, the parties have not elected their chairpersons – which should have been completed by December 15 as per the working calendar. However, the parties have now agreed to reach such understanding within the end of December. Nemwang has called chief whips of the parties to discuss this matter .

### **Human remains found in Shivapuri**

A report by Finnish forensic experts has stated that they found traces of human remains – minimum one male individual – from among the samples they took from Shivapuri to Finland lab for further tests a year ago. The samples were taken from Alle area in Shivapuri forest where the National Human Rights Commission (NHRC) had initiated investigation after receiving complaints that the site could have been a burial place for some of the disappeared persons. "The tests in Finland have confirmed there were human remains – at least of one male – from among the samples," said NHRC member and spokesperson Gauri Pradhan. "However, the report rules out the possibility that there could be mass grave in that area," he said. Pradhan said NHRC will now initiate further investigation to find out if the remains belonged to any of the 43 people said to have been



disappeared from Bhairabnath and Yuddha Bhairab battalion of Nepali Army (NA) and whose whereabouts are still unknown."We have submitted a technical report. From among six samples, we could successfully extract a DNA from one," said professor Helena Ranta of University of Helsinki who along with Professor Pekka Saukko of University of Turku had conducted tests in modern facilities.

### **Govt to look for ways to end load-shedding**

The government has decided to go for alternative means to minimize the load-shedding as the crippling hours of outage continue to hit industrial production and makes things difficult for households. A meeting of the Council of Ministers on Wednesday decided to take immediate and long-term steps to end load-shedding. Communication minister and government spokesperson Krishna Bahadur Mahara said the cabinet discussed possible measures to resolve the problem. He said diesel-operated thermal plants would be set-up in order to increase power supply. According to Mahara, Prime Minister Pushpa Kamal Dahal gave direction to Water Resources Minister Bishnu Poudel to find "immediate solution" to load-shedding. The Nepal Electricity Authority (NEA) is currently enforcing 45-hour load-shedding a week following substantial decline in power-generation capacity of its hydropower plants due to decreased water level in rivers and the reservoirs.

### **CA committee consulting experts**

The 14 committees of the constituent assembly have started their consultation with specific experts on constitutional provisions from Wednesday. Since most committees have only members with political backgrounds, the committees have started seeking experts before setting on the path to write the new constitution. Additionally, the committees today are also scheduled to discuss on nomination of their chairperson and working guidelines. Until the election of the chairperson, the committees will work under the chairmanship of oldest member, K.B Gurung. The committee members formally began works on Tuesday after taking oath of office.

### **Indian envoy confers with PM Dahal**

Indian Ambassador Rakesh Sood called on Prime Minister Pushpa Kamal Dahal at the latter's official residence in Baluwatar Wednesday morning. Progress in drafting the new constitution, army integration among other pertinent political issues featured in the brief meeting, it is learnt. Likewise, there was also discussion on the Koshi embankment reconstruction. During the meeting, Sood offered India's assistance for drafting the new constitution in time. The meeting is significant in that it has come a day after the Constituent Assembly panels formally began drafting the new constitution.

### **Renowned littérateur Bikal passes away**

Suffering from asthma and diabetes since long time, Bikal took his last breath at the Nepal Medical College in Jorpati at around 3:30 pm today. He had been admitted to the hospital three days ago. Born in the year 1927 at Arubari in Jorpati VDC of the capital,

Bikal received instant fame after receiving the prestigious Madan Puraskar for his short-story collection *Naya Sadak Ko Geet* in the year 1960-61. During his long, distinguished career as a writer, he authored more than two dozen books. He was more famous as a short-story writer and for his children books, but he experimented with all literary genres. 'Abiral Bagdacha Indrawati' is his most famous novel. With his death, Nepal has lost one of its most cherished writers. He is survived by his two sons and four daughters.

### **Make economic revolution more than a slogan: Entrepreneurs**

Top entrepreneurs on Friday bemoaned that increasing industrial insecurity and labour disputes have cast blight on the entire economic situation of the country. They said that waywardness of trade unions and the deteriorating business climate in the country have put a damper to the government's proposition of economic revolution. While speaking at a program held by National Business Initiative (NBI) in the capital, Kush Kumar Joshi, president of FNCCI (Federation of Nepalese Chamber of Commerce and Industries) said that the business climate of the country is at its lowest ebb. He also urged the government to take special initiatives to address the labour dispute which is crippling the business activities across the country. Speaking on the same occasion, Padma Jyoti, president of NBI, remarked, "While labour dispute prevails between the investors and employees, the notion of economic revolution will be mere a slogan." Jyoti, who is also a leading industrialist, added that the prudent investment in infrastructural development is also important to propel the country towards the path of economic sustainability.

### **Nepse sees 0.87 percent rise in transaction**

Nepal Stock Exchange (Nepse) this week saw an increment in its total transaction by 0.87 percent to Rs 446.37 million against last week's transaction, according to media reports. A total of 84 companies' scrips were traded at the country's sole secondary market this week. However, the contribution of Group-A companies to the total trading witnessed a downward spiral by 39.87 percent this week against last week's 73.17 percent. The gloomy performance of Group-A companies eventually pulled the Nepse index down by 11.66 points to dip to 743.25 points this week from last week's closing of 754.91 points. In a linear fashion, sensitive index, a barometer of the Group-A companies- also went down by 1.20 points to respite to 195.47 points. The float index lost 1.01 points to close at 72.16 points. On the other hand, the key market propellers- commercial banks, hydropower and insurance companies- respectively lost 16.65 points to reach 725.20 points, 26.69 points to reach 923.54 points and 8.47 points to reach 751.22 points.

### **NC, UML lawmakers raise objection to PM's remarks; Maoists blame NC over army integration row**

The special hour of the Constituent Assembly, sitting in its capacity of legislative assembly, on Sunday, saw lawmakers trading accusations over Prime Minister Pushpa Kamal Dahal's recent remarks and the issue of army integration. Lawmakers from the Nepali Congress, CPN (UML) and Madhesi Janadhikar Forum (MJF) took strong

exception to Prime Minister's statement that there will be armed resistance if attempts are made to subvert the political changes in the country. UML leader Bhim Rawal said the Prime Minister's remarks will only add to the [political] uncertainty, suggesting that the Prime Minister refrain from speaking anything outrageous. He said Dahal's comments have only weakened the possibility of national consensus for which he should have taken initiatives. Likewise, NC lawmakers Kamala Thapa and Kalyani Rijal demanded clarification from the Prime Minister over his remarks. They were of the view that the Prime Minister's warning of armed revolt might have been intended to bully other parties. MJF's Jitendra Sonal also demanded a clarification from Prime Minister Dahal, accusing him of making things complicated especially at a time when he is required to have balanced approach to bring the peace process to a logical conclusion and write new constitution. On the other hand, Maoist lawmakers came down heavily on the Nepali Congress party, accusing it of trying to obstruct the army integration process by refusing to join the Army Integration Special Committee formed weeks earlier. CPN-Maoist's Indrajeet Rai claimed that the NC is not cooperating in the peace process as it has been trying to create hindrance in the army integration process.

### **NOC ready to allow private sector to transport fuel**

Director of Nepal Oil Corporation (NOC) Digambar Jha on Sunday said that the NOC is ready to entitle private sector to transport fuel, report the media sources. While speaking at a symposium jointly held by the NOC and the Federation of Petroleum Products Transporters Nepal (FPPTN), Jha also remarked that the NOC recently adjusted fuel prices keeping into account the corporation's liability of Rs 16 billion. Speaking on the same occasion, FPPTN president Birendra Kumar Das said that they have been attentive towards supplying petroleum products which meet the set standards, in an efficient manner.

### **FNCCI chief deplores 'political meddling' in industrial sector**

In the wake of continued closure of factories in some industrial estates over wage dispute, president of the Federation of the Nepalese Chamber of Commerce and Industries (FNCCI), Kush Kumar Joshi, has said political interference has been a major stumbling block to industrial growth. Addressing the inaugural function of the district convention of Narayangadh Chamber of Commerce and Industrials, in Narayangadh, on Monday, Joshi said that political parties have not been sensitive toward the problems facing the business sector. He even accused the political parties of espousing the causes of labour unions at the cost of industrial production. "Parties remain as indifferent towards promoting the private sector as in the past," he said, adding that industries have not been able to operate smoothly mainly due to political interference. The FNCCI chief's statement comes at a time when over two dozen industries in Birgunj-Pathlaiya corridor remain closed for the past four days with workers padlocking the factories demanding that the managements immediately raise the basic pay by Rs 1300, as agreed at a recent tripartite (government-managements and labour union) talks. Minister for Industries, Astha Laxmi Shakya, was in Bara Sunday to inspect the closed industrial estate. During the visit, she met some leaders of labour unions and asked them to return to work considering the adverse impact

a prolonged strike would cause on the economy. Some factories in the industrial corridor have resumed operation following negotiations with the workers but two dozen industries including the multinational company Surya Nepal, still remain shut.

### **Global meltdown affects Nepali remittance**

Nepal Rastra Bank (NRB) said the inflow of remittances into the country would decline by almost 40 percent by mid-November this year against 80 percent increase in mid-October compared to same month last year. While addressing the national conference on Worldwide Recession and Impact on Remittance organised by Nepal Remitters Association (NRA) in the capital Monday, acting governor of the NRB Krishna Bahadur Manandhar said the worldwide economic meltdown caused the setback here. He further said festive season and depreciation of Nepali currency against the US dollar might have raised the money inflow into the country but it could not remain static. But he further added remittance will not suffer so badly as most remittances come from Gulf countries where the world crisis is yet to hit. Economist Dr. Bishwambher Pyakuryal stressed the need for precautionary measures to avoid impacts in Nepal though no immediate and significant threat has been identified yet. Since the rural Nepali population heavily depends on remittance, global meltdown might invite impact in sectors like jobs markets, remittances and prices of daily consuming goods. NRA chairman Chandra Prasad Dhakal called on the government to take immediate steps to resist the recession.

### **Maoist victims to continue stir against failed promises of PM Dahal**

A day after the Maoist pledge of returning the properties it seized during insurgency expired, the Maoist Victims' Association (MVA) in Dang district in mid-western Nepal said it will continue its protest programmes. Demanding immediate return of the property seized by the Maoists during insurgency, the association formed by people victimised by Maoists in Dang district had been staging sit-ins and other demonstrations in front of the District Administration Office, Dang from the past one month. However, seeing that it has been largely ineffective to exert pressure on the Maoists to return the property seized from them during insurgency, they announced that their protests have now entered second phase. The victims also said that their protest will be more concerted than before, as they plan to organize additional protest programmes by wearing black bandana on their head, taking out lantern or torch rallies among others. MVA said it was compelled to continue the protest programme as Prime Minister and Chairman of the CPN (Maoist) Pushpa Kamal Dahal didn't live up to the promise he gave last month that the properties seized by Maoists during insurgency will be returned by December 15. PM Dahal had also announced that the government will provide compensation to the property owners if they don't receive their property back by December 15.

### **Trade unions shut down factories; Surya Nepal resumes its operation**

Industries based in Parsa and Bara districts have been reeling under a loss of Rs 270 million everyday owing to agitations launched by trade unions, reports The Kathmandu Post. The workers affiliated to trade unions have unleashed protest demanding a flat increment of Rs 1,300 in their basic remuneration. The entrepreneurs have flatly denied fulfilling the demand raised by labourers terming it as reckless while the trade unions have accused the employers of being reluctant to provide them with their agreed basic facilities. Notably, the talks initiated between the management and the agitating workers also ended without bearing any fruit on Monday. It is learnt that a committee has been formed to bridge the rift between the entrepreneurs and the labourers. Meanwhile, Surya Nepal, a multi-national company that had been closed since Thursday, resumed its operation from Tuesday after the management and representatives of trade unions reached an understanding. As per the understanding, the company management agreed to provide salary and other allowance of the strike period to the workers. Similarly, the management expressed readiness to dispel misunderstanding over the agreement reached between the eight workers unions and the FNCCI on November 30. The FNCCI and the eight workers unions had sealed understanding to fix minimum monthly salary of workers to the tune of Rs 4,600 apart from raising their remuneration as per their grades.

### **Indian envoy confers with PM Dahal**

Indian Ambassador Rakesh Sood called on Prime Minister Pushpa Kamal Dahal at the latter's official residence in Baluwatar Wednesday morning. Progress in drafting the new constitution, army integration among other pertinent political issues featured in the brief meeting, it is learnt. Likewise, there was also discussion on the Koshi embankment reconstruction. During the meeting, Sood offered India's assistance for drafting the new constitution in time. The meeting is significant in that it has come a day after the Constituent Assembly panels formally began drafting the new constitution.

### **MALDIVES:**

#### **POLITICAL:**

- **Govt. will continue decentralization efforts**
- **Websites banned by previous govt. legalized**
- **FM initiates work on delaying Maldives graduation from LDC list**
- **President meets officials of Guide & Scout Association**

#### **SOCIAL:**

- **Maldives joins celebrations to mark 60 th anniversary of declaration of human rights**
- **Education ministry establish committee for preschools**
- **Govt welcomes Isdhoo Kalaidhoo settlement**

#### **ECONOMIC:**

- **Previous Govt promised Rf 280 Million to offset losses- MACI**
- ***Parliament to debate on the Government's Draft Budget for 2009 today***
- **Electoral pledges not accounted for in the budget - members**

- **FM signs key agreement with China**
- **Oil price drops to US\$ 40 despite OPEC cuts**
- **Western Union money transfer services suspended de dollar shortage**
- **Rf.36, 000 spent on each detainee when new govt. took reins – President**

#### **GEO-STRATEGIC:**

- **President felicitates PM elect of Thailand**

#### **Rf.36, 000 spent on each detainee when new govt. took reins – President**

President Mohamed Nasheed has said that some 36,000 Rufiyaa per month was being spent on each detainee when his government took the reins in November and that the cost to rehabilitate those detainees, who were incarcerated for substance abuse, would be between 400 and 500 US Dollars per month per person if they are sent to receive treatment abroad. Speaking at a press conference held at the President’s Office on Wednesday, President Nasheed stated that sending drug offenders abroad for treatment and rehabilitation was one of his campaign pledges and assured that he would deliver on it. He said further that the detainees brought to Male were not brought to be released on parole, but to be interviewed by the parole board to determine whether they qualify for parole. He also said that the police are keeping a watchful eye on the detainees and that the chief of Male’ Municipality has been requested to manage the affairs of the detainees. President Nasheed said that he hopes that he would be able to rehabilitate and reintegrate convicted substance abusers within his 5 year term.

#### **President meets officials of Guide & Scout Association**

President Mohamed Nasheed has met with senior officials of the Maldives Girl Guide Association and Scout Association. The meeting was held at the President’s Office, on Thursday. According to the regulations of the associations, President of the country holds the highest rank of the two associations. During the meeting, discussions were focused on the short and long term programs of the associations. In addition discussions were also held on improving the facilities and expanding the associations’ role in various national undertakings. The meeting was attended by Special Envoy of the President, Ibrahim Hussain Zaki; Commissioner for Programs of the Girl Guide Association, Sausan Luthfy; Commissioner for Training of the Girl Guide, Ashiya Saeed; Assistant Commissioner for International Affairs of the Girl Guide Association Rasheeda Najeeb; Chief Commissioner of Scout Association Ahmed Ali Maniku; International

Commissioner of the Scout Association Ibrahim Zameer; and National Programs Commissioner of the Scout Association Arif Rasheed.

### **Previous Govt promised Rf 280 Million to offset losses- MACI**

*The finance minister of the previous government Abdulla Jihad has given assurances that 280 Million Rufiyaa will be allocated in state budget for 2009, to offset the losses incurred by government contractors on various projects due to an unexpected increase in prices of goods in world market, the association of Maldives third largest industry, Maldives Association of Construction Industry (MACI) has said. Speaking to Miadhu Daily the President of the MACI Mohamed Ali Janah said the money will compensate only 15 percent of the 35 percent rise in prices of construction materials and that the amount was duly approved by the Construction Advisory Board established by the government. However, Janah said the amount was not included in the state budget proposed to the parliament for approval. He expressed serious concern over the matter saying if the money is to be delayed any further contractors will face major losses causing further delays in completion of projects. He said for various reasons the construction industry has slowed down and that main reason was inability of bank loans due to current economic crisis.*

### **Parliament to debate on the Government's Draft Budget for 2009 today**

The government's Draft Budget for 2009 is scheduled for debate in parliament today. The parliament, which sits on the 23rd session of its third term of the year today, is also to have the second readings of the income and corporate tax administration bills. The first readings of the two bills took place on the 4th of this month. The debate on the budget bill is scheduled for the 7th session of the parliament, in contrast to other bills put before parliament. The total proposed revenue for the 2009 budget is 13,648,951,740 (thirteen billion six hundred and forty eight million nine hundred and fifty one thousand seven hundred and forty) Rufiyaa. In introducing the draft budget, the Minister of Finance Ali Hashim said that there would be a deficit of 593 million rufiyaa, which he proposes to

offset with an expected RF1,217 million from extending the lease period of resorts, RF225 million from corporate taxes and RF4,351 million from foreign loans. He said that resort lease periods can only be extended through an Act of Parliament.

#### **Maldives joins celebrations to mark 60 th anniversary of declaration of human rights**

The Maldives on Friday joined other members of the United Nations members in Geneva to commemorate the 60th anniversary of the Universal Declaration of Human Rights, According to Foreign Ministry. Universal Declaration of Human Rights was adopted by UN General Assembly on 10 December 1948, making it one of the main pillars of the UN. High-level delegates from around the world gathered to celebrate the event at the historic Palais des Nations. Foreign Ministry informed that the Maldives delegation was led by Ahmed Saleem, President of the Human Rights Commission of the Maldives and Abdul Ghafoor Mohamed, Permanent Representative to the United Nations Office at Geneva. The event began with the recital of key Articles from the Universal Declaration by children representing the different countries, regions, faiths, languages and cultures of the United Nations. The event also featured speeches by UN Secretary-General Ban Ki-moon, UN High Commissioner for Human Rights Navi Pillay; and former President of South Africa Nelson Mandela.

#### **FM initiates work on delaying Maldives graduation from LDC list**

Foreign Minister Dr Ahmed Shaheed has said that he has initiated work to postpone Maldives from being taken off the list of Least Developed Countries. Speaking to Miadhu daily after his recent visit to London and Europe Dr Shaheed said considering the present fiscal status of the country, to be taken off the LDC is not an honor but rather a huge loss to the entire nation. "Considering the present fiscal status of the country, it cannot be said it is an honor to be taken off the list of least developed countries (LDC); it is rather a huge loss for the country; as such one of the most important objective of this trip was to see that if we can get a further period to stay on the list" said Shaheed who intervened and delayed graduation from LDC in 2000.

#### **Electoral pledges not accounted for in the budget - members**

The proposed state budget for 2009 does not provide for the electoral pledges of the incumbent government, members of the People's Majlis has pointed out at the 23 rd sitting of the third session held on Sunday morning. Sunday was the fourth day of debate on this issue in which a total of eighteen members took the floor. More members were waiting to speak on the budget when the chair adjourned the sitting having run out of allocated time. The Budget Committee



which scrutinized the proposed 2009 state budget has requested the Majlis to consider the committee's report

#### **. Western Union money transfer services suspended de dollar shortage**

The Assistant Manager of the local Western Union Branch, Mohamed Ibrahim has said yesterday that the temporary suspension of their money order services is due to a shortage of the US Dollar in the local banks. Ibrahim said that the agency had faced difficulties in getting US dollars previously but was able to manage, purchasing the Dollar from various local banks. However, the agency suspended its operations on the 14th of September this year, once the Dollar became unavailable. Ibrahim said that the service was dependent on the banks because the funds sent exceeded funds received by about 90%. He stated that the agency was working on resuming operations but said that it was difficult to say when they would do so. Duty exemption will benefit people if prices decrease - Members

The decision to waive off import duty levied on essential food items necessary for good health, medicines and diesel fuel aimed at lowering the cost of living is a good move by the government but that the intended benefits will only reach the people if the prices of good in the markets decrease proportionately, members of the People's Majlis have expressed. Members expressed this while debating on the bill submitted by the government to amend the Maldives import export bill. Members said that unless the problems that are faced during unloading of goods, clearing the goods through customs are adequately addressed, and customs duties levied regulated, prices of goods will not come down. Members expressed that unloading of goods and clearing goods through customs take considerable amount of time and unless goods are cleared more expeditiously prices will not come down.

#### **Govt welcomes Isdhoo Kalaidhoo settlement**

The Government has congratulated and welcomed the settlement reached between the people of Isdhoo-Kalaidhoo for the dispute over supplying power to the health centre in the island. The dispute had led to digging of a trench separating the two wards. The settlement was reached last night, after Minister of Health and Family, Dr. Aminath Jameel, and Minister of State for Home Affairs, Ahmed Shafeeq, mediated discussions between the two wards of the island. With this resolution, the two wards have now agreed that Kalaidhoo ward will provide power to the island's health centre. Also, the long trench separating the two wards has now been buried.

#### **Websites banned by previous govt. legalized**

Ministry of Civil Aviation and Communication has issued a press release legalizing all websites banned under former President Gayoom's administration. The press release said websites banned by the previous government for political reasons cannot be restricted under articles 28 and 29 of the revised constitution currently in force. According to article 28 of the constitution ratified on 7 August 2008, is every Maldivian has the freedom of press, and other means of communications including the right to espouse, disseminate and publish news and information, views and ideas. Article 28 also says that no person shall be compelled to disclose the source of any information that is espoused, disseminated or published by that person. Article 29 of the constitution says that every one has the freedom to acquire and impart knowledge, information and learning.

### **Education ministry establish committee for preschools**

Ministry of Education has established a committee to oversee and guide the preschools operated in the country. Providing information to Miadhu Daily on the committee, Minister of Education Dr. Mustafa Luthufee said the committee comprises of ministry officials, representatives from UNICEF and teachers engaged in preschools. He said main functions of the committee will be to study and evaluate preschool teaching methods and techniques and offer advise to the ministry on how further improvement. "The purpose of the committee is to monitor the operations of the preschools, study and analyze the teaching methods and techniques employed at preschools and advise the ministry on areas of improvements or developments "minister Luthufy said. He further revealed that inaugural meeting of the committee was held on 14 December and during the meeting two important decisions were reached. He said the committee has decided to establish a syllabus for the preschools on trial basis and to provide one year training to 24 teachers to take up positions in preschools.

### **President felicitates PM elect of Thailand**

President Mohamed Nasheed has sent a message of congratulations to the Prime Minister-elect of Thailand, Abhisit Vejjajiva. In his message President Nasheed extended warm greetings and sincere good wishes to Mr. Abhisit Vejjajiva on his election as Prime Minister of Thailand. President Nasheed also expressed close confidence that the close relations of friendship and co-operation that exist between the two countries will continue to flourish in the years ahead, for the mutual benefit of our two people. "May I also take this opportunity to convey my personal best wishes for your good health and

well-being and for the continued progress and prosperity of the people of Thailand” President Nasheed concluded his message.

### **Oil price drops to US\$ 40 despite OPEC cuts**

Oil prices fell \$3.54 a barrel to \$40.06 following the deal after weekly U.S. data showed inventories in the world's biggest consumer continued to swell. OPEC oil ministers agreed their deepest output cut ever on Wednesday, cutting 2.2 million barrels per day from oil markets in a race to balance supply with rapidly crumbling demand for fuel. The 12 members of the Organization of the Petroleum Exporting Countries were also aiming to build a floor under prices that have dropped more than \$100 from a July peak above \$147 a barrel. The cut, effective January 1, comes atop existing curbs of 2 million bpd agreed by OPEC since September. It lowers the supply target for the 11 members bound by output limits to 24.845 million bpd -- down nearly 15 percent from September output. "I hope we surprised you -- if not, we have to do something about it," said OPEC President Chakib Khelil, host of the conference.

### **FM signs key agreement with China**

Minister of Foreign Affairs Dr. Ahmed Shaheed, yesterday signed a key agreement with the Government of China, according to foreign ministry. The agreement was signed by Chinese Assistant Minister of Commerce Chong Quan on behalf of Chinese government and on behalf of Maldives government by Foreign minister Ahmed Shaheed. Foreign Ministry said the Agreement, will foster economic and technical cooperation between the two governments. While in China Minister Shaheed met with key representatives of Chinese government to consolidate mutual cooperation in important developmental areas of the Maldives. In this regard, he met with, Chinese Minister of Foreign Affairs Yang Jeichi. During the meeting with Chinese Foreign Minister, Shaheed delivered a letter from the Maldives President Mohamed Nasheed, expressing the government's commitment to reinforcing existing relations of goodwill between the Maldives and China.

### **Govt. will continue decentralization efforts**

President Mohamed Nasheed has said that the Government would continue its effort towards decentralization by regionalization of Government administrative services. The President made the statement while speaking at a press conference held at the President's Office on Wednesday. Speaking on the topic, President Nasheed said that the Attorney General had advised that there was no legal barrier in regionalizing Government administrative functions, except those of the Ministry of Defense and National Security and the Ministry of Foreign Affairs, even before decentralization legislation is passed. As part of his effort in regionalizing administrative functions of the government, President Nasheed had recently visited five atolls to hold discussions with the members of those atolls. Furthermore, State Ministers and their Deputies have already been appointed for the northern and southern regions, and they have been tasked with overseeing development efforts in the regions. President Nasheed informed that employees from twelve Government Ministries would be stationed in the regional offices to assist the State Ministers' secretariats. He added that the employees would also coordinate with their respective Ministries.

#### **BHUTAN:**

##### **POLITICAL:**

- [Bhutan practises democratic suppression](#)

##### **SOCIAL:**

- [Fund set up for injured refugee boy](#)

##### **ECONOMIC:**

##### **GEO-STRATEGIC:**

#### **[Bhutan practises democratic suppression](#)**

The president of National Front for Democracy (NFD) Bhutan, Balaram Poudel today said, "Bhutan, which was suppressing the citizens, is now practising democratic repression." Poudel said this while addressing an interaction program organised by NFD Bhutan on the occasion of National Day of Bhutan, here at Reporters' Club Nepal. Its spokesperson Narad Adhikari said that there is no use of celebrating this day when more

than one-hundred thousand Bhutanese citizens are languishing in Nepal and India."International community must respect our right to return," added he, "We want to mark December 17 as a black day."Dhan Kumar Rai, who was released from 17-year of jailbird life on Nov 1, also made his first public appearance and addressing the gathering.Poudel, who did not disclose the future programs for repatriation, highlighted the need to form a permanent task force to handle the long-standing imbroglio.Raju Thapa of Human Rights Without Frontiers mentioned that repatriation is the best option for having a durable solution of the problem.Reports from Jhapa said that similar programs were organized in various camps today to mark the day.

### [Fund set up for injured refugee boy](#)

A bank fund has been set up to help the family of the 6-year-old refugee boy who was critically injured when struck by a car last Saturday.Maousham Adhikari remains in an induced coma at Massachusetts General Hospital, said his father, who has been at his side since the accident.On Thursday, doctors postponed a surgery to reset his jaw because they were fearful of complications, said Basu Adhikari.The boy's jaw, ribs and collarbone are broken. And his spinal cord and brain may have some damage.The boy's left hand and limbs have moved, but the right side has shown no movement, an indication of possible brain damage, his father said."It's very, very painful," Adhikari said. "I feel like 'why that happen, why to the innocent, why not to me?'"In Manchester, friends and school employees have set up the Adhikari Family Donation Fund through Citizens Bank. Donations can be accepted at any bank location, said Kim Calhoun, a Manchester school social worker assisting the family.The money will be used to help the family with immediate needs such as food, a telephone and transportation from Manchester to the hospital.Already, fellow students at Gossler Park School have raised \$660. The Queen City Rotary has said it will contribute. And West High teacher Jeanne Rubenson has obtained gift cards from her synagogue for the family, Calhoun said.Volunteers have driven family members back and forth to the hospital. On Thursday, Calhoun and her friend brought the boy's mother and a Hindu priest to the hospital.

### **MYANMAR:**

#### **POLITICAL:**

- **UN Chief Criticizes Burma for Lack of Democratic Progress**
- **Myanmar journalists face intimidation, pressure from junta**
- **Crackdown on freedom of speech condemned**
- **More calls for Ban to visit Burma**
- **Remarks of Thin Thin Aung, Women's League of Burma**

#### **SOCIAL:**

- **Biggest ever Burma 'Dirty List' published**
- **Mekong region 'a biological treasure trove'**
- **Murder, suicide and torture in casinos on Sino-Burma border on the rise**
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## **ECONOMIC:**

- **Bago farmers forced to grow sunflowers**

## **GEO-STRATEGIC:**

- **Myanmar, Thailand to raise momentum of cooperation next year**

### **Myanmar journalists face intimidation, pressure from junta**

Journalists working in military-ruled Myanmar continue to face intimidation, torture and arrests in reporting on the country's corrupt and brutal regime, despite international calls for more press freedom, a conference on media safety heard Tuesday. A Myanmar journalist, who asked not to be identified, told the conference that contrary to government claims, journalists in the country were treated as "dangerous enemies". "There is no freedom for Burmese journalists to write about political and social conflicts," he said while asking that pictures of him and his colleague not be taken, out of safety concerns. The Regional Conference on Creating a Culture of Safety in the Media in Asia-Pacific was organized by the International News Safety Institute (INSI) from Dec. 15-16, and brought together participants from 11 countries. Mon Mon Myat, of the Burmese Journalist Protection Committee, said the junta had set up rules under a 2006 law on electronic media and 1996 law on film and computers that restricted how journalists could work. Under the laws, journalists are not allowed to take pictures that might "pose a threat" to the government, with offenders facing up to 59 years in prison. Internet users are also under strict surveillance by the government, which requires service providers to check every five minutes websites visited by users and to immediately report suspicious or dangerous activities. In 2008, 12 journalists and bloggers were arrested in Myanmar, the protection committee says. Several popular websites, including yahoo.com and hotmail.com, have also been blocked as the junta further isolates its people from the outside world. "Eighty percent of Internet sites are banned by the government," said Ronald Aung Naing of the Burmese Journalist Protection Committee. He added the government also monitored people regularly at checkpoints for cameras or video cameras with "dangerous" content. Eko Maryadi, of the Indonesian Alliance of Independent Journalists, told the forum that although media freedom in Indonesia had improved since the fall in 1998 of former president Soeharto's 32-year regime, journalists still faced intimidation, harassment and lawsuits in reporting on certain issues. "We have also seen more business groups filing complaints against journalists, claiming the reports harmed their reputation or business. This was rare in the past," he said.

### **Crackdown on freedom of speech condemned**

The World Association of Newspapers condemned the crackdown on freedom of expression in Burma, in a press statement released on Monday. The free press organization, based in France, called on the Burmese military ruling council to end its repressive policies and stop jailing journalists and free speech advocates. The organization also called on Burma's partner nations in the Association of Southeast Asian Nations to abandon their policy of non-interference and bring pressure on Burma's rulers to adopt international norms of free expression. The group cited the recent increase in unfair trials of journalists and free speech activists, followed by lengthy prison sentences meant to deter freedom of expression. A Rangoon-based magazine editor said that the military authorities are seeking to intimidate local journalists prior to the 2010 general elections. "It is the clear message to the journalists," he told The Irrawaddy on Tuesday. "If someone writes critically of the upcoming election, they will be punished with long prison terms." In November, the military government has sentenced at least 14 journalists, writers and others exercising free speech, including a prominent comedian and actor, Zarganar, who received 59 years; blogger Nay Phone Latt, who received 20 years and 6 months; and Ein Khaing Oo, a female journalist, who received two years. According to the Thailand-based Assistance Association for Political Prisoners-Burma, 44 people who are either journalists or citizens involved in freedom of expression are now jailed in prisons across the country.

#### **More calls for Ban to visit Burma**

Political observers and leaders of opposition and ethnic groups in Burma said they would like to see UN Secretary-General Ban Ki-moon return to the country to push for political reform, even as they expressed doubts about his chances of persuading the ruling junta to change its ways. Nyan Win, a spokesperson for the opposition National League for Democracy (NLD), said on Tuesday that Ban's last visit to Burma in May signaled that the UN chief was not ready to tackle the country's political problems. "There was no discussion about politics with the Burmese government during his previous trip," said Nyan Win. "That was not a good sign." Ban's visit came several weeks after Cyclone Nargis hit the populous Irrawaddy delta on May 2-3, leaving more than 140,000 people dead or missing. During the visit, he met with junta officials, including Snr-Gen Than Shwe, in an effort to get them to allow international aid workers into the country. Cin Sian Thang, chairman of the Zomi National Congress in Rangoon, also said that it would not be easy for Ban to achieve much if he returned to Burma. "We hope it will be fruitful if he comes, but it all depends on what the Burmese regime does," he said. Speaking with The Irrawaddy on Tuesday, Thakin Chan Htun, a veteran politician in Rangoon, said that it was very important for Ban to meet with Than Shwe, head of the Burmese junta. He added, however, that the UN general-secretary probably didn't want to return to Burma because he didn't think he would have a chance to talk about politics with Than Shwe. Win Min, a Burmese political analyst in exile, agreed. "It is likely that he doesn't want to visit Burma as there has been no political improvement until now. If his trip

doesn't have any effect, he will be criticized like [UN Special Envoy Ibrahim] Gambari," said Win Min.

### **Mekong region 'a biological treasure trove'**

A striped rabbit, a rodent thought to have gone extinct 11 million years ago, a frog with green blood and turquoise bones, and a hot-pink millipede that secretes cyanide are just a few of the new species that have been discovered in the Greater Mekong Region of Southeast Asia in just the last decade, according to a new report by the WWF. The report, titled First Contact in the Greater Mekong details the 1,068 species newly identified by scientists between 1997 and 2007 in areas around the Mekong River. The river, the world's 12th longest, flows through Cambodia, Laos, Burma, Thailand, Vietnam, and the southern Chinese province of Yunnan. The species identified include 519 plants, 279 fish, 88 frogs, 88 spiders, 46 lizards, 22 snakes, 15 mammals, 4 birds, 4 turtles, 2 salamanders, and a toad. "It doesn't get any better than this," said Stuart Chapman, director of WWF's Greater Mekong Programme, in a press release. "We thought discoveries of this scale were confined to the history books. This reaffirms the Greater Mekong's place on the world map of conservation priorities." The region is also a scene of thriving economic development. As MSNBC science blogger Alan Boyle notes, more than 150 large hydroelectric dams are being planned in the region. According to the WWF report, the Greater Mekong is also threatened by mining, overfishing, poaching, and illegal logging. In addition, the region is thought to be among those most vulnerable to climate change. To alleviate the pressure on the region's biodiversity, the report calls for a formal cross-border agreement by the governments of the six countries to conserve about 230,000 square miles of forests and freshwater habitats. The report also argues that governments around the world should introduce legislation making it illegal to import wood from illegal sources, and for banks and lending institutions to implement environmental reporting, management, and risk-evaluation systems. "Economic development and environmental protection must be mutually supportive to provide for human security needs, reduce poverty, and ensure the survival of the Greater Mekong's astonishing array of species and natural habitats," the report says.

### **Bago farmers forced to grow sunflowers**

Authorities in Bago division's Nyaunglebin district have been forcing farmers to grow sunflowers and threatening to confiscate lands of those who refuse to comply, according to locals. Farmers were also forced to buy 2 pyi of sunflower seedlings per acre of land and those who refused were notified that their farms would be confiscated, a Nyaunglebin resident said. "Six farmers from Taloke-kone village in Kyavandaing tract were notified by village chair U Htay that their lands would be confiscated because they did not buy sunflower seedlings," the resident said. "He told them to come and negotiate." The farmers were reluctant to grow the new crop because it would interfere with their other plants, the resident said. "The bean sprouts are about five to six inches high now and the farmers said if they planted sunflowers now they would have problems," he said. "But the officials told them they had to plant them as it is a 'project' crop." The authorities have been forcing



farmers to grow sunflowers for three years now, locals said, even though the crops have failed each year. Some farmers believe that the project is related to the authorities' superstitious belief that the plants can ward off evil.

### **Murder, suicide and torture in casinos on Sino-Burma border on the rise**

Murder, suicide and torture among gamblers has been rising steadily with the opening of Chinese-owned casinos along the Sino-Burma border meant to earn money in the shortest possible time by Burma's ethnic insurgents' ceasefire groups, said border sources. The gamblers risk dying in two major ways— when they win or lose in the casinos in the border controlled areas of Kachin Independence Organization (KIO) and New Democratic Army – Kachin (NDA-K) in northern Burma, said people in the casinos. Maijyang, the KIO controlled area on China-Burma border where Chinese-owned casino is situated. Maijyang, the KIO controlled area on China-Burma border where Chinese-owned casino is situated. On December 14, a Chinese gambler who lost while gambling with borrowed money from casino owners in the casino in Maijyang (Mai Ja Yang) of the KIO, tried to commit suicide with a knife while he was kept at the special hotel meant for detaining such people. He was physically tortured by special watchmen hired by casino owners, said a local eyewitness. A resident of Maijyang said, the casino in Maijyang is owned by a Chinese and they also hire both Chinese and local Kachins in the name of “businessmen watching job” by paying 800 Yuan per month. But the job involves torture of gamblers who lose borrowed money from the casino owners until they pay back the debt. The losing gamblers are detained in hotel rooms and are provided mobile phones. They are tortured, assaulted and sometimes murdered as a last resort. Starvation is also resorted to and women gamblers are confined in the rooms naked when they do not pay back the debt to casino owners within the specified period, said sources close to gamblers. Maijyang casino is the biggest in the KIO controlled area and is open 24 hours and more than 20,000 gamblers, mainly Chinese from different countries, gamble every day, said residents of Maijyang. The 80 acre Maijyang casino was extended to another 80 acres three months ago, added local people. There are also incidents like people going missing, being murdered and cases of suicide among Chinese gamblers in another Chinese-owned casino in Laiza, the border trade centre and headquarters of KIO, said residents of Laiza. The different types of torture on losing gamblers are carried out in all casinos owned by Chinese businessmen in KIO and NDA-K areas. However, the KIO and NDA-K authorities are yet to take up the matter with any seriousness, said KIO and NDA-K sources. Recently, the biggest casino in Chang Ying Hku in the controlled area of NDA-K near Pangwah Pass on the Burma-China border was closed down because about 80 Chinese gamblers were either dead or missing. The pressure to close came from the Chinese government, said NDA-K sources.

### **Remarks of Thin Thin Aung, Women's League of Burma**

Washington, DC - On behalf of the Women's League of Burma, thank you. It is a great honor to receive the Madeleine K. Albright Grant from NDI. We see this award as international recognition of our work to empower women to participate in political decision-making. It affirms the importance of our efforts for the restoration of democracy in Burma. Your support has rekindled our strength to continue the struggle. We are deeply honored to share this occasion with Archbishop Desmond M. Tutu who serves as a source of inspiration to our democracy movement. Secretary Albright and NDI have long supported the democratization process in Burma. The people of Burma greatly appreciate Secretary Albright's outspoken calls for change in Burma and her advocacy to those who are indifferent to Burma's problems. These acts of solidarity strengthen our resolve. It is my understanding that recipients of this award often share inspiring and even hopeful stories at these luncheons. How much I wish I could do so. Unfortunately, every aspect of life for the people of Burma continues to deteriorate. As the reaction to the Saffron Revolution and the aftermath of Cyclone Nargis showed, we are afflicted with a military government that will do anything to hold onto power. It is inherently fearful and violent; above all, it fears accounting for its deeds. Under the military regime, practicing democracy and participating in political activities have been classified as "crimes." Political activists have been severely punished. Just last month, more than 200 hundred activists were imprisoned for up to 68 years and sent to jails far away from their homes. One prominent female activist, Nilar Thien and her husband Jimmy, were both sentenced to 65 years imprisonment. They had to leave their four-month old daughter, who will be growing up without her parents. This is but one story, and there are thousands like it in Burma today. Yet despite these harsh consequences, I am proud to say that women activists still dare to speak out against injustice. The women of Burma still have the courage to resist unjust laws and repressive rules.

#### **Biggest ever Burma 'Dirty List' published**

Burma Campaign UK has published a list of 170 companies that directly or indirectly help to finance the military junta ruling Burma. Thirty new companies have been added to the list, which includes 57 travel and tourism companies. In response, Voices for Burma spokesperson Cherie McCosker urged the travel community to conduct its own independent research, claiming, "Many of the travel companies on this list have been included for many years despite having proved not to support the military junta, and instead support the pro-democratic cause."

#### **UN Chief Criticizes Burma for Lack of Democratic Progress**

United Nations Secretary-General Ban Ki-moon has criticized the Burmese government for not following through on its promises of advancement towards democracy. At a year-end news conference Wednesday, Mr. Ban said Burma has failed to engage in democratic dialogue and release its political prisoners. The United Nations has repeatedly called on Burma to release democracy leader Aung San Suu Kyi, who has been detained for 13 of the past 19 years, as well as all other political prisoners. Also Wednesday, the New York-based rights group Human Rights

Watch said testimony from a lawyer who recently fled Burma illustrates how the government locks up and imprisons peaceful activists, and intimidates and jails lawyers. The group said Saw Kyaw Kyaw Min, a 28-year-old lawyer from Rangoon, fled to Thailand several days ago, after spending weeks in hiding. Saw Kyaw Kyaw Min said he was ordered to jail in October after he failed to intervene when his clients turned their backs on their judge in a protest. The judge sentenced the lawyer and the clients to prison for contempt of court. Saw Kyaw Kyaw Min learned of the charges beforehand and went underground. He and several other lawyers were representing 11 members of the opposition National League for Democracy at the trial.

### **Myanmar, Thailand to raise momentum of cooperation next year**

Yangon - Myanmar and Thailand will continue to work for raising the momentum of mutually-beneficial economic cooperation between the two countries next year, the local weekly journal Yangon Times quoted Myanmar's biggest business organization as reporting Wednesday. It was pledged at a recent meeting of the Union of Myanmar Federation of Chambers of Commerce and Industry and the Thai Embassy. These cooperation covers holding of Thai international trade fair in Myanmar and enhancement of reciprocal trade next February, the report said. Myanmar-Thailand bilateral cooperative ties have maintained a good momentum in recent years with Thailand playing a key role in Myanmar's economic development as Thailand has become Myanmar's biggest foreign investor and trading partner. With huge investment of \$6.311 billion pouring in Myanmar's electric power sector alone, Thailand's investment has accounted for \$7.3 billion or over 53 percent of Myanmar's total foreign investment received. The Thai investment prompted Myanmar's contracted foreign investment to hit \$14.736 billion in 19 years as of the end of 2007 since the country opened to such investment in late 1988. Thailand also stood as Myanmar's top trading partner as well as top exporting country during the fiscal year 2007-08, which ended in March, with a bilateral trade volume of \$3.205 billion of which Myanmar's export to Thailand amounted to \$2.823 billion, while its import from Thailand \$382 million, according to Myanmar official statistics. Myanmar gained a trade surplus with Thailand for exporting natural gas during the

## India

Sadia Khanum

7<sup>th</sup> December to 19<sup>th</sup> December 2008

Presentation date: 24<sup>th</sup> December 2008

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### Political front:

- Democratic forces should join hands in fight against terror: Manmohan
- Politicians agree to come to consensus over national security
- 'Opposition in West Bengal irresponsible'
- Congress on pre-poll mode
- Conspiracy against Ministers: CPI(M)
- Bills on anti-terror law, NIA introduced
- BJP backs bill with a rider
- Party guidelines will apply for Lok Sabha election, says Sonia
- Urges regional parties to join third force
- Pranab: polls as scheduled
- Senior Congress leader decides to join Trinamool
- Parliament approves anti-terror Bills

### Mumbai Carnage and Aftermath:

- "I am waiting to see Pakistan keep its word"
- Jihad Council in silent mode: report
- India willing to share evidence, but not now: Pranab
- Mumbai attacks: UK tells Pak its time for action, not words
- Panel seeks curbs on media
- Furnish evidence, says Pakistan
- Pranab, Antony wants Pakistan to act
- Sena, BJP want 'fitting reply' to Pakistan
- We are not for war: Gilani
- Taj operation lacked coordination: Tata
- Kerry told of the conspiracy
- Declare Ajmal 'enemy alien': Swamy
- Not planning military action, says Antony
- India forwards Ajmal's request
- Show results, Congress tells Pakistan
- Kasab: India may face problems
- Antulay raises doubts over Karkare's killing
- Shiv Sena activists attack lawyer's house for showing will to fight Kasab's case
- Pakistan cricket tour off
- Lashkar-trained Indian terrorists pose growing threat

### Domestic Situation:

- Police remand for Rahirkar
- Maoist attack
- Dead hawk with transmitter found
- Some Gujarat riot victims retract charges before SIT
- Hyderabad the “hub” of home-grown militants
- Law panel says ‘no’ to making Hindi official court language
- Emergency protocol for news channels

### Economic Front:

- Negative industrial growth in 15 years
- FDI has dropped, says Kamal Nath
- Job creation a challenge: RBI
- Mamata wants Centre’s help to reopen Dunlop
- No respite till 2009 end: Economists
- Exports down for 2nd month
- China, India are Dubai's biggest trading partners
- Insurance industry expects moderate growth
- Falling inflation points to lower interest rates

### Geo-strategic developments:

- Indian Navy foils piracy bid
- IAF denies its fighter jets violated Pakistani airspace
- No-fly zone over Kalpakkam plant
- BrahMos test-fired

### Kashmir:

- Protests, firing mar polling in Pulwama
- Tragedy behind boycott
- Curfew-like situation in Kashmir ahead of PM visit
- 57% turnout as J&K voters snubs boycott call
- Sixth phase of J&K elections on Wednesday

### Social front:

- Political will lacking to put an end to child labour, says Brinda Karat
- Don’t handle pollution cases casually: Apex court
- Help avert child abuse

### Foreign Relations:

- Move to build Indo-U.K. academic tie-up
- Tea delegation puts off visit to Pakistan
- Delhi snubs US on Kashmir
- Gilani for normalizing ties
- Sheltering insurgents will recoil on Dhaka: Chidambaram
- Pakistan lists airspace 'violations'
- Disinformation campaign, says India

## **Political front:**

### **Democratic forces should join hands in fight against terror: Manmohan**

Insisting that the recent terrorist attacks in Mumbai were part of a systematic effort to spread communal disharmony and conflict, Prime Minister Manmohan Singh on Saturday called upon democratic forces around the world to join hands in the fight against terror, all manifestations of extremism and intolerance. "In our region there is a growing awareness that terrorism and extremism pose a threat to democracy and development. Governments and authorities in our region and elsewhere have a moral duty to act firmly and quickly."

### **Politicians agree to come to consensus over national security**

Senior members of major national political parties agreed that national security was non-negotiable and all political parties, irrespective of their ideologies, should come to a consensus while formulating policies. Jaipal Reddy of the Congress; Sitaram Yechury, polit bureau member of the Communist Party of India (Marxist); Ravi Shankar Prasad, senior member of the Bharatiya Janata Party and Gurudas Dasgupta of the Communist Party of India were attending a seminar on 'India: Coalition Politics facilitator or deterrent for the democratic polity ?' during the golden jubilee celebrations of a city college.

### **'Opposition in West Bengal irresponsible'**

West Bengal Chief Minister Buddhadeb Bhattacharjee on Saturday said an "irresponsible Opposition was opposing everything for the sake of opposition and ultimately the people of the State will suffer." "I am facing problems in land acquisition, as an irresponsible Opposition is opposing everything. But I assure you that we are in dialogue with the Opposition."

### **Congress on pre-poll mode**

The Congress has gone into pre-election mode with the upcoming general elections becoming the major point of discussion among its rank and file on the eve of the three-day party State conference. Kerala Pradesh Congress Committee president Ramesh Chennithala did not conceal the fact that the State conference, beginning here on Sunday, was a "prelude" to the Lok Sabha elections. The focal point of discussion was the impact delimitation of constituencies would have on the prospects of the party and how far the party had succeeded in addressing this issue while

going through the revamp process. The KPCC had appointed a committee to look into the implications of delimitation of constituencies. It is on the basis of the committee report that the revamp process at the grassroots level was undertaken and the process would be completed with the establishment of booth-level committees. There are quite a few leaders who feel that the party has a long way to go to strengthen its booth-level work in order to overcome the negative impact of delimitation.

### **Conspiracy against Ministers: CPI (M)**

The State secretariat of the CPI (M) has alleged a 'planned conspiracy' to frame Ministers in the Left Democratic Front (LDF) Cabinet and their families in connection with the Kiliroor sex scandal case. In a statement here the CPI (M) State secretariat said the allegations against the Ministers were totally baseless and were intended only to weaken the party and its workers on the eve of the Lok Sabha elections. The CPI (M) had all along taken the stand that those involved in the scandal and related deaths should be brought to book and the party had nothing to hide in the matter, the statement said. The CPI (M) leadership said that Kiliroor incidents had taken place during the UDF rule. The CPI (M) had, from the beginning, taken the position that the culprits must be brought before law and given exemplary punishment. Several leaders of the CPI(M), including the then Leader of the Opposition V.S. Achuthanandan, Kodayeri Balakrishnan, Pinarayi Vijayan, P.K. Sreemathy and M.C. Josephine had visited the hospital where Shari, the victim, was being treated. In between, there arose the 'VIP' row which helped only to divert attention from the real culprits. The row was used to create confusion in the ranks of the CPI (M) as well. Mr. Achuthanandan's statement that the 'VIPs' involved in the Kiliroor case should be brought to book was not directed at anyone in the CPI (M). He himself had clarified this within and outside the Assembly. None of the agencies that investigated the case could also come to any such conclusion. Although the case was referred to the CBI, it too could not come up with any substantive findings. Mr. Achuthanandan himself had sought investigation by a team of senior officials. All this showed that the CPI (M) had nothing to hide in the matter, the CPI(M) secretariat said.

### **Bills on anti-terror law, NIA introduced**

The government on Tuesday introduced two Bills in the Lok Sabha one to set up a National Investigation Agency (NIA) and the other to amend the law to bring in more stringent provisions to deal with terror crimes. The National Investigation Agency Bill 2008 and the Unlawful Activities (Prevention) Amendment Bill, 2008 were moved by Home Minister P. Chidambaram. The Cabinet cleared them on Monday. The amendment bill, among other things, has deterrent provisions such as detention without bail for up to 180 days and the enhanced penalty of life imprisonment for those involved in terror. The NIA, in a concurrent jurisdiction framework, will take up cases under specific Acts for investigation. It will have provisions for setting up of special courts which will have hearings on a day-to-day basis. A case pending in a special court can be transferred to any such court. The superintendence of the agency shall vest with the Centre. It empowers the Central government to decide what constitutes terror and investigate such attacks in any part of the country covering offences, including challenge to country's sovereignty and integrity, bomb blasts, hijacking of aircraft and ships and attacks on nuclear facilities. The NIA Bill says there have been innumerable terror attacks, not only in the militancy and insurgency affected areas and regions affected by Left wing extremism, but also in the form of attacks and bomb blasts in major cities. A large number of such incidents were found to have complex inter-State and international linkages and possible connection with activities such as smuggling or arms, drugs, pushing in and circulation of fake Indian currency and infiltration. "Keeping all

these in view, it has for long been felt that there is need for setting up an Agency at the Central level for investigation of offences related to terrorism and certain other Acts, which have national ramifications,” the Bill said. Notwithstanding law and order being a State subject, NIA officers above the rank of sub-inspector will have special powers to pursue and investigate any terror offence.

### **BJP backs bill with a rider**

The BJP said it supported the National Investigation Agency Bill, but was “disappointed” that no stronger anti-terror laws were accompanying it. Party general secretary Arun Jaitley said a special law was needed to quickly prosecute terror cases. The changes being made in the Unlawful Activities (Prevention) Act did not include admissibility of confessions made to police. This the BJP viewed as a lacuna.

### **Party guidelines will apply for Lok Sabha election, says Sonia**

Congress president Sonia Gandhi has said the party will implement the A.K. Antony Committee’s guidelines on how it should prepare for the Lok Sabha and various Assembly elections. Addressing the delegates session of a three-day State conference of the Kerala Pradesh Congress Committee here on Tuesday, Mrs. Gandhi said the Antony committee which had submitted its report on the basis of the Assembly election reverses in Karnataka had submitted a set of guidelines and suggestions on how the party should prepare for the coming Lok Sabha elections and subsequent elections to State Assemblies. She said that Pradesh Congress Committees and All India Congress Committee general secretaries had been informed about the guidelines, which would focus on the party’s interests on a continuing basis. The emphasis would not be on individual’s success, but on the success of each and every single party worker, she said. Mrs. Gandhi accused the Left Democratic Front (LDF) government of taking credit for everything that the United Progressive Alliance government had done for Kerala. The party leadership in the State should expose the failures of the LDF government in implementing national programmes such as the National Rural Employment Guarantee Programme and the Farmers’ Loan Waiver Scheme. While most Congress-ruled States took advantage of these programmes, the ‘callousness’ of the LDF government had prevented the people of the State from benefiting from these programmes. She criticised the LDF rule for its attempt to suppress democratic dissent. She said the basis of democratic functioning was the respect for the views of the Opposition. Terming it as a dangerous trend, she accused the LDF government of indulging in political vendetta, misuse of power and harassment of the media. She said the Congress and the United Democratic Front’s good show in various by-elections to local bodies was an indication of the mood of the people, who were fed up with the LDF rule and aspired for a change. The LDF, she said, was a divided house and the internal conflicts had been completely exposed. As a result, the State administration was paralysed, hurting the people of Kerala.

### **Urges regional parties to join third force**

The Communist Party of India (Marxist) on Monday appealed to regional parties, which have aligned either with the Congress or the Bharatiya Janata Party, to join the third force of non-Congress, non-BJP secular parties to present a strong third alternative. “Many of the regional parties have either aligned with the Congress or with the BJP. It will be better for them to join the third force,” Mr. Karat said here. He described the Asom Gana Parishad’s decision to ally with



the BJP as a “wrong move” and said the AGP should “rethink” its decision. On the recent Assembly polls in five States, Mr. Karat said the results showed that there was strong discontent among the people against both the Congress and the BJP and a third force would find support. He pointed out that despite strong anti-incumbency sentiment, the Congress and the BJP could not dislodge the incumbent governments in these States. Asked about the prospects of a third alternative, Mr. Karat said that while the Left parties were strong in three States, regional parties such as the Telugu Desam Party, the AIADMK, and the Janata Dal, with which his party had reached an understanding, were strong in Andhra Pradesh, Tamil Nadu and Kerala. Similarly, the Bahujan Samaj Party with which the CPI (M) has been holding parleys, was strong in Uttar Pradesh, he added.

### **Pranab: polls as scheduled**

External Affairs Minister and senior Congress leader Pranab Mukherjee on Sunday ruled out early Lok Sabha elections and said they would be held on schedule. Asked whether the United Progressive Alliance would opt for early polls in view of the impressive show by the Congress in the just-concluded assembly polls, he told journalists here that they would be held on time.

### **Senior Congress leader decides to join Trinamool**

In what is being construed as a major setback to the Congress in the State only months ahead of the Lok Sabha polls, Sudip Bandopadhyay, a senior leader and MLA of the party announced here on Sunday that he has decided to re-join the Trinamool Congress. Mr. Bandopadhyay will meet Trinamool chief Mamata Banerjee in New Delhi on Monday. Mr. Bandopadhyay left the Congress to join the Trinamool when the party was formed in 1998. He rejoined the Congress after being expelled from the Trinamool in 2004. He expressed his resentment over the manner the Congress leadership had been ignoring “his seniority in politics,” citing it to be one reason for deciding to leave the party.

### **Parliament approves anti-terror Bills**

Parliament on Thursday gave its approval for the setting up of a National Investigation Agency (NIA) and strengthening the law to deal with terrorism and terrorist activities. The government allayed fears about “misuse” of certain provisions of the Bills, saying that such measures were necessary to ensure speedy and efficient investigation and trial without violation of human rights. Late in the evening, the Rajya Sabha unanimously passed the NIA Bill, 2008 and the Unlawful Activities (Prevention) Amendment (UAPA) Bill, 2008 by voice vote after the amendments moved by the Left parties were voted on and rejected. The All-India Anna Dravida Munnetra Kazhagam also pressed their amendments which were defeated by voice vote. Both the Bills were passed by the Lok Sabha on Wednesday, and are set to become law.

## **Mumbai Carnage and Aftermath:**

### **“I am waiting to see Pakistan keep its word”**

In an interview to Karan Thapar for CNN-IBN’s Devil’s Advocate programme, External Affairs Minister Pranab Mukherjee urged Pakistan to follow up its steps against terrorist organisations to

the logical conclusion and totally dismantle infrastructural facilities available for terrorists. The time frame for Pakistan to take action depended on “how fast, how quickly Pakistan responds; or whether they respond at all or not,” Mr. Mukherjee said.

### **Jehad Council in silent mode: report**

The Pakistan-based United Jihad Council (UJC), a conglomerate of militant groups that are active in Kashmir, has “temporarily” dissolved itself, with its leaders going underground following the crackdown on the Jamat-ud-Dawah and other banned terror outfits, a media report said on Saturday. The UJC, headed by Syed Salahuddin, comprises his Hizb-ul Mujahideen, Harkat-ul-Ansar, Jamiat-ul- Mujahideen, Al-Jihad, Al-Barq, Ikhwan-ul-Mussalmin and the Tehrik-ul-Mujahideen. The report said the United Jihad Council has closed its offices, removed signboards and asked its leaders to stay quiet while temporarily dissolving the coalition. “Following the Mumbai attacks and the subsequent tension between Pakistan and India, the UJC has decided to remain silent,” an unnamed commander of one of the militant groups in the UJC told *The News*. He said the Pakistani leadership was pursuing the policy of the former President, Pervez Musharraf, and “statements on Kashmir issued so far by President Asif Zardari had made it clear that the present government would extend no support” to the groups. “In the current situation, the UJC is maintaining complete silence and has no contact with any Pakistani organisation or institution.” He claimed that the groups banned in Pakistan, including the Lashkar-e-Taiba, which was blamed for the Mumbai attacks, had “neither worked with the UJC nor maintained any direct or indirect contact with it.”

### **India willing to share evidence, but not now: Pranab**

Voicing scepticism over Pakistan acting decisively against terrorists operating from its soil, External Affairs Minister Pranab Mukherjee has said such elements were “let off” in the past after some initial action. “Therefore we shall have to see whether these [actions by Pakistan] are taken to their logical conclusion,” he said, asking Islamabad to ensure that the terror infrastructure was dismantled completely. Reacting to Islamabad’s demand for evidence of the involvement of the Pakistan-based elements in the Mumbai attacks, Mr. Mukherjee said India was ready to provide it but not at this juncture when investigations were yet to be concluded. “We can make available whatever evidences we have. In this case, we are also investigating, we have not come to any conclusion. Therefore, at this juncture, perhaps, it would be premature to share the evidences,”

### **Mumbai attacks: UK tells Pak its time for action, not words**

In a stern message to Pakistan in the wake of the Mumbai attacks, Britain on Sunday asked it to root out terrorists operating from its soil saying "time has come for action and not words" and offered it a comprehensive USD 9 million pact, the largest of its kind ever undertaken by the UK, to combat the menace. British Premier Gordon Brown, who met President Asif Ali Zardari shortly after flying in from Delhi, said that three-quarters of major terror plots investigated in the UK had links to al-Qaeda in Pakistan. "We will work to ensure that everything is done to make sure that terrorists are denied any safe haven in Pakistan. The time has come for action and not words," Brown told a joint press conference with President Asif Ali Zardari.

### **Panel seeks curbs on media**

Amid demands for reining in the media particularly during security operations such as the one during the recent Mumbai terror attack the Committee on Petitions of the Rajya Sabha has called for statutory regulations on both the print and electronic media “in the larger interest of society.” In its 132nd report tabled on Friday the Committee said that while self-regulation was an ideal situation, it might not be effective in regulating the media; particularly in the scenario of growing competition amongst the channels for supremacy in the business of ratings. In view of the “general public importance” of the petition regarding the violation of basic human rights by the media, the Committee urged the government to submit an action taken report within six months. Suggesting that the regulatory framework be modeled along the lines of the Press Council of India, the Committee, however, is of the view that it should be vested with more powers. Referring to the proposal to put in place the Broadcasting Regulatory Authority of India and a new Content Code, the Committee said it expected the government to address all the issues raised by it while going ahead with the proposed legislation. While the Committee has been looking into the issue of media coverage since October 2006, when a Patiala resident Gurjit Singh filed a petition against the misuse by the print and electronic media of the right to freedom of speech and expression, the report reflects on the live telecast of the recent Mumbai terror attacks. The Committee noted that the live footage shown by television channels to the viewers could also have been used as free intelligence input by the perpetrators sitting far away.

### **Furnish evidence, says Pakistan**

Pakistan on Friday said it was continuing the crackdown on the Jamat-ud-Dawah, the Laskhar-e-Taiba front organisation designated by the United Nations Security Council as a “terrorist” entity, locking down its offices after placing the group’s leader Hafiz Saeed under house arrest. At the same time, the government asked India to furnish evidence to back its allegations that Pakistani nationals were involved in the Mumbai attacks in order to take its investigations forward. “As regards the spate of allegations concerning the involvement of certain individuals of Pakistani origin in Mumbai terrorist attacks, the Government of Pakistan has already initiated investigations on its own ... However, our own investigations cannot proceed beyond a certain point without provision of credible information and evidence pertaining to Mumbai attacks,” Foreign Minister Shah Mahmood Qureshi said in a statement.

### **Pranab, Antony wants Pakistan to act**

India on Tuesday cautioned that improvement of ties with Pakistan would have to wait until Islamabad took demonstrable action to get to the bottom of the Mumbai terror attacks. External Affairs Minister Pranab Mukherjee and Defence Minister A.K. Antony delivered the same message in Srinagar and New Delhi respectively: Pakistan must follow up on its promise of action against the “elements” which orchestrated the attacks in Mumbai last month and the future of bilateral ties depended on Pakistan sincerely investigating the incident. “We expect good sense will prevail in the backdrop of these assurances and [hope] a conducive atmosphere can be built up. That is possible only after words are followed by action,” Mr. Mukherjee told newsmen. The assurances he referred to were given by the former Pakistan President Pervez Musharraf on January 6, 2000 and by the present incumbent Asif Ali Zardari at a meeting with Prime Minister Manmohan Singh on September 24 this year. Both had promised to dismantle the infrastructure of terrorism and vowed not to allow Pakistan’s soil to be used for launching terror strikes in India.

### **Sena, BJP want 'fitting reply' to Pakistan**

The Shiv Sena-Bharatiya Janata Party (BJP) Opposition in Maharashtra on Tuesday said the covert war by Pakistan must be given a fitting reply. While Leader of the Opposition in the assembly Ramdas Kadam called for war, BJP's Gopinath Munde demanded bombing of the terrorist training camps in Pakistan. The Opposition took on the ruling coalition for its lapses in dealing with the terror strike of November 26 and demanded an immediate change in the top police personnel who head the State and the city of Mumbai. Describing the terror attacks as a virtual war, it also revived the demand for stringent anti-terror laws and a complete revamp of security and intelligence. Ramdas Kadam, Leader of the Opposition in the State Assembly, which has convened for its winter session in Nagpur, moved an adjournment motion seeking suspension of question hour and a discussion on the terror strikes. After the house accepted this, Mr. Kadam launched into a minute-by-minute description of the terror attacks and what he saw. He was clear that public opinion was in favour of a war against Pakistan.

### **We are not for war: Gilani**

Pakistan does not want a war with India but was "prepared" to defend itself if aggression is imposed on it in the aftermath of the Mumbai terror attacks, Prime Minister Yousuf Raza Gilani said on Monday. Pakistan had made all efforts to defuse tensions as it was a "responsible nation" and a "nuclear power" that wanted to behave "gracefully." The armed forces are "fully prepared and alert" and "understand their responsibilities," he said. "The people, military and political leadership are united to protect the country's interests though no one can say we are on the defensive. We are united on the issue of protecting Pakistan's security. We will defend Pakistan."

### **Taj operation lacked coordination: Tata**

Criticising the authorities on security issues, Tata Sons chief Ratan Tata said on Monday that the group would take steps to protect its assets and staff. Criticising the handling of the November 26 attacks, in which the group's landmark property Taj Hotel was also targeted, Mr. Tata said there was an issue of not having a single leader. "There should be leadership in knowing what to do. The fire department didn't know what to do, the commandos came too late, the police were not equipped to engage," Mr. Tata said in a discussion organised by private news channel CNBC TV18. "When the firing took place, for a period of time there was a view that it [the situation] was gangwar-like and the local police were to deal with it. "I think in the Taj, the first contingent of police came with three policemen and they were ill-equipped to handle them. In fact, one of them got killed, the other got shot badly and one remained." He said the naval commandos also reached the spot hours later, but "we had to go through the State machinery to get it ... and it was just not co-ordinate and easily accessible."

### **Kerry told of the conspiracy**

The former Democratic Party presidential candidate, Senator John Kerry, on Monday met Prime Minister Manmohan Singh and External Affairs Minister Pranab Mukherjee to discuss the fallout of the Mumbai terror strikes. Dr. Singh is understood to have acquainted Mr. Kerry with the broad contours of the conspiracy which the investigators have unearthed so far. Dr. Singh told the U.S. President-elect Barack Obama's confidante of the heavy involvement of the Pakistan-based

outfit Lashkar-e-Taiba (LeT), now operating under the name of Jamat-ud-Dawah, in the Mumbai attacks. Mr. Kerry is learnt to have acknowledged that the LeT was fostered by Pakistan's Inter-Services Intelligence, which should be reformed. Mr. Kerry is the latest among the several Western leaders who have visited India to counsel restraint and cooperation with Islamabad and recognised that terrorist attacks in Indian cities were being directed from Pakistani territory.

### **Declare Ajmal 'enemy alien': Swamy**

Janata Party president Subramanian Swamy on Tuesday urged the Centre to declare the captured terrorist Ajmal Amir 'enemy alien'. In a statement, Dr. Swamy said the Centre should invoke Article 22 (3) of the Constitution to deprive him of the right to be defended by a legal practitioner (Article 22 (1) of the Constitution). This would put an end to the ongoing controversy on whether advocates were under obligation to protect him. Dr. Swamy also demanded the setting up of a Commission of Inquiry by a sitting judge of the Supreme Court to examine whether there were lapses or cover-ups of the circumstances leading to the Mumbai terrorist attacks.

### **Not planning military action, says Antony**

Defence Minister A.K. Antony on Tuesday linked normality in bilateral ties to firm and verifiable action by Islamabad against those responsible for the Mumbai attacks. Speaking to newsmen here after a function to mark the 37th anniversary of India's military victory in the Bangladesh liberation war, the Defence Minister said that in terms of deployment "everything is normal" and "our forces are always ready." To a question, he said: "We are not planning any military action. At the same time, unless Pakistan takes action against all those who are behind this Mumbai terrorist attack, things will not be normal."

### **India forwards Ajmal's request**

The External Affairs Ministry has forwarded the request by the sole surviving terrorist in the Mumbai terror strikes, Mohammad Ajmal Amir, for help from his country, Pakistan, to fight his case in the courts here. "We have forwarded the request to the Pakistanis but have not received any confirmation so far," confirmed official sources. On Saturday, Ajmal submitted a letter in Mumbai to the security agencies interrogating him, requesting that he be given consular access and that Islamabad assist him in fighting the cases against him. The letter also requested the Pakistan High Commission here to make arrangements for the burial in Pakistan of his accomplice, Ismail Khan, killed in the shootout. The letter was forwarded to the Union Home Ministry, which passed it on to the MEA for transmission to the appropriate Pakistani authorities.

### **Show results, Congress tells Pakistan**

Sharpening its attack, the Congress on Monday called upon Pakistan to show results and not just talk of action against terrorism. "Only results will be accepted as proof of sincerity and it was time for the civil society, press and political class of Pakistan to introspect that smart talk will not help," Congress spokesman Abhishek Singhvi said here. He said the press in Pakistan had not only denounced India but was also giving immediate and advance certificates of innocence and making provocative and divisive comments. What was most disturbing, Mr. Singhvi said, was the open talk in communal tones referring to sufferings of Muslims, which only reflected on the mindset of the society in general and the press in particular. Mr. Singhvi said the talk of the Inter-Services Intelligence and rogue elements seeking evidence (of involvement in last month's terror attacks in Mumbai) was "farcical."

### **Kasab: India may face problems**

India might have won an international battle by forcing the UNSC to impose a ban on Jammāt-ud-Dawa mainly on the basis of a confessional statement made by Ajmal Kasab, the lone surviving terrorist involved in the Mumbai attack, but it would have difficulty making his statement admissible in a court of law at home. This is thanks to the 136-year-old Indian Evidence Act, Section 25 of which makes all confessionals before a police officer inadmissible in a court of law. Notwithstanding that the statements made by Kasab were recorded by “very senior” police officers of the joint interrogation committee (JIC), the evidence of confession before police is “not taken to be objective and reliable”. However, the video recording of Kasab is one of the main pieces of evidence for the Indian authorities to establish that Pakistan territory was used and Lakshar-e-Tayyaba was responsible for launching the terror attack against India.

“It is ironical that even in a case of terror attack, the statements made before senior police officer hold no ground in a court of law. We can prove our point before the world community, but not in the court. If we have to fight terrorism, the statements made before senior police officers should be admissible in the trials,” said former joint director of the Intelligence Bureau, Mr M K Dhar, who spent most his career fighting terrorism. TADA (Terrorist and Disruptive Activities Prevention Act) 1987, and POTA (Prevention of Terrorism Activities) 2002, had made provisions for admitting confessional statements recorded before a police officer of SP (superintendent of police) rank in a trial court. “But unfortunately, both the anti-terror laws are no longer existent. This is the reason there is now a demand for revival of a POTA-like law to fight terrorism,” Mr Dhar said, adding that the country needs a comprehensive anti-terrorism legislation. “In the Rajiv Gandhi assassination case, none of the TADA provisions were applied on those who killed him,” said Mr Veerappa Moily, chairman of the Administrative Reforms Commission, who has advocated a strong and comprehensive anti-terrorism legislation. “Even a specific anti-terror law, TADA proved to be ineffective in a case which involved a former Prime Minister,” Mr Moily pointed out referring to the Supreme Court judgement (State Vs Nalini and others-1999, 5 SCC 253). “After the 9/11 attack in the USA, many developed countries have come up with legislation which is comprehensive and effective in dealing with various facets of terrorism activities. Unfortunately India has learnt little from the low intensity war it is suffering for over two decades,” said a member of commission.

### **Antulay raises doubts over Karkare's killing**

Union minority affairs minister A R Antulay set off a major controversy on Wednesday when he raised doubts over the killing of Maharashtra ATS chief Hemant Karkare by Pakistani terrorists, suggesting a link with the Malegaon blasts that were investigated by him. Opposition parties were quick to attack the minister for his "misdemeanour" and demanded immediate

clarification from the prime minister but the Congress party distanced itself saying they were his "personal remarks". BJP and Shiv Sena members raked up the issue in Lok Sabha and demanded home minister P Chidambaram, who had moved two anti-terror bills, to clarify the situation. Maintaining that "there is more than what meets the eyes", Antulay said Karkare was investigating some cases in which "there are non-Muslims also", an apparent reference to the Malegaon blasts case in which sadhvi Pragya Thakur and a Lt-Colonel Shrikant Prasad Purohit were among the 11 persons to be arrested. "Unfortunately his end came. It may be a separate inquiry how his (Karkare's) end came," he told reporters outside Parliament. Antulay said "Karkare found that there are non-Muslims involved in the acts of terrorism during his investigations in some cases. Any person going to the roots of terror has always been the target, he said. "Superficially speaking they (terrorists) had no reason to kill Karkare. Whether he (Karkare) was victim of terrorism or terrorism plus something. I do not know," he added. When he came under attack in Lok Sabha on the issue, Antulay sought to wriggle out saying he had not talked about who killed Karkare but about "who sent him in the direction" of Cama hospital, outside which he was killed. "Who had sent them to Cama hospital (a lane opposite which he and two other officers were killed by Pakistani terrorists on Nov 26). What were they told that made them leave for the same spot in the same vehicle? "I repeat what I had said. I had not said who had killed them but only questioned who had sent them there (Cama Hospital) in that direction," he said in Lok Sabha where BJP and Shiv Sena members attacked him for his remarks. Anant Geete of Shiv Sena accused him of "misleading" the house and sought Chidambaram's clarification. Earlier in the day, describing Hemant Karkare as a very bold officer having great acumen and vision, Antulay asked "How come instead of going to Hotel Taj or Oberai or even the Nariman House, he went to such a place where there was nothing compared to what happened in the three places?" "Why all the three (Hemant Karakre, Vijay Salaskar and Ashok Kamte) went together. It is beyond my comprehension," the minister said. The minister's remarks came under immediate attack from BJP which asked the prime minister to clarify whether his remarks are an "individual misdemeanour or the collective wisdom of the Cabinet". "The remarks are obnoxious and deserves a clarification from the prime minister," BJP spokesman Rajiv Pratap Rudy told reporters. Reacting to Antulay's remarks, Congress spokesman Abhishek Manu Singhvi they should be treated his "personal views" and Congress party does not agree with them and does not support such a formulation. To a question, he said there was no question of embarrassment to the party. Samajwadi Party MP Amar Singh, who himself was in the centre of a controversy when he had raised doubts over the killing of a Delhi police official in an encounter recently, said a senior leader like Antulay should before issuing any statement uphold the cherished tradition of collective wisdom of the cabinet. Not completely disapproving the remarks, Union minister Ram Vilas Paswan said Antulay must be having "more information" since he hails from Maharashtra. The issue came up when the house was discussing two bills brought in by the government to tackle terror against the backdrop of Mumbai terror attacks. Geete said the prime minister and several senior union ministers have gone on record to say that Karkare was killed by terrorists. Not satisfied with Antulay's reply, Geete charged the union minister with "misleading" the house, which he "did not "expect".

### **Shiv Sena activists attack lawyer's house for showing will to fight Kasab's case**

About 100 Shiv Sainiks attacked the residence of a lawyer, who showed interest in fighting the case of the terrorist arrested in the 26/11 Mumbai attack, Mohammed Ajmal Amin and ransacked his office. Frezerpura Police said the activists, armed with canes, stormed the Vijay Colony-based residence of advocate Mahesh Deshmukh, who had shown willingness to fight the legal battle for Ajmal. Police said the irate Shiv Sainiks stormed Deshmukh's office in his house and ransacked it. They damaged telephone and furniture and threw books and documents out of the house. They also damaged the two-wheelers of his tenants, which were parked in front of the house. The Sainiks were against Deshmukh taking 'Vakilpatra' of Ajmal when the Bar Associations all over India had decided not to take up Ajmal's case. Deshmukh had sent his assistant to Mumbai District and Sessions Court today to request the court to allow him to meet Ajmal, who is in police custody, and express his (Deshmukh's) desire to take his Vakilpatra if he permitted. The Shiv Sainiks also allegedly manhandled Deshmukh and a couple of cops present at the spot. The activists then went to the District and Sessions Court here, shouting slogans and waiving flags. They met the office-bearers of Amravati Bar Association and requested them to take action against Deshmukh who was "acting" against the decision of the Association.

### **Pakistan cricket tour off**

The Mumbai terror attacks finally sealed the fate of the Indian cricket team's tour of Pakistan with the government deciding not to go ahead with the series slated to begin next month. In a letter to the Board of Control for Cricket in India (BCCI), the government cited "recent developments as well as the overall circumstances prevailing at present." The BCCI is expected to communicate the decision formally to its Pakistani counterpart. Even before the Mumbai attacks, the government was reluctant to sanction the tour as it was weighing the risk of sending its cricketers against the apprehension of an incident impacting adversely on the public opinion here. Informed sources said with the proof of involvement of elements from Pakistan in the Mumbai attacks, there was little possibility of holding matches even at neutral venues. "The situation is not conducive. We can't be seen playing in a situation like this where Pakistan is reluctant to act against people who have planned terror strikes in Indian cities and refuses to hand over people wanted for crimes in India," said a senior government official. "The government has declined permission to go ahead with the tour taking into account the recent developments in Mumbai as well as the overall circumstances prevailing," said senior BCCI official Rajiv Shukla.

### **Lashkar-trained Indian terrorists pose growing threat**

Even as India struggles to recover from last month's massacre in Mumbai, its intelligence and police services are facing up to the prospect that the next Lashkar-e-Taiba attack could be just months or even weeks away. Pakistan, under intense international pressure, has moved to rein in the Lashkar's parent political organisation, the Jamat-ud-Dawah. However, dozens of Lashkar members trained in camps in Pakistan are still at large all Indian nationals who, during a series of bombings targeting several cities in 2007 and 2008, demonstrated their willingness and ability to kill. Executed by a group calling itself the Indian Mujahideen, the serial blasts in Uttar Pradesh, Gujarat, Rajasthan and Delhi have often been described as the work of 'home-grown' jihadists. Police investigators admit that at least 12 members of the group are yet to be held. But while India's jihadist movement is without dispute home grown from seeds sown by vicious communal politics Pakistan's Inter-Services Intelligence Directorate and groups like the Lashkar-e-Taiba



watered and nourished the soil on which it grew. Mohammad Sadiq Sheikh, who investigators claim was among the co-founders of the Indian Mujahideen, was a member of the group to train in Pakistan. According to Delhi police investigators, Sheikh's training in Pakistan was facilitated by his brother-in-law Mujahid Salim the son of Hyderabad-based Islamist cleric Maulana Abdul Aleem Islahi, who founded the Jamiat-ul-Sheikh Maududi, named after the founder of the Jamaat-e-Islami. Sheikh, police say, was sent to Kolkata in late 2001 to meet with mafioso Aftab Ansari, who then arranged for his travel across the border to Dhaka and fly to Karachi on an illegal Bangladeshi passport. In a statement to the Delhi police not admissible as evidence in Sheikh's ongoing criminal trial Sheikh said a Pakistani official carrying a placard was waiting for him at Karachi. He was whisked past immigration and customs, and driven to a bungalow in Karachi's Defence Colony where he was greeted by Gujarat organised crime baron Rasool Khan and an ISI official. Late that night, Sheikh left for a military base on the Baluchistan coast, where he underwent a 21-day course in the use of assault weapons and improvised explosive device fabrication. After his training, Sheikh is said to have held discussions with key Lashkar leaders, including its overall chief Hafiz Mohammad Saeed, principal ideologue Maulana Abdul Rehman Makki and Muzaffarabad-based operations commander Zaki-ur-Rahman Lakhvi. Salim, Sheikh's mentor, was killed in 2004, when police fired on a crowd which attempted to prevent the arrest of cleric Maulana Naseeruddin Nasir. Maulana Nasir is now serving time in Gujarat for his role in recruiting the jihadists who assassinated the State Home Minister Haren Pandya jihadists who, like Sheikh, were routed to Pakistani terror training camps through Bangladesh and other countries by the organised crime syndicates of Aftab Ansari, Rasool Khan and Riyaz Bhatkal. Sheikh, for his part, recruited several figures alleged to have played a key role in the bombings by the Indian Mujahideen. Its commander Atif Amin, who was killed in a September shootout with the Delhi police at Jamia Nagar, is thought to have trained in Pakistan, as did train Mumbai-based Arif Badr Sheikh. So too did Shahnawaz Khan, a Lucknow-based Unani doctor whose brother Mohammad Saif was arrested during the Jamia Nagar raid. One graphic account of training in Pakistan has come from Raziuddin Nasir, who volunteered after his father's incarceration. Nasir, facing trial for his alleged role in a 2007 plot to bomb western tourists in Goa, flew to Pakistan from Jeddah, Saudi Arabia, in September 2005. Like the Indian Mujahideen operatives, he was met by ISI officials at the Karachi airport to ensure that no arrival marking was stamped on his passport, briefed at the Defence Colony safe house and then taken to the coastal Baluchistan military training camp. Karnataka police investigators say Nasir then met with Lashkar leaders Saeed and Makki at the organisation's headquarters in Murdike, before travelling to Pakistan-administered Kashmir for further training. Lakhvi then arranged for him to undergo the 'Daura Aam' (basic training course) in Manshehra and the advanced 'Daura Khaas' at the Shawai Nullah camp, where the terrorists who attacked Mumbai received military instruction. Later, Nasir also completed the 'Daura-e-Lashkar' (survival course), the 'Daura-e-Ribat' (intelligence course) and the 'Bait-ul-Rizwan' (commando course) the last imparted by instructors who identified themselves as officers of Pakistan crack Special Services Group's Zarar Company. Indian nationals have long been targeted for recruitment by the Lashkar. New Delhi resident Amir Hashim, who operated under the code-name 'Kamran,' underwent the Daura Aam and Daura Khaas in Muzaffarabad as early as 2006. In March 1997, Hashim and Pakistani national Wasim Akbar staged a blast at a parking lot outside the Jalandhar railway station, killing six people. Mohammad Azam Ghauri and Abdul Karim 'Tunda,' who set up Lahskar-linked jihadist cells as early as 1993, are also believed to have received bomb-making training with the Lashkar.

## **Domestic Situation:**

### **Police remand for Rahirkar**

The Maharashtra Control of Organised Crimes Act (MCOCA) court on Tuesday remanded Ajay Rahirkar to police custody till December 20 in connection with the Malegaon blasts of September 29. The 10 other accused, including Sudhakar Dwivedi alias Dayanand Pandey, were given judicial custody till December 29, said public prosecutor Rohini Salian. The Anti-Terrorism Squad contended that it wanted to investigate the financial angle where Rahirkar allegedly played a key role as the treasurer of the Pune-based Abhinav Bharat organisation. The prosecution submitted statements of witnesses, who claimed that Rahirkar had collected Rs. 10 lakh from them. Then, at the behest of another suspect Lieutenant-Colonel Prasad Shrikant Purohit, he allegedly disbursed this amount among other suspects to procure arms and ammunition. Rahirkar's lawyer V.T. Tulpule argued that the transactions were made by cheques. Therefore, they were audited. Y.D. Shinde, additional judge of the special MCOCA court referred to the case diaries, which Ms. Salian said had a new development, in Rahirkar's case.

### **Maoist attack**

About 100 Maoist insurgents destroyed the communication towers of BSNL and Reliance Communications on Sunday night at Kapsi in Chhattisgarh, police said.

### **Dead hawk with transmitter found**

A dead hawk, fitted with a transmitter and an antenna, was found in Gujarat, close to the border with Pakistan. The police said the hawk was found dead at Nalia in Kutch district. It had the transmitter and an antenna tied to its tail and wings. They have been sent to the Forensic Science Laboratory in Gandhinagar. Nalia, about 120 km from the district headquarters of Bhuj towards the coastline with Pakistan, has an Air Force base. Some experts, however, said hawks were often used by some hunters.

### **Some Gujarat riot victims retract charges before SIT**

In a queer turn, some of the victims of the 2002 communal violence in Gujarat have retracted their charges of rape and bribing of the police by the rioters before the Special Investigating Team (SIT). As it approached the victims for recording their statements, as per the Supreme Court's order for investigating some of the cases afresh, the team encountered the U-turn. The SIT has appended the statements of at least six persons contradicting what they said in the charge sheet filed before the Ahmedabad Metropolitan Court in connection with the rioting at Naroda Gam in which it named 53 accused, including 29 fresh names, but had to drop the charge of rape in at least one case. The victims told the SIT that the earlier statements filed in their names at various places, including as an affidavit in the Supreme Court, were "fabricated" and recorded without their knowledge. They agreed that they had signed the statements but claimed that the statements were in English and they had no idea of what these contained. "We were made to sign on the dotted lines and we did it," some of them said. A 25-year-old woman, in her statement before the SIT, denied that she was ever raped as was mentioned in her statement before the apex court filed in 2003. She said she was stabbed in the hand by some rioters and her family members were burnt alive. She said she had fled the scene of violence and had no idea if any other woman was raped by the mob. The woman said her earlier statement was recorded in English by some voluntary organisations through counsel. She claimed that when she was told orally about what had been written, there was no mention of rape. "I was made to sign the paper and I did it without knowing the contents written in English," she said. Maqsood Pathan denied his earlier statement that he

saw some senior BJP leaders handing over a black suitcase to the then local inspector after which the police left the scene leaving the field open for the rioters to make mayhem. In his earlier statements, Pathan named two former BJP members of the Ahmedabad Municipal Corporation as having offered the bribe to the police to get the field cleared for the attack on the minorities. Rafiq Sheikh, Mohammad Malik, Rafique Malik and Rahim Malik also retracted their statements giving vivid descriptions of the mob attacks and naming some Hindu leaders in the vicinity among the rioters. Among those earlier named by some victims as having instigated the rioters were the then BJP member of the Assembly, Maya Kodnani, now Minister of State in the Narendra Modi Cabinet, and VHP State general secretary Jaideep Patel.

### **Hyderabad the “hub” of home-grown militants**

Hyderabad is emerging as the hub of a new generation of home-grown Indian extremists who are recruited by an underground jihadi network by exploiting “sectarian tensions” in the city, a British newspaper has reported quoting Indian police sources. The Sunday Telegraph said that “dozens” of young Muslims had “disappeared” from the city and were suspected to have gone to Pakistan to be trained by terrorist groups. Hyderabad’s Police Commissioner Prasada Rao was quoted as saying that the police had not been able to trace them. “We have tried to establish where they have gone, but we just don’t know. We know they have gone to other places, either Indian states or abroad. We are checking but the parents will not let us in on what’s going on,” he said. The report claimed that the police accused two local movements Darsgah Jihad-o-Shahadath (DJS) and Tehreek Tahfooz Shaer-e-Islam (TTSI) of acting as “feeder” groups for militants seeking to recruit jihadis. Both groups strongly denied the allegations, but a message on the DJS website reportedly admits that it has been “training...thousands of Muslim youth to defend themselves.” Its “long-term goal,” the message adds, is to “achieve the supremacy and prevalence of Islam in practice in its entirety.” The Police Commissioner told the newspaper that the grievances of the Muslim community played only a “minor role” in the indoctrination of young Muslims. “This generation has broader grievances. They are motivated by extreme views on the American presence in Iraq, Middle East frictions and Muslim torment worldwide,” Mr. Rao said.

### **Law panel says ‘no’ to making Hindi official court language**

The Law Commission has rejected a parliamentary committee recommendation to make Hindi the official court language for delivering judgments in the Supreme Court and all High Courts and also to amend the Constitution to enable the Union Legislature department to undertake original drafting of laws in Hindi. In finalising its report, the Commission, headed by Justice A.R. Lakshmanan, considered the views of several former Chief Justices of the Supreme Court, retired Supreme Court and High Court judges and eminent lawyers. The report, unanimously approved by the Commission on Friday said: “No language should be thrust on any section of the people against their will since it is likely to become counter-productive. It is not merely a vehicle of thought and expression, but for judges at the highest level, it is an integral part of their decision-making process.” The Commission said: “Arguments are generally made in higher courts in English and the basic literature under the Indian system is primarily based on English and American textbooks and case laws. Thus, judges at the higher level should be left free to evolve their own pattern of delivering judgments.

### **Emergency protocol for news channels**

The News Broadcasters’ Association (NBA) on Thursday announced the adoption of an emergency protocol for coverage of conflict situations. Chairman of the News Broadcasting

Standards Disputes Redressal Authority J. S. Verma said telecast of news relating to armed conflict, internal disturbance, communal violence, public disorder and such other situations would be tested on the touchstone of 'public interest.' As to the definition of 'public interest,' no response was forthcoming from the NBA. These were broad guidelines and not meant to be "exhaustive." Member channels of the NBA would not do any live reporting that would facilitate publicity of a terrorist or militant outfit or its ideology. Neither would they provide live footage that would evoke sympathy for the perpetrators or glamourise them or their cause. While reporting live hostage situations or rescue operations, the channels would not identify the hostages or reveal their number and status. Similarly, details of the security operations would not be given out. The guidelines also state that the media should avoid live contact with the victims or security/technical personnel involved or perpetrators during the course of the incident. The media should avoid unnecessary repeated or continuous broadcast of archival footage that may tend to agitate the viewers. And, when archival footage is shown, it should be clearly identified as "file" and if possible be accompanied by the date and time. Also, news networks should treat the dead with dignity and their visuals should not be shown.

## **Economic Front:**

### **Negative industrial growth in 15 years**

After a gap of 15 years, the country's industrial growth has slipped into negative territory with a 0.4 per cent year-on-year decline in October 2008. This clearly reflects the deepening impact of the global economic downturn. Such a grim scenario prevailed in April 1993. The figure, contained in the Index of Industrial Production (IIP) data released on Friday, marks a sharp slump from the robust 12.2 per cent growth recorded in October last year. In September 2008, it was 5.45 per cent. With over 12 per cent drop in exports in October, a deceleration in industrial growth during the month was expected. But what took the policymakers by surprise was the bigger than expected decline. "These figures are more disappointing than what we expected," Prime Minister's Economic Advisory Council chairman Suresh Tendulkar said. The authorities, however, are optimistic that the December 7 economic stimulus package that included a 4 percentage point across-the-board reduction in excise duty would arrest any further decline in production and trigger fresh consumer demand at lower prices. Despite the slump in industrial production, the Indian economy, unlike some others in the West, is nowhere near recession as the industries captured in the IIP constitute just about a third of the GDP (gross domestic product) basket and the major chunk is accounted for by the agriculture and services sectors. The IIP data shows that manufacturing comprising nearly 80 per cent of the index posted a negative growth of 1.2 per cent in October, compared to the 13.8 per cent output increase in the same month a year ago. Moreover, the production growth in two out of the four segments that make up the manufacturing index intermediate and consumer goods shrank to minus 3.7 per cent and minus 2.3 per cent from a robust growth of 13.9 and 13.7 per cent respectively. Even within the consumer goods segment, consumer durables and non-durables posted negative growth rates of minus 3 and minus 2 per cent respectively.

### **FDI has dropped, says Kamal Nath**

The Foreign Direct Investment (FDI) in the country has declined by 26 per cent in October this year as a result of the global economic slowdown. "The FDI inflows during April-September 2008 showed an increasing trend each month in comparison to the same period in the previous year," Union Commerce Minister Kamal Nath informed the Lok Sabha in a written reply on Tuesday. However, the trend changed in October when it fell by 26 per cent, he said, adding that it would be difficult to assess whether the ongoing projects in India would be affected. Quoting various studies by international agencies and analysis, he cautioned that FDI flows to developing nations would generally decline. "Under the liberalised economic environment, investment decisions are based on the macro-economic policy framework, investment climate in the host country, investment policies of the trans-national corporation and other commercial considerations," he said. The Minister, however, said the government had put in place a liberal and investor-friendly policy on FDI under which investment up to 100 per cent was permitted on the automatic route in most sectors/activities. A slew of initiatives to spur demand had been taken and this would enable India to continue as an attractive investment destination, Mr. Nath said.

### **Job creation a challenge: RBI**

The Reserve Bank of India said that employment generation was going to be the biggest challenge in the current situation of economic slowdown. "Whether we will be able to generate the same number of jobs, which we generated in the past three years, is still uncertain", RBI deputy governor, Ms Usha Thorat said at an interactive session organised by Indian Chamber of Commerce. As regards the growth forecast for the current financial year, she said it was difficult to give any growth projection at the current juncture as the situation was changing every day. However, she added that India won't achieve the growth rate it had maintained in the past three years. "Even if we can achieve a growth rate of six per cent during the current financial year, it will be very good as it is coming on top of a nine per cent growth rate for the past three years. This apart, growth will be driven by domestic consumption and domestic savings", she explained.

Ms Thorat was also hopeful that banks would adjust lending rates over a period of time while acknowledging that there had been a slowdown in credit off-take due to high interest rates. "The fact is that banks are willing to lend but the system is not willing to take the credit at the level of interest rates banks are offering", she said.

### **Mamata wants Centre's help to reopen Dunlop**

The Trinamul Congress chief, Miss Mamata Banerjee met Mr Santosh Mohan Deb, heavy industries and public enterprises minister, seeking his intervention in the process of reopening of Dunlop's Sahagunj unit. However, the state labour department today categorically said that it would not provide any working capital to Dunlop since it was not a "sick unit." Miss Banerjee told The Statesman over phone from New Delhi that Mr Deb has expressed surprise over the fact that the state government is yet to give any incentives to Dunlop as he himself was present when the chief minister promised Mr Pawan Ruia, Dunlop promoter, incentives and tax benefits and promised to look into the matter. The state labour minister, Mr Mrinal Banerjee said: "The Ruia did not buy Dunlop from the state government and they brought it out of the Board for Industrial and Financial Reconstruction. If we provide funds to

them then other units will also demand the same. When the banks cannot provide credit to them, how can the state government give them loans?" However, he evaded questions on whether the state government would permit the Ruias to sell off the land. Meanwhile, Mr Partha Chatterjee, Leader of the Opposition along with a 13-member team including some of the Dunlop workers and their family members, met the Governor and Mr Banerjee. He will meet Mr Nirupam Sen, industry and commerce minister, on Tuesday. Mr Chatterjee requested both the Governor and the minister to take appropriate steps to ensure reopening of the unit. He also requested Mr Banerjee to ensure that electricity and drinking water are not disconnected in the staff quarters of the closed unit.

### **No respite till 2009 end: Economists**

The industrial production index, which contracted by 0.4 per cent in October for the first time in 15 years, will continue to show a slowing trend till the end of 2009 with some chance of recovery later, feel economists. Industrial output, as measured by the industrial production index, decelerated sharply from a whopping 12.2 per cent growth rate a year ago. Before this, industrial growth was negative in April 1993. Crisil principal economist, Mr DK Joshi said: "We expect the IIP to continue to be weak till the end of the first half of next fiscal. It might become positive, but will not recover till the end of this fiscal." Mr Joshi pointed out that certain 'abrupt situations' in the country like credit not being available and the uncertain global scenario could have caused the industrial growth figures to get pushed into the negative zone.

### **Exports down for 2nd month**

India's exports declined by around 10 per cent in November, showing a negative trend for the second month in a row this year, following a recession in the USA and several other European markets. Although the government is yet to officially release the November figures, exports showed an almost double-digit decline on lack of demand in most of the buying markets, sources said. Following the global financial meltdown, the country's exports dipped for the first time in seven years by over 12 per cent in October. India has been facing the ripple effects of the global financial turmoil, which has resulted in a slowdown of country's exports.

### **China, India are Dubai's biggest trading partners**

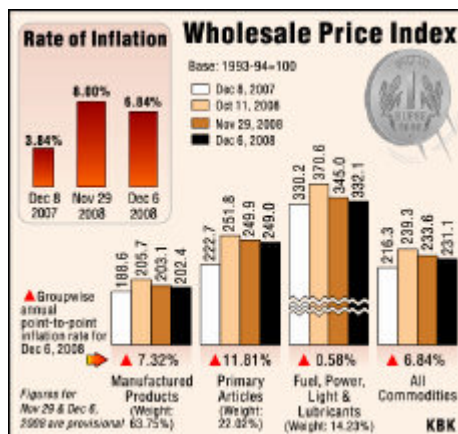
Dubai's non-oil foreign trade went up by 44.5 per cent during the first nine months of 2008 compared to the corresponding period in 2007 with China and India emerging as its biggest trading partners. According to the report by Dubai World's Statistics Department, its direct foreign trade recorded a growth of 51.2 per cent, with a corresponding rise of 33.4 per cent in the trade activity through other channels such as free zones and customs warehouses. Nassim said India and Iran were the biggest re-export trading partners, accounting for \$8 billion and \$4.1 billion respectively. Iraq was in the third place with \$1.7 billion. In exports also, India came first accounting for \$3.5 billion. Switzerland was second with \$0.6 billion and Egypt came third with \$0.38 billion. "In exports through the free zones and customs warehouses, Iran

topped the list with \$3.7 billion, followed by India with \$2.9 billion and the Kingdom of Saudi Arabia with \$2.7 billion,” she said.

### **Insurance industry expects moderate growth**

Economic slowdown has started taking toll on the insurance sector too with most life insurance players expecting moderation in new business premium collection in the remaining financial year. “The growth in first premium income collection in the remaining five months would moderate, given the negative sentiment of the market”, Max New York Life Insurance senior director and CFO Mr Sunil Kakar said. Generally, he said, most of the insurers receive about 60 to 70 per cent of the total business in the second half of the year. As a result, the private sector would wrap the year with a growth of 20 to 25 per cent against 40 per cent in the first seven months of 2008-09, he added. Echoing similar view SBI Life Insurance managing director and CEO Mr US Roy said, the first premium income till November had gone up by 100 per cent. In the remaining months it was likely to moderate, he added. “So overall, we expect 80 per cent growth in the new business by the end of March 2009,” Mr Roy said. Spelling reason for the moderation, Mr Kakar said that it was sentiment which was affecting the insurance business. Most of the prospective clients are postponing buying decision. However, he said, the insurance was a long-term investment and the current crisis would have no impact on the returns on assets. Bearish mood was expected to continue for six to nine months, he said, adding that it was temporary phase and by this time next near think would look up. Even the Reliance Life Insurance expects the growth in new business premium to be about 100 per cent as compared to 200 per cent registered last fiscal. “We expect 100 per cent growth in the new business premium during the current fiscal,” said Reliance Life Insurance chief executive officer Mr P Nandagopal.

### **Falling inflation points to lower interest rates**



The rate of inflation dropped sharply to 6.84 per cent for the week ended December 6 from eight per cent in the previous week owing to the sharp fall in petroleum product prices and paving the way for a further reduction in interest rates. With the larger-than-expected fall in Wholesale Price Index-based inflation to its lowest level in nine months, the Government is placed in a more comfortable zone to tackle the slowdown in the economy by providing another growth stimulus as demanded by corporates. The economic package, among other sops, may include further cuts in key policy rates by the Reserve Bank of India (RBI). Commenting on the WPI inflation data released here on Thursday, Economic Affairs Secretary Ashok Chawla said: “The trend is clear for falling inflation and this will translate into lower interest rate... [The] RBI must be keeping a

watch [on inflation] and take steps if necessary.” Considering that the price of petrol was slashed by Rs. 5 a litre and diesel by Rs. 2 a litre with effect from December 6, the cascading effect of the fuel price cut coupled with the four percentage point across-the-board reduction in excise duty is expected to result in a further slump in the inflation rate in coming weeks. From a peak of 12.91 per cent in August this year, inflation has dipped for the sixth straight week mainly owing to the decline in global crude prices to about \$40 a barrel in recent weeks from a high of \$147 a barrel recorded in July. As a consequence, the prices of non-administered petroleum products such as jet and industrial fuels dropped sharply leading to a 3.7 per cent slide in the fuel index during the week under review. Apart from lower fuel prices, aiding the fall in inflation were lower prices of fruits and vegetables, imported edible oils, rice bran oil and coconut oil. Other products such as chemicals and transport equipment also turned cheaper. Surprised at the marked slide in the price spiral, NCAER Director-General Suman K. Bery said: “The inflation numbers have reduced much more sharply than expected as the global deflationary wave is having an impact on the country too. Inflation is no longer the main concern. This gives the RBI more space to ease monetary policy.”

## **Geo-strategic developments:**

### **Indian Navy foils piracy bid**

The Indian Navy on Saturday prevented pirates from attacking a merchant vessel flying an Ethiopian flag in the Gulf of Aden and took 23 into custody. Responding to a distress call by MV Gibe, INS Mysore on anti-piracy patrol in the area, swung into action against the pirates in two boats, a Defence Ministry release said. The apprehended included 12 Somalis and 11 Yemenis. Seven AK-47s, three other automatic rifles, 13 loaded magazines, a rocket-propelled grenade-launcher, rockets, cartridges and grenades were found in the boats. There were also three outboard motors and a global positioning system receiver. The Ministry said MV Gibe put out a message at 1100 hours that it was under attack from two boats closing in on it and firing small arms. The merchant vessel retaliated with small arms onboard. The warship some 13 nautical miles away, altered course and launched its integral armed helicopter. On sighting the warship and the helicopter, the pirates attempted to escape. INS Mysore closed in and ordered them to stop. The larger boat, a dhow was identified as Salahuddin, with the second smaller boat in tow. Marine commandos boarded the dhow at 1230 hours and apprehended the pirates and recovered the arms, ammunition and equipment.

### **IAF denies its fighter jets violated Pakistani airspace**

Dismissing Pakistan's claim that two Indian fighter jets on Saturday violated the country's airspace in two separate sectors, Indian Air Force tonight denied any such incident. "There were no reports of Indian Air Force fighter jets violating the Pakistani air space," highly placed sources in the IAF said here late tonight.

### **No-fly zone over Kalpakkam plant**

The government on Tuesday declared a no-fly zone around a 10-km radius of the Kalpakkam nuclear installation in Tamil Nadu. The Directorate-General of Civil Aviation (DGCA) sent



notice to all airlines, prohibiting all flying activity up to a height of 10,000 feet over the Kalpakkam area, official sources said. Exercising the DGCA's special powers, its chief Nasim Zaidi issued the directive "in the interest of the security of India." Special powers have been granted to the DGCA under the Aircraft Act of 1934, using which it can issue directives to all aviation operators, including the air traffic control, communication, navigation, surveillance and air traffic management. Situated about 80 km from Chennai, Kalpakkam houses the Madras Atomic Power Station (MAPS-I) and the Indira Gandhi Centre for Atomic Research. The sources said that the no-fly directions were based on the threat perception assessed by aviation security and intelligence agencies, particularly in the wake of the 26/11 Mumbai terror attacks. They said the perception of threat to other vital installations and nuclear power plants was also being analysed and appropriate directions would be issued, if necessary.

### **BrahMos test-fired**

BrahMos supersonic cruise missile, with a strike range of 290 km, was successfully test-fired in a vertical launch configuration for the first time by the Navy on Thursday.

## **Kashmir:**

### **Protests, firing mar polling in Pulwama**

Polling in the fifth phase of the Jammu and Kashmir Assembly elections was marred by the killing of a youth in police firing as anti-poll protests rocked Quil and other areas in Pulwama district. But all segments in Pulwama and Shopian districts witnessed moderate to brisk polling. It was 48 per cent in two segments in Shopian and 47 per cent in four constituencies in Pulwama. Kashmir Divisional Commissioner Masaud Samoon said 66 per cent turnout was recorded in Jammu's Kathua district, where elections were held in five segments. The overall percentage in Saturday's exercise was put at 57. Braving the chill weather, a large number of people turned up at booths in the Wachi, Shopian, Pulwama, Rajpora, Tral and Pampore segments despite the boycott call given by separatists. But the situation took an ugly turn at Quil when police and Central Reserve Police Force (CRPF) personnel allegedly forced people to come out and vote, and ransacked their houses. This evoked resentment among the people, who gathered in large numbers and shouted anti-election slogans. The police and CRPF tried to disperse them but they were stoned. They later opened fire, in which at least four people were injured, of whom Muzaffar Ahmad, 21, died in hospital. Following this incident, the Quil area with over 3,000 voters witnessed a complete boycott. The people were angry as they restlessly waited for Muzaffar's body to arrive from Srinagar. In the neighbouring villages, and also in Parigam and Karimabad, the election was boycotted. However, later in the day, voters came out in good numbers at several places and the turnout picked up. Both Shopian and Pulwama districts are considered a stronghold of the People's Democratic Party. Its president Mehbooba Mufti is contesting in Wachi. But in some areas many booths wore a deserted look as the boycott call evoked near-total response. Interestingly, the militancy-infested Tral town witnessed huge polling. Long queues were seen outside booths. Authorities had made elaborate arrangements to ensure smooth polling. All roads leading to Pulwama were sealed to thwart marches by separatists. Senior separatist leaders including Syed Ali Geelani and Mirwaiz Umar Farooq have been put under house arrest, and Srinagar and other towns are under an undeclared curfew. Both leaders condemned the police firing on protesters.

### **Tragedy behind boycott**

Nazir Ahmad Ganai's family and neighbours on Saturday had a reason not to vote. This town is considered to be a stronghold of separatist politics. Ganai has lost all his three sons in the past five years. His house is located just 300 metres away from the polling booth but he confined himself at home. Most of his neighbours expressed solidarity with him. "I have no reason to vote and those who do are traitors" he told *The Hindu*, with tears in his eyes. He said his youngest son Sajjad Ahmad fell to the bullets of police on September 12 this year during a protest. "It was Friday. He went to the mosque to offer prayers but before that he wanted to pray at his elder brother's grave. As soon as he went out there was a clash between police and protesters and a young boy was injured. He moved to lift him but police opened fire on him and he died on the spot." Ganai said his elder son Naseer Ahmad went missing after he was picked up by security forces on March 8, 2003. "We went everywhere but could not find him" he said, adding that after six months news came that he had been killed. "My other son Hilal Ahmad could not bear the news and he died of cardiac arrest."

### **Curfew-like situation in Kashmir ahead of PM visit**

A curfew like situation prevailed in Srinagar and other major towns of the Valley for the third day on Sunday as authorities deployed heavy security forces to scuttle any attempt by separatists to hold protest against Prime Minister Manmohan Singh's visit to the state. Heavy deployment has been made in the Kashmir Valley in view of Singh's visit and a call given by Separatists' Coordination Committee for a complete shutdown, official sources said. The Prime Minister will be here today to campaign for Congress candidates in South Kashmir's Anantnag district, going to polls in the sixth phase on December 17. In the sixth phase, 16 assembly constituencies spread over Kulgam, Anantnag, Ramban, Kishtwar and Doda districts are scheduled to go to polls. Police and paramilitary personnel were seen driving back people to their homes and patrolling the deserted streets to foil any attempt by separatists to assemble for the protest. Normal life came to a standstill in the valley on Friday and Saturday in view of the call for protests given by coordination committee against holding of elections and the strict security arrangements made by the authorities to thwart the protests. Coordination Committee had on Saturday urged people to observe a complete strike against the visit of Prime Minister. Apprehending protests by separatists, the police and paramilitary personnel have set up road blockades and were only allowing emergency services and media persons to move after checking their identity cards.

### **57% turnout as J&K voters snubs boycott call**

Sporadic violence claimed one life and left several others injured during the fifth phase of assembly voting in Jammu & Kashmir, but there was no sign of fatigue with the prolonged election as Kashmiris again thronged polling stations to vote on Saturday and underline the groundswell of opinion against the separatists poll boycott call. Between 50% (Tral) and 76%

(Bani) balloting was recorded in 11 constituencies - six in the Valley and rest in Jammu's Kathua district - against 65%, 67%, 62%, 55% turnout in the first four rounds on November 17, 23, 30 and December 7. The 50% turnout in Tral, once a militant hub in south Kashmir's Pulwama district, was a far cry from the 11% balloting in 2002. Rafiq Bano, a Tral voter, said there were few takers for Hurriyat's boycott call. "We've seen much bloodshed and mayhem in this area in last 18 years of militancy. These goons (militants) killed my husband as he happened to be a policeman," she said and added that she had voted for a better life for her children. "I'm living a dejected life with my three daughters and one son after my husband was killed in 2007," she said.

The voter mood was equally upbeat at Pulwama. Abdul Salam Ahanger (82), who braved chilly winds to lead early morning voters at Pinglana, directed his ire at the separatists and said he voted for a peaceful tomorrow. "These leaders (separatists) have brought misery by calling for frequent strikes; we want a peaceful life and have voted for it," he said. "I exercised the right for the common good," said Gulzar Ahmad, who was among the first voters at Konaba. Polling at PDP president Mehbooba Mufti's constituency in Wachi was slow due to the sub-zero winds but picked up as the sun came out in the afternoon.

### **Sixth phase of J&K elections on Wednesday**

Jammu and Kashmir will vote on Wednesday in the sixth and penultimate phase of the Assembly elections that have seen mass participation despite boycott calls by separatists. This round will decide the fate of the former Chief Ministers, Mufti Mohammad Sayeed and Ghulam Nabi Azad. The elections will be held in 16 constituencies in five districts 10 in Anantnag and Kulgam in the Kashmir Valley, and six in Doda, Kishtwar and Ramban in the Jammu region. While Mr. Sayeed of the People's Democratic Party is fighting from Anantnag, Mr. Azad of the Congress is seeking re-election from Baderwah in Doda district. The main contest in south Kashmir is between the National Conference and the PDP, though the Congress, the Panthers Party, the Samajwadi Party, the Lok Jan Shakti Party, the Awami National Conference, the Bharatiya Janata Party and the Communist Party of India (Marxist), besides independents, are also in the race.

### **Social front:**

#### **Political will lacking to put an end to child labour, says Brinda Karat**

Advocating the need for the people to stand united for the rights of the child, Communist Party of India (Marxist) MP Brinda Karat said on Friday that there was a lack of political will to address the issue. Speaking at a national convention on 'Right to Education and Abolition of Child Labour,' organised by the National Commission for Protection of Child Rights (NCPCR) here, Ms. Karat said there was a huge political deficit and a lack of multi-dimensional approach when it came to abolition of child labour. The existing law bans children from working but there is no monitoring when it comes to their rehabilitation. Recommending penalties for the employers of child labour, she said the responsibility of encouraging child labour also lay with those who employed children. Ms. Karat strongly suggested amendments to the international conventions

and legal provisions to prohibit all forms of labour for children and bring all individuals up to the age of 18 years under the definition of 'child.'

### **Don't handle pollution cases casually: Apex court**

Those who discharge noxious effluents into streams, rivers or any other waterbody, inflicting harm on the public health, should be dealt with strictly de hors technical objections, the Supreme Court has held. "Since the escalating pollution level of our environment affects the life and health of human beings as well as animals, courts should not deal with the prosecution for offences under the pollution and environmental Acts in a casual or routine manner," said a Bench consisting of Chief Justice K.G. Balakrishnan and Justice P. Sathasivam. It ordered that the trial against a company, on a complaint of pollution, continue. Writing the judgment, Justice Sathasivam said: "In a matter of this nature, particularly when it affects public health, if it is ultimately proved, courts cannot afford to deal lightly with cases involving pollution of air and water. The message must go to all concerned persons, whether small or big, that the courts share the parliamentary concern and legislative intent of the Act to check the escalating pollution level and restore the balance of our environment."

### **Help avert child abuse**

"Call the toll-free helpline number 1098 of West Bengal's Department of Women and Child Development and Social Welfare if you know of child prostitution happening around you" this was the message that a city-based charitable organisation gave out while announcing the start of an awareness campaign to sensitise people on the issue of child prostitution. "Child prostitution is an invasive and widespread problem that is not adequately addressed in our society that still considers it a taboo to discuss such issues," said Nivedita Ghosh, vice-president of the organisation, Krishnayam. The organisation plans to run awareness campaigns through radio commercials, newspapers, hoardings and road shows. "The idea is to make people aware of the toll-free helpline number of the West Bengal Department of Women and Child Development and Social Welfare on which they can call if they know about any child prostitution case," Ms. Ghosh said. She said that during the organization's field study in several villages across the State, the volunteers found that poverty and child marriages were forcing many minors into prostitution. Nadia district was especially susceptible to such cases, she said.

## **Foreign Relations:**

### **Move to build Indo-U.K. academic tie-up**

In a bid to build an academic partnership between universities in India and U.K., particularly in the field of Artificial Intelligence and IT, U.K.-based institutions are all set to tie up with IIIT (Hyderabad) and IIT (Chennai) to provide a platform for long term academic and research. Identifying the need to focus on specific fields of IT such as Artificial Intelligence, this initiative was taken up by UK-India Education and Research Initiative (UKIERI), headed by Derek Wyatt, UK Member of Parliament and was discussed at the first India-U.K. Round Table conference on Artificial Intelligence last week. As per the objective of the collaboration, universities from the U.K. that are mainly research-based will work in tandem with institutions such as IIIT Hyderabad to explore relevant fields of IT. "Here in India, the industry is service-based. As and when a student passes out of college, they are picked up by major IT companies. As a result, there is not much research on IT happening here. Where as in the U.K., students stay on till they complete

their Ph.D and a lot of research work is carried out. What we are doing is getting the service component from India and the research aspect from U.K. so that there is specific focus on development of IT in both the nations,” says Mr. Wyatt. With IIIT from Hyderabad being identified as a major research centre, Mr. Wyatt says that a curriculum will be designed from both U.K. and India and in due course of time, the collaboration will facilitate student and faculty exchanges. “With this, students will have a chance to share their experiences,” adds Mr. Wyatt. Moreover, the initiative will be taken to the schooling level as well. Groups of schools from U.K. and India will connect with each other to share knowledge and classroom experiences. Areas such as development, culture and education will be the key aspects on focus.

### **Tea delegation puts off visit to Pakistan**

A proposed visit of a high-level delegation of the tea industry to Pakistan has been put off. The decision comes in the wake of the Mumbai terror attacks. The visit was slated to take place for four days in the first week of January 2009. The delegation was to have been led by Union Minister of State for Commerce and Power Jairam Ramesh. Mr. Ramesh, who announced the visit when he was here in November to launch e-auctions for tea, told *Hindu The* that the visit has been postponed for now. The industry described the proposed visit as a ‘goodwill mission’ during which discussions were to be held to improve the infrastructure for tea through the Attari-Wagah route, which is important for north Indian tea exporters. Southern exporters, who cater more to the Pakistani-market, use the Cochin-Karachi route for sending India’s biggest commodity export merchandise. North India exports the Assam tea through the Amingaon-Haldia-Colombo route. This would have been the third official delegation since 1999 and was seen by the tea industry as a good time to strengthen ‘the tea ties.’ While the Pakistan tea market should have found a natural importing partner in its neighbour, Kenya at present has the largest share of the market (around 90 million kg). The drop in Kenyan production is being seen as an opportunity to strengthen ties by Indian exporters. However, this is not the first time that an Indian tea delegation’s visit to Pakistan is in jeopardy. The Mumbai train blasts in July 2006 forced India to put off its visit for nearly a year. Pakistan has always been a price-sensitive market and the problem with routes of tea movement from India has hampered exports besides rendering Indian tea uncompetitive. After reaching a high of 15 million kg in 2006, the market collapsed to five million kg in 2007 contributing to the slump that India faced in 2007 and leading Mr. Ramesh to describe Pakistan as a ‘yo-yo’ market. This year, between January and August, India has exported 4.5 million kg to Pakistan against the 3.29 million kg exported in the same period in 2007, indicating a 50 per cent rise. The per kg price realisation at Rs. 64.65 too has been higher, leading to a doubling of India’s export earnings at Rs. 31.8 crore from this market. This comes at a time when Kenya registered a 12.9 per cent drop in production between January and September.

### **Delhi snubs US on Kashmir**

New Delhi has rejected outright an attempt by Washington to raise the Kashmir issue. US secretary of state Condoleezza Rice's deputy, Mr John Negroponte, brought up the issue in his talks here but New Delhi made it abundantly clear to him, and Ms Rice by extension, that Jammu and Kashmir was a bilateral issue between India and Pakistan, sources said. Mr Negroponte also wanted the Indian side to appreciate the actions Pakistan has taken after the November 26 terrorist attacks in India to crack down on terrorist organisations operating on its territory, but the Centre refused to toe the American line. New Delhi is understood to have

conveyed to Washington what external affairs minister Pranab Mukherjee told Parliament: that this is not an issue related to the Jammu and Kashmir. In his intervention in the Lok Sabha on Thursday, Mr Mukherjee had said the "interlocutors" should "not try to have a general straitjacket formula that this is a dispute between India and Pakistan, Kashmir is the bone of contention, solve the problem of Kashmir and everything will be in place." Mr Negroponte, who called on Mr Mukherjee here on Friday besides holding talks with national security adviser M.K. Narayanan and foreign secretary Shivshankar Menon, had flown in from Islamabad after meeting Pakistani political leaders and the Army Chief. His mentioning of the K-word followed a similar move by Pakistan to rake up the Kashmir issue.

### **Gilani for normalising ties**

Pakistan Prime Minister Yusuf Raza Gilani on Tuesday reiterated his government's desire to normalise ties with India. At a meeting with United States Senator John Kerry, who arrived here after his visit to New Delhi, Mr. Gilani said Pakistan wanted cordial and friendly ties with "all its neighbours." According to a statement from the Prime Minister's Office, he said Pakistan did not harbour any "aggressive designs" against India, and would not allow any individual or entity on its territory to harm bilateral ties. On a day when External Affairs Minister Pranab Mukherjee confirmed that the composite dialogue process was in "pause" mode, the Pakistan Prime Minister said his government remained committed to the four-year-old process and wanted to resolve all outstanding issues with India "amicably."

### **Sheltering insurgents will recoil on Dhaka: Chidambaram**

Union Home Minister P. Chidambaram on Monday said Bangladesh should stop anti-India insurgent groups from using its territory. Bangladesh should realise that it was hurting itself by allowing the insurgent groups to take refuge in its territory; he said replying to a discussion in the Lok Sabha on the situation arising out of the bomb blasts in various parts of the northeast, with particular reference to Assam. The Minister said the government in Dhaka had assured New Delhi that it would not allow Bangladesh territory to be used by insurgent groups. "But the regrettable fact is that many groups still use Bangladeshi territory and we hope that they will not give sanctuary to such groups." In particular, he cited the Harkat-ul-Jihad-al-Islami (HuJI) and said Bangladesh was duty-bound to control its activities; particularly as there was enough intelligence input to suggest HuJI's links with banned outfits such as the United Liberation Front of Asom and the National Democratic Front of Boroland.

### **Pakistan lists airspace 'violations'**

Pakistan, which last week brushed aside alleged violations of its airspace by the Indian Air Force as "technical" and "inadvertent" intrusions, on Thursday expressed concern to India about the incidents. The Pakistan Foreign Ministry handed a note verbale to the Indian Deputy High Commissioner, Manpreet Vohra, listing four 'violations' by IAF planes on December 12 and 13. In a statement, the Foreign Office spokesman said: "The Indian Deputy High Commissioner was called to the Foreign Office today [Thursday] and a diplomatic note was handed over to him, conveying the concern of the Government of Pakistan on technical and airspace violations by Indian aircraft on 12 and 13 December 2008 in non-conformity with the 1991 Agreement between Pakistan and India on Prevention of Airspace Violations." Under the agreement, the two air forces must not cross into a 10-km zone from the border on their own side. Pakistan has

alleged that in two incidents, the aircraft crossed this 10-km limit. Such incidents would constitute “technical” intrusions. Two other alleged incidents, in which the IAF planes are said to have crossed into Pakistan, would fall into the category of “airspace violations.” One of these is said to have taken place on December 12 in the Srinagar sector in Kashmir, and the second in the Narowal sector in Punjab. Pakistan’s complaint to India nearly a week after the incidents came after Opposition parties criticised the government for jumping to provide a clarification for the ‘violations.’ Information Minister Sherry Rehman said the violations were “inadvertent.” India denied Pakistan’s allegations of airspace violations and said the *note verbale* would be “examined and responded to appropriately.”

### **Disinformation campaign, says India**

India on Thursday termed Pakistan’s allegations of airspace violations as ‘disinformation campaign.’ “Today morning the Pakistani Foreign Office handed to our mission in Islamabad a *note verbale* alleging airspace violations by Indian aircraft five days ago. These same allegations were first reported in the Pakistani and international media for several days and are a part of the Pakistani disinformation campaign,” the Foreign Office’s official spokesperson Vishnu Prakash said in response to a question. Mr. Prakash pointed out that as soon as the reports appeared, the government had made it clear that violations had not taken place. This was also conveyed to Pakistan when it raised the issue orally with the Indian Army’s DGM (Operations) on December 16, he added

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

### **ASIA REPORT**

December 31, 2008

Nadia Tasleem:	Report on Asia	318
Ashia Rehman:	Report on Fertile Crescent	323
Madiha Kaukub:	Report on GCC	370
Tatheer Zehra:	Report on South East Asia	399
Sadia Khanum	Report on India	461



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

### **SOUTH & EAST ASIA and GCC & Fertile Crescent**

Nadia Tasleem

Weekly Report from 20 December to 29 December 2008

Presentation: 31 December 2008

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This report consists of two parts. First part briefly discusses 2008 elections in Bangladesh however second part is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia (Bangladesh & India) East Asia and GCC from 20 December to 29 December 2008 as have been collected by interns.

### ***2008 Elections in Bangladesh***

A general election in Bangladesh finally held on 29 December 2008, after being postponed from the original date of 18 December 2008. They were originally scheduled for 21 January 2007, but postponed by two days due to demands by the opposition made in December 2006. They were put back by one day to 22 January, and subsequently postponed for an extended period due to opposition protests and boycott threats.

The general election has once again been contested between Khaleda Zia of the Bangladesh Nationalist Party (BNP) and Sheikh Hasina of the Awami League. The Awami League has formed a 14-party alliance including Ershad's Jatiya Party, and the BNP have formed a 4-party alliance which includes the Islamist party Jamaat-e-Islami.

**Seats distribution:**

The AL contested the polls for 245 constituencies. Awami League conceded as many as 46 out of 300 parliamentary constituencies to Jatiya Party (JP). Other minor partners in the alliance were given nine seats. The Bangladesh Nationalist Party (BNP) and its allies however contested for 296 out of 300 in the 2008 election. The Election Commission canceled candidature of nominees of BNP in four constituencies. The BNP its allies could not reach a consensus on sharing six constituencies Bangladesh Jamaat-e-Islami contested in the election in 38 constituencies although BNP agreed to offer Jamaat 34 seats. BNP conceded two seats each to its three smaller allies – Bangladesh Jatiya Party, Islami Oikya Jote and Jamiat-e-Olama-e-Islam.

Overall the Election Commission announced following numbers:

- Registered voters: 81,130,973
- Candidates: 1,538
- Constituencies: 300
- Registered parties: 32

Government has deployed 50,000 troops, 75,000 police and 6,000 RAB to ensure security during elections. Aside from security forces, about 200,000 local and 2,000 foreign monitors remained at the polling centres to check procedures. Analysts expect 75% of voters' turn out.

## ***Summary***

### ***South Asia:***

#### Political Front:

Elections remained the most striking development in **Bangladesh**. Care taker regime paid enormous attention to security arrangements in order to hold transparent elections. Foreign monitors played the role of neutral observers. Despite the fact that minor incidents of violence occurred at certain places yet things remained smooth at large scale. Large voters' turn out has been observed that indicates peoples' excitement for elections. Another significant development was end of emergency few days before elections.

At **Indian** political front all developments revolved around Mumbai attacks. At domestic level Union Minister for Minority Affairs A.R Antuley faced severe criticism because of his statement

regarding involvement of some non-Muslims in Mumbai attacks targeting Karakare (CBI officer), who was carrying investigation of Malagaon blasts that took place in September. Congress delineated itself from Antuley. He finally gave resignation. Meanwhile tension remained at peak between Pakistan and India throughout this week. Things however seem to be diffused now.

Violent protests have been launched in Jammu & Kashmir during last phase of elections over there. Meanwhile 52% of the voters' turn out has been observed.

#### Geo-Strategic Front:

At geo-strategic front the most significant development is Pakistani offer to buy **Indian** shares in IPI gas project. If it happens then would surely bring consequences for India. Meanwhile India has asked its citizens to leave Pakistan for security reasons.

#### Social Front:

Alwar, a small town in Rajasthan, **India**, witnessed a social revolution of a different kind as numbers of untouchables were allowed to enter a temple.

#### Economic Front:

**Indian** stock exchange got affected by Indo-Pak crisis. On the other hand inflation has dropped to certain extent. Economists have predicted Indian GDP to stay at almost 7.7%. Despite all these developments in the whole country Bihar is found be unaffected by economic recession.

#### **East Asia:**

#### Political Front:

**Malaysian** PM Abdullah Badawi has expressed his keenness about Barisan National's victory in upcoming bi-elections. At **Philippines'** political front the most significant development is appointment of three members by Arroyo to hold peace talks with Muslim rebels. New PM of **Thailand** has announced the names of his cabinet members that have been endorsed by King. Many however have condemned him for selecting inexperienced people as cabinet members.

#### Geo-Strategic Front:

Obama's announcement to pay visit to **Indonesia** has been perceived as a message of reconciliation for millions of Muslims there & in the rest of the world. Besides that China & Indonesia pledged to expand bilateral cooperation and strategic relationship between the two. Meanwhile military command of Indonesia & **Malaysia** has recently signed an agreement on cooperation and supervision in border areas. Japan and UN have announced to provide economic assistance to internally displaced people in Southern **Philippines**.

#### Social Front:

Earthquake in **Philippines**, **Vietnamese** struggle to counter HIV/AIDS and reopening of flood affected schools in **Cambodia** have been regarded as potent development at social front.

#### Economic Front:

**Indonesia** has announced to drop gasoline & diesel prices by 9 & 13 points respectively. Meanwhile government has also announced to boost spending on infrastructure development in the country amidst global economic recession. Finance Ministry has predicted that **Thailand's** economy would grow by only 1 percent in 2009 due to weak local spending and declines in exports and services. Inflation rate in **Singapore** has eased to 5.5% in November. **Vietnam** devalued its currency by 3 percent as falling inflation and the weakest annual economic growth in nine years caused it to act. Meanwhile inflation in Vietnam has reached 20%. **Laos** has discovered its own crude oil in one of its provinces hence hopes to utilize it for domestic use.

#### **GCC:**

#### Political Front:

Thousands of protesters marched on the streets of Manama, **Bahrain** in solidarity with a call by Lebanese Hezbollah leader Hassan Nasrallah for open protest until the siege is lifted. Protesters raised Hezbollah flags and pictures of Nasrallah alongside the Palestinian and Bahraini flags, chanting "Death to America, Death to Israel". Bahraini security troops fired teargas and rubber bullets to disperse thousands of protesters. Many **Kuwaiti** MPs have agreed to seek assistance of court to continue parliamentary session even in the absence of government.

#### Geo-Strategic Front:

**UAE** remained active in enhancing ties with Qatar, Malta, Indonesia, EU and Iran. Meanwhile **Qatari** growing relations with Gabon, Darfur and UK along with GCC countries also grabbed attention. Both Kuwait & India have appreciated their ties with **Oman**. Similarly **Bahraini** FM's talk with Turkish official and his announcement to sign an accord with Iran also remained key developments at geo-strategic front. Lastly moving towards **Kuwait**, recent announcement by Iraq, reiterating its commitments to UN resolutions, regarding Kuwait in 1991, seems to be a worth mentioning development: despite the fact that Iraq-Kuwait border issue is still unresolved. Arab League has expressed sheer disappointment with Israeli-Palestinian peace process.

#### Social Front:

Flood warnings have been issue for Madina city by **Saudi** government. Top officials in **Qatar** have reiterated their commitment with women security. **Bahrain** government has planned to tighten laws on Public procession.

#### Economic Front:

Stock markets in the **Gulf States** fell sharply in the week as the impact of the global economic crisis and the slide in oil prices took a further toll on the energy-rich region. Stock exchange however remained down in most of the Gulf States. **Saudi** renewed budget failed to boost confidence. **UAE** however expressed high hopes with its plans to come out of financial crisis.

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

### **Fertile Crescent**

Aisha Rehman

From 19<sup>th</sup> to 26th December, 2008

December 31, 2008

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Iraq

Political front:

- Talabani calls for developing Iraqi army
- Soon: IAF meeting to nominate replacement for speaker
- VP: Iraq not to be base for offensives against neighbors
- Iraqi Parliament accepts speaker's resignation, allows non-U.S. troops into 2009
- Urgent/Al-Mashhadani announces resignation
- Talabani posts Maliki on Kirkuk visit's outcome
- Will boycott sessions headed by Mashhadani – Kurdish MP
- Kurdistan to take part in Iraq's delegation in UN meetings
- Interior Ministry denies al-Boulani's leadership of constitutional party
- President reiterates support for power-sharing in Kirkuk
- Political motivations behind calls for speaker's resignation
- Arab bloc demands division of authority in Kirkuk
- President meets Arab bloc in Kirkuk
- Parl. to question transport minister today
- Problem with parliament itself not speaker – MP
- Heads of parliamentary blocs meet over troop withdrawal
- PM: Killer of Iraqis behind shoe-throwing incident
- Parl., gov't negotiate alternative troop withdrawal law
- Former PM accuses security agencies of harassing supporters
- IHEC says elections in Ninewa on time
- Sadrists ask MNF to leave country

#### Geo strategic front:

- U.S. Congress delegation praises improved conditions in Iraq
- UN chief welcomes move to cancel 20% of Iraqi debt
- Abrogation of Chapter VII of UN Charter will boost investment

#### Social front:

- Shoe-thrower's apology will not affect trial – source
- Iraq overcomes sectarian unrest ordeal, says al-Hashemi
- Migrants urged to contribute to Iraq's reconstruction

#### Economic front:

- Chambers of Commerce conf. in Sulaimaniya
- 75% of Sadr City power networks upgrading finalized
- Negotiations to resume flights with several countries
- Pumping station equipped with over \$800,000 material
- CBI drops interest rate to 14%
- 5 Turkish tankers to transport Iraqi oil
- Cabinet approves 2009 general budget
- VP calls on Lebanon to enter Iraqi market

- Iraq exports oil in accordance with laws
- Oil export boom surpasses IMF's expectations
- Talabani receives Korean oil, electricity company delegation
- Electricity grids rehabilitated in Basra
- Electricity problem to be over by 2011 – minister
- No decrease in salaries because of oil prices – planning minister

## Syria

Political front:

Social front:

- President al-Assad Celebrates Christmas along with the Christian Community
- Saad Reviews Syria's Experience in Education
- ALECSO selects Syria as HQ to hold meetings on developing curriculums
- Annual Revision of Syria-UNFPA Cooperation
- 

Geo strategic front:

- Minister Sweid, Australian MP Discuss Issues of Syrian Community in Australia
- The Syrian Communist Party Calls for Lifting Siege on Gaza
- Syrian GFTU Appeals to UN to Lift Gaza Siege
- Al-Shaar Discusses Cooperation with WFP Chargé d'affaires
- Croatian President Meets Abrash
- Air Services Agreement Between Syria and Croatia Signed
- Al-Ahmar, al-Hassan Discuss Coordinating Efforts to Support the Palestinian People
- Ottri, Naasan Agha Discuss Cooperation with Iranian Minister of Culture
- President al-Assad Affirms to Archbishop Capucci the Need for Arab, International Cooperation to Relieve Gaza Sufferings
- Moallem Discusses with Hashimi Bilateral relations
- Syria UN League Calls for Freeing Syrian Prisoners from Israeli Jails
- UN Gravely Concerned over Situation in Gaza Strip
- Qatar Calls UN to Persuade Israel to Withdraw from Syrian Golan
- European role important for pushing peace, Barakat says
- Israeli warplanes re-violate Lebanese sovereignty
- China Supports Syria's Right to Regain Occupied Syrian Golan
- Aoun: Building Best Relations Necessary for Syria & Lebanese
- Syria, EU sign by the initials the amended text of Partnership Association
- Int'l Conference for Arab-European Dialogue Opens in Vienna with Syrian Participation

#### Economic front:

- The National Institute Celebrate the Graduation of the 4th Batch of Higher Cadres
- Challenges of Banking Transparency Conference Resumes Deliberations
- Mikdad Reviews Ongoing Preparations for Arab Economic Summit Scheduled in Kuwait Next Month
- Ministers of Information, Endowments Discuss Cooperation with Iranian Minister of Culture and Islamic Guidance
- Ottri, Ekren Discuss Proposals for Bolstering Cooperation in Economic, Commercial and Bank Sectors
- President al-Assad Affirms to Ekren the Importance of Following Up on Syrian-Turkish Economic Agreements
- Grand Mufti Hassoun: Syrian-Turkish Relations Promising
- Coordinator of General Conference for al-Quds Starts Syria Visit

#### Jordan

#### Political front:

- Qadi highlights community partnership in security
- Aqaba site under consideration for Kingdom's first nuclear power plant
- Jordan ranks second in uranium deposits
- Ministerial conference adopts guidelines for water strategy
- Senate president meets with Japanese ambassador
- Political parties receive JD25,000

#### Geo strategic front:

- Labour minister inaugurates Jordanian-Korean Technical Academy
- Senate president meets with Australian ambassador
- Bashir to meet with Abbas
- Truck aid convoy reaches Gaza
- Bashir underlines importance of Arab dialogue with EU countries
- Foreign Ministry approves amendments to agreement with Red Cross
- Protesters call for release of Iraqi journalist
- Hundreds rally for Gaza
- Arabs sail to Gaza, defying Israel blockade
- Lebanon names ambassador to Syria
- Egypt, Israel voice support for Red-Dead canal project
- Jordan renews support for Palestinians

#### Economic front;



- Tourism sector witnesses 27 per cent growth in '08
- MPs to urge gov't reconsider cooking gas prices
- Council to cooperate with Eco Energy Solutions in energy sector
- Mafraq concludes work on permanent parallel market
- 'Jordan not isolated from financial crisis impact'
- Preparations under way for Epiphany celebrations
- Jordan banking industry healthy - Moody's
- Jobless rate drops to 12.7%
- Lack of funding, water hurting agricultural development'
- Kerosene subsidy set, dairy prices down

#### Social front:

- Drug-related cases on the rise - PM
- UNHCR secures resettlement of more Iraqis in 2008
- Dahabi highlights need to reform higher education
- Senate committee endorses agriculture risk management draft law
- Campaign to eliminate violence against children
- Security director pledges support for Anti-Narcotics Department
- Cancer second leading cause of death in Kingdom
- Lower House to discuss drug abuse, its impact on society
- Slow Internet connection to persist for days
- Press association, Postal Savings Fund sign agreement
- Mafraq health department destroys spoiled food
- RJ aircraft forced to land in Milan to tend to Jordanian passenger
- Family council to establish family reconciliation centres
- Security director praises badia forces
- Ambassadors' forum to be held next week

#### Lebanon

#### Political front:

- Lebanon DM to discuss Russian heavy weaponry in Moscow
- FM Salloukh: Lebanon might negotiate with Israel
- Murr challenges Aoun to achieve 10 % of Hariri's achievements
- Suleiman Preparing his Own National Defense Strategy
- Baroud: Electoral Security Plan Soon
- President Searches for Resolving Constitutional Council Issue
- Hariri: Lebanon opposition no longer exists
- Suleiman calls election of Constitutional Council democratic

- Sfeir Criticizes State, Says Government Like Carriage Pulled by Opposing Horses
- Phalange Party Hopes Lebanese Would Invest in Supporting Armed Forces
- Decision to Form Military Committee to Study Defense Strategy Proposals Postponed
- Opposition Prepares Study to Prove Kheir Fell Foul of Election
- Rockets pointed at Israel defused by Lebanon army

Geo strategic front:

- US: No plans to counter Russia's Mig offer to Lebanon
- Activist Ship to Sail from Southern Lebanon to Gaza
- Germany to supply Lebanon army with 50 Leopard tanks
- Syrian diplomats reported to work at Syrian embassy in Beirut
- Graziano Hints Ghajar Issue Linked to Israeli Elections
- German Tanks to Lebanon to Control Border with Syria
- Syrian Agents Arrest Lebanese Citizen
- Syria Opens its Beirut Embassy Immediately After Christmas
- Before and After Bush Hizbullah will remain Hizbullah
- Lebanese ship to defy Gaza blockade
- Israel moving closer to invading Gaza
- Iran's president decries bullies in Christmas message

Social front:

- NYC man pleads guilty in helping Hezbollah's al Manar TV

### **Political front:**

#### **Talabani calls for developing Iraqi army**

Iraqi President Jalal Talabani on Friday called on Defense Minister Abdul Qader Jassem to develop Iraqi army's capabilities, according to the spokesman for the Peshmerga forces. "Talabani met with the defense minister, with whom he stressed the development of the Iraqi army's capabilities and strengthening ties among its different units to be able to protect Iraq's security," Jabar Yawer told. "The two officials also discussed preparations to celebrate the Iraqi army day on January 6<sup>th</sup>," he added. Sulaimaniya is located 364 km northeast of Baghdad.

#### **Soon: IAF meeting to nominate replacement for speaker**

A parliamentarian from the Iraqi Accord Front (IAF) on Thursday said that it will officially meet in the next few days to nominate a replacement for Mahmoud al-Mashhadani, the Iraqi Parliament's speaker who resigned from his post a few days ago. "There is an understanding between us and other blocs concerning this matter," Abdelkareem al-Samarraie told. Samarraie noted that his front, which holds 44 seats in the 275-member Parliament, has not officially put forward any candidates thus far.

### **VP: Iraq not to be base for offensives against neighbors**

Iraq will not be a base for any offensive acts against any of its neighboring countries, Iraqi Vice President Tareq al-Hashemi said from the Syrian capital. "Hashemi met with Syrian Vice President Farouk al-Sharaa in Damascus and stressed Iraqis' keenness to safeguard Arab national security," according to a statement released by his office and received. Hashemi arrived in Syria after wrapping up a visit to Lebanon, where he met with Parliament's Speaker Nabih Berri and the leader of the parliamentary majority, Saad al-Hariri. Sharaa and his deputy Mohamed Nassief received Hashemi at Damascus International Airport.

### **Iraqi Parliament accepts speaker's resignation, allows non-U.S. troops into 2009**

Iraqi Speaker Mahmoud al-Mashhadani ended his chairmanship to the parliament by delivering a word during session, which was closed by approving the controversial foreign troops withdrawal law. Parliament started its extraordinary session at 6:00 p.m. under Speaker Mahmoud al-Mashhadani, who addressed the parliament's chairmanship, asking it to accept his request to retire, which came as a surprise move, followed by another surprise when the parliament approved a resolution allowing thousands of British and other non-U.S. troops to stay into 2009. It allows about 4,000 British troops and smaller contingents from Australia, El Salvador, Estonia and Romania to remain until the end of July 2009. Al-Mashhadani expressed thanks to all parliamentarians. Speaker Mahmoud al-Mashhadani tendered his resignation and it was accepted by a majority of the deputies attending a closed-door emergency session of the parliament after days of bickering and negotiations.

### **Urgent/Al-Mashhadani announces resignation**

Iraq's Parliament's Speaker Mahmoud al-Mashhadani announced his resignation during the session the state-run al-Iraqi television said. MP from the United Iraqi Alliance (UIA) Rezza Jawad Taqi had said earlier that Iraq's Speaker Mahmoud al-Mashhadani agreed to present his resignation, stipulating selecting a replacement from the Iraqi Accord Front (IAF) during the same session. On Wednesday, a heated debate erupted between Mashhadani and members of parliamentary committees over the issue of Iraqi Journalist Muntadhar al-Zaydi, who threw a pair of shoes at U.S. President George W. Bush at a Baghdad-based press conference last week. Mashhadani threatened to resign from the Parliament, while some blocs said they would boycott parliamentary sessions if he retained his post as speaker. Mashhadani is a member of the National Dialogue Council, led by Sheikh Khalaf al-Alyan, which is one of the components of the Sunni Iraqi Accord Front (IAF).

### **Talabani posts Maliki on Kirkuk visit's outcome**

Iraqi President Jalal Talabani posted Prime Minister Nouri al-Maliki on the outcome of his recent visit to Kirkuk, according to a presidential statement. "President Talabani phoned al-Maliki and posted him on the outcome of his recent visit to Kirkuk and his meetings with Arab blocs and officials in the province," said the statement received by Aswat al-Iraq. "The two also discussed the importance of focusing on Kirkuk through providing necessary services to Turkomans and Arab regions in the city," it added. Talabani arrived in Kirkuk to resume talks he began last week with political blocs and powers in the province. The oil-rich city of Kirkuk lies 250 km northeast of Baghdad.

### **Kurdistan to take part in Iraq's delegation in UN meetings**

The coordinator of the Kurdistan regional government for UN affairs said on Monday that the federal government agreed on the region's participation within the Iraqi delegations in the UN General Assembly (UNGA) meetings and other UN agencies working in Iraq. "The Iraqi government and the foreign and planning ministries asserted the importance of Kurdistan's participation in the UN General Assembly meetings in New York and Geneva," Dindar Zebari told. "The federal and regional governments will coordinate their stances regarding dealings with the UNGA and other UN agencies," he noted.

### **Interior Ministry denies al-Boulani's leadership of constitutional party**

The director of the interior ministry's national center on Monday denied report which indicated that Interior Minister Jawad al-Boulani was appointed as a head of the Constitutional Party. "Some news agencies said the Minister Jawad al-Boulani was appointed as a head of the Constitutional Party, the matter that is completely groundless," General Abdul Karim Khalaf told. "The ministry will apply the law and will track down any element who is working in the security authorities and loyal to any political party," he added.

### **President reiterates support for power-sharing in Kirkuk**

Iraqi President Jalal Talabani reiterated his support for power-sharing in Kirkuk and to create a balance in the government's jobs to include the province's all components, according to a presidential statement. "The president met with a delegation from the Arab Bloc and listened to their demands regarding the power sharing and the Arab detainees in the U.S. jails as well as the agricultural contracts and the government's jobs," said the statement received. "The president unveiled that the Kurdish political leadership adopts a new policy envisages the development of joint work and boosting the national brotherhood in Kirkuk," the statement added. Talabani arrived yesterday in Kirkuk to resume talks he began last week with political blocs and powers in the province. He underlined the importance of peaceful coexistence in the city. The Arab Bloc in Kirkuk on Monday called on President Jalal al-Talabani to divide local authority among the province's constituents, according to an informed media source. "During its meeting with

Talabani, the Arab Bloc submitted a list of demands, the most prominent of which is a division of authority among the province's constituents," the source told Aswat al-Iraq. The oil-rich city of Kirkuk lies 250 km northeast of Baghdad.

### **Arab bloc demands division of authority in Kirkuk**

The Arab Bloc in Kirkuk on Monday called on President Jalal al-Talabani to divide local authority among the province's constituents, according to an informed media source. "During its meeting with Talabani the Arab Bloc submitted a list of demands, the most prominent of which is a division of authority among the province's constituents," the source told. Talabani is expected to meet with local chieftains later today, the source noted, providing no further details. Talabani arrived in Kirkuk to resume talks he began last week with political blocs and powers in the province. The oil-rich city of Kirkuk lies 250 km northeast of Baghdad.

### **President meets Arab bloc in Kirkuk**

Iraqi President Jalal Talabani received a delegation from the Arab bloc in Kirkuk to discuss its demands, a close media source said. "Talabani today received in Kirkuk a delegation from the Arab bloc in the province," the source told. "The aim of the meeting is to discuss the latest political developments in Kirkuk, in addition to the bloc's demands," he added. Talabani arrived in the city of Kirkuk to resume talks he held last week with political blocs and forces in the province.

### **Problem with parliament itself not speaker – MP**

Lawmaker Harith al-Obaydi of the Iraqi Accord Front (IAF), Sunni parliamentary bloc, on Sunday said that a number of the Front's members do not oppose replacing the parliament's speaker, Mahmoud al-Mashhadani, who belongs to the IAF, explaining that the problem exceeds this issue to the House and its role. "Some legislatures insist on replacing al-Mashhadani," al-Obaydi told. "What al-Mashhadani had done does not fit his position," he said. "Still the problem is that parliament speakership did not make serious steps to activate the House role to monitor the malfunction in the governmental performance," he added. Earlier, lawmaker Jalal al-Din al-Sagheer of the Unified Iraqi Alliance (UIA) on Sunday said that the bloc is "uncomfortable and shocked" by the controversy that occurred during the Iraqi council of representatives' session last Wednesday, between the parliament's speaker Mahmoud al-Mashhadani and a number of parliamentary blocs regarding the case of journalist Muntadhar al-Zaydi. For his part, Firyad Rawunduzi from the Kurdistan Alliance (KA) urged Speaker Mahmoud al-Mashhadani to resign. Last week, Muntadhar al-Zaydi threw his pair of shoes at President George W. Bush during a combined press conference in Baghdad with Premier Nouri al-Maliki.

### **Heads of parliamentary blocs meet over troop withdrawal**

Heads of parliamentary blocs will meet to discuss a resolution that authorizes the Iraqi government to negotiate a troop withdrawal agreement with non-American forces MP Abdelhadi al-Hassani from the United Iraqi Alliance (UIA) ruled out the possibility of holding a parliamentary session the Iraqi Parliament rejected a draft law submitted by the government on the withdrawal of non-American troops from Iraq by June 2009. The UIA holds 82 seats in the 275-member Parliament.

### **Parl., gov't negotiate alternative troop withdrawal law**

The Iraqi Parliament and government are currently negotiating an alternative wording of the draft law on the withdrawal of non-American combat troops from Iraq, which has been voted against in the Parliament. "The options facing the government are working out an agreement with non-American troops or reaching a joint decision with them on their withdrawal," MP Yousuf Ahmed from the Kurdistan Alliance (KA) told Yesterday, the Iraqi Parliament rejected a draft law submitted by the government on the withdrawal of non-American troops from Iraq by June 2009. The Kurdistan Alliance holds 53 seats in the 275-member Parliament.

### **Former PM accuses security agencies of harassing supporters**

Former Iraqi Prime Minister Ibrahim al-Jaafari accused security agencies of violating the rights of workers in the electoral campaign for his list. "The security authorities have remanded some of the workers in custody and tore down posters in places set by Iraq's Independent High Electoral Commission (IHEC) for the provincial council elections, scheduled for January 31," Jaafari said in statements to Aswat al-Iraq. Jaafari, who formed the National Reform Bloc, which defected from the Dawa Party of the incumbent prime minister, Nouri al-Maliki, said his bloc registered all the violations in the form of complaints against the government security agencies and referred them to the IHEC. The former head of government had announced this bloc on May 31, 2008 with the objectives of "renouncing the sectarian quota system and fighting the militias". "The IHEC has to provide the proper atmosphere for the elections so that a democratic process would be integrated," he said. Jaafari appealed to the international organizations, civil society institutions, political parties and movements to block attempts to "steal the Iraqis' votes and to play their monitoring role to guarantee a smooth election without any rigging".

### **IHEC says elections in Ninewa on time**

The Ninewa provincial council elections will be held on time on January 31 despite the local council's vote for postponing it, the director of the Independent High Electoral Commission (IHEC) office in Ninewa said "The IHEC is the only body which has the right to postpone the elections according to article 46 of the provincial council elections law," Abdul Khaleq al-Dabagh told the Ninewa provincial council decided with a majority of 19 to seven votes to postpone local elections in the province as proposed by the Kurdistan Alliance (KA) bloc in the council. "The extraordinary session held by the Ninewa provincial council on Thursday resulted in voting in favor of a motion to postpone the elections with a majority of 19 votes, all of them are KA members, against

seven votes – two from the Iraqi Islamic Party (IIP) and five from the Supreme Islamic Iraqi Council (SIIC),” a media source from the council told He revealed that deliberations in the extraordinary session began with KA member Mahdi al-Harki reading out the postponement proposal on the grounds that there are about 45,000 displaced persons from Ninewa who are currently residing in Duhuk and Arbil. Mosul, the capital of Ninewa, lies 405 km north of Baghdad.

### **Sadrists ask MNF to leave country**

The Sadrist bloc in the Iraqi Parliament called on the Coalition forces to speed up their departure from the country. “The Sadrist bloc (Iraqi parliamentarians loyal to Shiite Cleric Muqtada al-Sadr) asks the Multi-National Force (MNF) to leave Iraq following a majority vote against the draft law on their withdrawal before the end of the current year and the expiry of the UN mandate,” Aqil Abdelhussein said yesterday during a press conference at the Baghdad-based Palace of Conferences, which was attended Meanwhile, MP Ahmed al-Massoudi from the same bloc said that some bodies in the government seek to “delude the Iraqi people to make a new agreement that paves the way for the MNF presence for an additional seven months after the expiry of the UN mandate.”

### **Speaker apologizes, withdraws resignation**

Speaker of the Iraqi council of representatives, Mahmoud al-Mashahadani, withdrew his resignation from the parliament’s speakership, and apologized for the controversy between him and political blocs regarding the issue of the Iraqi Journalist, Montadhar al-Zaydi, who threw his shoes at U.S. President George W. Bush, according to a media source from the parliament. “Al-Mashahadani apologized today before a number of lawmakers,” the source told Aswat al-Iraq. “Before his apology, a number of legislatures from the Unified Iraqi Alliance and Kurdistan Alliance blocs started collecting signatures to dismiss al-Mashahadani,” he added.

## **Geo strategic front:**

### **U.S. Congress delegation praises improved conditions in Iraq**

New York Governor David Paterson said that he and the U.S. Congress delegation that visited Iraq early this week have seen immense improvement in the country, praising the Iraqi people’s choice of democracy, according to the news network MSNBC. Paterson had arrived in Iraq on December 20 accompanied by a delegation of four U.S. Congressmen on an unannounced visit and met with U.S. troops and officials. He was accompanied by Steve Israel (D-NY), Anthony Weiner (D-Brooklyn), Tom Cole (R-Oklahoma) and Edward Whitefield (R-Kentucky). Paterson and his delegation returned home on Wednesday after a tour that took them to Iraq, Afghanistan and Germany. The New York governor said that the situation in Iraq is improved, adding he was surprised to see such a progress realized in the country.

### **UN chief welcomes move to cancel 20% of Iraqi debt**

The Secretary General of the United Nations Ban Ki-moon has welcomed a decision by the Paris Club to write off the remaining 20 percent of Iraq's debt, amounting to \$7.8 billion U.S. dollars. "This is a major achievement and acknowledgement of the Iraqi Government's determination to implement necessary reforms despite overwhelming challenges," a statement published on the web site of the UN News Centre quoted Mr. Ban's spokesperson as saying. "The Secretary-General takes this opportunity to call on creditors, other than those of the Paris Club, to advance Iraqi debt relief to facilitate the country's path to prosperity and reintegration into the regional and international economy," the statement added. "According to the statement, the 22 December decision by the Paris Club, an informal grouping of creditor nations, was taken in the context of the International Compact with Iraq, which is co-chaired by the United Nations and the Iraqi Government. "Under the Compact, launched in May 2007, the Government of Iraq will work to meet basic needs, protect the rights of all citizens and ensure the optimal use of the country's resources for the common good," the statement added.

### **Abrogation of Chapter VII of UN Charter will boost investment**

Bringing Iraq out of Chapter VII of the UN Charter will open the door to foreign investments in the country, a UN affairs coordinator in the Kurdistan Regional Government (KRG) said. "This will enable Iraq to conclude international contracts and to enter into partnership with any country," Dindar Zebari told UN Security Council Resolution 678 was the legal authorization for the Gulf War, which was passed on 29 November 1990. It gave Iraq an opportunity to withdraw from Kuwait by 15 January 1991 and authorized UN member states in cooperation with the government of Kuwait to use "all necessary means to uphold and implement" Chapter VII of the UN Charter, which authorizes the use of force to restore peace. Chapter VII of the United Nations Charter sets forth the powers of the UN Security Council to maintain peace. It allows the council to "determine the existence of any threat to the peace, breach of the peace, or act of aggression" and to take military and non-military action to "restore international peace and security." The United Nations Security Council unanimously voted to extend arrangements for depositing the proceeds from sales of petroleum, petroleum products and natural gas into the Development Fund for Iraq and to review all resolutions pertaining to Iraq from 1990.

### **Social front:**

#### **Shoe-thrower's apology will not affect trial – source**

The written apology sent by famous Muntather al-Zaydi, a local TV reporter who threw a pair of shoes at U.S. President George W. Bush at a press conference in Baghdad a few days ago, to Iraqi Prime Minister Nouri al-Maliki will not affect the trial and the investigation, a closed source said noting that al-Maliki has only the right to give up his personal right. "Al-Zaydi presented a written apology to al-Maliki, asking him to pardon him, reminding him that he visited him at his house in 2005 to make an interview with him," the source, asserting that the apology will not affect the trial. Bush quickly ducked when a pair of shoes was hurled at him Sunday during a



joint press conference with Iraqi Prime Minister Nouri al-Maliki in Baghdad's fortified Green Zone. Several media personnel and intellectuals gathered on Wednesday in front of the headquarters of the Iraqi journalists' syndicate in the capital Baghdad calling on the press institution to mediate for the shoeman's release.

### **Iraq overcomes sectarian unrest ordeal, says al-Hashemi**

Iraqi Vice President Tareq al-Hashemi said that Iraq has overcome the ordeal of sectarian unrest, according to a statement released by his office on Tuesday. "Al-Hashemi asserted that Iraq has overcome several distresses, including sectarian unrest," said the statement received. This came during his meeting with Lebanese Mufti Mohamed Rashied Qabani. He pointed out that there are joint issues between Iraq and Lebanon and what happened in Iraq should be a lesson for Iraqis, Arab and Muslims. Al-Hashemi had arrived in Beirut last Monday coming from Ankara in a two-day official visit.

### **Migrants urged to contribute to Iraq's reconstruction**

Deputy Speaker of the Iraqi Parliament Sheikh Khaled Atiya called on Iraqi migrants to contribute to reconstruction efforts in the country. "This conference aims to create an atmosphere for dialogue among concerned parties...", Atiya, who is also the chairman of the Iraqi Elites and Efficiencies Conference, said during a conference in Baghdad. The conference also aims to ensure the return of qualified Iraqi migrants to their country, Atiya noted. Earlier today, the first Conference on Iraqi Elites and Efficiencies opened in the capital Baghdad with the participation of Prime Minister Nouri al-Maliki and Speaker Mahmoud al-Mashhadani

## **Economic front:**

### **Chambers of Commerce conf. in Sulaimaniya**

The Iraqi Chambers of Commerce conference on Thursday opened in the northern city of Sulaimaniya with the participation of the heads of chambers from all Iraqi provinces. The chairman of the Iraqi Chambers of Commerce, Jaafar al-Hamdani, gave a speech during the opening ceremony of the one-day conference. The modern city of Sulaimaniya, 364 kilometers north of the Iraqi capital Baghdad, was founded in 1748 by a Kurdish prince known as Ibrahim Pasha Baban who named it for his father Sulaiman Pasha. Since being founded as the capital of a powerful Kurdish principality it has grown to about 1,800,000 people. Sulaimaniya, known as Zamwa prior to its founding, is the cultural center of the Sorani-speaking Kurds and an important economic centre for Iraqi Kurdistan.

### **75% of Sadr City power networks upgrading finalized**

The electricity ministry is still upgrading power networks in the eastern Baghdad district of Sadr City, a ministry spokesman said. "The ministry is about to finalize civil works in

preparation for installing al-Hamidiya power station in the city with a capacity of 300 megawatt,” Aziz Sultan told Aswat al-Iraq, adding 75 percent of these works have been already finalized. “Iran’s Sanir, which has a concession from Germany’s Siemens, will undertake the installation of this station over one and a half years,” Sultan added.

### **Negotiations to resume flights with several countries**

Negotiations to resume flights from Saudi Arabia and Germany to Baghdad have reached an advanced stage, an official spokesperson for the Iraqi Ministry of Transport said. “The negotiations also included flights from Mosul to Dubai, Amman, Abu Dhabi, al-Sharqa and Manama,” Jawad al-Kharsan told. “the Iraqi minister of transport has called on international airlines to resume their flights to Iraqi airports,” Kharsan added.

### **Pumping station equipped with over \$800,000 material**

A state company for chemical industries has equipped a pumping station in Thi-Qar province with a package of products worth more than \$800,000 U.S. dollars. “The state-run That al-Sawary Company for Chemical Industries has provided the material in accordance with a contract signed with the state department for irrigation and reclamation projects...,” a media source from the Iraqi Ministry of Industry and Minerals told

### **CBI drops interest rate to 14%**

The Central Bank of Iraq (CBI) announced a one percent cut in the lending rate, bringing it down to 14 percent as of January 4. “The decision has been made in view of the declining Consumer Price Index (CPI) in November 2008,” according to a statement received The step is expected to boost credit activity and to speed up the rate of economic growth in the country, the statement added.

### **5 Turkish tankers to transport Iraqi oil**

The Iraqi Ministry of Transport on Wednesday received five tankers from Turkey to transport oil derivatives under a contract made three months ago, according to a media spokesperson. On the sidelines of his visit to Turkey with Prime Minister Nouri al-Maliki, “Minister Aamer bdeljabbar received five non-flammable oil tankers to safely transport oil derivatives from the refineries of Beiji, al-Doura and al-Shuayba,” Jawad al-Kharsan told Maliki began an official visit to Turkey, leading a delegation that included the ministers of transport, trade, construction, electricity, and foreign affairs.

### **Cabinet approves 2009 general budget**

The official spokesman for the Iraqi government Ali al-Dabagh said that the Iraqi Council of Ministers approved the 2009 federal budget after making necessary amendments. “The cabinet agreed during its 51st session on the mechanism to implement the framework and the U.S. troops withdrawal agreements,” al-Dabagh said in a statement released on Tuesday night received “The cabinet also agreed to consider

December 25, 2008 an official holiday on the occasion of the Christmas,” the statement added.

### **VP calls on Lebanon to enter Iraqi market**

Vice President Tareq al-Hashemi called on Lebanese investors to reconsider the Iraqi market following the recent security improvements in the country, according to a release issued by his office. “It is necessary to re-activate Iraqi-Lebanese trade relations,” the release that was received quoted Hashemi as saying during a press conference with the Lebanese Premier in Beirut. “The two countries’ ministers of finance, economy, and transport will meet to activate mutual economic agreements,” he added. “There is a mutual intention to develop the two countries’ relations in all fields, but the Lebanese side should take the initiative,” he noted.

### **Iraq exports oil in accordance with laws**

The inspector general in the Iraqi Ministry of Oil said that the exportation of oil is being done in accordance with laws and regulations, denying oil smuggling to neighboring countries. “All oil wells are controlled by meters. A specialist company working for the ministry is responsible for recording export figures,” read a statement released by the National Media Center and received by Aswat al-Iraq, quoting an official source from the inspector general’s office. Earlier today, an official spokesperson for the ministry said that Iraqi oil exports have reached 1.88 million barrels per day (bpd), 11 percent higher than the International Monetary Fund’s (IMF) expectations for the current year.

### **Oil export boom surpasses IMF’s expectations**

The Iraqi Ministry of Oil has managed to achieve a significant increase in oil exports that surpassed the expectations of the International Monetary Fund (IMF), a ministerial spokesperson said. “Iraq’s oil exports have reached 1.88 million barrels per day (bpd), 11 percent higher than the International Monetary Fund’s (IMF) expectations,” Aasem Jihad told The ministry has largely cut down on oil derivatives’ imports throughout the current year to \$1 billion U.S. dollars, compared to \$4 billion U.S. dollars in the previous years, the spokesperson added.

### **Talabani receives Korean oil, electricity company delegation**

Iraqi President Jalal Talabani received at his residence in Sulaimaniya city an economic delegation representing a South Korean investment company working in the field of oil and electricity. “The South Korean delegation was willing to work in Iraq, particularly in the Kurdistan region, as President Talabani shed light on Iraq’s oil policies,” according to a presidential statement received.

### **Electricity grids rehabilitated in Basra**

Basra's Services and Construction Support Committee completed the rehabilitation of power networks in the northern part of the province, said the committee's spokesperson. "The old networks were totally replaced with new ones," Rasheed al-Fahad told. "The committee has referred 12 electricity projects to private companies, with a total cost of 15 billion Iraqi dinars (1 U.S. dollar= 1,118 Iraqi dinars)," he added. The oil-rich city of Basra lies 590 km south of Baghdad.

### **Electricity problem to be over by 2011 – minister**

Iraqi Minister of Electricity Kareem Waheed said the problem of electricity will be over once and for all by the year 2011, referring to contracts signed by his ministry recently to build power stations at combined capacity of 10,200 megawatt. "The country's actual power needs are 12,000 megawatt and by 2011 there will be an energy surplus," Waheed told Aswat al-Iraq on the sidelines of ceremonies to inaugurate the Samawa power station at a capacity of 60 mw in the presence of in the presence of Japanese State Secretary for Foreign Affairs Seiko Hashimoto, the deputy commander of the Multi-National Force – Iraq (MNF-I) and Muthanna province officials on Monday. Samawa, the capital city of Muthanna, lies 280 km south of Baghdad. The Electricity Ministry had signed last Monday a contract to import power stations from the U.S. giant General Electric at a capacity of 7,000 megawatt and a cost of \$3 billion in a bid to enhance Iraq's power grid. Yesterday the ministry signed another contract with Siemens to build more stations at a capacity of 3,300 megawatt. Iraqi Prime Minister Nouri al-Maliki has called on the two companies to speed up these new power stations. Iraq's electric energy production has reached 9,000 megawatt before it invaded Kuwait in the summer of 1990s. There were plans to double it to 18,000 megawatt in 2000. The wars waged by the former regime and the international blockade imposed on the country caused an acute decline in the production of electricity and aggravation of the national network to retreat to 5,000 megawatt before April 9, 2003.

### **No decrease in salaries because of oil prices – planning minister**

Iraq's Planning Minister Ali Baban said on Friday that the decrease in oil prices will not lead to decreasing the employees' salaries in the 2009 budget. "The employees' salaries will not be decreased in the new budget and all requirements will be met," Baban told. "The decreased will be in the budgets for developing provinces, which are most likely to decrease by 50%," the minister added. "The ministry is working with other ministries concerned to prepare a replacement budget law besides the main law in case the oil prices went far," the minister said.

## **Syria**

### **Social front:**

### **President al-Assad Celebrates Christmas along with the Christian Community**

President Bashar al-Assad celebrated Christmas along with the Christian community at the Patriarchate of the Roman Catholic , Zaitoon Church, in Damascus. He was welcomed by Patriarch of Antioch and All the East for the Roman Catholic , Gregarious III Laham , Patriarchal Deputy , Monsignor Joseph Issa. He was also received by Minister of Awqaf, Islamic Endowments , Sheikh Badruddin Hassoun, Patriarch of the Roman Orthodox , Ignatius IV Hazim , and Patriarch of the Syriac Orthodox , Zakka I Ewas. The president congratulated the citizens on the occasion of Christmas ,stressing that such meetings carry a lot of rich meanings. The president said that such a meeting did not aim at giving the message that the people in Syria live in fraternity, tolerance and coexistence , because Syria had left behind this terminology long ago , and that coexistence is part of the texture of the Syrian society , civilization and history.

### **Saad Reviews Syria's Experience in Education**

Minister of Education Dr. Ali Saad visited the typical Institute for the care of excelled in Aryanah and was briefed on the rules of the institute, its curriculum and rules of the acceptance in. *The Minister listened into an explanation about the Institute, its educational, scientific and social activities allocated to upgrade the quality of the education and develop talents in addition to mechanism of dealing with scientific curriculum and examination* system. The Minister gave a review on Syria's experience and interest in the excelled students through the establishment of schools, referring to setting up the national center for excelled student in Syria and its curricula. He stressed the importance of exchanging expertise, experiences and field scientific visits among Arab countries, underlining importance of the proposal he offered to the General Conference of the Arab Organization for Education, Science and Culture ALESCO for Damascus to be an Arab Center for Arab distinguished experiments which can be exchanged and used in the education fields, especially the development of curriculum because of Syria's qualitative progress in this area.

### **ALECSO selects Syria as HQ to hold meetings on developing curriculums**

General Conference of the Arab League Educational, Cultural and Scientific Organization (ALECSO) Friday selected the Syrian Education Ministry as a headquarters to hold meetings of the officials responsible for development of curriculums in the Arab states. The move comes in preparation for establishing an Arab center for presenting and exchanging expertise to develop education in the Arab countries. The conference concluded its 19th session in Tunis by approving the Syrian Education Ministry's plan to develop education in the Arab nation adopted in the Arab Summit held in Damascus this year, in addition to a document on promoting the Arabic Language. It also agreed to boost the project of the Arab Center for Arabization, writing and publication. Syria is taking part in the Conference with a delegation represented by Minister of Education Ali Sa'ad.

### **Annual Revision of Syria-UNFPA Cooperation**

Syria and the United Nations United Nations Fund for Population Activities (UNFPA) discussed in Damascus on Sunday the programs carried out as part in 2008 in the country. Assistant Director general of the State Planning Commission Dr. Muhiddin Hamza stressed importance of the Local Cooperation Program between the two sides for its 7th session 2007-2011 as it reflects the priorities of the national government within the framework of the Syrian 10th 5-year plan. He added that the national priorities focuses on integrating the population dimension in the policies and plans of development and the year plan for economic and social development as well as establishing advanced standards of reproduction health and social gender. Representative of the UNFPA in Syria Mrs. Lina Mahmoud Moussa said the 7th local cooperation program concentrates on the reproduction health, support of campaigns that aim at raising public awareness in this field in certain selected areas as well as supporting national capabilities and policies. The meeting was attended by Assistant Minister of Information Taleb Qadi Amin, several undersecretaries and representatives of companies and establishment concerned in carrying out the cooperation program.

### **Geo strategic front:**

#### **Minister Sweid, Australian MP Discuss Issues of Syrian Community in Australia**

Minister of Expatriates Joseph Swaid discussed on Sunday with Australian MP Khalil Eidi the issues of the Syrian community in Australia and its role in improving Syrian-Australian relations. *For his part, Minister Swaid pointed out to the effective role of the Syrian community* in Australia in organizing visits of parliamentary delegations and economic and cultural activities to Syria. He added that his Ministry has placed work in Australia on its priorities for its 2009 plan, particularly since Australia has one of the biggest communities of Syrian expatriates. *In turn, Mr. Eidi thanked Syria for its care for Syrian expatriates in Australia*, affirming that the Syrian community there is committed to their home country's message and that they work to affirm the active presence in the Australian society.

#### **The Syrian Communist Party Calls for Lifting Siege on Gaza**

The Syrian Communist Party has called the Arab countries and the world to exert efforts for lifting the unjust siege imposed by the Israeli occupation authorities on the Palestinian people in Gaza. The party underlined in a statement issued today that what is being committed by the occupation authorities and the resulting deterioration of the medical and economic environment situation in Gaza, in addition to the death of innocents is considered as an extermination crime against these people who reject capitulation.

#### **Syrian GFTU Appeals to UN to Lift Gaza Siege**

The General Federation of Trade Unions (GFTU) in Syria strongly protested the unjust Israeli siege imposed on Gaza Strip, appealing to the UN to intervene and put an end to the blockade. In a letter sent on Monday by the GEFTU Secretary General Mohammad Sha'aban Azzouz to the UN Representative in Damascus Ismail Woued al-Sheikh Mohammad, the Syrian workers said Israel Gaza siege amounts to a death sentence against the Palestinian people in the area as a result of running out of minimum needs for survival. The GEFTU added that the brutal blockade is a crime against humanity, and going ahead with it represents a systematic extermination of the Palestinians and a flagrant violation and challenge of the international laws and human rights. It also called on the UN to bear its responsibility as stated in the international organization's Charter to put pressures on the Israeli occupation authorities to lift the siege and spare the lives of the Palestinians.

### **Al-Shaar Discusses Cooperation with WFP Chargé d'affaires**

State Minister for Syrian Arab Red Crescent Affairs Dr. Bashar al-Shaar discussed with the World Food Program (WFP) Chargé d'affaires in Syria Mohammad Hadi means for bolstering cooperation between the Red Crescent and the WFP regarding the distribution of aid to Iraqi citizens in Syria. The two sides underlined the success of the cooperation and joint work between the two organizations in that regard, stressing the need for developing future cooperation to expand the number of people benefiting from these services.

### **Croatian President Meets Abrash**

Croatian President Mesic met today Speaker of the people's Assembly Dr. Mahmoud al-Abrash where they discussed ways of further developing the parliamentary relations between the two countries. ***Speaker al-Abrash pointed out that the People's Assembly will set up a parliamentary Syrian-Croatian Friendship Association.***

***President Mesic also discussed with Prime Minister*** Mohammad Naji Ottri the bilateral relations between Syria and Croatia and ways of developing them in the economic, cultural and tourist fields. Both sides stressed on the exchange of expertise between the Syrian and Croatian establishments in all areas. The meeting was attended by the Ministers of Tourism, Petroleum and Mineral Resources, Transport and Assistant Foreign Minister and the delegation accompanying the Croatian President.

### **Air Services Agreement Between Syria and Croatia Signed**

The Syrian and Croatian governments signed an agreement on air services aimed at promoting bilateral relations in the field of civil aviation through the establishment of air lines between Syria and Croatia. The **agreement included items on granting rights, appointment, empowerment and canceling it and application of laws and regulations related to the entry and exit of aircraft operating in international air navigation in addition to the recognition of certificates and exemption from customs duties and taxes.** The agreement also included items on approval of the flight schedules, aviation security and safety, information and statistics, consultations, amendments and multilateral agreements, settlement of disputes and registration of this agreement and amendments to the International Civil Aviation Organization ICAO. The agreement was signed by Assistant Minister of Transport Mahmoud Zambuaa and Croatia's non-resident Ambassador in Syria Mr. Dargen Margita in the presence of Minister of Transport Ya'rob Bader.

### **Al-Ahmar, al-Hassan Discuss Coordinating Efforts to Support the Palestinian People**

Assistant Secretary General of al-Baath Arab Socialist Party Abdullah al-Ahmar discussed with Coordinator of the Public Conference for Support of al-Quds (Jerusalem) Dr. Said Khaled al-Hassan the developments related to the Palestinian issue, particularly the questions of Jerusalem and the Right of Return. They also discussed the efforts by Palestinian, Arab and Islamic public organizations to support the Right of Return in international circles as a legitimate right of the Palestinian people. During their talks, al-Ahmar and al-Hassan stressed the importance of coordinating efforts among various sides working to support the Palestinian people, affirming the need to preserve the Palestinian cause's standards of establishing an independent state with Jerusalem as its capital, the return of refugees to their homeland, protecting holy sites, liberating the occupied lands, and confronting Israeli attempts for the Judaization of Jerusalem and destroying Islamic and Christian holy sites. For his part, Dr. al-Hassan expressed appreciation of Syria's stances in defense of Arab rights and dignity and its role in bolstering Palestinian national unity as the basis for restoring rights and the Palestinian occupied lands.

### **Ottri, Naasan Agha Discuss Cooperation with Iranian Minister of Culture**

Prime Minister Mohammad Naji Ottri discussed with Iranian Minister of Culture and Islamic Guidance Mohammad-Hossein Saffar-Harandi cooperation between the two countries and their peoples and means for developing relations in economic and development fields. Talks focused on cultural cooperation through the exchange of cultural and intellectual activities and cinematic and artistic festivals. Premier Ottri was briefed by the Iranian Minister and the Syrian Minister of Culture Dr. Riad Naasan Agha on the activities of the Iranian Culture Week currently being held in Damascus. Minister Saffar-Harandi and the accompanying delegation earlier held a meeting with Minister Naasan Agha, during which they discussed cooperation between the two countries in cultural fields and the shared cultural and civilized heritage between the two countries and their peoples. ***The two sides discussed a number of cultural issues, agreeing upon the need to follow up on issuing translations of Arabic and Iranian literature and***



revitalizing joint cinematic and television production. The Iranian Minister is heading a cultural delegation participating in the Iranian Culture Week in Damascus as part of the "Damascus, Arab Capital of Culture 2008" festivities.

### **President al-Assad Affirms to Archbishop Capucci the Need for Arab, International Cooperation to Relive Gaza Sufferings**

President Bashar al-Assad discussed with Archbishop of Jerusalem in exile Hilarion Capucci the situation in the occupied Palestinian territories and the tragic state of the Palestinian people caused by the Israeli occupation's practices, particularly in Gaza Strip. During the meeting, President al-Assad stressed the need for concerted Arab and international efforts to relieve the suffering of the population of Gaza Strip, stressing the importance of doing all what is possible to preserve the Palestinian unity of ranks as this unity guarantees the restoration of the Palestinian people's rights. For his part, Archbishop Capucci praised Syria's national standards in defense of the Palestinian cause and Syria's efforts to relive the suffering of the Palestinian people. "I was honored and happy with meeting President al-Assad... I listened to his wise opinions.... Syria became a cornerstone in defending the Arab rights,, Archbishop Capucci said. He added talks during the meeting dealt with the necessity of realizing the unity of the Palestinians and lifting the Israeli unfair siege on Gaza Strip as well as establishing best ties between Syria and Lebanon. President al-Assad discussed during a meeting with Archbishop Capucci held in May 2007 the situation in the Palestinian lands and the suffering of the Palestinians living under the Israeli occupation forces.

### **Moallem Discusses with Hashimi Bilateral relations**

Foreign Minister , Walid Moallem, discussed this morning with Iraqi Vice President, Tarek Hashimi and an accompanying delegation bilateral relations and ways of boosting them further in the interests of both countries. During the meeting ,Minister Moallem underlined the necessity for strengthening these relations and for the implementation of the signed agreements between the two countries. ***Talks also dealt with the developments on the Iraqi arena.*** Minister Moallem underlined Syria's care for the security and stability of Iraq, and for the achievement of national reconciliation among the various spectrums of the Iraqi people whereby the Iraqi unity of land and people can be preserved. He stressed Syria's supportive stance to the sovereignty and independence of Iraq and the necessity for the withdrawal of all foreign troops from its territories. For his part, Hashimi expressed the Iraqi leadership appreciation of Syria's stance by the Iraqi people and bearing the burden resulting from hosting the Iraqi people in Syria, stressing his country's desire to strengthen the Iraqi-Syrian relations and to implement the signed agreements between the two countries.

### **Syria UN League Calls for Freeing Syrian Prisoners from Israeli Jails**

The Syrian UN League called on the international organization and its main agencies to immediately intervene to free all the Syrian prisoners and detainees from the Israeli jails. The League, in a letter addressed to the UN Secretary General, said that some of the

Syrian prisoners and detainees have been imprisoned by Israeli for more than two decades. The letter pointed out to the humanitarian tragedy and sufferings being faced by the prisoners, especially Bishr Suleiman al-Maqt, Sidki Suleiman al-Maqt and Assem Mahmoud al-Wili whose lives are threatened as a result of Israeli hostile practices against them. It stressed that such practices violate the minimum humanitarian rules stated by the international treaties and laws.

### **UN Gravely Concerned over Situation in Gaza Strip**

UN Secretary-General Ban Ki-moon expressed grave concern over the situation in Gaza Strip and the sufferings of the population there. Deputy Spokesperson for the UN chief Marie Okabe said in her daily briefing Wednesday night that Ki-moon urged all parties to work to secure the immediate restoration of the calm and an urgent easing of humanitarian conditions in the Gaza Strip, including the continuous provision of humanitarian supplies. Ms. Okabe added that Ki-moon reiterated that a lasting solution to the situation in Gaza can only be attained by peaceful means. She said the UN humanitarian agencies were doing whatever possible to alleviate the suffering of Gazans, pointing out that Ki-moon was always in contact with the parties concerned on this issue.

### **Qatar Calls UN to Persuade Israel to Withdraw from Syrian Golan**

Qatar called on the United Nations last night to work to convince Israel to withdraw from the occupied Syrian Golan and the still occupied Lebanese territories, stop its continued violations of Lebanese airspace and to implement its obligations under the road map and international legitimacy represented by the relevant UN Security Council and General Assembly resolutions. " Israel's continued policy of aggression, siege and starvation of the Palestinian people in the Gaza Strip, hampers efforts to achieve comprehensive peace in the occupied Palestinian territories and is a grave violation of all laws, agreements principles and ethics," Qatari News Agency quoted Qatar's Permanent Representative to the United Nations Nasser Bin Abdulaziz Al-Nasser as saying in a speech during the Security Council's open debate on the situation in the Middle East, including the Palestinian issue. He stressed that the Israeli siege of Gaza threatens the lives of hundreds of Gaza residents including dozens of children as well as obstructs efforts of the relief.

### **European role important for pushing peace, Barakat says**

Minister of Higher Education Ghiath Barakat said Syria stresses the important and active role played by Europe in pushing the peace process, based on international relevant resolutions, forwards. The Minister is participating in a Euro-Med symposium on education and technical rehabilitation which comes in the framework of implementing the joint declaration issued in Paris Summit "Union for the Mediterranean" held on July 13th, 2008. The two-day symposium discusses the possibility of outlining a regional program for technical and vocational rehabilitation in the countries of the Union. Barakat reviewed the development of education in Syria in different fields which comes to match up with the society needs and demands of job market. The Minister expressed hope the meeting will boost cooperation among the Mediterranean countries in order to establish

relations in the interest of the region's states in the field of human development and education. More than 43rd countries are taking part in the Symposium.

### **Israeli warplanes re-violate Lebanese sovereignty**

Israeli warplanes on Friday re-violated the Lebanese airspace and sovereignty. "The Israeli warplanes in the morning flew over the Lebanese regional waters on many stages," a statement by the Lebanese army said.

### **China Supports Syria's Right to Regain Occupied Syrian Golan**

Deputy Chief of External Relations of the Chinese Communist Party's Central Committee Li Jin jun stressed Thursday China's support to Syria's right to restore the occupied Golan. Receiving a delegation of the Baath Arab Socialist Party headed by member of the BASP Central Committee, Khalaf al-Muftah, who is currently visiting China, the Chinese official noted to convergence of the two countries' visions towards issues of the region. Jun hailed Syria's position towards China and assistance it provided following the devastating Sichuan earthquake struck China in the 5th month, expressing strength of the friendship relations between Syria and China. ***Muftah, explained Syria's stances regarding the various regional issues and reviewed the development process in Syria.***

Earlier, The BASP delegation reviewed with a delegation of the Chinese Communist Party the relations between the two parties and ways of developing them and the two countries vision towards all regional and international issues.

### **Aoun: Building Best Relations Necessary for Syria & Lebanese**

Gen. Michel Aoun, Leader of the Change and Reform Bloc at the Lebanese Parliament and head of the Free Patriotic Movement in Lebanon, said building distinguished relations between Syria and Lebanon is necessary for both sisterly countries. Gen. Aoun said that "establishing such ties cannot be waited any longer.....it's in Lebanon's interest to build them..."He expressed great content over his talks with the Syrian officials during his recent visit to Syria.

### **Syria, EU sign by the initials the amended text of Partnership Association**

Syria and the European Union signed in initials the amended text of the Syrian-EU Partnership Association. "The amended text takes into consideration the developments that took place since the two sides signed the agreement in October, 2004, particularly the increase in the number of the countries that joined the EU and the amendments on the Syrian Customs tariffs as well as compensations for the last duration regarding the Syrian agricultural portions," Deputy Prime Minister for Economic Affairs Abdullah al-Dardari

said during a press conference following the signing ceremony. He added that the amended text represents a basic plan in bilateral ties between Syria and the EU, based on mutual Will and common interests, saying "the move comes as a preliminary step towards the final signing during the first half of next year." Al-Dardari underlined Syria's interest in enhancing ties with the EU and the importance of Europe to assume its responsibilities towards the region through a European active role. He stressed that the economic side is the most important part in the Agreement which aims at establishing a free trade zone between the EU and Syria during 12 years leading to freeing trade fully between the two sides at the end of this duration. "The partnership Association will put the economic reform process and legislations in Syria on a clear track," al-Dardari said, adding that Syria has fulfilled the majority of the legislative amendments enlisted in the Agreement. ***The Agreement was signed by Chairman of the State Planning Commission*** Tayser Riddawi, Deputy Director General for the External Relations' Department in the EU Commission, in the presence of the EU Commission Ambassador in Damascus Vassilis Bontosoglou.

### **Int'l Conference for Arab-European Dialogue Opens in Vienna with Syrian Participation**

The two-day International Conference for Dialogue between Europe and the Arab World kicked off in Vienna on Wednesday with the participation of Syria. ***The Conference, in which Syria participates, aims at boosting up the dialogue and interaction and providing the requirements of peace.*** The Grand Mufti of Syria Dr. Ahmad Badruddin Hassoun stressed importance of the Syrian participation in this Conference as the country enjoys distinguished intellectual, mental, religious and civilized diversity in the world. Dr. Hassoun added that Syria represents a unique symbol in the world of cultural, religious and spiritual dialogue, pointing out to Syria's pivotal role in the peace process and the steadfastness to restore the rights and its rational stances against any extremism that could harm Islam and the Arab world. The Grand Mufti also emphasized significance of distinguishing between terrorism and the legitimate resistance of people under occupation. Dr. Sha'aban stressed that the Arab presence in this Conference would help convey the Arab point of view to face up to the intentional media blackout towards the Middle East, pointing out that the vast majority of the western countries embrace respect to the Arab peoples and Islamic faith and stand by them in regard to the Arab-Israeli conflict. She also stressed importance of continuing to strengthen the Arab-European relations to enable Europe play a distinguished role in the issues of the region. ***For his part, Arab League Secretary General Amr Moussa stressed necessity of*** exerting concerted efforts to end the Israeli occupation of the Syrian Golan, the Lebanese territories and the establishment of a Palestinian state as main conditions for the establishment of the just and comprehensive peace in the Middle East.

Austrian Foreign Minister Michael Spindelegger had already opened the Conference with a speech praising the long-established Arab-European relations, particularly the Arab-Austrian ties. Mr. Spindelegger stressed importance of enhancing the policy of dialogue and cultural interaction to reach permanent stability in the Middle East. Representatives from Arab and European countries, including UAE, Morocco, Jordan, Oman, Palestine,

Tunisia, Kuwait, France, Denmark, Germany, Slovakia, Czech, Hungary, Greece and Syria, are taking part in the event.

### **Economic front:**

#### **The National Institute Celebrate the Graduation of the 4th Batch of Higher Cadres**

Syrian Minister of Communication and Technology, Abdul-Ghani Sabouni, has indicated that there are the numerous spheres of cooperation between his ministry and its Iranian counterpart. In a statement to reporters today in the framework of his current visit to Iran, Sabouni said that there was a possibility of bilateral cooperation in sphere of communication equipment industry and in sphere on computer systems and intelligent cards. He said that agreement was reached in principle to establish a joint company which will be in charge manufacturing optic fibers.

#### **Challenges of Banking Transparency Conference Resumes Deliberations**

Challenges of Banking Transparency Conference resumed today deliberations At the Four Seasons Hotel in Damascus. The deliberation today focused on the necessity for curbing and managing the financial crises on world level. The deliberation also dealt with the correct practices in spheres of monetary policies transparency.

#### **Mikdad Reviews Ongoing Preparations for Arab Economic Summit Scheduled in Kuwait Next Month**

Deputy Foreign Minister Dr. Faysal Mikdad reviewed with Director of Economic Management in the Kuwaiti Foreign Ministry Sheikh Ali al-Khalid Al-Jaber Al-Sabah and an accompanying delegation bilateral relations and the ongoing preparations for the Arab economic summit scheduled in Kuwait next January. Mikdad expressed satisfaction over the evolving relations between Syria and Kuwait and Syria's keenness to do its best to make this summit a success. For his part, Sheikh Sabah, underlined the depth of relations between the two countries and his country's great appreciation of Syria's role at various levels. He thanked Syria for the support to the Arab economic summit, affirming the importance of continued coordination between Syria

and Kuwait in favor of success of the joint Arab action. Earlier, The Kuwaiti delegation held two meetings with officials in the Economy and Finance Ministries dealt with the current preparations for the Arab economic summit.

### **Ministers of Information, Endowments Discuss Cooperation with Iranian Minister of Culture and Islamic Guidance**

Minister of Information Dr. Mohsen Bilal discussed with Iranian Minister of Culture and Islamic Guidance Mohammad-Hosseini Saffar-Harandi and the accompanying delegation bilateral cooperation and means for developing them, particularly in the fields of cultural and media cooperation. *Minister Bilal affirmed* Syria's commitment to improving and bolstering Syrian-Iranian relations in all fields, underlining the need to improve the role of mass media and dedicating them to serving mutual causes and strengthening friendship between the two countries. *In turn, the Iranian Minister stressed* the need to outline a plan for deepening bilateral relations in cultural and media fields and developing them to serve the mutual interests of the two friendly peoples, pointing out to the need to increase coordination between Syrian and Iranian mass media to reflect developments and events in both countries. Earlier in the day, the Iranian Culture Week kicked off in Syria as part of the "Damascus, Arab Capital of Culture 2008" festivities. The event includes art and handicrafts galleries, photo exhibitions, book fairs and screening of movies. Later, Minister Saffar-Harandi discussed with Minister of Endowments (Islamic waqf) Dr. Mohammad Abdul-Sattar al-Sayyed means for bolstering bilateral relations and cooperation, in addition to activating the Memo of Understanding signed by their Ministries.

### **Ottri, Ekren Discuss Proposals for Bolstering Cooperation in Economic, Commercial and Bank Sectors**

Prime Minister Mohammad Naji Ottri discussed with Turkish Deputy Prime Minister for Economic Affairs Nazim Ekren and the accompanying delegation a number of proposals and ideas aiming to bolster bilateral cooperation between the two countries' public and private institutes in economic, commercial, financial and banking sectors and fields. *The proposals also discuss the exchange of expertise in the field of statistics, development planning, and administrative and institutional development.* The meeting was attended by Deputy Prime Minister for Economic Affairs Abdullah al-Dardari, State Minister for International Cooperation Affairs Hassan al-Sari, and the Turkish Ambassador in Damascus.

### **President al-Assad Affirms to Ekren the Importance of Following Up on Syrian-Turkish Economic Agreements**

President Bashar al-Assad met Turkish Deputy Prime Minister for Economic Affairs Nazim Ekren, who relayed the greetings of Turkish Prime Minister Recep Tayyip Erdogan and affirmed that the Turkish government is looking forward to a visit by President al-Assad to Turkey. Talks during the meeting dealt with the remarkable development in Syrian-Turkish bilateral relations and the need to build upon the

achievements in the fields of economic cooperation, particularly in the fields of water, petroleum, stock markets, trade exchange and the exchange of expertise. In this regard, President al-Assad stressed the need to overcome the obstacles facing Syrian and Turkish businessmen and implement mechanisms for following up on carrying out the economic agreements between the two countries. Talks also discussed the possibilities of bolstering regional economic cooperation in a manner that reflects positively on the region's people, with both sides affirming that this cooperation is necessary to face the global economic crisis. The meeting was attended by Syrian Deputy Prime Minister for Economic Affairs Abdullah al-Dardari, the Turkish Ambassador in Damascus, and the delegation accompanying Mr. Ekren. Ekren described his meeting with President al-Assad as fruitful and rich of visions that pave the way for new projects between Syria and Turkey.

### **Grand Mufti Hassoun: Syrian-Turkish Relations Promising**

The Grand Mufti of the Republic Dr. Ahmad Badruddin Hassoun stressed that what connects between Syria and Turkey in terms of religion, traditions, values and norms serve as strong bases for a promising relation between the two neighboring countries publicly and officially. Meeting a Turkish media delegation visiting the Syrian northern city of Aleppo on Saturday, Dr. Hassoun said the Islamic faith is the religion of amity and tolerance, adding that believing in God creates amity and friendly relations among countries and nations. He added that Syria is a unique symbol to be followed in the field of coexistence and national coherence.

### **Coordinator of General Conference for al-Quds Starts Syria Visit**

The Coordinator of the General Conference for the Support of al-Quds (Jerusalem) Said al-Hassan and the accompanying delegation started a visit to Syria on an invitation from the National Leadership of al-Baath Arab Socialist Party. Mr. al-Hassan will hold several political meetings with senior officials of al-Baath Party Leadership and state during which he exchanges points of view on preparations for the convening of the General Conference for the Support of al-Quds. He will also discuss ways of helping our besieged Arab Palestinian people in Gaza.

## **Jordan**

### **Political front:**

#### **Qadi highlights community partnership in security**

Public Security Department Director Major General Mazen Qadi said citizens are key partners in the security process. During a meeting yesterday with community leaders and representatives from Jabal Al Alabiad in Zarqa Governorate, Qadi stressed that no

individual is above the law, adding that those who commit crimes will be held accountable for their actions.

### **Aqaba site under consideration for Kingdom's first nuclear power plant**

The government is examining a location near Aqaba for the establishment of the Kingdom's first nuclear power plant, expected to be built within eight years, with plans in place for further reactors, a senior official said. "We are currently looking at the region outside of ASEZA in order to use seawater for cooling requirements," Jordan Atomic Energy Commission (JAEC) Chairman Khaled Toukan told, adding that a tender will be floated this week inviting 10 international firms to carry out site studies in order to determine the most suitable location for the reactor. According to Toukan, the commission's preferred location is within the Aqaba Governorate, 8km east of the Gulf coast, a site that will have the potential to house four individual power plants and will be under study for the next 18 months. The tender for the construction of the plant, slated to produce between 750-1,100MW, is expected to be floated in mid-2010, with initial construction work due to commence in 2012.

### **Jordan ranks second in uranium deposits**

Jordan ranks second in terms of uranium deposits at near-surface level, Chairman of Jordan Physics Society Marwan Musa said Tuesday. He added that the value of uranium available in the Kingdom is estimated at \$60 billion, noting that Jordan is second only to Australia. Musa added that there are indications that Jordan is home to several other minerals and materials that can turn the Kingdom into an energy-exporting country in case they are optimally utilised. According to Musa, the society was established late last month with a view to strengthen cooperation and exchange of expertise between Jordanian physicians and their Arab counterparts. The society also seeks to support scientific research and upgrade the physics curricula in schools and universities, he said, adding that it will hold several scientific and cultural activities including workshops and seminars.

### **Ministerial conference adopts guidelines for water strategy**

A ministerial water conference adopted guidelines for a water strategy for the Mediterranean, which will focus on protecting water quality and finding a balance between drawing on new water resources and managing demand. ***The strategy, which will also address the impact of climate change, will be discussed*** at a higher level during a meeting of the heads of member states of the Union for the Mediterranean (UPM) by the end of 2010. Addressing the participants, Minister of Water and Irrigation Raed Abu Saud said water scarcity in Jordan and the region constitutes the greatest challenge for any future development projects. ***He added that the difference*** in the water situation between countries of the north and the south calls for strong cooperation and the development of appropriate frameworks for the sustainable management of water resources, as well as feasible solutions to bridge the gap between the water availability in the northern countries and scarcity in the south. Abu Saud noted that Jordan has come a



long way in terms of providing nontraditional water sources and using water from wastewater treatment plants. In addition, the Kingdom embarked on projects to desalinate brackish groundwater wells to be used for drinking purposes, and is promoting private sector participation in the management of water facilities, he told participants at the one-day conference, held under the Royal patronage and attended by HRH Prince Hashem. *The government is keen to address the issue of water scarcity, the minister said, citing strategic ventures such as the Disi Water Conveyance Project, which is projected to supply the capital with 100mcm annually, and the Red-Dead Canal, which will be the foundation stone for water security in the Kingdom in the long run.*

### **Senate president meets with Japanese ambassador**

Senate President Zeid Rifai on Wednesday met with Japanese Ambassador to the Kingdom Tetsuo Shioyuchi and discussed means to boost bilateral cooperation in various fields. Rifai commended Japan's political and economic efforts in the region.

### **Political parties receive JD25,000**

The Interior Ministry began disbursing JD25,000 to each political party as part of the government's commitment to fund parties to assist them in their financial needs. Nine parties out of the Kingdom's 14 registered political parties received the funds yesterday, the Jordan News Agency, Petra, reported. Earlier in September, in accordance with the Political Parties Law, the Cabinet approved a decision by the Interior Ministry to provide each party with JD25,000 every six months.

## **Geo strategic front:**

### **Labour minister inaugurates Jordanian-Korean Technical Academy**

Labour Minister Bassem Salem inaugurated the Jordanian-Korean Technological Academy in Zarqa Governorate on behalf of Prime Minister Nader Dahabi. Affiliated to the Vocational Training Corporation (VTC), the academy was established in cooperation with the Korea International Cooperation Agency (KOICA), VTC Director Majed Habashneh said yesterday. Habashneh added that KOICA has supported the centre with JD3.2 million in the form of technical support, equipment and engineering labs.

### **Senate president meets with Australian ambassador**

Senate President Zeid Rifai met on Sunday with Australian Ambassador to Jordan Trevor Peacock on the occasion of the end of his term. Also yesterday, Rifai received Moroccan Ambassador in Amman Hassan Abdul Khaliq and discussed bilateral ties.

### **Bashir to meet with Abbas**

Foreign Minister Salah Bashir will head to Ramallah to discuss with Palestinian President Mahmoud Abbas and other top officials the latest developments in the peace process,

particularly the last Quartet meeting in New York and UN Security Council Resolution 1850. The visit comes in line with the government's efforts to support the Palestinian Authority.

### **Truck aid convoy reaches Gaza**

A total of 15 trucks laden with medicine, food supplies, tents and electric generators arrived in Gaza and another seven arrived in the West Bank on Monday, Head of the Jordanian Representation Office Yahya Qarrallah said yesterday. The relief aid was dispatched upon the directives of His Majesty King Abdullah in line with Jordan's support for the Palestinians in light of the acute shortage of medical and food supplies in the Palestinian territories, particularly in the Gaza Strip.

### **Bashir underlines importance of Arab dialogue with EU countries**

Minister of Foreign Affairs Salah Bashir last week underlined the importance of further dialogue and cooperation between Arab and EU countries. During his participation in the international conference titled, "Europe and the Arab World - Connecting Partners in Dialogue" held between December 17-19, Bashir also met with foreign affairs ministers of Austria, the Czech Republic and Malta. At the meeting, Bashir emphasised the importance of political consultations between Jordan and EU countries regarding regional challenges, especially the Middle East peace process. Discussions also focused on bilateral relations and means to develop them.

### **Foreign Ministry approves amendments to agreement with Red Cross**

The Foreign Ministry approved on Tuesday amendments to the 2001 headquarters agreement with the International Federation of Red Cross mission in the Kingdom. Under the amendment, Jordan will allow the mission to use its vehicles holding Swiss plates without prior approval from the Jordanian side.

### **Protesters call for release of Iraqi journalist**

Hundreds of activists held a sit-in at the Professional Associations Complex in Shmeisani in support of Muntazer Al Zaidi, the Iraqi journalist who threw his shoes at US president George Bush. Protesters burnt pictures of Bush and shouted anti-US slogans as they called on the Iraqi government to release Zaidi, who is currently in custody awaiting trial for throwing his shoes at the US president during a joint press conference with Iraqi Prime Minister Nouri Maliki in Baghdad last week. His family said Zaidi was subjected to torture after his arrest, as the judge refused to release him on bail.

### **Hundreds rally for Gaza**

The Islamist movement held a rally in east Amman in support of Gaza, calling for an end to the embargo imposed on the strip. Held after the noon prayer, the event is part of a series of activities, including demonstrations and sit-ins, organised by the movement to

garner support for Palestinians residing in the coastal strip. Hamam Said, overall leader of the Muslim Brotherhood movement, delivered an address at the Manara Mosque in east Amman, in which he reiterated the movement's support for Gazans and criticised Arab countries that help “strengthen” the sanctions imposed on the enclave of 1.5 million. During the event, Hamzah Mansour, head of the Islamic Action Front, the political wing of the Muslim Brotherhood movement, called on Arab nations to break the embargo and urged Jordanians to provide donations to "support the steadfastness of Gazans".

### **Arabs sail to Gaza, defying Israel blockade**

An Israeli air strike against a rocket squad killed a Palestinian fighter, the first Gaza death since Hamas formally declared an end to a six-month truce with Israel. Meanwhile, a boat carrying a Qatari delegation, Lebanese activists and journalists from Israel and Lebanon sailed into Gaza City's small port in defiance of a border blockade. It was the fifth such boat trip since the summer.

### **Lebanon names ambassador to Syria**

Lebanon named an ambassador to Syria in another step towards normalising relations after the neighbouring countries agreed earlier this year to establish diplomatic ties for the first time since they gained independence from France in the 1940s. Information Minister Tarek Mitri made the announcement after the Cabinet met to approve the nominee. He told reporters the government would not disclose the ambassador's name until Syria approves the choice.

### **Egypt, Israel voice support for Red-Dead canal project**

Egypt and Israel voiced support for the Red-Dead canal project, which seeks to address the Kingdom's water and energy challenges. “We have no official opposition to the Red-Dead canal project,” Egyptian Minister of Irrigation and Water Resources Mahmoud Abu Zaid said on the sidelines of the ministerial water conference yesterday, stressing that tourism in Egypt will not be affected by the venture. “Such a project, if implemented, will be an added value in terms of attracting more tourists to the region,” Abu Zaid said, adding that the number of visitors to the pyramids or Sharm El Sheikh will not change. The Egyptian minister, however, cited reservations on the project expressed by several environmental activists, who say such that diverting water from the Red Sea would create currents that might have a negative effect on marine life. Several countries have contributed \$15 million for the multipurpose Red-Dead canal project's feasibility study and environmental assessment. French company Coyne et Bellier is currently carrying out the feasibility study for the project, while the British firm Environmental Resources Management is undertaking the environmental assessment. Meanwhile, Israeli Infrastructure Minister Benjamin Ben-Eliezer, who headed his country's delegation to the water conference, said the “Peace Canal” project could benefit the entire Middle East. He noted that Jordan's share of desalinated water under the project will be 65 per cent while 35 per cent will go to Israel and the West Bank. The project is expected to provide Jordan

with 500 million cubic metres (mcm) of water annually. *The Red-Dead canal project is part of international efforts to save the Dead Sea, which has been shrinking at the rate of one metre per year, largely due to the diversion of water from the Jordan River for agricultural and industrial use* During the past 20 years alone it has plunged more than 30 metres, with experts warning that it could dry up within the next 50 years. *If implemented, it would involve the construction of a pipeline that would pump around two billion cubic metres of water from the Red Sea to a desalination unit near the Dead Sea. Half the amount will be desalinated, supplying the main urban centres of the Kingdom and the West Bank, while the rest would be channelled to the Dead Sea. The second stage of the around \$4.35 billion project would involve taking advantage of the natural slope between the Red Sea level in Aqaba and that of the Dead Sea (400 metres below sea level) to produce hydroelectricity.*

#### **Jordan renews support for Palestinians**

JORDAN reiterated its continued support for the Palestinians in their pursuit of their legitimate rights and independent state on their national soil. In a verbal message by His Majesty King Abdullah to Palestinian President Mahmoud Abbas, conveyed by Minister of Foreign Affairs Salah Bashir, the Monarch emphasised Jordan's support for the Palestinian Authority and Abbas to realise Palestinian national goals. The visit is meant to underline Jordan's commitment to its stand in support of the Palestinian people and highlight the need for commitment by all involved parties to the recent Security Council Resolution 1850, which stresses the need for continued efforts capitalising on the understandings reached at the November 2007 Annapolis meeting hosted by the US, where Palestinian-Israeli talks were relaunched. The resolution stated that peace endeavours should continue to reach a settlement on the basis of the two-state solution and ensure no disruption of the negotiations, which cover all core issues. During the meeting with Abbas, Bashir also highlighted a decision by a recent Arab foreign ministers meeting at the Arab League which stressed respect for the Palestinian leadership and urged Abbas to continue shouldering his responsibilities until a Palestinian national reconciliation is achieved. The two sides also referred to the latest statement by the Quartet that was released following its meeting in New York on December 15, stressing support for Palestinian-Israeli negotiations.

#### **Economic front;**

#### **Tourism sector witnesses 27 per cent growth in '08**

The tourism sector posted a 27 per cent growth this year compared to 2007, Minister of Tourism and Antiquities Maha Khatib said on Sunday. The minister made the remark during a meeting with representatives of the tourism sector to discuss challenges in light of the global financial crisis. During the meeting, participants discussed the possibility of opening new markets and pan-Arab tourism.

#### **MPs to urge gov't reconsider cooking gas prices**

Several MPs said they will address the government to reconsider the prices of cooking gas following the global drop in prices of fuel derivatives. The lawmakers made their remarks during a meeting between the Lower House Energy and Mineral Resources Committee and Minister of Energy and Mineral Resources Khaldoun Qteishat to look into the 2008 Mineral and Resources draft law.

### **Council to cooperate with Eco Energy Solutions in energy sector**

The Higher Council for Science and Technology signed a memorandum of understanding with American company EcoEnergy Solutions for cooperation in the field of energy. Under the deal, a Jordanian research team will carry out several scientific experiments to produce alternative fuel utilising the American company's experience in this regard. Meanwhile, the council announced yesterday it has plans to build a national and scientific foundation devoted to raising awareness among citizens on the importance of scientific research.

### **Mafrag concludes work on permanent parallel market**

The Greater Mafrag Municipality completed construction work on Mafrag's permanent parallel market, financed by the Ministry of Municipal Affairs. Market Manager Khaled Shalabi said the project seeks to provide essential food items at affordable prices and reduce congestion, adding that the municipality will work to stop peddlers from selling items outside the market.

### **'Jordan not isolated from financial crisis impact'**

Jordan is not affected by the global financial crisis to the same degree experienced by major economies such as the US and Europe, Prime Minister Nader Dahabi said. "However, this does not mean that we are in isolation from the negative impact of the global financial crisis as there will be effects," the premier added. Most of the crisis' effects were positive so far, as manifested in the drop in prices of oil and basic food commodities, said Dahabi at a meeting Saturday with community leaders from the Naour District, 13km west of Amman. He emphasised that the government is constantly on alert and is closely following up on external developments that might impact the Kingdom's national economy.

### **Preparations under way for Epiphany celebrations**

Preparations are under way to mark the feast of the Epiphany at the Baptism Site next month, according to officials. Thousands of Christians are expected to congregate at the biblical site of Bethany on January 6 to commemorate the day Jesus Christ was baptised in the Jordan River by John the Baptist. Baptism Site Commission (BSC) Director Dia Madani said the commission is working on plans for activities at the site. Every year in January, pilgrims of different denominations gather at the site for the festivities which BSC has helped organise with various church representatives in the Kingdom since 2000. The first ceremony will bring together members of the Roman Catholic, Armenian

Orthodox, Anglican, Evangelical, Lutheran, Chaldean, Maronite, and Coptic churches. According to Orthodox tradition, the Epiphany celebrates the revelation of Jesus Christ as the Messiah and the second person of the Holy Trinity - along with God and the Holy Spirit - at the time of his baptism.

#### **Jordan banking industry healthy - Moody's**

Credit outlook for the Kingdom's financial institutions is stable and positive, according to a recent report released by a leading credit ratings analysis agency. The Kingdom's capitalisation levels are healthy and provide room for growth and for the absorption of possible loan losses despite current global economic turmoil, according to a new report released by Moody's Investors Services. "Jordan is a small and concentrated economy that, however, demonstrates resilience and offers limited but improving opportunities for the banking sector," Nondas Nicolaides, Moody's senior vice president, said in a statement released by Moody's and quoted by several websites, including Menareport, AMEinfo and Zawayya.com, among other outlets. Local economists shared the report's enthusiasm for the country's economic standing.

#### **Jobless rate drops to 12.7%**

The unemployment rate dropped to 12.7 per cent this year, compared to 13.1 per cent in 2007 and 14 per cent in 2006, according to a survey conducted by the Department of Statistics (DoS) in November. Labour Minister Bassem Salem told that government measures and investments in various sectors played a big role in bringing down unemployment to this figure, the lowest since 1993. "We created around 45,000 jobs for unemployed Jordanians during the first half of the current year, and we expect to achieve the same figure by the end of this month," Salem said, noting that 70,000 jobs were created last year. Quarterly surveys, which the DoS carries out in the middle of each quarter, provide data reflecting the reality of a full quarter, according to the department. Unemployment during the fourth quarter of 2008 stood at 12 per cent; 9.8 per cent among men and 22.1 per cent among women, the same figure as the third quarter, the survey indicated.

#### **Lack of funding, water hurting agricultural development'**

Agriculture Ministry officials said water scarcity and a lack of financial resources are threatening efforts to revitalise the agricultural sector. According to Agriculture Ministry Secretary General Radi Tarawneh, the ministry's five-year draft strategy, which entails the implementation of 62 projects covering various sectors including livestock health and farming, anti-poverty initiatives, grazing areas and fodder cultivation projects, suffers from lack of funding. Tarawneh's comments came during a brainstorming session organised by the ministry at the National Centre for Agricultural Research and Extension aimed at discussing the sector and the five-year strategy.

#### **Kerosene subsidy set, dairy prices down**

The Cabinet decided to disburse JD13 for each household where the per capita income is less than JD1,000 a year in kerosene subsidies. During its weekly meeting, the Cabinet said the cash assistance will be paid out next month. Beneficiaries include eligible families whose supporters are employed by the civil service, the military and security agencies and the private sector, a Cabinet statement said. The plan is funded from the budget set for the Social Safety Net, while independent state corporations will give out the cash for their own budgets. Meanwhile, dairy product producers agreed to reduce the price of their commodities by 7.5 per cent.

### **Social front:**

#### **Drug-related cases on the rise - PM**

Drug-related cases are on the rise in the Kingdom, including trafficking, addiction and cultivation on an individual basis, Prime Minister Nader Dahabi said. “Whenever this issue is brought up, we hear that Jordan is a transit country for drugs,” but there is a problem which is in its early stages, he told MPs during a Lower House session designated to discuss the problem of drugs and its impact on society. The premier called on concerned parties to cooperate to combat this problem by diagnosing the reasons behind it and finding solutions to control it. *He also referred to a national strategy to prevent the use of Jordanian territory for smuggling purposes*, noting that it also focuses on combating drug use, as well as prevention and treatment. Dahabi also stressed the importance of awareness which he said starts at home and continues at schools, mosques, universities, the workplace and the media, in addition to governmental and nongovernmental institutions and youth centres.

#### **UNHCR secures resettlement of more Iraqis in 2008**

Nearly 10,000 displaced Iraqis living in Jordan will have been resettled in third party countries by the end of the year, a senior UNHCR official said. The number of Iraqis resettled this year is up from around 8,000 in 2007 and several hundred in 2006, with the majority of this year’s resettlement cases, approximately 6,990, heading for the US, according to the UNHCR. “Although some may say this number is small compared to the overall number of displaced Iraqis, this is a significant increase,” UNHCR Representative in Jordan Imran Riza told The Jordan Times, expressing hope for an even greater number of relocations in 2009. Even with the relocations, the UNHCR has 52,900 active registered cases of vulnerable Iraqis in the Kingdom, of which an estimated one-fourth represent new arrivals, according to Riza, who noted that although there have been cases of Iraqis returning to their home country, resettlement remains the most viable option for many. The UN official warned against being complacent with the current situation, noting that the government, the UN and other organisations are still struggling to serve the hundreds of thousands of Iraqis who have been displaced for years. *In education, the agency capitalised on His Majesty King Abdullah’s waiving of school fees for Iraqis by urging families to enrol their children in public schools.* In addition, the UNHCR Jordan office has worked closely with the Public Security Department’s Family Protection Unit to combat gender-based crimes and refer Iraqi women to government-run safe houses for

protection, care and shelter. The agency has also aided survivors of sexual and gender-based violence in receiving counselling in order to cope with trauma. The UNHCR estimates the number of displaced Iraqis to be 4.4 million after the US invasion in 2003. Some 2.2 million fled to neighbouring countries like Jordan, Syria and Egypt, with the remaining 2.2 million are internally displaced.

#### **Dahabi highlights need to reform higher education**

A greater focus should be placed on higher education, which serves as a valuable economic indicator, Prime Minister Nader Dahabi said. “[The sector’s importance] is obvious when looking at the remittances of Jordanian expatriates who graduated from the country’s educational institutes,” Dahabi told deputies during a Lower House meeting designated to discuss the decline in the quality of higher education in the Kingdom. Worker remittances to the Kingdom between January and August of this year exceeded \$3 billion, Dahabi stated last month. Referring to a 2008 World Bank development report, the premier said that although higher education in the Jordan was praised, the report’s findings were “a source of concern as well”. The premier also revealed that the government is preparing to follow up on recommendations made in the study. The study suggests revisiting legislation governing higher education, guaranteeing financial, administrative and academic independence for the country’s institutes of higher learning, revisiting admission criteria and implementing accreditation criteria.

#### **Senate committee endorses agriculture risk management draft law**

The Senate Agriculture and Water Affairs Committee on Monday endorsed the agriculture risk management draft law for 2008 as it was referred from the Lower House. Also yesterday, the Senate’s Environment and Health Affairs Committee endorsed a law on combating HIV, tuberculosis and malaria referred from the Lower House. Committee members also began reviewing the 2001 temporary law on conducting pharmaceutical studies.

#### **Campaign to eliminate violence against children**

The Ministry of Education will carry out a national campaign in the next few days to eliminate violence against children. During a preparatory meeting held, Minister of Education Tayseer Nueimi said the ministry will work on several educational programmes to provide a safe scholastic environment free of violence. He informed the attendees of the ministry’s steps taken so far to eliminate violence, including establishing a hotline to receive reported cases of abuse and addressing them through the concerned departments. The campaign will be carried out in cooperation with UNICEF.

#### **Security director pledges support for Anti-Narcotics Department**

Public Security Department (PSD) Director Major General Mazen Qadi directed concerned parties to provide all logistical and practical support to Anti-Narcotics Department offices throughout the Kingdom. During a visit to the Anti-Narcotics



Department, Qadi underlined the importance of training and developing the skills of department personnel to qualify them to deal with the issue of drugs in a professional manner. Stressing the importance of joining and unifying official and private efforts to combat drugs, Qadi said there is a need to reconsider strategies in dealing with cases of drug trafficking and drug use. During the visit, the department's director, Brigadier General Tayel Majali, briefed Qadi on the department's efforts and achievements in combating narcotics.

### **Cancer second leading cause of death in Kingdom**

Cancer is the second leading cause of death in Jordan after heart disease, Mohammad Tarawneh, the rapporteur of the Health Ministry's national committee to combat cancer, said on Wednesday. Representing the ministry at the Eastern Mediterranean Health Conference in Cairo, Tarawneh said cancer-related complications account for more deaths than those caused by AIDS, malaria and tuberculosis in the entire region. He added that some 40 per cent of cancer cases can be treated if detected in the early stages. The two-day meeting in Cairo was organised by the World Health Organisation.

### **Lower House to discuss drug abuse, its impact on society**

The Lower House is scheduled to convene today to discuss drug abuse and its impact on the community in response to a memorandum signed by 11 MPs. According to a government report submitted to lawmakers, authorities processed 2,699 drug-related cases during the past 12 months, 540 of them trafficking cases, and 2,159 possession and addiction cases. Authorities apprehended 4,031 Jordanian dealers, of whom 56 were women, and 600 foreigners, including 30 females. In 2008, authorities seized various drugs including hashish, marijuana, cocaine and heroin. In addition, more than 200 drug addicts were referred to rehabilitation programmes, according to the report. MP Salah Zu'bi, who signed the memorandum, said deputies will urge the government to set up mechanisms to prevent drug abuse in addition to establishing modern rehabilitation and treatment centres to deal with addicts.

### **Slow Internet connection to persist for days**

Internet users in the country will experience slower connection to the World Wide Web during the "few" coming days due to breaks in three submarine cables linking Europe and the Middle East. On Friday morning, the Kingdom's Internet capacity dropped to below 50 per cent from 8:00am until 6:00pm because of the cut in three international routes, Jordan Telecom Group's (JTG) Chief Financial Officer Raslan Diranieh told. JTG Chief Information Technology and Networks Officer Amer Sunna said the cut occurred in the SMW-3, SMW-4 and FLAG lines, of which the latter two link the Kingdom to the International Internet Network.

### **Press association, Postal Savings Fund sign agreement**

The Jordan Press Association (JPA) and the Postal Savings Fund (PSF) on Monday signed an agreement under which journalists can benefit from PSF personal loans according to Islamic Sharia Law. Loans will be up to a maximum of JD6,000 with a five-year payback period and 2 per cent profit. The agreement was signed by JPA President Abdul Wahab Zgheilat and PSF Director General Wael Akayleh.

### **Mafrag health department destroys spoiled food**

The Mafrag Health Department has recently destroyed 1,058 kilogrammes of spoiled foodstuff and 2,978 litres of juice and beverages that were seized from several stores in the city, department director Suleiman Affash said on Monday. The department also closed three stores due to their noncompliance with health and safety requirements, he said. Violations against another 21 stores and warnings against another 311 stores were also issued, Affash said.

### **RJ aircraft forced to land in Milan to tend to Jordanian passenger**

A Royal Jordanian (RJ) aircraft was diverted and landed in Milan to help a Jordanian passenger suffering from sudden breathing difficulties. According to a statement released by RJ, the captain of the Airbus A340 flying to JFK International Airport in New York carrying 215 passengers decided to land at Milan Airport for four-and-a-half hours in order to give medical aid to the 53-year-old. The report indicated that immediately after the plane landed, the passenger received the necessary treatment and doctors allowed him to continue his journey to New York. The flight was two hours behind schedule. Saturday's emergency landing marked the third time this year a Royal Jordanian aircraft was forced to land due to passenger health.

### **Family council to establish family reconciliation centres**

The National Council for Family Affairs will establish family reconciliation centres, in cooperation with the Chief Justice Department next year. The announcement was made during Monday's meeting of the council's board of trustees chaired by Her Majesty Queen Rania. The centres will work to reconcile family-related issues, saving family members the trouble of going to court and going through proceedings in issues related to alimony, child custody and separation among others.

### **Security director praises badia forces**

Director of the Public Security Department Mazen Qadi stressed the need to provide security in all regions in the Kingdom. During a visit to the Royal Badia Forces Command yesterday, he commended the roles of the badia forces in maintaining security in 80 per cent of the Kingdom's territory. He encouraged personnel to provide humanitarian assistance whenever needed.

### **Ambassadors' forum to be held next week**

The 4th annual Jordanian ambassadors' forum will be held in Amman next week, providing a platform for Jordanian diplomats to discuss political and economic issues and exchange expertise, forum coordinator Omar Nahar said. At a press conference yesterday, Nahar said the forum will also include outlining plans for the Kingdom's embassies abroad. The government will also present its ideas and perspectives in this regard. Representatives of 51 diplomatic missions will participate in the forum alongside representatives of several ministries and the Lower House. Participants are expected to produce recommendations on ways to address different challenges facing the Kingdom.

## Lebanon

### Political front:

#### Lebanon DM to discuss Russian heavy weaponry in Moscow

Lebanon's defense minister left for an official visit to Moscow to discuss with his Russian counterpart the purchase of Russian heavy weaponry. Meeting with a senior Russian defense official in Beirut last week, Elias Murr said "there are no obstacles to equipping the army." A senior Lebanese Defense Ministry official was also quoted by local media as saying that there would be "no political conditions" attached to arms deals between Lebanon and Russia. **An unidentified Lebanese General Staff official said earlier that Beirut was seeking to buy heavy weaponry from Russia, including tanks, antitank rockets, air defense systems, armored vehicles and helicopters.** The **United States has provided military assistance to Lebanon to help the fractured** Middle East state fight terrorism and resist the Hezbollah Shiite military group that controls the country's south. However, U.S. support to the Lebanese Armed Forces has so far been limited to light weapons. **Some Pentagon and State Department officials have expressed concern about** extensive military aid to a country where Hezbollah, which has close ties to Syria and Iran, continues to play an important role. Israel has also been lobbying against heavy weapons supplies to Lebanon, fearing they might eventually be used against it. Lebanon was reported to have been in talks on arms supplies with China and Iran.

#### FM Salloukh: Lebanon might negotiate with Israel

Foreign Minister Fawzi Salloukh hinted that Lebanon might go into negotiations with Israel if French President Nicolas Sarkozy can guarantee the withdrawal of Israeli troops from the occupied Lebanese territory. In answering a question as to whether Sarkozy's forthcoming visit to Beirut on Jan. 6 could facilitate Lebanon's engagement in negotiations with Israel, Salloukh said: "If President Sarkozy can guarantee to us Israel's withdrawal from Shebaa Farms, Kfar Shouba Hills and the Lebanese sector of Ghadjar village, why not?" "Lebanon is cautious regarding negotiations with Israel, be they direct or indirect, fearing they might lead to collapse of UNSCR 1701," Salloukh explained. **Hezbollah opposed to negotiations** In a related development Labor Minister Mohammad Fneish , who is a key member of Hezbollah ruled out today after meeting with Prime Minister Fouad Siniora at the Grand Serail palace any direct

Hezbollah negotiations with Israel saying they were unacceptable and unlikely to be achieved, because the party was not ready to make any concessions or even compromises concerning its rights. Similarly , **parliament majority leader Saad Hariri said today that he is opposed to negotiations** with Israel , but on the other hand he welcomed the Syrian Israeli peace talks , especially if they will produce peace

### **Murr challenges Aoun to achieve 10 % of Hariri's achievements**

Lebanon's Defense Minister Elias Murr hit back at Free Patriotic Movement leader Gen. Michel Aoun for criticizing the efforts of parliament majority leader MP Saad Hariri in facilitating Russian arms supplies for Lebanon. "What is being said against MP Saad Hariri is not acceptable," Murr said in an interview with Future TV. "Are we supposed to criticize Saad Hariri because he helped us and because he used his good offices to arm the Lebanese military?" asked Murr. "Let them achieve 10 percent of Hariri's accomplishments instead of going on trips and hullabaloo receptions," Murr said in reference to Aoun's visit to Syria. He said he believes the army is not capable of absorbing Hezbollah's resistance and criticized those who oppose upgrading the military's arsenal because it was done through their political opponents. He said Hariri had advised him to visit Russia, saying "they want to provide the army with weapons."

### **Suleiman Preparing his Own National Defense Strategy**

President Michel Suleiman is reportedly getting ready to present his own defense strategy based on previous proposals made by national dialogue participants. reported that a small committee of experts and academicians are preparing a strategy vision that stems from proposals made by several Lebanese politicians. ***It quoted sources as saying the work team has until now defense strategy proposals*** made by Hizbullah chief Sayyed Hassan Nasrallah, Progressive Socialist Party leader Walid Jumblat, Free Patriotic Movement leader Gen. Michel Aoun, former President Amin Gemayel and Lebanese Forces leader Samir Geagea. ***The sources, however, said it was not clear if Nasrallah's*** proposal made during previous dialogue sessions sponsored by Speaker Nabih Berri before the 2006 war was final. They did not rule out a new defense strategy proposal by Hizbullah after MP Boutros Harb presents his own views during the next dialogue session scheduled for Jan. 22. The small team that was formed by Suleiman includes several experts in law, international relations and political science, such as Ghaleb Mahmasani, Adnan al-Sayyed Hussein, Issam Suleiman, Walid Mubarak, Ambassador Naji Abu Assi, the president's advisor and former MP Nazem al-Khoury, Antoine Shukair, retired Brig. Gen. Bassam Yahya.

### **Baroud: Electoral Security Plan Soon**

Interior Minister Ziad Baroud stressed all parties in Lebanon want the parliamentary elections to be held and promised to unveil a plan to keep security during the polls. "Everyone wants the elections to be held on time. No one wants to get rid of the elections. That's why we say the best guarantee for the elections until now is the government in which everyone is represented," Baroud told. The government "has become a security political and electoral guarantee," he stressed. He said the government would have failed in all its missions if it succeeded in everything and failed in the elections.

### **President Searches for Resolving Constitutional Council Issue**

Informed sources affirmed that President Michel Suleiman wishes to end all disputes concerning the Constitutional Council the soonest possible. Intensive discussions are taking place away from the limelight in Baabda between March 14 and 8 Forces to come out with an acceptable formula that would secure a process for ending this important issue. Sources informed that the window of opportunity remains open till the 30th of December. The proposed formula according to the paper is for appointing a single member from March 8 Forces and another from March 14 Forces, while the other three Christian representatives to the council would be divided as such, one to represent the president and two to represent March 8 Forces. However, the sources played down this formula saying that the parliamentary majority will reject it. This is based on declared position of MP Saad Hariri from Bkirki when he announced his acceptance of the democratic process.

### **Hariri: Lebanon opposition no longer exists**

Parliament majority leader MP Saad Hariri called on the Maronite Patriarch Nasrallah Boutros Sfeir to wish him well for the Christmas and New Year . He called the patriarch "the conscience of Lebanon" Hariri told reporters after meeting with Patriarch Sfeir "there are divisions among different parties, but there are many issues that unite us all". Hariri stressed that "the opposition no longer exists since we are all in the one government of national unity now. The opposition cannot be in the government and at the same time criticize it". Hariri added that it was illogical to be a cabinet member and, at the same time, to launch attacks against it. When Hariri was asked about the election committee he answered, "Personally, I did not support the formation of the committee in charge of monitoring the elections, but I later approved it because Lebanon is a democratic country".

### **Suleiman calls election of Constitutional Council democratic**

Lebanese President Michel Suleiman said that the five members of the Constitutional Council have been democratically elected. "The election process of Constitutional Council members was a sign of democracy," Suleiman told ministers at a Cabinet

meeting. Suleiman's stance was meant as a response to those who claimed that Baabda was not content with the way the majority had bypassed a previous agreement on a number of candidates and imposed new names when they went to vote. Lebanon's Information Minister Tarek Mitri said following the meeting that a Cabinet session will be held soon to elect the remaining five members to the Constitutional Council. The constitutional council should have 10 members . 5 to be chosen by the parliament and 5 by the cabinet.

### **Sfeir Criticizes State, Says Government Like Carriage Pulled by Opposing Horses**

Maronite Patriarch Nasrallah Sfeir criticized in his Christmas message the Lebanese system of governance and violent political rhetoric. "The state is not holding together and government resembles a carriage pulled by two horses, one to the front and the other backwards," Sfeir said Monday. "Normally around the world (parliamentary) majority governs, and when defeated a minority takes over...every act that government intends to do is opposed, resisted and thwarted from within cabinet," he said. Sfeir pointed to increasing unemployment and the effects of the international financial crisis, saying some Lebanese that used to work overseas have returned to Lebanon. Further details were not immediately available.

### **Phalange Party Hopes Lebanese Would Invest in Supporting Armed Forces**

The Phalange Party said military aid to Lebanon by various international sides shields the country from conditional political assistance and trends that do not serve its neutrality. It hoped that the Lebanese would invest in this support based on their common general interest, to safeguard the land from any conflicts that are beyond its capacity. In a statement on Monday, the Phalange political bureau said the Russian offer to provide Lebanon with MiG-29 fighter jets represents a major international decision in support of Lebanon on all levels. The statement linked the Russian grant to an American offer for providing the Lebanese Armed Forces with more advanced military hardware. The party pointed to recent statements made by Hizbullah's Deputy Secretary-General Sheikh Naim Qassem who said that his party will continue to hold on to its arms pending the liberation of Palestine.

### **Decision to Form Military Committee to Study Defense Strategy Proposals Postponed**

Participants at national talks agreed to form a military committee that would listen to the various ideas of the 14-dialogue members on the defense strategy only after the presentation of all views and proposals. Sources close to the dialogue ruled out the formation of this committee prior to the upcoming 2009 parliamentary elections. President Michel Suleiman concluded Monday's meeting by setting Jan. 22 for holding the 4th session of the national dialogue. MP Michel Murr attempted to postpone the date further till March. However, it was Suleiman's wish to "keep the dialogue warm." At the next dialogue session, MP Butros Harb is to present his own vision of the defense

strategy, to be followed by an input by former President Amin Gemayel on the issue of Shebaa Farms.

### **Opposition Prepares Study to Prove Kheir Fell Foul of Election**

The March 8 alliance is currently preparing a legal study to prove that the election of Antoine Kheir to the Constitutional Council was in violation of the Council Formation law. Last week, Parliament elected five members to the Constitutional Council. March 8 Forces opposed the election but did not have a majority to overrule it. Article 4 of the law stipulates that a Council member's term is limited to six non-renewable years. Kheir is a former member of the Council and cannot be re-elected, March 8 Forces claim.

### **Rockets pointed at Israel defused by Lebanon army**

The Lebanese Army sappers defused five to seven Katyusha rockets deployed in the southern Naqoura region prior to launching towards Israel, a reliable source said. The source, speaking on condition of further anonymity because he is not authorized to talk to the media, said the 107-mm rockets were fitted with timing devices and defused "a short while before the time set for their launching". The source said the Katyushas were "discovered" in the area between the border towns of Naqoura and Teir Harfa. The region, which is within the area of operations of the United Nations Interim Force in Lebanon (UNIFIL), lies adjacent to the borders with Israel and overlooks most of the Central and Western Galilee. The Iranian modified 107 mm Katyushas usually weight 8 kg and have a range of 9 km .

## **Geo strategic front:**

### **US: No plans to counter Russia's Mig offer to Lebanon**

The United States was taken aback by Russia's offer to give Lebanon 10 MIG-29 fighter jets that would significantly upgrade its antiquated air force and serve as a slap to the United States. The United States is Lebanon's main military partner, but American plans to help rebuild the country's army and air force are moving slowly. And Russia, which is increasingly challenging the United States in regions where American influence has been paramount, has made other gestures toward reasserting itself in the Mediterranean. ***Lebanon's military had no official comment on the offer. It is far from clear whether the*** jets would be delivered. The deal would depend on the Lebanese government's approval and would have to be discussed with the country's allies, said a former Lebanese military official who spoke on the condition of anonymity, citing diplomatic sensitivities. ***United States officials seemed somewhat taken aback by the announcement, saying they*** needed to speak with their military counterparts in Russia and Lebanon before they could confirm that Russia had made a formal offer. That offer

raised the possibility, however unlikely, of a striking change in direction for the Lebanese military. Defense Minister Elias Murr said that the unexpected offer made his trip to Moscow "the most important visit I have made since my appointment as minister of defense," according to Lebanon's state-owned Central News Agency. The American aid is meant to build an armed force to help stabilize Lebanon and provide a legitimate alternative to the Shiite militant group Hezbollah. Lebanon has a longstanding military relationship with the United States, where its officer corps has been trained. American officials have sometimes intervened when other countries offered to supply weapons. The Cessna would allow Lebanon to strike a domestic terrorist target, Mr. Straub said. But it would be no threat to Israeli forces; it could easily be shot down. The MIG-29 has the potential to be a threat, given its speed, maneuverability and ability to carry advanced weapons.

### **Activist Ship to Sail from Southern Lebanon to Gaza**

A cargo ship carrying Lebanese activists and supplies will set sail for the besieged Gaza Strip early next year to defy an Israeli blockade, the organizer said. The European-flagged ship carrying supplies including power generators and food will sail from southern Lebanon on Jan. 3 to the eastern Mediterranean island of Cyprus before heading to Gaza. Authorities at Larnaca port are expected to inspect the cargo and passengers before it proceeds to Gaza. Hani Sleiman, a lawyer and university professor, said the indirect route is designed to deprive Israel of any excuse not to allow the ship into Gaza. *Passengers include activists from civil society groups and journalists.* Five ships carrying activists and goods have run the blockade since the summer, but it will be the first time a ship carrying people and goods from Lebanon, a country officially at war with Israel, will attempt the trip. A spokesman for Israel's Foreign Ministry, Yigal Palmor, said Israel will not comment prior to the event and "will react accordingly when it happens." Sleiman expressed hope the ship will succeed in making it to Gaza.

### **Germany to supply Lebanon army with 50 Leopard tanks**

A German military delegation will visit Beirut early 2009 to complete the discussions President Michel Suleiman had launched during his visit to Germany, according to al Markaziya news agency. The German delegation will discuss with their Lebanese counterparts the German military assistance to the Lebanese Army aimed at enhancing its military capabilities. *The source told al Markaziya that Germany had decided to provide Lebanon with 50 Leopard tanks* in addition to other equipment to enhance the army's monitoring capabilities of Lebanon's borders with Syria. *Russia has also announced last week that it will supply Lebanon with 10 Mig 29 fighter jets.* The US has also provided the Lebanese army with over \$440 million in equipment and supplies and has welcomed the Russian gesture.

### **Syrian diplomats reported to work at Syrian embassy in Beirut**

Three Syrian diplomats headed by Shawqi Shammat, First Secretary of the mission reported Monday to duty at the Syrian Embassy, which is being temporarily located at the



Syrian-Lebanese Commercial Bank in the plush Hamra district of Beirut , according to government source Syrian Foreign Minister Walid Muallem said earlier that the Syrian Embassy in Beirut would be inaugurated after Christmas. Syria has not informed Lebanon officially of the name of its ambassador to Beirut and Lebanon plans to inform Syria officially within couple of days the name of its chosen ambassador to Damascus

### **Graziano Hints Ghajar Issue Linked to Israeli Elections**

UNIFIL Commander Gen. Claudio Graziano said the situation south of the Litani river has been positive in 2008 despite several incidents and hinted that the issue of the town of Ghajar was linked to the elections in Israel. U.N. peacekeepers are playing an important role in cooperation with the Lebanese army to keep stability in the south, he told. Asked about meetings between the Lebanese and Israeli militaries sponsored by UNIFIL, Graziano said such talks deal with security problems and aim at establishing a minimum level of confidence between both sides. He said his troops seek to protect the people's interest in the south and make sure Israel would withdraw from occupied Lebanese territories, particularly the border town of Ghajar. Graziano told As Safir that U.N. special coordinator for Lebanon Michael Williams is negotiating with the Israelis to ensure their pullout from the northern sector of Ghajar which lies in Lebanese territory.

### **German Tanks to Lebanon to Control Border with Syria**

Germany has decided to provide Lebanon with 50 Leopard tanks in addition to other military equipment to upgrade its border control with Syria. The Central News Agency said a German military delegation is expected to arrive in Lebanon early in 2009 for discussions with Lebanese military officials regarding providing the Lebanese army with more military supplies.

### **Syrian Agents Arrest Lebanese Citizen**

Syrian security agents arrested Lebanese citizen Alwan Jaafar who had attacked a Lebanese Army checkpoint and killed a soldier. A communiqué said the arrest on Sunday was carried out as a result of cooperation between Syrian security services and the Lebanese Army's Intelligence Directorate. Jaafar and other assailants attacked a Lebanese Army checkpoint in the eastern Hermel district on July 30, killing a soldier and wounding several others.

### **Syria Opens its Beirut Embassy Immediately After Christmas**

Syrian Foreign Minister Walid al-Muallem said the opening of the temporary building of the Syrian embassy in Beirut would be immediately after the Christmas holidays.

### **Before and After Bush Hizbullah will remain Hizbullah**

U.S. Ambassador to Lebanon Michele Sission considered that the principles upon which the U.S. administration bases its policy towards Lebanon will not change.

The U.S. ambassador said that this is regardless of who is in power, Democrats or Republicans. She affirmed that United States objective is to maintain Lebanon's sovereignty. Sission pointed that the United States will not sacrifice Lebanon's interests even if U.S. -Syrian relations are back to normal. Sission was asked how the new U.S. administration would view Hizbullah:" Before and after President Bush, Hizbullah will be Hizbullah." Sission replied. Regarding fears by the Lebanese people that the international tribunal will be a scape- goat to American-Syrian negotiations, Sission affirmed that the tribunal is a fact, it's work will continue and will be established. She was asked what policy President-elect Obama would follow concerning Iran. "The United States objective is very clear, that is to adapt diplomacy in solving all disputes." Sission said.

### **Lebanese ship to defy Gaza blockade**

In a related development , a cargo ship carrying Lebanese activists and supplies will set sail for the besieged Gaza Strip early next year to defy an Israeli blockade, the organizer said. The European-flagged ship carrying supplies including power generators and food will sail from southern Lebanon on Jan. 3 to the eastern Mediterranean island of Cyprus before heading to Gaza. Authorities at Larnaca port are expected to inspect the cargo and passengers before it proceeds to Gaza.

### **Israel moving closer to invading Gaza**

Israel moved closer to invading Gaza, saying Thursday it had wrapped up preparations for a broad offensive after Palestinian militants fired about 100 rockets and mortar shells across the border in two days. Israel's foreign minister brushed off a call for restraint from Egypt's president, and Israeli Prime Minister Ehud Barak made a direct appeal to Gaza's people to pressure their leaders to stop the barrages. But the attacks showed no signs of ending. By nightfall, three rockets and 15 mortar shells had exploded in Israel. Olmert issued his appeal in a rare interview with the Arabic language satellite channel al-Arabiya, saying Israel would not hesitate to respond with force if the attacks continued.

### **Iran's president decries bullies in Christmas message**

Iran's president is offering season's greetings to Christians in a British TV address and suggests that if Jesus were alive, he would oppose "bullying, ill-tempered and expansionist powers" — an apparent reference to the U.S. and its allies. Mahmoud Ahmadinejad's Christmas Day broadcast will be delivered on Britain's Channel 4 television, occupying a slot that provides an often controversial counterpoint to Queen Elizabeth II's traditional annual message, the station said Wednesday. A leading British Jewish body said it was appalled. According to a transcript released in advance, Ahmadinejad says most of the world's problems stem from leaders who

have turned against religion. The Muslim president doesn't refer to rival nations or leaders by name or mention Israel, despite his past calls to wipe it out.

## **Social front:**

### **NYC man pleads guilty in helping Hezbollah's al Manar TV**

Javed Iqbal, the owner of a New York satellite TV company has pleaded guilty to providing material aid to al Manar TV by letting customers receive broadcasts from Hezbollah's television station. Iqbal entered the plea in federal court in Manhattan on Tuesday. He declined comment afterward. As part of the plea, Iqbal agreed to serve a prison term of up to six and a half years. Sentencing was set for March 24. Prosecutors say Iqbal used satellite dishes on his Staten Island home to distribute broadcasts of Al Manar, the television station of the Lebanon-based organization. The U.S. along with several European nations consider Hezbollah a terrorist organization and accuse it of being behind deadly attacks in Lebanon and abroad.

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

### **Gulf Cooperation Council (GCC)**

Madiha Kaukab

Weekly Report: from 19<sup>th</sup> December 2008 to 25<sup>th</sup> December 2008

Presentation Date: 31<sup>st</sup> December 2008

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Following news monitoring report is based on the important political, social, economic and International events occurred in Gulf Cooperation Council States, while Economic issues are being presented separately from other issues.

### **GULF ECONOMY**

- [GCC Stock Market](#)
- [REPORT; Saudi Arabia, UAE, and Kuwait](#)
- Core sector projects in full swing in the Gulf
- GCC suspends EU free-trade talks
- Gas states HQ in Qatar
- Kuwaiti cabinet reviews Dow deal
- Saudi budget fails to boost confidence

- UAE govt. hopes to ride out of financial storm
- Kuwait's crude oil exports to China up 11.5 pct
- Kuwaiti govt drags feet over Dow deal

#### GCC

- GCC summit to focus on King's proposals: Attiyah
- GCC health officials convene in Riyadh
- EU Parliament President to visit Gulf States
- European parliament urges Gulf home-grown democracy
- EU parliament head presses Arabs to allow churches
- 'GCC created new economic, political reality for members'
- GCC citizens have say in decision-making - Al-Kharafi
- Iran has "good ties" with GCC states: Mottaki

#### UAE

##### Social Desk

- National program to protect marine environment in UAE
- Accountability authority set up to improve govt efficiency in UAE
- UAE cabinet approves new organisational structure of the ministry of economy

##### IR Desk

- UAE-Qatari relations are a model worth emulating: Qatari envoy
- EU Parliament President to visit Gulf States
- Iran is an important neighbour of UAE: Abdullah
- Australia attracts more UAE students
- UAE calls for peaceful co-existence at Euro-Arab conference
- UAE, Indonesia to enhance media relations
- UAE, Malta sign anti-drug trafficking accord
- Mideast conflict needs a just solution: UAE Vice President

##### Human Trafficking

- UAE denies reports of human trafficking cases

##### Defense and Strategic Desk

- UAE buys U.S. missiles in \$ 3.3 billion deal: report

#### SAUDI ARABIA

##### Social Desk

- Saudi court rejects divorcing eight-year-old girl
- No abuse should go unpunished: Saudi HRC
- Flood warnings issued for Madinah city

##### IR Desk

- Arabs "extremely disappointed" by peace process -- Moussa
- Saudi Arabia urges care for Arab political issues at Vienna Conference
- Saudi Foreign minister hold talks with Uruguay and Eritrea

#### Political Desk

- Obaid next to appear before Saudi Shoura Council

#### Labor Desk

- Steps taken to protect rights of foreign workers: Saudi labor ministry
- Saudization rate fixed at 30% to 2010

#### Terrorism Desk

- Saudi Arabia denies counterterrorism operations in Hajj  
Qatar

#### IR Desk

- Kuwaiti FM underscores strong, distinguished relations with Qatar
- UAE-Qatari relations are a model worth emulating: Qatari envoy
- Qatari Emir receives letter from Gabon President dealing with cooperation ties
- Al Attiyah lauds Qatari Emir's chairmanship of GCC Supreme Council
- UK team hails Qatari initiative as best chance for Darfur peace

#### Social Desk

- Qatar call to protect women's rights  
OMAN

#### IR Desk

- Qaboos holds talks with European Parliament chief
- Gulf Women parliamentarians discuss key issues in Muscat
- US periodical in high praise of Oman's renaissance
- Top Kuwaiti lawmaker hails relations with Oman
- Indian prime minister praises Oman-India ties

#### Labor Desk

- 'Uzbekistan could be a source of labour supply to Oman'

#### Social Desk

- Oman to increase number of researchers in country

#### BAHRAIN

#### Social Desk

- BD20m Cultural Landmark opens in Bahrain
- Clashes as Bahrainis answer Hezbollah call
- Bahrain to tighten law on public processions
- Bahraini MPs back early retirement bill

#### Labor Desk

- Bahrain defends expatriates' right to shift jobs

#### Terrorism Desk

- More terror suspects held in Bahrain

#### IR Desk

- Bahraini FM holds with Turkish official on ties, regional affairs
- Bahraini FM to sign security pact with Iran in visit to Tehran: reports

### KUWAIT

- Kuwait Communications ministry to lower call rates
- Kuwait approves new medicine for treatment of psoriasis: MoH
- Kuwaiti MP discounts 'morals police'

#### IR Desk

- Kuwait keen on holding conferences to boost Arab-European cooperation
- Kuwait, US hold talks
- Egyptian official lauds development of Kuwaiti press
- 'Iraq to implement "all" binding resolutions concerning Kuwait'
- Kuwaiti Amir calls for more efforts to boost world cooperation

#### Political Desk

- Time to acknowledge presence of political parties: Kuwait political activist
- Kuwaiti MPs agree to seek assistance of court to continue 'sessions'
- Choosing strong ministers vital for future of Kuwait

#### Defense and Strategic Desk

- Kuwait-Iraq border issue unresolved

### DETAILED REPORT

### GULF ECONOMY

### GCC Stock Market

### **Gulf stocks plummet as economic woes bite**

Stock markets in the Gulf States fell sharply in the week to yesterday as the impact of the global economic crisis and the slide in oil prices took a further toll on the energy-rich region. The two United Arab Emirates markets and the Omani bourse led the slide while the markets of Saudi Arabia and Kuwait, the biggest and second largest bourses in the Arab world, respectively, also slumped.

**The Saudi Tadawul All-Shares Index** ended the week on Wednesday down 4.8 percent at 4,669.05 points after the OPEC kingpin projected a budget deficit next year for the first time since 2002. Although the 2009 budget is the biggest in the kingdom's history, still the projected expenditure is about seven percent down on actual spending this year. Actual spending normally ends up higher than the budget. The TASI is down a massive 57.7 percent on the year.

**In the UAE, the Dubai Financial Market** witnessed its worst weekly performance in over a month, diving 16.9 percent to close at 1,587.08 points, its lowest level in well over four years. The DFM Index has so far lost 73.2 percent this year, pulled down mainly by the leading real estate sector which has been undergoing a strong correction due to a credit crunch that has hit the booming emirate of Dubai.

Market leader, property developer giant Emaar has lost more than 85 percent since the start of the year. Its sister market, the Abu Dhabi Securities Exchange sank 14.7 percent to close the week at 2,281.59 points, a four-year low, under pressure from most sectors, mainly the real estate, energy and banking. It is down 50 percent on the year.

**The Kuwait Stock Exchange** ended the week down 4.5 percent at 8,240.70 points, close to its lowest level since May 2005. Political squabbles and a dispute between MPs and the government over a \$ 7.5bn deal with the US firm Dow Chemical, have strongly impacted investor sentiment. The KSE Index is down 34 percent on the year and is a massive 47 percent lower than its all-time record reached at the end of June this year.

**The Muscat Securities Market** was the biggest loser this week, diving 17.8 percent to drop below the 5,000-point mark for the first time since November 2006. The Doha Securities Market ended the week almost flat at 6,635.60 points, supported by announcements from some leading companies that they would distribute better-than-expected dividends. The small **Bahrain Stock Exchange** ended the week down about four percent and is down 33.5 percent on the year.

## **REPORT; Saudi Arabia, UAE, and Kuwait**

### **Core sector projects in full swing in the Gulf**

Major air and rail projects are among huge public sector schemes going full steam ahead in Gulf countries, underpinning local economies as the credit crunch takes a big toll on private businesses.

Power and water infrastructure plans are also in the pipeline as governments invest the vast revenues from high oil prices in recent years, offsetting a rapid scaling-down of private investment, particularly in property development. "After 20 years of under-investment, there is an absolute need to invest in key areas, like water and power projects ... These projects are likely to continue," said economist Monica Malik, from EFG-Hermes investment bank.

Gulf countries are spending billions of dollars on expanding their airports or developing new ones after their investment in infrastructure shrank during years of cash-shortage amid low oil prices in the 1980s and 1990s. The six members of the Gulf Cooperation Council (GCC) have expanded spending in recent years in tandem with the recovery in oil prices, which hit a record of \$ 147 a barrel in July this year before tumbling to around \$ 40.

**Saudi** economist Salim Al Gudhea agreed that the kingdom, which has built huge reserves on the back of record oil prices, will not backtrack on its commitments to develop the mega-projects already announced. "The government has announced a commitment of ... \$ 400bn for the next five years ... The government here is very careful when mentioning numbers," he said. "It seems to me there is a very strong political will not to slow down the economy," he added.

The Saudi economy was estimated by the IMF to have expanded by 3.5 percent in 2007 and was projected to grow by 5.9 percent this year. Although the Saudi British Bank slashed its estimate of Saudi oil export revenues for 2008 to from \$ 350bn to \$ 287bn, this is still 40 percent above the 2007 record of \$ 205.5bn.

Meanwhile, private investment in Gulf property development is in a critical state, mainly in the booming **UAE** city-state of Dubai which has pioneered a real estate boom over the past few



years. "Areas that are most likely to see projects canceled or put on hold are property developments in Dubai," Malik said, echoing reports of a serious deterioration in a sector that until recently was the locomotive of Dubai's rapid economic growth.

The Dubai Metro's first service, the Red line, will be the world's longest fully-automated rail link when it opens in September. The Green Line is scheduled to open a year after. Last week, Dubai awarded a \$ 1.3bn contract to build a new concourse at its international airport — the busiest hub in the Middle East.

Despite speculation over Dubai's ability to tap the international debt market, US bank Citigroup was reported to have extended loan facilities of \$ 8bn to public sector projects in the emirate over recent months. The city's rapid development and huge influx of expatriates over the past years have strained its infrastructure, making investment in key areas a must.

Its population is believed to have grown close to two million, although official outdated figures still put it at 1.2 million. Things are different in neighbouring Abu Dhabi, where the property boom is likely to continue due to supply shortages, Malik said, contrasting with an apparent overbuilding in Dubai.

However, **Kuwait** said it has decided to reconsider an ambitious \$ 0130bn five-year plan aimed at turning the emirate into a business hub, which was scheduled to start next year. Falling oil revenues for OPEC's fourth largest producer were cited as the reason.

### **GCC suspends EU free-trade talks**

The six-nation Gulf Cooperation Council has suspended talks with the European Union over a free-trade agreement, the GCC's secretary general said on Tuesday.

"We have informed the European side of the suspension of negotiations on a free-trade accord," said Abderrahman al-Attiyah, interviewed by telephone in Muscat, where he is preparing for the annual GCC summit. "We are suspending the negotiations until the European side agrees to sign the (most recent) draft accord, adding that the petroleum-rich monarchies had "made many concessions and responded favourably to the EU's many demands." The decision came as no surprise, with member nation Qatar warning on December 15 that a suspension was in the

offing if an impasse in the 20-year-old negotiations continued. "Some day in the near future the GCC states will decide to suspend the talks which have so far had no result," Prime Minister Sheikh Hamad bin Jassem al-Thani said in Singapore.

### **Gas states HQ in Qatar**

Gas exporting states yesterday finalised the creation of a new Qatar-based forum aimed at coordinating gas policy that consumer countries fear could become the gas equivalent of oil cartel OPEC. Russian Prime Minister Vladimir Putin warned at the meeting of ministers from the Gas Exporting Countries Forum (GECF) in Moscow that the "era of cheap gas" was over and that consumers would face higher prices in the future.

"A new organisation has been born today... The charter has been agreed. The headquarters will be in Qatar," Russian Energy Minister Sergei Shmatko said after the meeting. The forum groups Russia, the world's biggest gas producer, with other gas-rich states such as Iran and Qatar and a dozen other gas-exporting countries.

### **Kuwaiti cabinet reviews Dow deal**

The Cabinet discussed in an extraordinary meeting yesterday the controversial multibillion-dollar deal with US giant Dow Chemical and delayed a final decision on the fate of the deal until today, informed sources said. The council reviewed objections to the deal raised by a large number of MPs and discussion focused on whether to scrap the deal or go ahead with it.

### **Saudi budget fails to boost confidence**

Saudi Arabia may have seen the need for fiscal prudence in its budget for next year after an oil price slump, but for many ordinary citizens it is just another sign they were left out of the economic boom in the first place.

Saudi Arabia, which projected its first deficit in seven years, has ordered departments to stick to allocated funds and halted its aggressive public debt reduction push. The world's biggest oil exporter said its spending focus will be on infrastructure, education and healthcare next year but the \$ 157 billion surplus generated by this year's budget would be put into reserves.

"The only way to ensure fairer wealth distribution is through taxes. This government does not want to tax the rich," an analyst said The private sector is often forced to look abroad for skilled

labour and many Saudis prefer public sector jobs which are seen as higher status and guarantee fewer working hours. "The problem that we have is that people want more cash now. They want to buy more things now," said Al Watan columnist Saud El Kably. The government, which projects a 65bn riyal deficit next year, wants to cut public expenditure by about 7pc to 475bn riyals. The 5pc increase, for most Saudi employees, is small. The majority of Saudi citizens have a very low income," El Kably said.

### **UAE govt. hopes to ride out of financial storm**

The president of the United Arab Emirates said in comments published yesterday that the budget for 2009 will be the largest in almost four decades despite the global economic crisis.

We can record that the federal government budget for 2009 will be the highest since the federation's establishment in 1971," Sheikh Khalifa bin Zayed Al-Nahayan told the London-based Al-Hayat newspaper. He said the oil-rich country, which has been hit by plunging crude prices, would not scale back government spending on infrastructure and public projects. The UAE government announced in October it has adopted a budget of 42.2 billion dirhams (about \$ 11.5 billion) for next year. The slump in oil prices and the global recession will not sidetrack us from providing the budget without any cuts," Sheikh Khalifa said.

### **Kuwait's crude oil exports to China up 11.5 pct**

Kuwait's crude oil exports to China rose 11.5 percent in November from a year earlier to 387,470 tons, equivalent to around 95,000 barrels per day (bpd), the latest government data showed.

Kuwait provided 2.6 percent of China's total crude oil imports, according to the figures released from the Chinese General Administration of Customs. For the first 11 months of 2008, it exported 5.23 million tons, or 114,000 bpd, up 43.9 percent from the same period last year.

### **Kuwaiti govt drags feet over Dow deal**

It was a day full of activity focused on the mega deal with US firm Dow Chemical that threatens to become the next flashpoint between the new government and the National Assembly. The Cabinet met for the second day yesterday to discuss the deal but decided to hold its decision until today amid reports of extensive discussions on the matter that involved senior leaders from the oil sector.

The delay was decided to allow more time for more detailed opinions on the legal and technical aspects of the deal that will cost Kuwait \$ 7.5 billion to establish a 50-50 joint venture with the giant US firm. The Cabinet meeting was preceded with a meeting by the Supreme Petroleum Council (SPC), which sources said reconfirmed its approval of the deal. The SPC, headed by the prime minister, had last month given the green light to the deal.

## **GCC**

### **GCC summit to focus on King's proposals: Attiyah**

King Abdullah's proposals to remove all obstacles in forging integration of Gulf Cooperation Council (GCC) will be the focus of the grouping's summit meeting in Muscat at the end of the month.

Abdul Rahman Al-Attiyah, GCC Secretary General, said here on Friday that a committee to study the proposals has already completed its task. The economic issue, he said, would dominate the meeting which would endorse the monetary union besides setting up a monetary council paving the way for the foundation of a central bank for member states.

### **GCC health officials convene in Riyadh**

The Executive Bureau of the Council of Gulf Health Ministers is set to convene in the Saudi capital of Riyadh today to discuss a host of issues. The primary topic of discussion will concern preparations for the 66th Gulf Health Ministers Conference in Yemen next February.

### **EU Parliament President to visit Gulf States**

The President of the European Parliament, Hans-Gert Poettering, will pay an official visit to the Gulf region from 20 to 23 December.

He will be visiting Oman, the United Arab Emirates, Bahrain and Saudi Arabia, according to a statement released here tonight by his office. This visit takes place in the framework of intercultural dialogue and to improve mutual understanding between the European Union and the Arab world, it noted.

Key topics of the visit are: the relationship between the Gulf States and the European Union, political, trade and energy cooperation, the peace process in the Middle East, regional stability, the role of the Gulf States in international organizations such as the Arab League and their interaction with the Union for the Mediterranean, as well as issues of religion and tolerance in the context of intercultural dialogue.

### **European parliament urges Gulf home-grown democracy**

Gulf Arab states should pursue democratic reform without feeling that they must follow models not in line with their tradition, the president of the European parliament said on Saturday.

"Democracy in the region must be homegrown according to their traditions and values," Hans-Gert Poettering told Reuters during a visit to the Omani capital Muscat.

### **EU parliament head presses Arabs to allow churches**

EU Parliament President Hans-Gert Poettering called on Arab governments on Tuesday to allow Christian churches to be built in their countries in the same way that mosques can be built in Europe.

In Saudi Arabia, at the end of a tour of Gulf countries to boost cooperation between the two regions, Poettering said Arab governments need to be more tolerant of other religions.

### **'GCC created new economic, political reality for members'**

Bahraini Prime Minister Sheikh Khalifa bin Salman Al-Khalifa said the GCC was successful in creating an new economic and political reality for the Gulf, thereby clinching a place for the bloc at the regional and international levels.

In an interview published by "Akhbar Al-Khaleej" on Sunday, he said that the economic Gulf nationalism policy that was implemented over the previous years contributed to increasing equality among citizens of the GCC in the economic, social, health and educational spheres, among others.

### **GCC citizens have say in decision-making - Al-Kharafi**

Speaker of Kuwaiti National Assembly (parliament) Jassem Al-Kharafi said on Sunday the citizens of the Gulf Cooperation Council (GCC) member states had a say in decision-making through the close ties between them and their leaders.

"The leaders of six GCC members, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE), realize the importance of involving their nations in the process of making the political, economic and social decisions," Al-Kharafi said.

#### **Iran has "good ties" with GCC states: Mottaki**

Iranian Foreign Minister Manouchehr Mottaki expressed Thursday his country's "good ties" with member states of the Gulf Cooperation Council.

Speaking at a meeting here with his Bahraini counterpart Sheikh Khalid bin Ahmad Al-Khalifa, he said, "Good ties between Tehran and the GCC states have been strengthened over the past four years, and the participation of Iranian President Mahmoud Ahmadinejad in the Doha summit lifted relations to a new level."

### **UAE**

#### **Social Desk**

##### **National program to protect marine environment in UAE**

Following the red tide phenomenon which washed ashore huge amounts of dead fish in the eastern areas, the UAE will launch a national programme aimed at tackling the problem.

##### **Accountability authority set up to improve govt efficiency in UAE**

The Abu Dhabi Government has set up an independent accountability authority which will ensure that government departments, companies and projects in which it has a stake of more than 50 per cent, are managed efficiently, the UAE Ministry of Interior announced on Saturday.

##### **UAE cabinet approves new organisational structure of the ministry of economy**

The UAE Cabinet has approved the new organisational structure of the Ministry of Economy (MoE), to facilitate the speedy and effective implementation of the Ministry's Strategic Plan for 2008-10.

Described by the Minister for Economy Sultan bin Saeed Al Mansouri as ‘turning point in the history of the Ministry’ the new structure comes in line with the Ministry’s guidelines to update and strengthen its operational strategies to comply with the requirements of the next phase of the strategic plan.

## **IR Desk**

### **UAE-Qatari relations are a model worth emulating: Qatari envoy**

The UAE and Qatar have enjoyed historical and vibrant relations that are worth emulating in as far as inter-Arab relations are concerned, said Abdullah Mohammed Al Othman, Qatari Ambassador to the UAE.

In a statement to WAM on his country's National Day, the Qatari envoy lauded UAE-Qatari ties, adding that these relations have gained greater vibrancy during the leadership of President HH Sheikh Khalifa bin Zayed Al Nahyan in the UAE and HH Sheikh Hamad bin Khalifa Al Thani in Qatar. The close sisterly relations, he said, have reached mutually satisfactory levels in the fields of economics, politics, culture and media.

### **EU Parliament President to visit Gulf States**

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Key topics of the visit are: the relationship between the Gulf States and the European Union, political, trade and energy cooperation, the peace process in the Middle East, regional stability, and the role of the Gulf States in international organizations.

### **Iran is an important neighbour of UAE: Abdullah**

Sheikh Abdullah Bin Zayed Al Nahyan, Foreign Minister, said on Friday that Iran is an important neighbour of the United Arab Emirates and the two countries enjoy many important common interests and ties.

"On this basis, we hope that the establishment of the UAE-Iranian Ministerial Joint Committee will give a positive push to the existing relations between the two countries", he said in a statement to Gulf News. Sheikh Abdullah added: "We followed with interest Iranian concerns over the issue of search procedures of Iranian visitors at UAE airports."

### **Australia attracts more UAE students**

The relationship between the UAE and Australia continues to get stronger as more UAE youngsters seek to pursue higher studies abroad, said Dr Saeed Al Shamsi, UAE Ambassador to Australia. The official was speaking on Thursday at a conference on the relationship between Australia and the Arab World.

### **UAE calls for peaceful co-existence at Euro-Arab conference**

Minister of culture and Community Development, Abdul Rahman Mohammed Al Owais, has said that the message presented by the UAE through its participation in the Euro-Arab Dialogue Conference was a civil and exemplary one which stemmed from the country's values, principles, heritage and history, adding that the message reflects the peaceful coexistence among more than 200 nationalities of various religion, creed, race and culture, but living and working peacefully together in the UAE.

### **UAE, Indonesia to enhance media relations**

The United Arab Emirates is showing great interest in promoting the role of the media in the country and Indonesia in order to bringing the peoples of the two countries together and boosting economic and tourism projects.

The UAE's Ambassador to Indonesia, Yusuf Rashid Al Sharhan, met in Jakarta on Friday with the director of Indonesian news agency Antara, Dr Ahmed Mokhles, and discussed with him cooperation in the field of information, particularly between the Emirates NewsAgency (Wam) and Antara.

### **UAE, Malta sign anti-drug trafficking accord**



The United Arab Emirates and the Republic of Malta have signed an agreement for cooperation in fighting drug trafficking and organised crime.

### **Mideast conflict needs a just solution: UAE Vice President**

Peace in the region cannot be won by war but through dialogue, understanding, mutual respect and reciprocal recognition, His Highness Shaikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, said on Sunday.

In a meeting with Hans Gert Pottering, Speaker of the Parliament of the European Union (EU), Shaikh Mohammed said that world powers including Europe needed to adopt new policies and put in more efforts to find just and balanced solutions for issues such as the Arab-Israeli conflict, official news agency Wam reported. "Peace in the Middle East, the Gulf, and other hot zones will not be achieved by armed conflict and violence. Great powers including those in Europe should adopt new policies that are based on dialogue, reciprocal recognition, understanding, respect as well as direct talks among all the parties," he said.

### **Human Trafficking**

#### **UAE denies reports of human trafficking cases**

The UAE has denied international reports that there were about 10,000 human trafficking cases this year in the country.

According to a Federal National Council official, the number was 11. FNC Affairs Ministry Secretary-General Dr Saeed Al Ghafli said distinction should be made between prostitution and human trafficking and that the UAE was not targeted for human trafficking.

### **Defense and Strategic Desk**

#### **UAE buys U.S. missiles in \$ 3.3 billion deal: report**

Iran's Gulf neighbor, the United Arab Emirates, has signed a deal worth \$ 3.3 billion to buy missiles from U.S. firm Raytheon, a newspaper reported on Saturday.

The agreement ... includes technology, training and supply of the medium-range missile system, which is part of a multi-tiered defensive shield the UAE Armed Forces is building to protect the nation from perceived threats in the region," it said. Gulf Arab nations have voiced concern over Iran's nuclear program and urged a peaceful solution to a standoff between Tehran and Washington over the Iranian atomic plans.

## **SAUDI ARABIA**

### **Social Desk**

#### **Saudi court rejects divorcing eight-year-old girl**

A Saudi court has rejected a plea to divorce an eight-year-old girl married off by her father to a man who is 58, saying the case should wait until the girl reaches puberty, a lawyer involved told AFP.

#### **No abuse should go unpunished: Saudi HRC**

The women's branch of the governmental Human Rights Commission (HRC) will launch a yearlong media campaign to raise awareness in society about women's rights, it was announced here yesterday.

"Punishment is essential in cases of violence and abuse against women," said Dr. Wafeeqa Al-Dakheel, supervisor to the HRC women's branch, which started functioning last May.

#### **Flood warnings issued for Madinah city**

A flood warning for the areas around Madinah city has been issued by the Civil Defence authorities, which received information late on Monday about strong floodwaters forming in Wadi Al Jazl, south of Al Ula town, some 400 Kilometres north of Madinah, following heavy rains in the northern region.

### **IR Desk**

#### **Arabs "extremely disappointed" by peace process -- Moussa**

Secretary-General of the Arab League, Amr Moussa, affirmed here Thursday evening that the Arab world was "extremely disappointed" with the Israeli-Palestinian peace process since the Annapolis conference a year ago, and he called for "a real solution" to resolve this conflict in 2009.

Speaking at the first "Franco-Euro-Arab" forum at the Arab World Institute (IMA), Moussa expressed frustration at the slow speed in the process, as well as the ongoing Israeli policy of building settlements and the lack of understanding of this core issue.

### **Saudi Arabia urges care for Arab political issues at Vienna Conference**

The Kingdom of Saudi Arabia has reiterated that it looked forward to receiving due care, attention and follow up of the political issues that are of concern to the (Middle East) region, especially the Palestinian Cause, which can not be resolved without a just and comprehensive solution that could ensure peace, security and stability desired by all. These stances of Saudi Arabia were elaborated in a speech delivered last night in Vienna.

The Kingdom also stressed the importance of clear and precise rules for the dialogue between cultures and societies in the countries involved, through cooperation between cultural, educational and different information institutions, which are devoted to values and ethical principles that form common denominators among the peoples and societies in order to promote stability and prosperity for them.

### **Saudi Foreign minister hold talks with Uruguay and Eritrea**

Saudi Foreign minister Prince Saud al Faisal met separately here on Sunday with his Uruguayan counterpart and Yamani jubran, the adviser of the Eritrean president. Talks during the two meetings dealt with a set of issues of mutual concern.

### **Political Desk**

### **Obaid next to appear before Saudi Shoura Council**

Abdullah Bin Saleh Al-Obaid, Minister of Education, is next in line to appear before the Shoura Council to explain the working of his ministry, Dr. Muhammed Al-Zulfa, a Shoura member said here on Monday.

The minister will reply to questions from Shoura members as well as citizens before the end of the current session, Al-Zulfa said. The appearance of ministers and officials before the Shoura, he said, is a healthy development since the issues that are raised in the Shoura are of interest to all citizens.

### **Labor Desk**

#### **Steps taken to protect rights of foreign workers: Saudi labor ministry**

Saudi Arabia has taken a series of measures to protect the rights of foreign guest workers in the country, the Ministry of Labor said in a statement yesterday on the occasion of World Human Rights Day, which is celebrated on Dec. 10 every year.

“We have set up a department for taking care of expatriate workers. This department strives to protect the rights of workers and prevent abusing them,” the ministry said. Spelling out other efforts by the ministry in the service of guest workers, the statement said preliminary and high-level committees have been established at labor offices to settle labor disputes quickly. Labor Minister Ghazi Al-Gosaibi has issued a decision for the punishment of employers who delay payment of salaries for two months, the statement said, adding that such employers would be barred from recruitment for a year.

#### **Saudization rate fixed at 30% to 2010**

The Ministry of Labor has issued a decision fixing the rate of Saudization in private companies and establishments at 30 percent until June 14, 2010.

It also fixed 15 percent for hospitals and polyclinics that have 50 workers or more and 10 percent for those having less than 50 workers. The decision exempted contracting, maintenance, cleaning, operation, tanning and leather work companies. This in addition to ready-mixed concrete, fishery, poultry, bakery, women's and men's textile workshops, carpentry, aluminum, car mechanics and blacksmith workshops, laundries, farms, agricultural and livestock projects, land transportation, heavy truck drivers, trailer truck drivers, fuel stations, pharmacies, optical centers, gold and jewelry factories, limousine drivers, document processing industries, pharmacists working in scientific offices and pharmaceutical companies and engineering offices.

Besides these, there are the contracting, maintenance, operation and cleaning companies that have contracts with government in which the rate of Saudization ranges between 5% and 20% according to the kind of each activity.

### **Terrorism Desk**

#### **Saudi Arabia denies counterterrorism operations in Haj**

The Ministry of Interior has denied reports published in a Washington-based online newspaper that Saudi officials had launched a massive crackdown on Al-Qaeda terrorists who were allegedly planning to attack pilgrims participating in this year's Haj.

The Middle East Times — a sister publication of the Washington Times which is owned by News World Communications — carried the report on Dec. 16 quoting unnamed US intelligence officials. The report said the Saudi government's operation followed alerts that Al-Qaeda planned to launch a bloody assault on pilgrims. Gen. Mansour Al-Turki, spokesman for the Ministry of Interior, described the report as "incorrect." "We didn't launch any huge counterterrorism operation," he said, adding that there was no intelligence of an attack targeting the pilgrims.

### **Qatar**

#### **IR Desk**

#### **Kuwaiti FM underscores strong, distinguished relations with Qatar**

Deputy Prime Minister and Foreign Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah underscored Thursday evening the strength of Kuwaiti-Qatari relations, describing them as "distinguished and special."

#### **UAE-Qatari relations are a model worth emulating: Qatari envoy**

The UAE and Qatar have enjoyed historical and vibrant relations that are worth emulating in as far as inter-Arab relations are concerned, said Abdullah Mohammed Al Othman, Qatari Ambassador to the UAE.

### **Qatari Emir receives letter from Gabon President dealing with cooperation ties**

H.H. the Emir Sheikh Hamad bin Khalifa Al Thani has received a letter from President of Gabon Omar Bongo pertaining to cooperation ties between the two countries and issues of mutual concern

### **Al Attiyah lauds Qatari Emir's chairmanship of GCC Supreme Council**

The GCC Secretary General Abdulrahman Bin Hamad Al Attiyah, has underlined that the chairmanship of H.H the Emir Sheikh Hamad bin Khalifa al Thani of the 28th session of the GCC supreme council has been characterized with achieving bright and splendid accomplishments either at the Gulf joint action or consolidating the Arab issues of destiny,referring in this respect to the GCC member states' role supporting the causes of Palestine , Lebanon and Sudan.

### **UK team hails Qatari initiative as best chance for Darfur peace**

A Qatari government initiative represents the best chance of bringing peace to Sudan's Darfur region, according to a delegation of British Muslim community and civil society leaders. The group visited Qatar as the last stop of a tour which took them to Egypt, Saudi Arabia as well as Darfur itself.

### **Social Desk**

#### **Qatar call to protect women's rights**

A top official from the Ministry of Interior (MoI) reiterated the call to protect women's rights and eradicate all abuses against them, at an event organised by the Supreme Council for Family Affairs (SCFA) to observe the World Day for Eradicating Violence Against Women.

### **OMAN**

### **IR Desk**

#### **Qaboos holds talks with European Parliament chief**

His Majesty Sultan Qaboos bin Said gave an audience at Bait Al Barakah here yesterday to Hans-Gert Pottering, president of the European Parliament.

They reviewed aspects of cooperation between the Sultanate and European Parliament. The audience was attended by Sheikh Ahmed bin Mohammed Al Isa'ee, chairman of the Majlis Al Shura; Malika Berak, French ambassador to the Sultanate, and the delegation accompanying Pottering.

#### **Gulf Women parliamentarians discuss key issues in Muscat**

The 3rd Gulf Women Parliamentarians and Leaders meeting continued at Muscat InterContinental hotel here yesterday. A number of working papers were presented on women's contemporary issues and their participation in the parliamentary and political life.

### **US periodical in high praise of Oman's renaissance**

The Washington-based Middle East Policy periodical in a recent issue commended the modern renaissance achieved by the Sultanate during the prosperous reign of His Majesty Sultan Qaboos.

In a reportage filed by Dr Joseph Kechichian, Middle East Policy said that His Majesty is considered the only Arab leader to found a documented record of plans that are well-pronounced in a regular set of speeches which represent the relationship of the leader with his people. The Royal speeches also form a permanent record of His Majesty the Sultan's stand on various national and international issues, the article said.

### **Top Kuwaiti lawmaker hails relations with Oman**

Kuwait's National Assembly Speaker Jassem Al-Kharafi here Tuesday lauded Kuwaiti-Omani relations as "historic." Speaking to Kuwait News Agency (KUNA) on the sidelines of the second meeting of the GCC parliament speakers, which kick-started here earlier in the day, Al-Kharafi said bonds tying Kuwait and Oman in all levels are firm and unshakeable.

### **Indian prime minister praises Oman-India ties**

Indian Prime Minister Manmohan Singh has praised Omani-Indian relations in an exclusive viewpoint, to be published in The Report Oman 2009, the latest of the annual business publications from Oxford Business Group (OBG). "The government and people of India attach great importance to their country's ties with Oman," he said.

"We hope for a broad-based relationship, involving our parliamentarians, business communities and civil society to realise the full potential of our relations." The destinies of the Gulf countries and India are closely interlinked, he asserted, pointing to a tradition of trade and cultural interactions across the Indian Ocean over thousands of years.

### **Labor Desk**

**'Uzbekistan could be a source of labour supply to Oman'**

Uzbekistan could in future be a new source of labour for Oman. The possibility of the East European country supplying manpower to the Sultanate was discussed at length during official discussions here on Sunday between Manpower Minister Shaikh Abdullah bin Nasser Al Bakri and visiting Uzbek Minister of Foreign Relations, Investments and Trade Elyor Majidovich.

The talks also covered cooperation in vocational training and technical education. Also on Sunday, Majidovich conferred with National Economy Minister Ahmed bin Abdulnabi Macki during which the two countries underlined the importance of creating the necessary legal framework to expand trade ties.

### **Social Desk**

#### **Oman to increase number of researchers in country**

The Research Council, a high-status agency set up by a royal decree in 2005 to foster innovation in Oman, is aiming at increasing the number of researchers in the country to nearly 4,000 in the next 11 years, according to its top official.

The vision of the Research Council is to increase the number of researchers to around 3,800 by 2020 and to raise the investment in research and development to about two per cent of the GDP.

## **BAHRAIN**

### **Social Desk**

#### **BD20m Cultural Landmark opens in Bahrain**

His Majesty King Hamad bin Isa Al Khalifa inaugurated BD20 million Isa Cultural Center and National Library here on Thursday. The 7000-square-metre centre in the heart of Manama took over 10 years to be completed and highlights the progress of the Kingdom in various aspects.

#### **Clashes as Bahrainis answer Hezbollah call**

Bahraini security troops fired teargas and rubber bullets to disperse thousands of protesters demanding Arab governments take action to end the closure of the Gaza Strip. Witnesses said a



number of people, including women and children, were wounded by rubber bullets and others overcome by gas.

The protesters marched on the streets of Manama in solidarity with a call by Lebanese Hezbollah leader Hassan Nasrallah for open protest until the siege is lifted. Protesters raised Hezbollah flags and pictures of Nasrallah alongside the Palestinian and Bahraini flags, chanting "Death to America, Death to Israel". A few shoes also were held aloft, symbols of support for an Iraqi who threw his shoes recently at US President George W Bush.

### **Bahrain to tighten law on public processions**

The Bahrain government plans to propose amendments to the law regulating rallies, gatherings and public processions with a view to imposing tougher punishments on those who resort to violence during such activities.

### **Bahraini MPs back early retirement bill**

A bill allowing female civil servants early retirement at 50 was approved for the second time by MPs yesterday, despite it being blocked by the Shura Council in May.

MPs said that the councillors' decision was wrong, maintaining that the government-drafted bill, originally proposed by parliament and approved by MPs in April, was what women were entitled to have.

### **Labor Desk**

#### **Bahrain defends expatriates' right to shift jobs**

The government has rejected a proposal to impose more restrictions on the right of expatriate workers to shift jobs.

The parliament recently approved a proposal that seeks to restrict the free movement of foreign workforce without the permission of their employers. But the government rejected the proposal of the parliament on the ground that it violates Bahrain's commitment to international

agreements. The right of foreign workers to shift jobs without the permission of their sponsors was effective from June 20. The law gives expatriates the right to seek better employment services by joining new companies without the need for no-objection-letter from the sponsors.

### **Terrorism Desk**

#### **More terror suspects held in Bahrain**

Three more people suspected of plotting to carry out terror bombings during National Day and Accession Day celebrations have been placed in custody for 15 days.

"They have admitted, in the presence of their lawyers, to planning to manufacture explosives and Molotov cocktails," a General Prosecution spokesman said.

### **IR Desk**

#### **Bahraini FM holds with Turkish official on ties, regional affairs**

Visiting Bahraini Foreign Minister Khaled Bin Ahmad Bin Khalifa has held talks with senior Turkish officials that focused on bilateral ties between the Gulf state and Ankara.

#### **Bahraini FM to sign security pact with Iran in visit to Tehran: reports**

Bahraini Foreign Minister Shaikh Khalid Bin Ahmed Bin Mohamed Al Khalifa is going to visit Iran soon to sign a security pact between the two countries. The foreign minister will deliver Bahraini King Hamad Bin Isa Al Khalifa's message to Iranian President Mahmoud Ahmadinejad, Bahraini newspapers reported on Wednesday.

## **KUWAIT**

#### **Kuwait Communications ministry to lower call rates**

The Ministry of Communications (MoC) plans to introduce lower call rates for subscribers phoning a number of Arab and European countries.

#### **Kuwait approves new medicine for treatment of psoriasis: MoH**

Kuwait's Ministry of Health has approved and listed on Friday for the first time an Egyptian medicine for patients suffering from psoriasis. The medicine consists of natural material put together by extracting propolis, honey and Aloe. Dr Agarrid Al-Jamal, who works as a consultant

in Skin Diseases Faculty of Medicine of the University of Ain Shams is also the one who discovered the drug. In an interview with KUNA Al-Jamal said that the drug has been certified after an eight-year scientific study noting that its effectiveness and success rate measured at 86 percent.

### **Kuwaiti MP discounts 'morals police**

Liberal MP Saleh Al-Mulla has discounted the possibility of an authority similar to Saudi Arabia's Propagation of Virtue and Prevention of Vice being established in Kuwait, asserting a legislative majority will firmly stand in the way in case such a proposal is presented.

### **IR Desk**

### **Kuwait keen on holding conferences to boost Arab-European cooperation**

Kuwaiti Ambassador to Austria Fawzi Al-Jassim stressed importance on holding conferences, especially those that promote dialogue here on Friday between various officials in both the Arab and European countries, including contribution in strengthening historic relations between the two sides.

### **Kuwait, US hold talks**

Kuwaiti Army Chief of Staff, Lieut General Fahad Al-Ameer received on Sunday Major General Gary L. North from US Air Force Military and his accompanying delegation on the occasion of his visit to the country.

During the meeting, issues of joint interest were discussed, in addition to developments in the region.

### **Egyptian official lauds development of Kuwaiti press**

Director of the Egyptian National Council of Human Rights, Boutros Boutros-Ghali, lauded Tuesday the large margin of freedom that Kuwaiti press enjoyed and the numerous developments it witnessed over the years.

### **'Iraq to implement "all" binding resolutions concerning Kuwait'**

Iraqi Foreign Minister Hoshiyar Zebari Monday told UN Security Council that Iraq is fully committed to implement all binding council resolutions concerning Kuwait during and following the 1990 invasion.

"Iraq is fully committed to implementing all binding resolutions concerning Kuwait with respect to Kuwaiti borders, sovereignty and settlements for the aggression from the former regime," Zebari told the council following a unanimous vote to keep Iraq under Chapter 7 of the UN Charter until the time it is satisfied that all relevant resolutions have been completely implemented.

#### **Kuwaiti Amir calls for more efforts to boost world cooperation**

His Highness the Amir on Monday inaugurated the Sixth Conference of Kuwaiti Heads of Diplomatic Missions, with this year's event entitled 'A Secure and Prosperous Nation.' The conference was held at the headquarters of the Kuwait Diplomatic Institute.

#### **Political Desk**

#### **Time to acknowledge presence of political parties: Kuwait political activist**

Some MPs are like teenagers who were given guns despite having no knowledge on how to use the weapon, reports Al-Shahid daily quoting political activist Dr Sajid Al-Abdali.

Warning that the ongoing political crisis might get worse if the MPs fail to address the problem, Al-Abdali pointed out "tribes have been transformed into political blocs, making it hard for the authorities to get rid of these groups." He compared the government to a person, who took care of a young wolf inside his house only to be attacked by the animal after growing up.

Stressing the need to recognize political parties in the country, Al-Abdali opined "we can no longer deny the fact that political parties are operating in Kuwait. It is now time to acknowledge their presence and issue legislations to regulate their work procedures as well as determine their financial resources, programs and foreign agreements to at least lessen, if not eradicate terrorism."

#### **Kuwaiti MPs agree to seek assistance of court to continue 'sessions'**

Several MPs have agreed to seek the assistance of the Constitutional Court to continue the parliamentary sessions despite the government's absence, Islamist MP Dr Faisal Al-Muslim told the Arab Times Monday.

Al-Muslim urged HH the Prime Minister Sheikh Nasser Mohammad Al-Ahmad Al-Sabah to form the new Cabinet before the parliamentary regular session on Dec 30 in order not to create a legislative and political vacuum in the country for a long time.

### **Choosing strong ministers vital for future of Kuwait**

The issue of choosing good ministers has become disputable in light of the current political problems that exist. This has been especially true after the recent resignation of the Cabinet. In order to tackle this issue, three MPs participated in a symposium titled 'The Criteria for Choosing a Minister,' held recently at the Kuwait Bar Association.

The MPs requested ministers meet certain criteria before they take up their positions as ministers. "The Members of Parliament demand that we have strong ministers. We need ministers to be political decision makers for the country. The current ministers are employees who are unable to do their duty," said Parliamentarian Musallam Al-Barrak.

### **Defense and Strategic Desk**

#### **Kuwait-Iraq border issue unresolved**

Kuwaiti officials have repeatedly expressed their desire to demarcate the northern border with Iraq, but officials from Baghdad have hindered the process in the past and now claim they do not have the proper authority to resolve the border issue.

A government official recently said that a meeting held two weeks ago between the two countries did not produce positive results. Kuwait and Iraq have yet to resolve the issue of the presence of Iraqi farms on Kuwait's border near Um Qaser and Al-Sukhaibri.

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

### **SOUTH EAST ASIA**

Tatheer Zahra Sherazi

Monitoring Report

From 19 December to 26 December

December 31, 2008

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- Indonesia

#### Political Front

- Lots of advice for Obama on dealing with Muslims and Islam(political,social)
- An Outreach to Muslims

#### Strategic Front

- Indonesia, Malaysia increase security cooperation

#### Economic Front

- Indonesia: Investing in institutions - sustaining reconstruction and economic recovery
- drops in global oil prices
- Indonesia to boost spending on infrastructure amid global recession

#### Social Front

- Indonesia welcomes bird flu sharing progress
- Indonesia simulates terrorist attack
- Timor-Leste progress in 2008, situation calm and peaceful
- Amnesty urges Indonesia to probe fatal shooting

#### Environmental Front

- Tsunami warning needs to be faster

#### • Malaysia

#### Political Front

- PAS Youth: Let us contest polls
- Khalid: We need to give people a more sensible answer
- Umno's Zahar joins Pas
- Run-up to Kuala Terengganu by-election: Abdullah: Focus to ensure BN wins
- Keep the peace, harmony

#### Strategic Front

#### Economic Front

#### Social Front

- Despite Wave of Piracy, Filipinos Crave Work as Sailors

#### Environmental Front

- Philippine

Political Front

- Arroyo appoints team for talks with rebels
- "Pareng Barack": Filipinos in Obama's America

Strategic Front

Economic Front

Social Front

- Manila names new peace negotiators with Moros
- Adamat, 73, will represent indigenous Lumads of Mindanao.
- UN food aid truck ambushed in Mindanao
- Manila eyes fresh peace push with Muslim rebels
- Philippines eyes peace with rebels
- Six villagers killed in separatist attack
- Philippines warns of terror attacks during holidays
- 10 Killed In Muslim Rebels Attacks In Philippines
- Philippines: Japan provides relief assistance to internally displaced persons in Mindanao

Environmental Front

- Quake Measuring 6.2 Rocks Mindanao in Philippines, USGS Says

- Thailand

Political Front

- Thai PM unveils Cabin.
- He warned that those who do not deliver will be removed.
- Gilani greets new Thai PM
- Thailand's new Cabinet gets king's backing
- Thai King ask the new government to work for the people and maintain stability
- Monthly allowance for elderly Thais from April
- Thai PM brushes off protest threat

Strategic Front

Economic Front

- Thai economic growth projected at only 1 pct

Social Front

- Orphans of the tsunami Four years on, vulnerable children still struggling in Thailand

Environmental Front

- Singapore

Political Front

- Foreign Minister Yeo says ASEAN's agenda being held back is worrying

Strategic Front

Economic Front

- Singapore's inflation rate eased to 5.5% in November
- PC gaming industry says business stable despite economic downturn

Social Front

- Builders must be licensed by June 2009 to carry out building works

Environmental Front

- Vietnam

Political Front

Strategic Front

Economic Front

- US daily hails Vietnam's exports of wooden products
- Vietnam, US hold trade talks
- Vietnam to lower rate to 8.5 percent
- Vietnam's First Oil Refinery To Commence Output From Feb 25
- Vietnam to become Spain's priority ODA recipient
- IMF urges Vietnam to scrutinize stimulus plan.
- How an emerging country tackles a global health problem.
- Vietnam devalues currency by 3%
- Vietnam and Japan sign trade pact
- Vietnam inflation nears 20%

Social Front

- Vietnam Battles HIV Epidemic With U.S. Aid

Environmental Front

- Laos

Political Front

- Govt agreed to address falling price of agriculture products
- Laos and China further co-operation on border affairs

Strategic Front

Economic Front

- Laos hopes to use its own oil

Social Front

- UNDP helps people with disability
- Korean Government grants boarding school construction in Vangvieng
- Chinese Political Consultative Council gave US\$300,000 to LFNC
- Laos, Vietnam further cooperation on technology and science
- Fifty eight Hmong people come back to Laos

Environmental Front

- Cambodia

Political Front

- At an event marking 53 years of UN membership
- UN pledges continued support for Cambodia

Strategic Front

Economic Front

- Cambodia's sustainability challenge
- Auto importers feel the pain as global crisis cuts sales

Social Front

- Flood-struck high school reopens
- Governments targets chewing tobacco



## Summary

South East Asia, a region with vitality is getting much importance through out the world due to its economies and some how due to its weak political situation prevailing in certain countries including Thailand.

At political front there are chances of Obama to visit Indonesia for an address for the Muslim leaders because he has been getting a lot of advice these days on how to deal with Muslims and Islam. In Philippine, President Gloria Macapagal Arroyo on Tuesday appointed three members to the government's peace negotiating team with Muslim separatists.

New elected Thai Prime Minister Abhisit Vejjajiva has unveiled a Cabinet which includes ministers criticized for lack of experience and a foreign minister closely tied to this year's street protests.

At geo strategic front Malaysia and Indonesia have signed a deal on cooperation and supervision over border areas.

At Economic front this region is also facing the financial crisis now Indonesia has aimed on reconstruction process and its priorities has shifted from emergency reconstruction to ensuring the sustainability of reconstruction investments and promoting economic development. Also taking advantage of drops in global oil prices, Indonesia announced on Dec. 14 reductions of 9 and 13 percent respectively in gasoline and diesel prices.

Thai economy is also facing the shocks of financial crisis and political instability in the country because it is predicted that Thailand's economy is expected to grow by only 1 percent in 2009 due to weak local spending and declines in exports and services, according to a senior finance ministry official.

Vietnam that is becoming an economic hub day by day has also attraction for US because US demand for Vietnam-made furniture has seen exponential growth in the past decade and innovative designs, superior craftsmanship and structural integrity have enabled Vietnamese suppliers to carve a niche for themselves in markets worldwide, a local newspaper said.

At social Front there is also much causality that has been caused in Philippine where ten people were killed when Muslim separatist guerrillas launched attacks and occupied a village in the southern Philippines, military and police officials said on Thursday.

The summary of news item is as follows:

- **Indonesia**

### **Political Front**

- **Lots of advice for Obama on dealing with Muslims and Islam(political,social)**

President-elect Barack Obama has been getting a lot of advice these days on how to deal with Muslims and Islam. He invited it by saying during his campaign that he either wanted to convene a conference with leaders of Muslim countries or deliver a [major speech in a Muslim country](#) “to reboot America’s image around the world and also in the Muslim world in particular”. But [where?](#) when? why? how? Early this month, I chimed in with a pitch for [a speech in Turkey or Indonesia](#). Some quite interesting comments have come in since then.

- **An Outreach to Muslims**

President-elect [Barack Obama](#)'s plan to visit a Muslim capital during his first 100 days in office is an excellent idea. Delivering a message of U.S. reconciliation with the rest of the world may as well begin with the 1.4 billion Muslims. After all, America's most vexing foreign policy challenges in recent decades have been centered in the Islamic world, and opinion polls have shown that this is where the deepest grievances with recent American policy can be found.

### **Strategic Front**

- **Indonesia, Malaysia increase security cooperation**

Indonesia's West Kalimantan military command and the Malaysian military have signed a deal on cooperation and supervision over border areas.

### **Economic Front**

- **Indonesia: Investing in institutions - sustaining reconstruction and economic recovery**

The Multi Donor Fund for Aceh and Nias reports that the reconstruction process has progressed, and that priorities have shifted from emergency reconstruction to ensuring the sustainability of reconstruction investments and promoting economic development.

- **drops in global oil prices**

Taking advantage of drops in global oil prices, Indonesia announced on Dec. 14 reductions of 9 and 13 percent respectively in gasoline and diesel prices. Fuel prices in Indonesia already are among the lowest in Asia, thanks to state subsidies.

- **Indonesia to boost spending on infrastructure amid global recession**

Indonesia planned to raise spending on infrastructure next year to 100 trillion rupiah (some 9.2 billion U.S. dollars) from this year's 60 trillion rupiah (about 5.5 billion U.S. dollars) to create jobs and boost economic growth in an effort to cushion the impact of the global financial routs, the finance ministry said here Wednesday.

## **Social Front**

- **Indonesia welcomes bird flu sharing progress**

INDONESIA believes progress has been made towards a globally agreed mechanism to share bird flu samples, the country's health minister said. It stopped virus-sharing last year, saying it wanted guarantees from rich nations and drug makers that poor nations would get access to affordable vaccines derived from their samples.

- **Indonesia simulates terrorist attack**

China and Indonesia on Monday pledged to expand bilateral cooperation and enhance the strategic partnership between the two nations.

- **Timor-Leste progress in 2008, situation calm and peaceful**

Dili, 24th December 2008 - There has been some press speculation about a supposed UN report about Timor. As a general rule, we do not comment on internal UN communications either to deny or confirm their existence.

- **Amnesty urges Indonesia to probe fatal shooting**

Rights group Amnesty International urged Indonesia yesterday to investigate a crackdown on protesting villagers in which two children were killed and hundreds of houses were destroyed on Sumatra Island.

## **Environmental Front**

- **Tsunami warning needs to be faster**

The destruction caused by the massive tsunami of December 26, 2004 led to work on an Indian Tsunami Warning System (ITWS) and many other new initiatives and projects, including "disaster management" (though this failed when tested by the massive floods in Bihar and Assam in 2008).

## • **Malaysia**

### **Political Front**

- **PAS Youth: Let us contest polls**

PAS Youth hopes that one of its three nominees will be picked as the party's candidate for the Kuala Terengganu parliamentary by-election on Jan 17.

- **Khalid: We need to give people a more sensible answer**

The Selangor Government will make the findings of the preliminary report on the Bukit Antarabangsa landslide public today.

- **Umno's Zahar joins Pas**

Captain (R) Datuk Zahar Hashim, the Umno division leader who claimed there were irregularities in the government's RM2.3 billion Euro copter deal (now on hold), has joined Pas, saying his former party had betrayed him.

- **Run-up to Kuala Terengganu by-election: Abdullah: Focus to ensure BN wins**

UMNO president Datuk Seri Abdullah Ahmad Badawi has warned party members to set aside their personal political interest and instead shift their focus to ensure a Barisan Nasional win in the Kuala Terengganu by-election on Jan 17.

- **Keep the peace, harmony**

Human Resources Minister Datuk Dr S. Subramaniam urged Malay-sians to usher the Christmas and New Year celebrations in the spirit of peace and harmo

### **Strategic Front**

### **Economic Front**

## **Social Front**

- **Despite Wave of Piracy, Filipinos Crave Work as Sailors**

Under the shade of the tall trees that line the sidewalk at Rizal Park, Marlon Arguelles scanned the job notices posted on the recruiting booths. The laser printouts were marked with huge American dollar signs.

## **Environmental Front**

### ● **Philippine**

## **Political Front**

- **Arroyo appoints team for talks with rebels**

Philippine President Gloria Macapagal Arroyo on Tuesday appointed three members to the government's peace negotiating team with Muslim separatist rebels.

- **"Pareng Barack": Filipinos in Obama's America**

On the night of Nov. 4, when Barack Hussein Obama was elected president of the United States, journalist and book author Benjamin "Boying" Pimentel took his eldest son to downtown Oakland where thousands of people were waiting for the official results. They found people celebrating with cheers and tears. After more than 200 years, Americans had chosen a person of color to lead them forward.

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Manila names new peace negotiators with Moros**

Manila: The Philippines on Tuesday said it hoped to resume peace talks with Moro rebels in 2009 and formed a new negotiating panel in a new push for peace.

- **Adamat, 73, will represent indigenous Lumads of Mindanao.**

Adamat had previously served as a key member of a government-appointed commission advocating changes in the constitution.

- **UN food aid truck ambushed in Mindanao**

A cargo helper was killed after a truck chartered by the United World Food Programme to deliver aid to civilians in Central Mindanao was ambushed by an armed group on Sunday.

- **Manila eyes fresh peace push with Muslim rebels**

The Philippines made a fresh push to end 40 years of Muslim secessionist conflict in the country's south by forming a new negotiating panel on Tuesday, saying it hoped to resume peace talks in early 2009.

- **Philippines eyes peace with rebels**

The Philippines made a fresh push to end 40 years of Muslim secessionist conflict in the country's south by forming a new negotiating panel yesterday, saying it hoped to resume peace talks in early 2009.

- **Six villagers killed in separatist attack**

Muslim separatist rebels stormed a village in a southern Philippine province, killing six civilians, a military spokesman said yesterday. The guerrillas fired rockets and assault rifles as they swooped into Midtungo village in Senator Ninoy Aquino town in Sultan Kudarat province, 930 kilometres south of Manila, on Tuesday.

- **Philippines warns of terror attacks during holidays**

The Philippine government yesterday warned against possible terrorist attacks while the predominantly Catholic country celebrates Christmas and urged the public to be vigilant.

- **10 Killed In Muslim Rebels Attacks In Philippines**

Ten people were killed when Muslim separatist guerrillas launched attacks and occupied a village in the southern Philippines, military and police officials said on Thursday.

- **Philippines: Japan provides relief assistance to internally displaced persons in Mindanao**

Japanese Ambassador Makoto Kastura and Muslim Youth Religious Organization, Inc. President Johnny Guine Balawag signed the grant contract for " The Project for Providing Relief Assistance to the Internally Displaced Persons (IDPs) affected by Armed Conflict in the Province of Maguindanao " at the Embassy of Japan on 24 December 2008.

## **Environmental Front**

- **Quake Measuring 6.2 Rocks Mindanao in Philippines, USGS Says**

A magnitude 6.2 earthquake struck the Philippine island of Mindanao at 11:20 a.m. local time today, the U.S. Geological Survey said. There were no immediate reports of injuries

or damage. The temblor hit 55 kilometers (35 miles) southeast of General Santos at a depth of 207.5 kilometers, the USGS said in an e-mailed alert

## ● **Thailand**

### **Political Front**

- **Thai PM unveils Cabinet**

Bangkok - New Thai Prime Minister Abhisit Vejjajiva has unveiled a Cabinet which includes ministers criticised for lack of experience and a foreign minister closely tied to this year's street protests.

- **He warned that those who do not deliver will be removed.**

Mr Abhisit also denied that business groups were exerting influence over the selection of his Cabinet after he made Mr Virachai Virameteekul, the former son-in-law of CP Group chairman Dhanin Chearavanont, a minister in the Prime Minister's Office.

- **Gilani greets new Thai PM**

Prime Minister Syed Yousuf Raza Gilani has felicitated the newly appointed Thai Prime Minister Abhisit Vejjajiva, and hoped the ties between the two countries will further strengthen in the years ahead.

- **Thailand's new Cabinet gets king's backing**

Thailand's new 36-member Cabinet led by newly elected Prime Minister Abhisit Vejjajiva Saturday got the endorsement of the King, media reported citing the country's state-run TV. The cabinet members will sworn in on Monday.

- **Thai King ask the new government to work for the people and maintain stability**

Thailand's new cabinet led by Prime Minister Abhisit Vejjajiva was sworn in before the King Bhumibol Adulyadej on Monday. **King Bhumibol Adulyadej: "If you (ministers) perform well, the country could maintain peace and this would be a blessing for the country. It is what Thai people wish for."**

- **Army chief denies helping to form govt**

The army has played no role in forming the government, army chief Anupong Paojinda said flatly on Thursday.

- **Monthly allowance for elderly Thais from April**

***Social Development and Human Security Minister Witoon Nambutr said yesterday he would take a New Year's gift and note from PM Abhisit Vejjajiva to Grandma Niam Panmanee.***

Witoon, on his first day in office yesterday, commented on the policy for elderly citizens, saying the government assisted 1.8 million out of the country's seven million people aged over 60.

- **Thai PM brushes off protest threat**

New Thai Prime Minister Abhisit Vejjajiva Thursday brushed off the threat of protests by supporters of exiled former premier Thaksin Shinawatra early next week..

## **Strategic Front**

### **Economic Front**

- **Thai economic growth projected at only 1 pct**

Thailand's economy is expected to grow by only 1 percent in 2009 due to weak local spending and declines in exports and services, according to a senior finance ministry official.

### **Social Front**

- **Orphans of the tsunami Four years on, vulnerable children still struggling in Thailand**

Four years after the tsunami swept across Thailand's Andaman coast, normalcy has returned to most hard-hit resort areas. But away from the white sand beaches and neon lights of the tourist strips, the tsunami continues to take its toll on the lives of children orphaned by the disaster.

### **Environmental Front**

- **Singapore**

### **Political Front**

- **Foreign Minister Yeo says ASEAN's agenda being held back is worrying**

Singapore's Foreign Affairs Minister George Yeo said the recent unrest in Thailand has held back ASEAN's agenda and that is quite worrying.



## **Strategic Front**

### **Economic Front**

- **Singapore's inflation rate eased to 5.5% in November**

Singapore's inflation rate has continued to ease in November. The consumer price index (CPI) rose 5.5 per cent on year, due mainly to higher costs of housing and food. On a seasonally adjusted basis, the CPI in November fell 0.2 per cent compared to October.

- **PC gaming industry says business stable despite economic downturn**

The economic downturn may have slowed growth in various industries, but not for the computer gaming sector. In fact, the sector saw more people staying home to play computer games so as to save on entertainment costs outside of home.

### **Social Front**

- **Builders must be licensed by June 2009 to carry out building works**

All builders in Singapore must apply for builder's licence by June 16 next year to carry out building works here. This requirement under the Building Control Act came into effect on December 16.

## **Environmental Front**

- **Vietnam**

### **Political Front**

### **Strategic Front**

### **Economic Front**

- **US daily hails Vietnam's exports of wooden products**

The US demand for Vietnam-made furniture has seen exponential growth in the past decade and innovative designs, superior craftsmanship and structural integrity have enabled Vietnamese suppliers to carve a niche for themselves in markets worldwide, a local newspaper said.

- **Vietnam, US hold trade talks**

The first round of negotiations on the Vietnam-US Bilateral Investment Treaty (BIT) was held in Washington this week.

- **Vietnam to lower rate to 8.5 percent**

The State Bank of Vietnam said Friday it will lower its benchmark interest rate from 10 to 8.5 percent from Monday to help businesses overcome the tough economic climate.

- **Vietnam's First Oil Refinery To Commence Output From Feb 25**

Vietnam's first refinery is scheduled to turn out products from Feb. 25, the government said Monday in a statement.

- **Vietnam to become Spain's priority ODA recipient**

The Spanish government plans to add Vietnam to a list of 23 countries that are prioritised for official development aid (ODA) over the next four years.

- **IMF urges Vietnam to scrutinize stimulus plan**

The International Monetary Fund (IMF) has suggested that Vietnam thoroughly consider its economic stimulus plan and give priorities to such vulnerable groups as the business and banking sectors.

- **How an emerging country tackles a global health problem.**

Though much of the Bush Administration's foreign policy has proved polarizing, the President's Emergency Plan for AIDS Relief, which is supporting the Vietnamese effort, has drawn widespread praise.

- **Vietnam devalues currency by 3%**

VIETNAM devalued its currency by 3 percent yesterday as falling inflation and the weakest annual economic growth in nine years caused it to act. The central bank set the dong mid-point at 16,989 a dollar as against 16,494 on Wednesday after a Cabinet meeting in which Prime Minister Nguyen Tan Dung said gross domestic product grew 6.23 percent this year.

- **Vietnam and Japan sign trade pact**

Japan and Vietnam have signed a trade deal to cut tariffs on about 90% of the goods and services traded between them. It was signed by Japanese Foreign Minister Hirofumi Nakasone and Vietnam's trade minister, Vu Huy Hoang.

- **Vietnam inflation nears 20%**

VIETNAM'S consumer prices rose 19.9 per cent this year but came in well below government forecasts, a state-run newspaper said on Thursday.

## **Social Front**

- **Vietnam Battles HIV Epidemic With U.S. Aid**

Sixty-eight-year-old Dang Thi Nhu sits on her living room floor surrounded by plastic drug containers. Each month she receives hundreds of pills from the Vietnamese government for her son Dang Ngoc Than, who was infected with HIV while sharing a heroin syringe with other drug users.

## **Environmental Front**

- **Laos**

### **Political Front**

- **Govt agreed to address falling price of agriculture products**

The Government agreed to focus on addressing the falling price of maize, rice and agriculture products leading to surplus and can not sell and export. Along with a measure to crack down illegally imported cars which the Government assigned the sector concerned to take in charge in this work.

- **Laos and China further co-operation on border affairs**

(KPL) The 9th meeting of the Laos-China border co-operation committees was held last week in Vientiane to review the activities made by two sides in the past one year. The meeting also discussed and reviewed the implementation of the resolution of 8th meeting which the sides satisfied with the situation and the co-operation of the both sides people who are living along the border areas.

## **Strategic Front**

### **Economic Front**

- **Laos hopes to use its own oil**

Laos found the crude oil mine in Phin district of Savannakhet province when the England Survey Company disclosed primary information on high potential of oil source in Savannakhet province, amid the oscillatory oil price in the world market, said an official of Energy and Mine Office, Savannakhet province.

## **Social Front**

- **UNDP helps people with disability**

(KPL) The United Nations for Development Programme (UNDP) has agreed to provide grant aids of US\$ 22,750 (approximately 193 million kip) to the National Disabled People's Rehabilitation Centre to document the number of people who become disabled because of UXOs.

- **Korean Government grants boarding school construction in Vangvieng**

The Korean Government agreed to provide grant aid to the construction of boarding school in Vangvieng district, Vientiane province. The ground breaking ceremony for the boarding school construction project took place on 16 December in Vangvieng district, Vientiane Province. Ambassador of the Republic of Korea, Mr. Park Jae-Hyun and Vientiane Deputy Governor, Mr. Bounmy Phouthavong were the present at he ceremony.

- **Chinese Political Consultative Council gave US\$300,000 to LFNC**

The Chinese Political Consultative Council made a donation to the Lao Front for National Construction. It was in the form of two vans, 57 sets of computer notebooks and office equipment. They are worth US\$300,000.

- **Laos, Vietnam further cooperation on technology and science**

The Laos-Vietnam Technology and Science Agencies have agreed to cooperate on technology and science development and these agencies made such a joint statement in Vientiane on 18 December.

- **Fifty eight Hmong people come back to Laos**

Lao and Thai officials held a ceremony on Monday on the repatriation of 58 Hmong people to Laos and they had illegally migrated to Thailand some years back.

## **Environmental Front**

- **Cambodia**

### **Political Front**

- **At an event marking 53 years of UN membership**

At an event marking 53 years of UN membership, officials and NGOs alike celebrate UN achievements in Cambodia. Some of the 192 monks - representing the 192 countries in the United Nations - walk through Hun Sen Park on Sunday.

- **UN pledges continued support for Cambodia**

Election monitors Comfrel have said they will no longer monitor the local administrative elections in May, as they are based on 'indirect' voting. ELECTION monitors Comfrel have announced plans to boycott upcoming local administrative elections, which will be held in May 2009, claiming the use of indirect voting means the outcome of the elections is already fixed.

## **Strategic Front**

### **Economic Front**

- **Cambodia's sustainability challenge**

THE rapid pace of development in Cambodia in recent years has led to an unprecedented period of building activity. Outside events have resulted in a temporary lull, but the country is still facing a major shortage of building stock, so a full resumption cannot be far away.

- **Auto importers feel the pain as global crisis cuts sales**

With global automobile sales in freefall, local dealers are expecting the worst as some importers predict a drop of more than 40 percent over two years. A Ford dealership in Phnom Penh. Ford has fared better than other companies in Cambodia, yet has seen sales slip 10 percent.

### **Social Front**

- **Flood-struck high school reopens**

Students in Russey Keo return to class after three months amid concerns that they are not prepared to take their end-of-semester exams after being denied extra hours to catch up.

- **Governments targets chewing tobacco**

Officials warn that tradition could be an enemy in the fight to change attitudes towards chewing tobacco, a popular activity among Cambodian women.

## Detailed monitoring Report

### Indonesia

#### Political Front

- **Lots of advice for Obama on dealing with Muslims and Islam(political,social)**

President-elect Barack Obama has been getting a lot of advice these days on how to deal with Muslims and Islam. He invited it by saying during his campaign that he either wanted to convene a conference with leaders of Muslim countries or deliver a [major speech in a Muslim country](#) “to reboot America’s image around the world and also in the Muslim world in particular”. But [where?](#) when? why? how? Early this month, I chimed in with a pitch for [a speech in Turkey or Indonesia](#). Some quite interesting comments have come in since then.

Two French academics, Islam expert [Olivier Roy](#) and political scientist [Justin Vaisse](#) argued in a New York Times [op-ed piece](#) on Sunday that Obama’s premise of trying to reconcile the West and Islam is flawed:

Such an initiative would reinforce the all-too-accepted but false notion that “Islam” and “the West” are distinct entities with utterly different values. Those who want to promote dialogue and peace between “civilizations” or “cultures” concede at least one crucial point to those who, like Osama bin Laden, promote a clash of civilizations: that separate civilizations do exist. They seek to reverse the polarity, replacing hostility with sympathy, but they are still following Osama bin Laden’s narrative.

Instead, Mr. Obama, the first “post-racial” president, can do better. He can use his power to transform perceptions to the long-term advantage of the United States and become a “post-civilizational” president. The page he should try to turn is not that of a supposed war between America and Islam, but the misconception of a monolithic Islam being the source of the main problems on the planet: terrorism, wars, nuclear proliferation, insurgencies and the like.

Also on Sunday, the Istanbul newspaper Sunday’s Zaman [ran a piece](#) by sociologist [Dogu Ergil](#) who spelled out what he thought “moderate Muslims” expected of Obama.

*Moderate or non-ideological Muslims expect Mr. Obama to support democratic trends in their countries, but not to push them from above using ruling elites that will never adopt a democratic agenda but rather will simply play for time, making only cosmetic changes. This will, in turn, further reinforce the power of autocratic regimes that are threatened by genuine democracy.*

Muslim moderates look at religion as a cultural affair, wanting to render it autonomous of politics so that it will be protected from political power and in the same way, preventing it from seeking political power. So they want the Obama administration to press their

governments to enact reforms that will pave the way to democratic politics and legal changes that will allow for more individual freedoms. They do not want a hypocritical stance from an America which advocates democracy but supports the most authoritarian regimes in the Arab world for the sake of oil deals and other strategic ends. The Bush administration set a very bad example of paying lip service to democracy, which, in fact, worked as a vehicle to blackmail Arab regimes and served America's strategic interests.

[Michael Fullilove](#) at the Brookings Institution made a pitch for an [Obama speech in Indonesia](#) in the *New York Times* while several Moroccan blogs have been running a campaign ([including a petition](#) with a long list of reasons) to have him speak there. Saad Eddin Ibrahim, an exiled Egyptian sociologist and human rights who is a visiting professor at Harvard and Indiana universities, made the case for Indonesia or Turkey [in the Washington Post](#).

Maleeha Lodhi, a former Pakistani ambassador in the United States and Britain, has a long list of suggestions for a reformed U.S. policy towards the Muslim world [in the Harvard International Review](#). The list is fairly extensive, although it would have been even more informative if it had included suggestions for what should change in the Muslim world.

*How Obama manages issues in the Muslim world will determine the success or failure of his foreign policy...*

*In the Muslim world ... perceptions have been shaped by decades of uneven handed policies and by US double standards that placed the security of Israel and the need for cheap oil above considerations of international law and justice for the Palestinians. In essence, Muslims regard US policies as responsible for the trust gap between the United States and the Islamic world. In the West, opinions concerning the cause for the gap with the Muslim world are more mixed. The most common view attributes this rift in relations not only to US policies but also to factors internal to the Muslim world– to the weakness and contradictions in those societies and particularly to the democratic deficit, which allows radicals to build support for their cause. This, in fact, inspires the idea that the United States should lead efforts to restructure the Muslim world. Irrespective of the reality, both perspectives urge the need to review and recast US foreign policy.*

My vote for the most interesting argument goes to Roy and Vaisse, who ask the basic question of what role religion actually plays in the big issues facing Obama.

*The truth is, Islam explains very little. There are as many bloody conflicts outside of regions where Islam has a role as inside them. There are more Muslims living under democracies than autocracies. There is no less or no more economic development in Muslim countries than in their equivalent non-Muslim neighbors. And, more important, there exist as many varieties of Muslims as there are adherents of other religions. This is*

*why Mr. Obama should not give credence to the existence of an Islam that could supposedly be represented by its “leaders”.*

*Who are these leaders that President Obama would convene anyway? If he picks heads of state, he will effectively concede Osama bin Laden’s point that Islam is a political reality. If he picks clerics, he will put himself in the awkward position of implicitly representing Christianity — or maybe secularism. In any case, he would meet only self-appointed representatives, most of them probably coming from the Arab world, where a minority of Muslims lives.*

Do you think Obama should launch a special initiative aimed at the Muslim world, or, as Roy and Vaisse argue, assert that “*American values are universal and do not suffer any kind of double standard, and that they could be shared by atheists, Christians, Muslims and others*”?

- **An Outreach to Muslims**

President-elect Barack Obama's plan to visit a Muslim capital during his first 100 days in office is an excellent idea. Delivering a message of U.S. reconciliation with the rest of the world may as well begin with the 1.4 billion Muslims. After all, America's most vexing foreign policy challenges in recent decades have been centered in the Islamic world, and opinion polls have shown that this is where the deepest grievances with recent American policy can be found.

Alongside America's own legitimate interests in Muslim-majority regions are the legitimate interests of the people of those regions and the vested interests of their rulers. And therein lies a delicate balancing act for Obama. Many of these rulers are despotic, repressive and corrupt, but some of them have also been friends or outright allies of the United States. They have traded on their countries' strategic assets to stay in power through America's blessing and billions of dollars in its aid. Delivering a major policy speech from the capital of one of these friendly dictators would give comfort to that ruler while compounding the alienation of his people

A recent Gallup poll, summed up in the Brookings Institution report "The Doha Compact," which was published in October, revealed that despite their misgivings about the United States, more than two-thirds of the Muslims surveyed admire American democracy, education, technology and entrepreneurship. These findings are borne out by the facts. Until Sept. 11, 2001, there were only three American universities in the Muslim world; today, there are more than 30. Similar growth has occurred in the presence of American business, from chain stores to fast-food restaurants to branches of leading corporations.



Since democracy, a deeply held value of Americans, has become an aspiration for most Muslims, democracy should be central to Obama's message -- and to his choice of where to deliver it. Two key Muslim-majority countries are many years into a steady democratic transition. The first is Indonesia, which with more than 200 million people is the most populous of all Muslim lands. An additional attraction is that Obama spent much of his childhood there. A visit would be a homecoming of sorts.

The second country is Turkey. With more than 70 million people in territory lying in Asia and Europe, it is literally and metaphorically a bridge between East and West, North and South. The political and sociocultural choices that Indonesia and Turkey have made are in clear accord with the essence of modernity. By their example, Indonesia and Turkey have laid to rest both Samuel Huntington's "Clash of Civilizations" proposition and the idea that Islam and democracy are incompatible. While the rest of the Muslim world has a long way to go toward democracy, Indonesia and Turkey should be celebrated as role models. Nothing would speak louder and clearer to that notion than an early visit by the universally popular Barack Obama.

Let his first stop, and his first message, be delivered from Jakarta or Istanbul. Then, perhaps, Cairo and Damascus will take the democratic actions necessary to earn the honor of a visit before the end of his first term.

The writer, an Egyptian sociologist and democracy and human rights advocate living in exile, is a visiting professor at Harvard and Indiana universities. The Agenda is an occasional series on policy issues facing the Obama administration.

## **Strategic Front**

- **Indonesia, Malaysia increase security cooperation**

Indonesia's West Kalimantan military command and the Malaysian military have signed a deal on cooperation and supervision over border areas.

The agreement is expected to relieve tension between the two countries over illegal logging, human trafficking and terrorism, according to Antara news agency. "The MoU is a follow up on a recent agreement signed between the two countries," said Major General Tono Suratman, chief of the military command.

The general said the agreement related to the coordination of military personnel in the border areas. Both countries will station two battalions of troops in Simangaris (East Kalimantan), Etikong (West Kalimantan) and Biawak (Sarawak, Malaysia). Malaysian army representative, Major General Dato' Mazelan, said the agreement left open opportunities for the two countries to cooperate on joint land operations.-

## **Economic Front**

- **Indonesia: Investing in institutions - sustaining reconstruction and economic recovery**

The Multi Donor Fund for Aceh and Nias reports that the reconstruction process has progressed, and that priorities have shifted from emergency reconstruction to ensuring the sustainability of reconstruction investments and promoting economic development. Four years after the destructive tsunami and earthquake hit Aceh and Nias, the results on the ground show that the recovery of communities, especially housing, is close to completion and that large scale infrastructure needs are being fulfilled. In order to ensure sustainability, the MDF has prioritized its efforts in two areas during 2008: (1) supporting the transition from BRR to local governments, and (2) enhancing the long-term economic development of Aceh and Nias.

A strong partnership has been forged between BRR and the MDF, based on mutual respect, common goals and an understanding of the complexity of the reconstruction environment. This partnership has in itself been a strategic asset of the reconstruction and rehabilitation of Aceh and Nias. With BRR at the helm of the MDF, it leads the course in outlining priorities for strategic and effective utilization of MDF funds to fill critical needs and gaps.

The Co-Chairs of the Multi Donor Fund for Aceh and Nias are pleased to note that a strategy has been developed for BRR to transfer reconstruction assets and projects to local governments and relevant agencies. The Multi Donor Fund provides assistance to both BRR and the Government of Aceh and North Sumatra to ensure a smooth transition of these assets, and to strengthen institutions to continue the sustained development of the region.

The Multi Donor Fund has extended its operation to 2012, and thus will continue to foster ongoing success of the rehabilitation and reconstruction efforts in the region. The Multi Donor Fund will forge strong ties with new partners as it presses forward in its mission to improve the lives of the people of Aceh and Nias.

The Multi Donor Fund as of September 30, 2008 received pledges at a total value of US\$ 692 million from 15 different donors and of that US \$ 472 million has been received. US \$ 515 million have been allocated to 18 projects. During the last year, the Steering Committee committed an additional US \$ 99 million for the funding of five new project proposals, and a further US \$ 14 million as additional funds to four ongoing projects. The BRR has committed to contribute US \$ 236 million in co-financing for four projects in the Multi Donor Fund portfolio. A total of US \$ 334 million (65% of allocated funds) have been disbursed to the 18 projects implemented by the MDF. After September 30, the MDF has committed US \$ 3.9 million to the Nias Island Transition Project and an

additional US \$ 15 million to Phase 3 of the Tsunami Recovery Waste Management Programme. Thus the remaining unallocated funds have been reduced from US \$ 57 million to US \$ 38 million.

The Multi Donor Fund for Aceh and Nias consists of donor countries and international agencies: the European Commission, the Netherlands, United Kingdom, Canada, World Bank, Sweden, Denmark, Norway, Germany, Belgium, Finland, Asia Development Bank (ADB), United States, New Zealand and Ireland.

- **drops in global oil prices**

Taking advantage of drops in global oil prices, Indonesia announced on Dec. 14 reductions of 9 and 13 percent respectively in gasoline and diesel prices. Fuel prices in Indonesia already are among the lowest in Asia, thanks to state subsidies. While the burden of financing cheap fuel for the world's fourth most-populous nation has eased significantly due to the collapse in crude oil prices since July, domestic prices are still low by global standards.

The government cut gasoline prices twice this month to 5,000 rupiah (\$0.46) per litre and diesel prices to 4,800 rupiah to help ease inflationary pressures. The moves are expected to pave the way for the central bank to join its global peers in cutting interest rates more aggressively as Southeast Asia's biggest economy heads for elections next year.

- **Indonesia to boost spending on infrastructure amid global recession**

Indonesia planned to raise spending on infrastructure next year to 100 trillion rupiah (some 9.2 billion U.S. dollars) from this year's 60 trillion rupiah (about 5.5 billion U.S. dollars) to create jobs and boost economic growth in an effort to cushion the impact of the global financial routs, the finance ministry said here Wednesday.

The global economic turmoil is predicted to deepen in 2009, particularly in the first quarter, Indonesian acting Coordinating Minister for Economy Sri Mulyani Indrawati has said. The Southeast Asian largest economy is less dependent on exports for growth, and more reliant on food production, domestic transportation and other industries which need better infrastructures.

Therefore, the government plans to create new infrastructure projects and to speed

up the realization of already planned projects, Indonesian Vice President Jusuf Kalla has said. The fund would be obtained from the country's state budget and overseas loans, the deputy said. But he did not elaborate the split of the fund from the two sources. For overseas loan, Susantono said that it would be from the standby loans of over 4 billion U.S. dollars being approached by the government to the World Bank, Asian Development Bank, Japan and Australia. Recently, Australia has committed to loan 1 billion U.S. dollars to Indonesia. Indonesia is predicted to grow 4.5 percent next year, according to the government, and 4.4 percent by the World Bank prediction.

The global recessions have stressed the entrepreneurs in the country and lead them to cut over 40,000 workers this year and the number is predicted to rise in the coming months. Besides, hundreds of thousands of Indonesian migrant workers would return home next year after layoffs. The global economic downturn has battered Indonesia in the past three months: prices for commodity exports have plunged, and the stock market fell so steeply in October that it closed for three days.

## **Social Front**

- **Indonesia welcomes bird flu sharing progress**

INDONESIA believes progress has been made towards a globally agreed mechanism to share bird flu samples, the country's health minister said. It stopped virus-sharing last year, saying it wanted guarantees from rich nations and drug makers that poor nations would get access to affordable vaccines derived from their samples. Health Minister Siti Fadillah Supari said on Friday that the action had helped drive home an international understanding of the issues. "Stopping the virus is to say that I have a strong will to make a new world health mechanism," said the minister. "If the injustice is in the economic system, the impact is poverty, but if (it) is in world health management, the victim is human lives."

- **Indonesia simulates terrorist attack**

China and Indonesia on Monday pledged to expand bilateral cooperation and enhance the strategic partnership between the two nations.

China's top legislator, Wu Bangguo, and top political advisor, Jia Qinglin, both expressed the wish to strengthen ties with Indonesia in separate meetings with Ginandjar Kartasasmita, chairman of the House of Regional Representatives of Indonesia. China valued the strategic partnership with Indonesia, and would work with the country to expand pragmatic cooperation in economy, trade and other areas. He expressed the hope to expand parliamentary exchanges with China and learn from China's development experiences. Indonesia will continue to support's China's stance on the Taiwan issue, he said. In his meeting with Ginandjar, Jia Qinglin, chairman of the national Committee of the Chinese People's Political Consultation Conference, said CPPCC wishes to increase

its exchanges with the Indonesian House of Regional Representatives. He thanked Indonesia for its support to China in the Taiwan and Tibet issues, as well as its assistance to China after the devastating May 12 earthquake in Sichuan Province. Ginandjar also met with CPPCC vice chairman Bai Lichen Monday. Ginandjar was here on a visit to China from Dec. 19 to 25 at the invitation of the CPPCC.

- **Timor-Leste progress in 2008, situation calm and peaceful**

Dili, 24th December 2008 - There has been some press speculation about a supposed UN report about Timor. As a general rule, we do not comment on internal UN communications either to deny or confirm their existence. However, the Acting SRSG Finn Reske-Nielsen today made the following comments to make clear UNMIT's current analysis of the situation in Timor-Leste: "In UNMIT's view, we can say clearly that we feel very good about the progress that has been made in Timor in 2008 and the resiliency demonstrated by the Timorese people in a year that started with great challenge. The streets of Dili and the rest of the country are calm and peaceful. There have been solid advances in democratic governance and respect for human rights. Much has been achieved in the return of IDPs and a resolution to the issue of the Petitioners. Parliament is playing its role in an increasingly active manner. Dialogue between the political parties on issues of national importance is robust and constructive. The recent Security Sector Seminar showed Timorese focus on developing a clear and democratically based strategic vision for the military and police. The country is at peace and the people of Timor-Leste are ready to celebrate the Christmas holidays in a calm and dignified manner. We believe that the Timorese people can be proud of this year's accomplishments and can look forward to even greater progress in 2009.

- **Amnesty urges Indonesia to probe fatal shooting**

Rights group Amnesty International urged Indonesia yesterday to investigate a crackdown on protesting villagers in which two children were killed and hundreds of houses were destroyed on Sumatra island.

The two children died and nearly 400 people were left homeless last week after police and other officials fired bullets and tear gas to evict residents of Suluk Bongkal village in Riau province, Amnesty said in a statement.

As the villagers fled into the forest, two helicopters dropped what was thought to be a fire accelerant, burning around 300 homes before bulldozers went in and flattened the area, the statement said. The villagers have been engaged in a land dispute with pulpwood supplier PT Arara since the forestry ministry awarded the company rights to develop the

area in 1996. Riau police spokesman Amin Rahimsyah confirmed that the incident occurred but refused to respond to Amnesty's specific allegations, saying a probe was underway. "It's true that the incident happened but we haven't got the final results of our investigation," he told AFP

## **Environmental Front**

- **Tsunami warning needs to be faster**

The destruction caused by the massive tsunami of December 26, 2004 led to work on an Indian Tsunami Warning System (ITWS) and many other new initiatives and projects, including "disaster management" (though this failed when tested by the massive floods in Bihar and Assam in 2008). The Indian Tsunami Warning System — inaugurated by Kapil Sibal, minister of earth sciences, at Hyderabad's Indian National Centre for Ocean Information Services (INCOIS), on October 14, 2007 — will warn of an impending tsunami disaster within 30 minutes of an earthquake occurring at sea. "Red Alert" will require the citizens and the administration to be prepared for evacuation, while an "Orange Alert" is a warning for the administration to remain alert. Since India has two "tsunamigenic zones" (one in the Andaman-Sumatra trench in the Bay of Bengal, and another along Pakistan's Makaran Coast), two independent buoy systems will provide tsunami warning on both the coasts.

History records two earlier killer tsunamis which wreaked havoc in our region. On August 18, 1883, a sea volcano erupted in the Sunda Straits of Indoneasia. A new volcano (Anak Krakatoa or "son of Krakatoa") emerged from the sea and the resultant tsunami hit Tamil Nadu with devastating results, and even reached India's west coast. On November 27, 1945, an earthquake in the Arabian Sea, about 100 km west of Karachi, caused enormous damage along the Makaran coast, the Gulf of Kutch and even the south-western coast of India.

The Andaman & Nicobar Islands comprise some 572 islands and islets of which only 36 are inhabited. Some of these islands (mostly in the more vulnerable "Nicobar group") are included in the "inhabited" list even though they have miniscule population, or, in some cases, just a small police presence. The Andaman group of islands to the north comprise about 80 per cent of the land mass and 88 per cent of the four lakh population — a majority of people live in south Andaman island where its capital Port Blair is located.

The epicentre of the Richter Scale 9 earthquake of December 26, 2004 was located approximately 330 nautical miles to the south of Indira Point and caused extensive damage to Port Blair and the Nicobar group of islands — 3,515 people died, 10,000 were missing, many houses were destroyed, six islands had to be evacuated for intermediate rehabilitation, one-and-a-half lakh cattle-poultry was lost, 4,451 hectares of land was

submerged and extensive damage was caused to infrastructure, including jetties and power supply.

Is the new ITWS good enough to meet the challenge of another tsunami? Japan had a similar (30 minutes after earthquake) Tsunami Warning System way back in 1954. In 2005, they reduced the warning time to four minutes after the earthquake, to three minutes in 2007, and are trying to further reduce it to two minutes as some tsunamis occur very close to Japan's coast. The Japanese system sends a direct automatic warning to individual household, thus saving crucial time by bypassing the bureaucratic decision-making chain.

Considering that tsunamis travel at 200-400 knots (nautical miles or "nm") per hour, or 3 nm to 6 nm a minute, sometimes very little time is available if the tsunami is initiated close to the coast. Survival simply depends on the ability to get to "high ground" (a 15-30 metre hillock will do in most cases) before the waves reach the inhabitants.

After the tsunami of December 2004, over 500 earthquakes (above 5 on the Richter Scale) at sea, besides numerous tremors, occurred in the arc from Cocos Islands (north of Andaman & Nicobar) to the south-western edge of Sumatra; some of these sea earthquakes were just 20-30 nm from Port Blair (the most populated area with maximum infrastructure in the islands) and some not very far from Indira Point in the Great Nicobar Island to the south.

While it is a fact that tsunamis generally require earthquakes greater than 7.5 on the Richter Scale, the point being made here is that in this "tsunamigenic trench" no one can predict with certainty when or where a "killer tsunami-generating earthquake" will occur.

The new Indian Tsunami Warning System, which sends out a warning 30 minutes after an earthquake, will be of great use for the east coast of India, which is located some 800-1,200 nm from the Andaman-Sumatra tsunamigenic zone. Indeed, it will also suffice for the west coast of India, given the distances from Makaran Coast to Kutch-Saurashtra coast. Vice-Admiral Arun Kumar Singh was DG Coast Guard when the tsunami hit on December 26, 2004. He visited the island on December 29, 2004. Before retiring as Flag Officer Commanding-in-Chief of the Eastern Naval Command, Visakhapatnam, he was head of the Andaman & Nicobar Command

## ● Malaysia

### Political Front

- PAS Youth: Let us contest polls

PAS Youth hopes that one of its three nominees will be picked as the party's candidate for the Kuala Terengganu parliamentary by-election on Jan 17.

Its chief Salahuddin Ayub said the names had been proposed to the party's Majlis Syura (consultative council of religious scholars), which is expected to name the candidate today.

"We feel that the time is right to mould youths to become dynamic leaders and parliamentarians," he told reporters after attending the wing's meeting here yesterday. Salahuddin also launched the wing's election machinery.

- **Khalid: We need to give people a more sensible answer**

The Selangor Government will make the findings of the preliminary report on the Bukit Antarabangsa landslide public today.

Menteri Besar Tan Sri Khalid Ahmad said the relevant state authorities needed time to study the Public Works Department report which they only received yesterday. When told that the police had released their report on the landslide yesterday, Khalid said the state government had to look at the overall situation before commenting on the tragedy as it concerned moral issues and administrative responsibility. "We can't just hand over the report from the Public Works Department and ask the people to accept it, because they will need the state's opinion," he said at the Selangor State Development Corporation (PKNS) Family Day 2008.

Khalid said the people would expect the Government to be professional in its approach to their problems. "Any decision by the state with regards to land management and related land matters will have to be carefully looked into because, among other things, it not only affects the people who owned the land but the value of the land," he said

- **Umno's Zahar joins Pas**

Captain (R) Datuk Zahar Hashim, the Umno division leader who claimed there were irregularities in the government's RM2.3 billion Eurocopter deal (now on hold), has joined Pas, saying his former party had betrayed him.

Zahar, a former two-term state assemblyman and Petaling Jaya Selatan division chief, said senior national and Selangor Umno leaders had undermined him for being honest and forthright. He handed membership application forms from 13 division committee members and 28 branch chiefs to Pas deputy president Nasharuddin Mat Isa at a ceremony in Ampang

here yesterday. He claimed the Petaling Jaya Umno division office has been closed since he decided to abandon the party. Zahar was suspended from Umno on Dec 4 after he made public a letter in which he criticised then defence minister Datuk Seri Najib Razak's handling of the Eurocopter deal.



On Dec 5, the Public Accounts Committee cleared the government of any wrong doing in the Eurocopter deal.

Zahar also accused Selangor Umno liaison committee chairman Tan Sri Muhammad Muhammad Taib of trying to undermine his leadership in the division.

He claimed Muhammad could not accept that his division would not nominate him for the post of Umno deputy president in the party's elections in March

- **Run-up to Kuala Terengganu by-election: Abdullah: Focus to ensure BN wins**

UMNO president Datuk Seri Abdullah Ahmad Badawi has warned party members to set aside their personal political interest and instead shift their focus to ensure a Barisan Nasional win in the Kuala Terengganu by-election on Jan 17.

Abdullah, who is also the prime minister, said it was crucial for all party members to cooperate and assist one another in the by-election. "The Kuala Terengganu by-election will be an intense one with Barisan Nasional contesting Pas ... the one that is contesting now is the party, against the opposition.

The BN is fielding senator Datuk Wan Ahmad Farid Wan Salleh, who is Kuala Terengganu Umno division chief, for the by-election. Abdullah said the Kuala Terengganu by-election was important to BN as the constituents had chosen the ruling coalition to represent them in the March general election. He said retaining the parliamentary constituency would enable BN to continue serving the people there and bring about more development to the state capital. Asked about talk on a possible cabinet reshuffle before he leaves office in March next year, Abdullah said he had said enough about it. "Let them speculate. Regardless of what I say, they will continue speculating

- **Keep the peace, harmony**

Human Resources Minister Datuk Dr S. Subramaniam urged Malay-sians to usher the Christmas and New Year celebrations in the spirit of peace and harmo

"To uphold the country's image is the responsibility of every Malaysian. We must also defend the nation's integrity. Let us show compassion towards the less fortunate," said Dr

Subramaniam in his Christmas and New Year greetings.

He said he was proud of Malaysians who had been able to prove their capabilities and skills up to the point where they have become leaders of multinational companies worldwide and they should continue improving themselves.

The Malaysian Associated Indian Chambers of Commerce and Industry also hoped the season and the new year would generate a prosperous economic outlook for the nation.

"I pray that God blesses all entrepreneurs and the country. Give us enough strength to face the volatile global economic scenario," MAICCI president Datuk K.K. Eswaran said.

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Despite Wave of Piracy, Filipinos Crave Work as Sailors**

Under the shade of the tall trees that line the sidewalk at Rizal Park, Marlon Arguelles scanned the job notices posted on the recruiting booths. The laser printouts were marked with huge American dollar signs.

The park, just off Manila Bay, is where Filipino merchant sailors go to seek work. Recruiters from international shipping companies come here each weekday to bid for their services.

There has always been an element of risk in the seafaring life, but with a surge in piracy off the Horn of Africa, the dangers have seldom been more glaring. And with so many Filipinos making their lives at sea — the government estimates that one-third of the world's merchant sailors are from the Philippines — the risks are especially apparent here.

More than 100 Filipinos are being held by the Somali pirates who have made the Gulf of Aden a terrifying place to sail. So far, the government says, none have been killed, but some of the sailors have been held for months.

Mr. Arguelles, 28, who was scanning the job notices, was looking for work as a ship's cook. Many of the recruiting agencies were offering \$1,000 to \$2,000 a month for the position. Indeed, some news reports have contributed to the cavalier attitude. After the all-Filipino crew of the Greek-owned tanker Centauri was released last month, the sailors

told news agencies that the pirates had treated them well, even playing cards with them and sharing meals during the two months that the crew was held.

In late November, of the approximately 300 sailors being held captive by Somali pirates, 134 were Filipinos, according to the Philippine Department of Foreign Affairs.

Twenty-six of them were from the Centauri; the other 108, who manned seven ships, were still in the hands of the pirates. While some legislators and government officials in the Philippines have called for restrictions on the maritime recruiting market, the idea has received little support. With about 10 percent of the population of the Philippines working abroad, and with many families here relying on remittances that émigrés send home, there has been no public outcry about the sailors. A sailor who boards a ship bound for Somali waters often gets double the usual wage, plus hazard pay, Mr. Santos said.

That could mean more than \$3,000 a month for a cook, more than a minimum wage-earner in the Philippines would make in a year. The Philippine Overseas Employment Administration says that about 270,000 Filipinos are merchant sailors. The country's population is about 96 million.

Mr. Santos said that it would be hard for the government, or anyone, to try to keep Filipinos from heading to Africa's troubled waters.

In one recent episode, according to several security contractors, Filipino crew members pelted pirates with tomatoes in an attempt to stop them from scaling the hull of their ship. The sailors' efforts failed.

## **Environmental Front**

### **● Philippine**

## **Political Front**

- **Arroyo appoints team for talks with rebels**

Philippine President Gloria Macapagal Arroyo on Tuesday appointed three members to the government's peace negotiating team with Muslim separatist rebels.

Arroyo named the head of the panel on December 1 in a first step towards resuming stalled peace talks with the Moro Islamic Liberation Front (MILF).

Esperon said the appointments were in line with Arroyo's announcement that her administration was committed to holding peace talks with the MILF. Esperon said the government would also form teams to monitor the security and economic situation in the southern region of Mindanao, as well as an advisory group on disarming the MILF members.

Arroyo dissolved the government panel negotiating with the MILF on September 3 after the guerrillas launched a series of deadly attacks in Mindanao, triggering fierce fighting with the military.

More than 200 people, including civilians, were killed in the rebel attacks and subsequent fighting. More than 500,000 people were also displaced at the height of the hostilities.

The MILF launched the attacks to protest a Supreme Court order stopping the signing of a key agreement that would have expanded an existing autonomous Muslim region in Mindanao. Arroyo has since scrapped the ancestral domain deal, and the high tribunal has declared it unconstitutional. The MILF, the largest Muslim rebel group fighting for a separate Islamic state in Mindanao since 1978, welcomed the government's moves to restart the peace talks. But MILF chief negotiator Mohagher Iqbal urged the Arroyo administration to reconsider its position on the ancestral domain deal.

- **"Pareng Barack": Filipinos in Obama's America**

On the night of Nov. 4, when Barack Hussein Obama was elected president of the United States, journalist and book author Benjamin "Boying" Pimentel took his eldest son to downtown Oakland where thousands of people were waiting for the official results. They found people celebrating with cheers and tears. After more than 200 years, Americans had chosen a person of color to lead them forward.

"Pareng Barack: Filipinos in Obama's America," Pimentel's latest book, is about Obama's amazing rise to the presidency and, more importantly, about how Filipinos responded to his campaign and victory. "Often with excitement, sometimes with fear and dread," Pimentel writes. "Pareng Barack" is also about the Filipino journey in America, "how it has intersected, sometimes collided, with those of other communities, and how it has taken a dramatic turn as America enters a new era of anxiety and hope."

This book came out a few weeks after Obama was elected but it didn't take just a few weeks for Pimentel to write it. He had been pounding the streets and watching the groundswell. With or without Obama's win or defeat, this book could still stand alone to show those intersections and collisions that Pimentel describes. But Obama's win

provides Pimentel a starting point, and for Filipinos who chose America to be their home, it also offers landmarks on a cultural and historical landscape, that is, from there to here. Also a timeline from then to now.

This gem of a book is easy to read. It is an engaging journalistic read because there are real human faces, voices, names and places in it as only a seasoned journalist knows the importance of if one is to show proof of one's point or analysis. This book is not the result of a survey but of a journalist's walking the streets where stories unfold, where lives are lived.

“For Filipinos in America, it is a time of celebration and pride. For others, of concern, even fear.” This is how Pimentel describes the aftermath of the Nov. 4 elections that saw Democrat Obama win and Republican John McCain lose.

“Nevada had become a battleground state and Fran joined other Filipinos in the ground war to rally support for Obama. This meant going from house to house... It was while knocking on doors on one part of Reno that he came across one Pinoy... A Philippine flag was displayed in his garage... The young man was a registered Republican, and had never voted Democrat. But he said he was voting for Obama. ‘He speaks to everyone, and seems that he can reach across the aisle,’ he told Fran. ‘Obama is different from the rest.’

“But then there was a woman in her 30s whom Fran met on a Philippine Airlines flight during a short visit to the Philippines before the election. She had lived in the United States for about eight years, had been married, and had just become an American citizen... The woman had just mailed in her ballot—she voted for John McCain... Now that her daughters were about to join her in the United States, she wanted a ‘strong leader.’ But eventually she also admitted to Fran, she simply could not vote for a black man. ‘I just don’t trust them. ‘Di ba sila ‘yung laging nanggugulo? Aren’t they troublemakers? They’re so violent.’”

In the chapter “American in Living Color,” Pimentel writes about how Nobel Prize winner for literature, Toni Morrison, a black woman, noted that many newcomers readily embraced American society's long-held prejudices against blacks. He also shares what Asian-American civil rights lawyer Bill Lee told him: “Immigrant communities generally tend not to know the history and to buy into the biases and prejudices of the dominant group. Unfortunately, becoming American often means buying into the prejudices. They want to identify upward. They don’t want to identify with those at the bottom.”

Something like that fable about the fly that alights on a carabao and suddenly thinks he's a carabao. (It's better told in Filipino.)

But it's not that way all the time. Pimentel digs into the “racial wedge” that Asian-Americans occupy, that uncomfortable in-between mezzanine position where they are expected to be loyal to their superiors and demanding of those below.

Pimentel's book also deals with other racial and ethnic groups. He writes, "Obama's victory is significant for another important reason. With the steady growth of Latino and Asian communities, there will no longer be a racial or ethnic majority in the United States in less than 50 years. A biracial leader with a deep personal experience of life in the Third World, Obama, many hope, could prepare the nation for that coming change."

"Lessons in Patriotism and Forgiveness" is a poignant chapter. Here Pimentel explores his experience as a Filipino whose father endured suffering during the Japanese occupation of the Philippines, and then reflects on his own encounter with Japanese-Americans who suffered ostracism and internment in the US.

In "From the I-Hotel to Powell Street" Pimentel revisits the bygone milieu of Carlos Bulosan ("America is in the Heart") and enters into the world of the aging World War II Filipino veterans. Powell Street in San Francisco is where these veterans spend their winter years. I have been there myself and it's really a tearjerker.

Toward the end, Pimentel writes about his family and waxes sentimental. He muses: "In the end there were more people who were ready to move on, to break ground, to reimagine the United States, to redefine America. It will be Obama's face and voice that my sons will see and hear on television and on the Internet over the next four years, maybe longer. It will be Pareng Barack who will play a critical role in defining my sons' future in America."

## **Strategic Front**

## **Economic Front**

## **Social Front**

- **Manila names new peace negotiators with Moros**

Manila: The Philippines on Tuesday said it hoped to resume peace talks with Moro rebels in 2009 and formed a new negotiating panel in a new push for peace.

Presidential Adviser on the Peace Process Hermogenes Esperon Jr. said President Gloria Arroyo has appointed Agrarian Reform Secretary Nasser Pangandaman, former South Cotabato Rep. Adelbert Antonino and former Sectoral Representative Ronald Adamat, as members of the government's peace panel.

The appointment of members of a new panel came after Arroyo appointed Mindanao-born diplomat, Rafael Seguis as head of the committee charged with the task of resuming peace talks with the Moro Islamic Liberation Front (MILF). According to Esperon, Pangandaman will represent the Muslim community in the talks while Antonino will serve as the voice of Christian stakeholders in the peace process.

- **Adamat, 73, will represent indigenous Lumads of Mindanao.**

Adamat had previously served as a key member of a government-appointed commission advocating changes in the constitution.

Earlier, Arroyo earlier pointed out that the key sectors holding stake in Mindanao peace are not properly represented in past negotiating committees formed by the government.

This time, Esperon said, "all sectors are properly represented in the panel."The appointment of three new members brings to four the number of new nominees to the government negotiating panel. A fifth member completing the team of negotiators is expected to be appointed soon.The palace move to name new members of the panel came several months after peace negotiations between the MILF and the government fell into disarray.

Peace talks with the MILF were suspended by the government after renegade members of the Moro separatist movement carried out attacks in Maguindanao and Lanao del Morte last August.

Local leaders in Central Mindanao identified with Christian allied politicians also questioned before the Supreme Court the constitutional validity of a pact entered into by the government with the MILF - the so-called Memorandum of Agreement on Ancestral Domain

- **UN food aid truck ambushed in Mindanao**

A cargo helper was killed after a truck chartered by the United World Food Programme to deliver aid to civilians in Central Mindanao was ambushed by an armed group on Sunday.

Reports said the truck was about to load a fresh batch of food aid to civilians displaced by the fighting between government forces and Moro elements in Lanao del Sur, when the vehicle was fired upon by unidentified men."World Food Programme [WFP] contracted truck owned by M&M Trucking Co was ambushed on 21 December 2008 between 7 and 8 pm on the main road at Barangay [Village] Inoma, Calanogas, Lanao Del Sur by the group of the armed man divided into two groups," a report by Nedzad Mulalic of WFP Mindanao, said.

Three escape Fernando Corosan, a truck helper, was killed in the ambush while three others, including driver, Roberto Tacobo, managed to escape. Stephen Anderson, Director and Country Representative of the WFP, deplored the incident. "The WFP has provided life-saving food support to vulnerable people displaced by the conflict in Mindanao since 2006, with a minimum of security incidents. Delivering emergency food assistance in a conflict zone is beset with risks that are unfortunately well known to WFP," Anderson said.

- **Manila eyes fresh peace push with Muslim rebels**

The Philippines made a fresh push to end 40 years of Muslim secessionist conflict in the country's south by forming a new negotiating panel on Tuesday, saying it hoped to resume peace talks in early 2009.

Two former lawmakers and a Muslim who is part of President Gloria Macapagal Arroyo's cabinet have been named to a panel that will try to convince the largest Muslim rebel group in the south, the Moro Islamic Liberation Front (MILF), to lay down their arms.

All three are based in southern Mindanao island, where about 120,000 people have been killed in a conflict that has scared potential investors from extracting huge deposits of oil, natural gas and minerals. The Philippines is a mainly Catholic country.

But Mohaqher Iqbal, the MILF's chief negotiator, said he doubted whether talks could resume soon. Negotiations between Manila and the MILF bogged down in August after a deal to expand an existing Muslim autonomous region on Mindanao was stopped by the Supreme Court.

Enraged rogue elements of the MILF then attacked Catholic-dominated communities, burning homes and farms and killing civilians, forcing the army to launch offensives. The government then decided to end peace talks with the MILF.

More than 300 people have died in about four months of fighting in six provinces on Mindanao, displacing 700,000 people. Most of those displaced have returned home as fighting eased in the last three weeks, but 60,000 to 70,000 remain in temporary shelter because their homes and farms were destroyed.

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All three are based in southern Mindanao island, where about 120,000 people have been killed in a conflict that has scared potential investors from extracting huge deposits of oil, natural gas and minerals. The Philippines is a mainly Catholic country.

"We are still assembling the pieces to get the peace process started again in a way that upholds our commitment to peace," said Hermogenes Esperon, a retired general and



Arroyo's peace adviser, who is not part of the panel. He said talks could resume early next year once both parties agreed to sit down.

But Mohaqher Iqbal, the MILF's chief negotiator, said he doubted whether talks could resume soon.

"Until now, we have not received any response from Malaysia with regard to the resumption of talks," Iqbal said, adding that Kuala Lumpur, which has been facilitating talks since 2001, should inform both parties when negotiations are to be resumed.

"Our position has not changed. We'll only negotiate based on the ancestral domain agreement that we failed to sign in Kuala Lumpur in August," Iqbal said.

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- **Six villagers killed in separatist attack**

Muslim separatist rebels stormed a village in a southern Philippine province, killing six civilians, a military spokesman said yesterday. The guerrillas fired rockets and assault rifles as they swooped into Midtungo village in Senator Ninoy Aquino town in Sultan Kudarat province, 930 kilometres south of Manila, on Tuesday.

Army spokesman Lieutenant Colonel Julieto Ando said one civilian was also wounded in the attack by an undetermined number of Moro Islamic Liberation Front (MILF) rebels. Moro rebel spokesman Eid Kabalu denied there was an attack. "There was no harassment that happened," he said. "The military is just preempting the situation in the area. Apparently, the residents are apprehensive of an attack."

But municipal social welfare officer Edmun Corder said more than 1,200 residents were forced to flee their homes in Midtungo due to the attack.

In August, Moro rebels launched a series of deadly attacks to protest a Supreme Court decision to stop the signing of a key agreement that would have expanded a Muslim autonomous region.

More than 200 people were killed in the attacks and subsequent fighting between the rebels and the military. The hostilities also displaced more than 500,000 people.

The military has since launched a manhunt for two Moro rebel commanders who led the attacks. Due to the attacks, President Gloria Macapagal Arroyo dissolved the government peace panel negotiating with the rebel group and ordered a review of the negotiations. On December 1, Arroyo appointed a new head of the government team in a step towards resuming peace talks with the MILF. This week, she named four other negotiators.

Moro rebels has been fighting for a separate Islamic state in the southern region of Mindanao since 1978. It signed a ceasefire agreement with the government in 2003

- **Philippines warns of terror attacks during holidays**

The Philippine government yesterday warned against possible terrorist attacks while the predominantly Catholic country celebrates Christmas and urged the public to be vigilant.

Presidential Executive Secretary Eduardo Ermita said security forces had received information “a few months back” on plans by terrorist groups to launch attacks during the holidays. He said the government had been preparing since then for possible terrorist attacks.

Ermita said two bombings in the southern city of Iligan on December 18, which killed three people and injured more than 40, were believed to be part of the plot. Two more unexploded bombs were later found in Iligan City. He said the groups behind the plot were the Abu Sayyaf, the Jemaah Islamiyah (JI) and a special operations group of the separatist Moro Islamic Liberation Front (MILF). The plot involved bombings in urban centres in the southern region of Mindanao and Manila, Ermita said. The Abu Sayyaf and the JI have both been linked to the Al-Qaeda terrorist network and have both been blamed for some of the worst terrorist attacks in the Philippines and South-East Asia. The MILF, the largest Muslim rebel group fighting for a separate Islamic state in the southern Philippines, has denied being involved in terrorism.

But authorities alleged that some MILF commanders and breakaway units have tied up with Abu Sayyaf and JI militants to launch attacks and engage in criminal activities.

- **10 Killed In Muslim Rebels Attacks In Philippines**

Ten people were killed when Muslim separatist guerrillas launched attacks and occupied a village in the southern Philippines, military and police officials said on Thursday.

Moro Islamic Liberation Front (MILF) rebels attacked Midtungo village in the southern island of Mindanao with rocket-propelled grenades and assault rifles on Tuesday, said military spokesman Lieutenant Colonel Julieta Ando.

The militants killed nine residents and wounded another, he said, updating an earlier toll of six after three more deaths were discovered.

In a separate attack, a passenger of a motorboat passing near the town of Kalamansig was killed after suspected MILF fighters shot at the vessel on Wednesday, provincial police chief Ben-Hur Mongao said. As many as 400 families fled Midtungo after the attack there, said town social welfare officer Edmund Corder.

Mongao said the MILF fighters had occupied Midtungo until Christmas day on Thursday but that they had withdrawn by noon after the army, police and pro-government militiamen cordoned off the area.

Evacuated residents had taken refuge in the town hall and were still being cared for by local officials, Mongao said, although he could not say how many had fled.

MILF fighters also attacked other communities in the south, firing assault rifles and mortars on Tuesday and Wednesday, the military said. A home-made bomb, believed to have been planted by the MILF, was found on a highway in the town of Datu Saudi Ampatuan in Mindanao on Thursday but it was defused by the military, said local commander Colonel Marlou Salazar.

The government suspended peace talks with the MILF after the group launched attacks across Mindanao in August to protest a court order stopping a deal that would have given the rebels control over a Muslim autonomous region. More than 600,000 people were displaced in fighting that followed, while dozens of civilians, guerrillas and soldiers have been killed.

- **Philippines: Japan provides relief assistance to internally displaced persons in Mindanao**

Japanese Ambassador Makoto Kastura and Muslim Youth Religious Organization, Inc. President Johnny Guine Balawag signed the grant contract for " The Project for Providing Relief Assistance to the Internally Displaced Persons (IDPs) affected by Armed Conflict in the Province of Maguindanao " at the Embassy of Japan on 24 December 2008.

The project, amounting to a total of US\$ 81,853 (approximately PhP3.9M), will be funded through the Grant Assistance for Grassroots Human Security Projects (GGP). This project will benefit 15,000 people (or about 3,000 families) in the municipalities of

Datu Piang and Datu Saudi Ampatuan, who have fled their homes since the armed-conflict escalated in the Province of Maguindanao in August 2008.

In the two municipalities, more than 60,000 persons or equivalent to 11,500 families were forced to leave their homes and livelihood resources to escape the continued fighting in their communities. Until the situation becomes more stable, these people are expected to stay in evacuation centers, such as schools, mosques, warehouses and makeshift tents. However, the prolonged stay of the IDPs in the congested evacuation centers has exposed them to various health and sanitation problems especially among the children and elderly.

Under these circumstances, the Muslim Youth Religious Organization, Inc. sought assistance from the Embassy of Japan. The Embassy decided to provide 3,000 mats, 6,000 blankets, 3,000 mosquito nets, 3,000 jerry cans (water containers) and 1,500 plastic sheets for tents to improve the present condition of the IDPs.

Overall, this project forms part of the Government of Japan's steadfast commitment to support peace and development initiatives for Mindanao since the launching of the Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BIRD) in December 2006.

## **Environmental Front**

- **Quake Measuring 6.2 Rocks Mindanao in Philippines, USGS Says**

A magnitude 6.2 earthquake struck the Philippine island of Mindanao at 11:20 a.m. local time today, the U.S. Geological Survey said. There were no immediate reports of injuries or damage. The temblor hit 55 kilometers (35 miles) southeast of General Santos at a depth of 207.5 kilometers, the USGS said in an e-mailed alert

## • **Thailand**

### **Political Front**

- **Thai PM unveils Cabinet**

Bangkok - New Thai Prime Minister Abhisit Vejjajiva has unveiled a Cabinet which includes ministers criticised for lack of experience and a foreign minister closely tied to this year's street protests.

Democrat Party leader Abhisit, 44, chose former investment banker Korn Chatikavanij to be Finance Minister but was forced to bow to demands of his coalition partners by filling some economic portfolios with little-known figures from smaller parties.

Mr Korn worked at global investment bank JPMorgan Chase before leaving to run for political office in 2004.

While Mr Korn's appointment was widely welcomed by the business community, they were disappointed over the appointment of Ms Pornthiva Nakasai from the Phum Jai Thai party as Commerce Minister because they see her as lacking expertise for the job.

Foreign Minister Kasit Piromya is another controversial figure in the new line-up. A former ambassador to the United States, Mr Kasit gave prominent support to the People's Alliance for Democracy (PAD) street campaign that occupied Government House for three months and Bangkok's main airports for over a week. His appointment has raised questions about Mr Abhisit's commitment to reaching out to supporters of ousted prime minister Thaksin Shinawatra. Mr Kasit told reporters last Friday that he would not be influenced by his connection to the PAD and planned to pursue a foreign policy untainted by the personal business interests that Thaksin was accused of allowing to creep into his government.

Mr Suthep was accused in 1995 of distributing plots of land, allotted for agricultural use by the poor, to his cronies. The scandal brought down the administration of then-prime minister Chuan Leekpai, a Democrat.

Mr Chavarat Charnvirakul, 72, a former Thaksin supporter who crossed over to the Democrats, was rewarded with the Interior Minister's portfolio.

Mr Chavarat is a former businessman who founded one of Thailand's biggest construction companies, Sino-Thai Engineering and Construction, which was commissioned to build several government projects, including Bangkok's Suvarnabhumi International Airport.

General Prawit Wongsuwan, former army chief, was made Defence Minister. The Democrat Party considered him to be the most suitable because he had a clean record in his career and was a politically neutral figure since he was not part of the Council for National Security, which staged the coup in September 2006. 'Any minister from any party or group must work under government policy. As government leader, I'll see to it that everybody works for the country,' he said.

- **He warned that those who do not deliver will be removed.**

Mr Abhisit also denied that business groups were exerting influence over the selection of his Cabinet after he made Mr Virachai Virameteekul, the former son-in-law of CP Group chairman Dhanin Chearavanont, a minister in the Prime Minister's Office.

The CP Group is the largest business conglomerate in Thailand. Most analysts do not expect the Cabinet to hold together for the whole of next year as economic growth stutters to zero or worse. Police are also bracing themselves for thousands of supporters of Thaksin trying to prevent the Prime Minister's maiden parliamentary address on Dec 29, as anti-Thaksin supporters successfully did in October.

- **Gilani greets new Thai PM**

Prime Minister Syed Yousuf Raza Gilani has felicitated the newly appointed Thai Prime Minister Abhisit Vejjajiva, and hoped the ties between the two countries will further strengthen in the years ahead. In a message issued here on Saturday Gilani said, "I wish to extend heartiest felicitations on behalf of the people of Pakistan, and on my own behalf, on your appointment as the Prime Minister of Kingdom of Thailand". Gilani said

- **Thailand's new Cabinet gets king's backing**

Thailand's new 36-member Cabinet led by newly elected Prime Minister Abhisit Vejjajiva Saturday got the endorsement of the King, media reported citing the country's state-run TV. The cabinet members will sworn in on Monday.

Vejjajiva was elected on December 15 as Thailand's 27th prime minister in a special parliamentary vote. Vejjajiva succeeds Somchai Wongsawat, who was forced to step down after a constitutional court verdict in early December that disbanded his People Power Party

- **Thai King ask the new government to work for the people and maintain stability**

Thailand's new cabinet led by Prime Minister Abhisit Vejjajiva was sworn in before the King Bhumibol Adulyadej on Monday. **King Bhumibol Adulyadej: "If you (ministers) perform well, the country could maintain peace and this would be a blessing for the country. It is what Thai people wish for."**

Abhisit, the Democrat Party leader who was elected as Thailand's 27th PM on Dec. 15 in a parliamentary voting session to replace the disqualified Somchai Wongsawat, led the other 35 cabinet members to take part in the oath-making ceremony in front of the King, which started on late Monday afternoon at Bangkok's royal residence of Chitralada Palace.

In a short address to the new cabinet during the ceremony, the 81-year-old King urged the Abhisit cabinet to work to keep the country in peace, as "this is all Thais' wish." Thailand's King Bhumibol Adulyadej on Monday asked the new Cabinet to maintain stability and order, which was the wish of every Thai.

Pledging that he would strictly follow the king's advice, Mr. Abhisit later told journalists that he would try to bring unity back to the people so that Thais and foreigners would have confidence in Thailand but the efforts could "not be achieved without the cooperation of Thais nationwide." Mr. Abhisit said he and his cabinet wanted to assure everyone that the government would work for the benefit of the people "on the condition that people should help in building (the country)."

- **Army chief denies helping to form govt**

The army has played no role in forming the government, army chief Anupong Paojinda said flatly on Thursday.

Gen Anupong said he is ready to testify to the armed forces committee of parliament if he is requested to clarify the matter. He then called on the Thais to reconcile for the sake of the country. Gen Anupong also denied having close ties with new Defence Minister Prawit Wongsuwan, saying he has known him only because he has worked with him. The army chief said soldiers are ready to ensure safety when the government delivers its policy statement next week. However, the army has not been asked to assist in safeguarding Parliament on Monday

- **Monthly allowance for elderly Thais from April**

***Social Development and Human Security Minister Witoon Nambutr said yesterday he would take a New Year's gift and note from PM Abhisit Vejajiva to Grandma Niam Panmanee.***

Witoon, on his first day in office yesterday, commented on the policy for elderly citizens, saying the government assisted 1.8 million out of the country's seven million people aged over 60. But he would ensure the 5.2 million other senior citizens got a Bt500 allowance each month from April 13, which is Senior Citizens' Day. He said he had also been asked by the premier to take a New Year's gift and letter to 84-year-old Grandma Niam in Ubon Ratchathani this morning (December 25) because she was one of his big supporters. He said he would also give the Isaan gran a photo of [Abhisit](#) and her, which the premier had written his signature on. Grandma Niam became famous when [Abhisit](#) mentioned her in a televised address after he became PM. He said Grandma Niam had given him a ring during a visit to Ubon late last year, and that he wore it as an expression of commitment to people in the Northeast.

- **Thai PM brushes off protest threat**

New Thai Prime Minister Abhisit Vejjajiva Thursday brushed off the threat of protests by supporters of exiled former premier Thaksin Shinawatra early next week.

Thaksin loyalists, known as "red shirts," have vowed to hold a mass rally when Abhisit, the leader of the Democrat Party, delivers his government policy statement on Monday and Tuesday at parliament.

Oxford-educated Abhisit took power on December 15 after a court dissolved the previous, pro-Thaksin ruling party following months of protests that included a blockade of Bangkok's airports. Thaksin supporters have promised to rally in central Bangkok on Sunday evening and will move the protest in front of the parliament building on Monday, when Abhisit is due to start delivering his policy statement.

Protests by the royalist, anti-Thaksin People's Alliance for Democracy (PAD) rocked Thailand between May and December, growing rapidly in August when they occupied the prime minister's office. The yellow-clad PAD then caused major economic damage when they occupied Bangkok's Suvarnabhumi International Airport and the domestic Don Mueang airport for around a week from late November to early December.

The British-born Abhisit said however that his government was trying to "clarify to the public that the political transition was in accordance with the system."

Abhisit also defended his policies against criticism that they are populist and copied from Thaksin in an attempt to appease coalition partners and defectors who abandoned the PPP after the court verdict. Abhisit's government says it plans to give free education for 15 years, a monthly allowance for all senior citizens and give an allowance to 850,000 health volunteers across the country.

## **Strategic Front**

## **Economic Front**

- **Thai economic growth projected at only 1 pct**

Thailand's economy is expected to grow by only 1 percent in 2009 due to weak local spending and declines in exports and services, according to a senior finance ministry official.



Director General of the Fiscal Policy Office Somchai Sajjapong said on December 24 that Thailand's exports and services in 2009 are projected to fall sharply, in line with economic slowdown in many of the country's trading partners, Thai News Agency (TNA) reported. In the latest revision of the country's economic performance, the 2008 economy is now expected to grow by only 3 percent, down sharply from 4.9 percent in 2007 and 5.1 percent projected the last time in September.

The inflation analysis for 2008 has been revised and is now expected to fall to 5.6 percent from the 6.3 percent projected earlier while the current account is to suffer a deficit of 1.5 percent of gross domestic product (GDP), Somchai said.

However, Thailand's inflation in 2009 is expected to fall to 1 percent, thanks to a sharp decline in oil prices and the current account will sustain a deficit at 1.4 percent of total GDP, added the director general.

Private consumption is estimated to expand by 2.2 percent due to the fall of household income which is resulted from the decline in farm product prices in the world market plus uncertainties in employment.

Private sector investment in 2009 is expected to expand by only 3 percent as most investors are adopting a wait-and-see on the global and Thailand's economy directions before making decisions. Because of the rapid global economic meltdown, Thailand's exports and services next year are forecast to experience declines, the TNA said

## **Social Front**

- **Orphans of the tsunami Four years on, vulnerable children still struggling in Thailand**

Four years after the tsunami swept across Thailand's Andaman coast, normalcy has returned to most hard-hit resort areas. But away from the white sand beaches and neon lights of the tourist strips, the tsunami continues to take its toll on the lives of children orphaned by the disaster. National estimates place the number of orphans between 1,000 and 2,000 – with the wide range resulting from a failure to register orphans immediately after the catastrophe and lack of proper coordination among agencies.

UNICEF Thailand Chief of the Child Protection Section Amanda Bissex notes that it is important to have "a centralized registration system under the responsibility of one agency. Without such a system, a large number of affected children are not registered – and the opportunity to plan for appropriate service delivery for them and provide them with follow-up support is missed."

Ms. Bissex adds that the orphans who were not registered missed out on the provision of key support, including education grants, professional assessments of the relatives with whom they would be placed, and psychosocial support.

## Child protection and monitoring

The sense of emotional distress from losing loved ones continues to affect orphans in Thailand's six tsunami-affected provinces. While the distance of years may help to ease their sorrow, their psychological well-being and current sense of security very much depend on their current living conditions.

To ensure good case management and follow-up for vulnerable children, UNICEF has supported the establishment of Child Protection Monitoring and Response Systems in 34 sub-districts of the affected provinces. In cooperation with the Ministry of Social Development and Human Security, Mahidol University and local governments, the systems have surveyed the situations of more than 76,000 children so far.

The aim of the project is to better monitor children's well-being and identify those in need of special care and support. To that end, locally based social workers follow up and coordinate with partners to ensure that children receive timely support and protection.

Government education grants and other funds provided for the care of orphans have been crucial, but at times they have also led to new problems in their lives. Some relatives looking to benefit from the monetary assistance have squabbled over who should care for the orphans, resulting in the separation of siblings. In some cases, family members may have been more interested in the money being provided for the orphans than in actually providing them with the best home.

Today, Suwaibah and her sister live with their father, stepmother and stepsister in a one-room, unfinished concrete-block house in Ranong's Muang district. The five family members share a space of no more than 10 square metres.

"Monitoring of the orphans' placements is equally important as ensuring they are placed in good homes in the first place," Ms. Bissex explains with regard to the Child Protection Monitoring and Response Systems. "We hope that this model can be implemented across the country and applied to all children in need."

## **Environmental Front**

### **● Singapore**

#### **Political Front**

- **Foreign Minister Yeo says ASEAN's agenda being held back is worrying**

Singapore's Foreign Affairs Minister George Yeo said the recent unrest in Thailand has held back ASEAN's agenda and that is quite worrying.

However, he noted that the new Thai premier has given his strong commitment to his country's chairmanship of ASEAN and that the ASEAN Summit should be convened

either in late January or mid-February next year. "The present quantum is US\$80 billion. There is a proposal to increase that substantially. The finance ministers would have to discuss this and the leaders would have to decide and this should be done sooner than later."

## **Strategic Front**

### **Economic Front**

- **Singapore's inflation rate eased to 5.5% in November**

Singapore's inflation rate has continued to ease in November. The consumer price index (CPI) rose 5.5 per cent on year, due mainly to higher costs of housing and food. On a seasonally adjusted basis, the CPI in November fell 0.2 per cent compared to October. Housing costs jumped 15.7 per cent, while food prices rose 6.9 per cent over the same period last year. Food prices rose due to more expensive cooked food, cereals such as rice, seafood, fresh vegetables, cooking oil, milk and fresh poultry.

The consumer price index for the first eleven months of 2008 was 6.7 per cent higher compared with the same period a year ago.

- **PC gaming industry says business stable despite economic downturn**

The economic downturn may have slowed growth in various industries, but not for the computer gaming sector. In fact, the sector saw more people staying home to play computer games so as to save on entertainment costs outside of home.

Another factor - the rising unemployment rate means more people have time to play such games. Game developers say business has been stable during the past few months. So now is the time to introduce more games, unlike other industries which are shying away from product launches.

Therefore, game developers are making use of the downturn as it will be more difficult to play catch-up in game launches when the economy picks up. Developer HGI Games, together with government research agency A\*STAR, has started work on a new "3D Realtime Gesture Tracking" where gamers need not wear any gadgets to track their movements. Research has shown that such motion games are popular with women in Singapore, China and Japan. Developers hope this technology can create new waves in the industry

### **Social Front**

- **Builders must be licensed by June 2009 to carry out building works**

All builders in Singapore must apply for builder's licence by June 16 next year to carry out building works here. This requirement under the Building Control Act came into effect on December 16.

## ● **Vietnam**

### **Political Front**

### **Strategic Front**

### **Economic Front**

- **US daily hails Vietnam's exports of wooden products**

The US demand for Vietnam-made furniture has seen exponential growth in the past decade and innovative designs, superior craftsmanship and structural integrity have enabled Vietnamese suppliers to carve a niche for themselves in markets worldwide, a local newspaper said.

According to a recent article in the Los Angeles Times, Vietnam's exports of wooden products have increased to an impressive 2.36 billion USD in 2007 from the 200 million USD sales revenue in 2000. The figures have positioned the country among the top three sourcing centres for furniture in Asia, the paper said. Vietnam's Ministry of Trade has anticipated continuous growth, with exports of wooden products expected to reach 5.5 billion USD by 2010.

To expand their export markets further, Vietnamese furniture suppliers are focusing R&D on current market trends, accepting mixed orders, investing in automated equipment, and sending their employees for training overseas.

Despite seeing strong overseas demand, however, furniture makers in Vietnam are bracing up for a challenges ahead, the daily added. However, exports in the line are expected to see robust growth in the next 12 months, with a slight change in main export markets.

While the US is currently the biggest importer of Vietnam-made furniture, many suppliers will target the EU in the coming months, according to the US paper.

- **Vietnam, US hold trade talks**

The first round of negotiations on the Vietnam-US Bilateral Investment Treaty (BIT) was held in Washington this week.

The Vietnamese delegation was led by a representative from the Ministry of Planning and Investment and included representatives from the ministries of Industry and Trade, Finance, Justice, the State Bank of Vietnam and the Vietnamese Embassy in the US.

The US delegation, led by officials from the State Department and US trade representatives, comprised delegates from the departments of Commerce, Treasury and related agencies. From December 15 to 18, the two sides reviewed and exchanged views on the content of the agreement. The talks will help create a foundation for more practical discussions at the next round of negotiations, scheduled to take place in Hanoi by the end of the first quarter of 2009.

Meanwhile, investors in the northeastern coastal province of Quang Ninh asked Prime Minister Nguyen Tan Dung for permission to build a 300-meter harbor, a coal-fired thermoelectric plant and additional infrastructure facilities requiring total investment of approximately US\$1.4 billion.

The request was made during Dung's visit on Monday to Hai Ha District and Mong Cai Town to inspect progress on the Hai Ha industrial zone seaport project and in the Mong Cai border-gate economic zone.

- **Vietnam to lower rate to 8.5 percent**

The State Bank of Vietnam said Friday it will lower its benchmark interest rate from 10 to 8.5 percent from Monday to help businesses overcome the tough economic climate. Earlier this year, the bank raised its benchmark rate several times, from 8.25 percent to 14 percent, to fight double-digit inflation. According to Friday's statement, the bank will cut the refinancing rate to 9.5 percent from 11 percent and the discount rate by 1.5 percent to 7.5 percent. Overnight interest rates for payments on the inter-bank market will be reduced to 9.5 percent from 11 percent. afp

- **Vietnam's First Oil Refinery To Commence Output From Feb 25**

Vietnam's first refinery is scheduled to turn out products from Feb. 25, the government said Monday in a statement.

The \$2.5-billion Dung Quat Refinery, with a designed capacity of processing 130,000 barrels of crude oil a day, will meet 30% of the country's demand, the government said, citing Dinh van Ngoc, deputy director of Binh Son Co., the operator of the plant.

In the first three months, the refinery will produce kerosene, diesel and naphtha, and will subsequently produce other fuels, Ngoc was quoted as saying. When fully operational, the refinery will annually produce 150,000 metric tons of propylene, 300,000 tons of liquefied petroleum gas, 1.9 million tons of gasoline 90, 92 and 95 octane, 400,000 tons of kerosene and jet fuel, 3 million tons of diesel and 300,000 tons of fuel oil, the

government said. Vietnam currently exports all of its crude oil output and has to annually import 13 million tons of petroleum products, Ngoc said.

- **Vietnam to become Spain's priority ODA recipient**

The Spanish government plans to add Vietnam to a list of 23 countries that are prioritised for official development aid (ODA) over the next four years. Under the draft programme for cooperation and development in the 2009-2012 period, submitted to Spanish parliament's committee for international development cooperation on December 18, the number of countries receiving ODA from Spain will be reduced to 50 as compared to 56 in the previous plan. It is expected that two-thirds of the Spanish ODA during this period will be provided to 23 priority countries. According to the Spanish government's target, the country's global ODA will account for 0.7 percent of its GDP by 2012.

- **IMF urges Vietnam to scrutinize stimulus plan**

The International Monetary Fund (IMF) has suggested that Vietnam thoroughly consider its economic stimulus plan and give priorities to such vulnerable groups as the business and banking sectors.

The IMF made the recommendation in a notice released on December 18, following a week-long Vietnam visit by an IMF working mission led by Shogo Ishii, Assistant Director of the IMF's Asia and Pacific Department.

The IMF forecasts that Vietnam's economic growth rate will reach 6.25 percent in 2008 and may reduce to 5 percent next year due to the worsening global economic environment, said IMF Senior Residential Representative in Vietnam Benedict Bingham.

Vietnam's trade deficit is expected to go down in the following year but will remain high, accounting for around 9 percent of GDP, he added. The IMF experts also predicted the country's inflation rate to decrease to a single-digit level by late 2009, leading to the government's loosened monetary and financial policies. However, Vietnam's position in the international arena is not so strong compared to some regional countries, which may restrict the government's capacity in pursuing those policies, they said.

The IMF mission, however, noted that Vietnam's outlook remains positive given that the government maintains sound policies and continues reforms to increase the country's competitiveness. Maintaining reforms in this difficult period is very important for Vietnam to bolster investors' confidence and ensure a better position for the country when the world escapes from the current economic recession, Benedict said in conclusion.-

- **How an emerging country tackles a global health problem.**

Though much of the Bush Administration's foreign policy has proved polarizing, the President's Emergency Plan for AIDS Relief, which is supporting the Vietnamese effort, has drawn widespread praise.

In 2007, Vietnam became the prime focus of PEPFAR in Asia. There, PEPFAR officials hope to develop approaches to curb the spread of HIV that could be applied in other places where injecting drug users are the main drivers of the AIDS epidemic.

In Vietnam, the government is beefing up public education and help for people at high risk for the disease. One initiative involves the opening of outpatient methadone treatment for drug addicts. Previously, drug users first underwent community-based rehabilitation, which often consisted of family members trying to detoxify the drug user themselves. Patients who didn't succeed that way were moved into residential rehabilitation centers. Mr. Dang spent four years in one of these centers. The government opened six methadone clinics in April, each capable of treating about approximately 250 people a year. Encouraged by their initial success, the government has plans to add six more clinics. There are challenges to changing the way drug addicts are treated. Under Vietnamese law, injecting drug users are subject to prosecution, and government employees are required to alert authorities to active drug users. The requirements reinforce negative attitudes among health workers toward drug users and also keep addicts, afraid of incarceration, from taking advantage of treatment services, says Jean-Marc Olivé, the World Health Organization representative in Vietnam.

- **Vietnam devalues currency by 3%**

VIETNAM devalued its currency by 3 percent yesterday as falling inflation and the weakest annual economic growth in nine years caused it to act. The central bank set the dong mid-point at 16,989 a dollar as against 16,494 on Wednesday after a Cabinet meeting in which Prime Minister Nguyen Tan Dung said gross domestic product grew 6.23 percent this year.

The Southeast Asian nation's economy has not grown slower since 1999. Last year, Vietnam recorded an 8.5-percent expansion and was a darling of the investment community. After a domestic overheating crisis earlier this year, and faced with the global slowdown, the government cut its growth forecast to 6.5 percent.

Next year would be worse, Dung predicted." The year 2009 will be tougher than 2008 as we will be faced with a strong impact from the global economic downturn," a government statement quoted Dung as telling the Cabinet in Ho Chi Minh City.

Consumer prices The government forecasts 6-6.5 percent growth in 2009, but the International Monetary Fund sees it coming in at 5 percent. Consumer prices rose 19.89 percent in December, well below the government's forecast of 22 percent, while average inflation over the year was 22.97 percent, the government statistics office said. The State Bank of Vietnam, the central bank, has slashed rates five times since late October,

unwinding most of the earlier tightening, and lowered banks' compulsory reserve ratio, effectively flooding the financial system with money.

Prime Minister Dung has said promoting exports was a priority, and the government has announced plans for a US\$6-billion economic stimulus package.

- **Vietnam and Japan sign trade pact**

Japan and Vietnam have signed a trade deal to cut tariffs on about 90% of the goods and services traded between them. It was signed by Japanese Foreign Minister Hirofumi Nakasone and Vietnam's trade minister, Vu Huy Hoang. The agreement will enable Vietnam to get duty free access to the Japanese market for shrimp, durian and okra among other marine and farm products. Japan will be able to send auto parts, steel and electronic goods duty free to Vietnam for assembly.

The agreement allows for freer bilateral trade than a wider trade agreement between Japan and the whole of the Association of Southeast Asian Nations, which includes Vietnam, Japanese officials said. It is likely to be ratified in time to come into effect next year but could take up to 10 years to implement fully, they said. Japan's Kyodo news agency said this was Japan's tenth signed free trade agreement but Vietnam's first two-way trade agreement.

- **Vietnam inflation nears 20%**

VIETNAM'S consumer prices rose 19.9 per cent this year but came in well below government forecasts, a state-run newspaper said on Thursday.

The government released the inflation figure during a cabinet meeting that ended on Wednesday, in which it also said the economy grew 6.23 per cent this year, below the target of 6.7 per cent, the ruling Communist Party-run Nhan Dan newspaper said.

Annual inflation in November stood at 24.2 per cent compared with 26.7 per cent in October.

The country's central bank raised its benchmark interest rates three times in the first half of 2008 to help contain double-digit inflation, but when monthly inflation started easing in line with the global crisis impact, it started slashing rates.

The State Bank of Vietnam has cut interest rates five times since October, unwinding almost all of the earlier tightening. The government has targeted growth at around 6.5 percent next year percent, while striving to keep inflation below 15 per cent and boost exports by 13 per cent, the newspaper said. Exports grew nearly 30 per cent this year. To



boost exports the central bank allowed the non-convertible dong currency to fall 3 per cent against the dollar on Thursday.

## **Social Front**

- **Vietnam Battles HIV Epidemic With U.S. Aid**

Sixty-eight-year-old Dang Thi Nhu sits on her living room floor surrounded by plastic drug containers. Each month she receives hundreds of pills from the Vietnamese government for her son Dang Ngoc Than, who was infected with HIV while sharing a heroin syringe with other drug users.

The 40-year-old Mr. Dang is so weakened from his battle with AIDS that he can barely move or digest solid food. In recent months he became one of more than 11,000 beneficiaries of a Vietnamese drive to distribute free antiretroviral drugs. The program draws support and funding from the U.S. government.

## **Environmental Front**

- **Laos**

### **Political Front**

- **Govt agreed to address falling price of agriculture products**

The Government agreed to focus on addressing the falling price of maize, rice and agriculture products leading to surplus and can not sell and export. Along with a measure to crack down illegally imported cars which the Government assigned the sector concerned to take in charge in this work.

This was a hot key out of six issues were raised and discussed at monthly cabinet held from 17-18 December under the chairmanship of Prime Minister Bouasone Bouphavanh. An urgent issue of Government is to concentrate to address the production of rice, maize, lacquer and agricultural cash crops are facing with falling price and export. The meeting discussed and gave a long-term addressing direction and a number of measures to cope with these current complicated issues as a reference for sectors concerned and local authorities to simplify in their operations.

Regarding with the Government's addressing measure was all sectors concerned have to cooperate with localities to purchase the stored yield of agriculture and provide favourable to localities and people living along common border in distributing agriculture production to domestic and external markets.

In particularly rice matter, the Government assigned the Ministry of Industry and Commerce to purchase the output of rice from farmers so as to create the Government's rice reserve to support the price of rice in domestic market.

For a long-term measure, the Government agreed the Ministry of Agriculture and Forestry to work with other sectors to further research a national policy on agriculture production for market sell such as rice production, maize and other cash crops to serve sufficient to local market and export.

In the determination of the national strategy regarding to the agriculture production and rice production areas to gain 2 million hectares countrywide, rice seeds and other cash crop seeds in order to propose the early 2009 cabinet meeting to approve. The second one is to concentrate on addressing illegal cars because the figure of taxation division found that there are 126 car dealers in Vientiane Capital but through the real inspection of taxation division found 129 car dealers, of which 95 dealers were legally running business. Seeing this matter the meeting agreed to improve ad hoc committee to inspect a number of measure involving to the import of cars and other car dealers. For the violators should be educated and penalties as well as punished civil servants involving to this problem.

A two day meeting has approved draft law on Official Development Assistance proposed by the Ministry of Foreign Affairs which is an important legal tool for sectors concerned to attract assistance from friendly countries and international organizations. The cabinet brainstormed on the national draft master plan on land use and natural resources in Laos that is being big problem and significant for economy and politic and national security.

The meeting approved a draft degree on land rental and concession. Over the past one year of Lao-Vietnamese cooperation conditions was reported and evaluated at the meeting in particularly the administration of Lao students in Vietnam concerning this issue the Government appointed a committee to inspect the study of Lao students in Vietnam, if found some one violated rule or can not study, they will be sent back.

In addition the Government has also approved a number of focal works in the future and long term particularly in the security keeping and social order, macroeconomic management in order to prevent and counter against the worsen global economy and financial global economy.

- **Laos and China further co-operation on border affairs**

(KPL) The 9th meeting of the Laos-China border co-operation committees was held last week in Vientiane to review the activities made by two sides in the past one year. The meeting also discussed and reviewed the implementation of the resolution of 8th meeting which the sides satisfied with the situation and the co-operation of the both sides people who are living along the border areas.

At the meeting the two sides also unanimously agreed to encourage the concern sectors and local authorities of the two countries to provide necessary measures for allowing the trade products and vehicles of the third country to pass the international border checkpoint of Bortien- Borhan, Luangnamtha province and Xipsongphanna district of Yunnan province of China.

The sides also agreed to upgrade the district border checkpoint of Lantouk, Nhot-ou district, Phongsaly province and Muangkang, Phouer district, Yunnan province as the National Border Checkpoint in order to allow the Lao and Chinese passport holders, trade and vehicle of the two sides to use. They also agreed to encourage the local authorities of the two countries to address negative impact happened at the border areas.

## **Strategic Front**

### **Economic Front**

- **Laos hopes to use its own oil**

Laos found the crude oil mine in Phin district of Savannakhet province when the England Survey Company disclosed primary information on high potential of oil source in Savannakhet province, amid the oscillatory oil price in the world market, said an official of Energy and Mine Office, Savannakhet province.

Last years, Laos faced trade deficit was attributed to the import of oil because Laos could not refine or produce the fuels for public service to spur the economic growth. The Ministry of Industry and Commerce has recently reported that most of oil domestic consumption was imported by 100%. So when the oil price increased in the world market, of course it affected all sectors in country that Lao people can not avoid this problem.

The latest news, the Energy and Mine Office of Savannakhet province told KPL news yesterday that it found the oil mine in Phin district of Savannakhet province, after the Lao Government in collaboration with an England Company carried out a survey of oil resource.

Having found primary information on the oil resource in Phin district was sparking the Lao government's attempt has high hopefulness to reduce the import of oil. Mr Phonkeo Phouthapayalad, Head of Energy and Mine Office, Savannakhet province disclosed that England survey company found the oil resources in Savannakhet province, after it conducted its survey in July 2008. But now the survey was stopped because of rainy season and one more reason England Survey Company still waited the drilling equipment that will import from Africa.

The England Survey Company has so far imported the drilling equipment from Vietnam, but it can not use this land and it suitable for the sea.

## **Social Front**

- **UNDP helps people with disability**

(KPL) The United Nations for Development Programme (UNDP) has agreed to provide grant aids of US\$ 22,750 (approximately 193 million kip) to the National Disabled People's Rehabilitation Centre to document the number of people who become disabled because of UXOs.

The agreement on such a grant was held on Wednesday in Vientiane by Mr. Somneuk Virasane, Deputy Director of National Committee on UXO Control Office, who represents UNDP to Laos, and Dr. Thongchanh Thepsomphou, Director of Disabled People's Rehabilitation Center.

The Ministry of Health and the Disabled People's Rehabilitation Centre pay attention to the development and improvement of disabled people, by providing them medical treatment and humanitarian assistance as aids devices—wheelchairs, hearing aids and crutches and helping them access employment.

- **Korean Government grants boarding school construction in Vangvieng**

The Korean Government agreed to provide grant aid to the construction of boarding school in Vangvieng district, Vientiane province. The ground breaking ceremony for the boarding school construction project took place on 16 December in Vangvieng district, Vientiane Province. Ambassador of the Republic of Korea, Mr. Park Jae-Hyun and Vientiane Deputy Governor, Mr. Bounmy Phouthavong were the present at he ceremony.

The Korean Ambassador Hyun said in his congratulatory remarks that this school could provide better education opportunity for orphans and disadvantaged students from different ethnic groups in Vientiane province. And he hoped to contribute to human

resource development and improve the quality of education through this school. Mr. Bounmy expressed thanks to the Korean Government and request to Vientiane provincial education department and related provincial offices to cooperate and support with the construction company to make effective outcomes.

According to the report of Mr. Sung Choon-Ki, the resident representative of The Korea International Cooperation Agency (KOICA), KOICA will provide assistance of US\$28.9million to build the boarding school with 20 classrooms, teachers' room, 76 room dormitories and a dining room.

The boarding school construction will be completed in 2009 and replace old ones in Vangvieng and Xaysomboune. The Korean Government, as one of Lao main donor countries, has made every effort to help Lao development through Official Development Assistance with grant aids.

In particular, the current grant aids by Korea to Laos focuses on the poverty reduction especially in health, education and rural development based on Korea's experience of overcoming poverty and economic development.

- **Chinese Political Consultative Council gave US\$300,000 to LFNC**

The Chinese Political Consultative Council made a donation to the Lao Front for National Construction. It was in the form of two vans, 57 sets of computer notebooks and office equipment. They are worth US\$300,000.

During the hand-over ceremony, held at the premises of the Lao Front for National Construction, Mr Pan Quangxue, Chinese Ambassador to Laos and who is also the representative of the Chinese Political Consultative Council formally presented the various items to Professor Sayamang Vongsack, Deputy President of Lao Front for National Construction on 17 December. Deputy President of LFNC expressed his thanks to the Chinese government and people, specially to the Chinese Political Consultative Council for its contribution and he added that this fostered closer relationship between the two sides and to better Lao-China relations.

- **Laos, Vietnam further cooperation on technology and science**

The Laos-Vietnam Technology and Science Agencies have agreed to cooperate on technology and science development and these agencies made such a joint statement in Vientiane on 18 December.

Professor Bountiem Phisamai, Minister to Prime Minister's Office and Head of the Science and Technology and Environment Agency of Laos, and Mr Huang Van Fonh,

Minister of Technology and Science of Vietnam signed an agreement on this cooperation. According to the agreement, the Vietnamese side will provide assistance on technology and science development to Laos in order to enable her to develop, to further the friendship relations between the two countries and to foster a long traditional special solidarity and all around cooperation between Laos and Vietnam.

Both sides discussed and reviewed the technological and scientific cooperation in the past and the present. Laos and Vietnam also agreed to further cooperate on a work plan that covers a three-year period, 2009-2011, which is focused on upgrading the knowledge of Lao officials on technology and science, on intellectual property rights and cooperation on agriculture.

- **Fifty eight Hmong people come back to Laos**

Lao and Thai officials held a ceremony on Monday on the repatriation of 58 Hmong people to Laos and they had illegally migrated to Thailand some years back. Mr. Yong Chanthalangsy, who represented the Lao government and the head of the Lao-Thai Common Border Security Cooperation Sub Committee, received the Hmong people from Col. Khamron Kheuavichayajarn, representative of the Royal Thai government and secretary of Thai-Lao Common Border Security Cooperation Sub Committee.

Since the beginning of 2008 there were nine lots of official repatriations, including the one mentioned above. The officials of both countries said they are planning repatriate all the illegal Hmong migrants in Thailand to Laos by the end of this year. On their arrival in Laos, this group of Hmong people were sent to a temporary centre in Borikhamsay province to be educated on political ideology and the policies of the Lao government and to be told about the poverty reduction programme for the ethnic people. They will also be told to be aware of the trickery tactics of human traffickers. Then they will be sent to their hometowns at a later date and they will be assisted

## **Environmental Front**

- **Cambodia**

### **Political Front**

- **At an event marking 53 years of UN membership**

At an event marking 53 years of UN membership, officials and NGOs alike celebrate UN achievements in Cambodia. Some of the 192 monks - representing the 192 countries in the United Nations - walk through Hun Sen Park on Sunday.

DESPITE having, at times, a highly problematic relationship with the government, the United Nations has played a key role in the Kingdom's development and will continue to support Cambodia in the future, UN officials say.

The event noted the UN's accomplishments in Cambodia over the last three decades. Jinnai reminded the audience that in 1979, after the fall of the Khmer Rouge, the UN provided US\$700 million in emergency relief, and that during the 1990s, the United Nations Transitional Authority of Cambodia helped restore peace and security by organising democratic elections.

The celebration did not just focus on the past. With 23 specialised UN groups currently working to provide development and technical assistance to the Cambodian people, the UN is here for years to come. Sok Sam Oeun, executive director of the Cambodian Defenders Project, was hopeful that with the UN's help, Cambodia would one day fully respect human rights. One of the high points of the event was when 192 monks - representing the 192 UN member countries - participated in a peace ceremony.

Moeung Sonn, president of the Khmer Civilisation Foundation that organized the event, said Cambodians should celebrate the anniversary to express their gratitude to the UN for their contribution to peace and prosperity in Cambodia.

"These member countries have undertaken to find solutions for Cambodian crises, paving the way for peace, national development, social equity and justice." Monitoring group to boycott 'predictable' local elections

- **UN pledges continued support for Cambodia**

Election monitors Comfrel have said they will no longer monitor the local administrative elections in May, as they are based on 'indirect' voting. ELECTION monitors Comfrel have announced plans to boycott upcoming local administrative elections, which will be held in May 2009, claiming the use of indirect voting means the outcome of the elections is already fixed.

In a statement released last week, the group claimed that the elections of district, provincial and municipal councils rely on "indirect suffrage". Only commune officials - over 97 percent of whom are affiliated to the ruling party - can vote.

Mar Sophal, head of Comfrel's Monitoring Unit, confirmed to the Post that the group would boycott. Son Chhay, lawmaker and spokesman for the Sam Rainsy Party, told the Post Sunday that he was happy with the boycott but that his party would still participate in the superficial elections.

But Cheam Yeap, lawmaker for the Cambodian People's Party, said legality was not an issue in the indirect election process. "The election ... does not affect the legality of the elections because the commune council member represents the people and is elected by people," he said. "If we organise direct suffrage, we will spend more money and time, and we don't want to spend money for nothing."

## **Strategic Front**

### **Economic Front**

- **Cambodia's sustainability challenge**

THE rapid pace of development in Cambodia in recent years has led to an unprecedented period of building activity. Outside events have resulted in a temporary lull, but the country is still facing a major shortage of building stock, so a full resumption cannot be far away.

The slow period is in some ways opportune, giving architects and urban planners a chance to reflect on where the recent spate of building has taken the country. They need to ask themselves if it is heading in the right direction. If they are honest with themselves, they will conclude that it is not. Too few of the people who have been given the opportunity to shape Cambodia's built future are taking seriously the responsibility that goes with it. Nowhere is this responsibility more needed than in the area of sustainable building and design.

Whether it is a shophouse in Pochentong or a resort project on one of Cambodia's islands, ill-conceived and badly-designed projects can produce negative environmental effects now and for the future.

#### **Short-term thinking**

In Cambodia today, the emerging middle class is rapidly adopting Western consumption patterns, swaying popular ideals of good design and encouraging developers to think in terms of short-term reward at the expense of long-term sustainability.

They are racing to build monuments to progress with little regard for sustainability and end use, as they try to keep costs down in a market where demand, and hence the return on investment, is uncertain. This quick-turnover, high-profit mentality still stands as a roadblock to the implementation of strategies for sustainability in Cambodia.



But, contrary to popular opinion, going green doesn't have to mean going broke. This is a dangerous misconception, as it is a gross oversimplification to say, as people so often do, that a sustainable design will add 10 to 15 percent to the cost of development.

This logic comes from addition thinking, whereby developers ask how much it will cost to modify a designed office building, house or school to include, for example, convection-powered ventilation. Addition thinking is entirely the wrong approach. Sustainable design needs to be based on a clear briefed concept and a value system dictated by the client. Committing to sustainable design at the very earliest project stage is fundamental to the achievement of a successful sustainable building.

Design considerations such as building orientation, materials, insulation, ventilation and wastewater management all affect the building's sustainability and should be factored into the design prior to consideration of "add-on" energy efficiency and energy generating technologies.

Doing so significantly increases the economic viability of a sustainable project. But because planning procedures remain underdeveloped and underrated in Cambodia's relatively young design environment, the perceived time/cost component of substantial pre-project planning counts against this approach.

Cambodia has a unique opportunity to avoid the mistakes of the Western world as it develops. This requires that serious-minded planners, architects and designers challenge the prevalent short-termist approach to development and champion innovation to help communities live not only sustainable, but also to a higher standard.

This also needs to be supported at the national level through effective regulation and enforcement. Those responsible for building Cambodia's future have an extraordinary opportunity to use sustainable building techniques to change the way we live for the better and improve the prospects of the generations that are going to follow.

- **Auto importers feel the pain as global crisis cuts sales**

With global automobile sales in freefall, local dealers are expecting the worst as some importers predict a drop of more than 40 percent over two years. A Ford dealership in Phnom Penh. Ford has fared better than other companies in Cambodia, yet has seen sales slip 10 percent.

AMID tumbling real estate values and growing concern over the local implications of the global economic slowdown, Cambodia's auto sales are expected to drop as much as 40 percent over the next two years, economists and auto distributors say. The declines in

local sales come as the global market plummets with Toyota forecast it first reported loss Monday and US auto giants on the brink of bankruptcy.

Kong Nuon estimated that demand for new car models in Cambodia was about 2,800 per year on average, with an additional 20,000 second-hand cars changing owners annually.

"From now on, we have exclusive rights to distribute Toyotas. We have submitted documents to register with the Commerce Ministry to help curb any further imports of Toyotas by other importers," Kong Nuon said.

But the dire state of international markets and a local economy marked by rising commodity prices and shrinking real estate and construction sectors have stripped Toyota of up to 40 percent of annual sales over last year. The sales slowdown could have indirect implications for Cambodia's auto industry as importers face cutbacks. TTHK currently employs 88 people and has no immediate plans for layoffs, but the company has been forced to cut expenses by 10 percent, Kong Nuon said.

### Ford still strong

But Ngorn Saing, deputy general manager of RM Asia, a Ford distributor and Cambodia's second-largest automobile importer, said Monday its sales could see a rise of up to 10

## **Social Front**

- **Flood-struck high school reopens**

Students in Russey Keo return to class after three months amid concerns that they are not prepared to take their end-of-semester exams after being denied extra hours to catch up

MORE than 1,400 students have returned to their studies at a Russey Keo district high school that was closed for three months due to severe flooding. The Chea Sim Cham Reoun Rath High School was just one of more than 20 schools in the area that closed their doors in October after a series of downpours inundated their campuses. Some of the schools began to reopen last month as floodwaters subsided.

But the relief of being able to return to class has been tempered by the knowledge that the long absence from school has left many students woefully unprepared for upcoming exams, students and educators say. But the 17-year-old, who had previously paddled to school twice a week to ask when it would reopen, said she was happy to be free of the boredom of staying at home. Fellow student Sok Visith said he had forgotten nearly all of his lessons during his unexpected holiday.

Some 300 students were able to study at nearby schools, but one, 19-year-old Seth Vuthy, said classroom performance generally deteriorated in the new environment. Many students have asked for extended daily lessons to make up for lost time as first semester exams approach. But the school's director, Dy Tep Kosal, said that he lacked the resources for additional class time and was still struggling to repair the school's facilities damaged by the flooding. Residents blamed the flooding on local development projects, including the filling in of Boeung Kak lake. Amid pressure, city officials last month.

- **Governments targets chewing tobacco**

Officials warn that tradition could be an enemy in the fight to change attitudes towards chewing tobacco, a popular activity among Cambodian women

An ethnic minority woman in Ratanakkiri province displays the hallmark bad teeth that come from a lifetime of chewing tobacco, as she puts another wad into her mouth. WHILE the government prepares to tighten its control over cigarettes through new laws on their promotion and labeling, tradition appears to be winning the battle to discourage a different type of tobacco addiction. Roughly 600,000 women in Cambodia, most middle-aged or older, chew tobacco, while the majority of men prefer to smoke it, according to Dr Yel Daravuth, national officer for the World Health Organization's Tobacco Free Initiative. But while most women are aware that smoking is unhealthy, knowledge about the adverse effects of chewing tobacco is still thinly spread.

As party to the WHO Framework Convention on Tobacco Control, Cambodia has been working on a draft law on tobacco control that is currently awaiting approval. The law includes a ban on tobacco advertising, promotion and sponsorship, the addition of warnings labels on packaging and the creation of smoke-free areas, but it does not refer to tobacco chewing.

But it is the potential risks of chewing tobacco, alongside other traditional habits, that needs promotion. The areca nut, better known as the betel nut, is another stimulant that enjoys widespread popularity among older Cambodians and is considered to be carcinogenic. As with tobacco, knowledge of its health effects among Cambodians is often shrouded in folklore.

# Business and Politics in Muslim World

## India

Sadia Khanum

20<sup>th</sup> December to 26<sup>th</sup> December 2008

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### Political front:

- BSP is for all communities: Mayawati
- Rahul dreams of hunger-free India
- IT Act gives govt right to spy on Net
- 'Cong (I) born at my residence'
- Opposition puts government in the dock over terror attacks

### Mumbai Carnage and Aftermath:

- Antulay 'submits resignation'
- Govt for safe Antulay distance
- Pranab: Options open on Pak
- Police report in House may defuse Antulay remark row
- 'Enough proof to act on terror suspects'
- US offer to help set up NIA
- India May Consider 'Precision' Strikes in Pakistan
- India gives Pakistan Mumbai gunman's letter
- India to Pak: Don't create war hysteria
- Kasab's letter not ample proof: Pakistan
- Air force stations in cockpit ready alert
- Bal Thackeray to govt: Attack Pak, don't warn
- Pakistan jets take to the skies
- World needs to do more, says Pranab
- India adopts nuanced approach
- Pakistan says it is prepared to defend itself
- Pranab: denials won't take you anywhere
- Taj and Trident reopen, put the past behind
- Did some Taj guests die after police "error"?
- India capable of giving fitting reply: Sonia
- Army chief rushes to Siachen, border areas in J&K
- Pak to India: Don't blame us for your failures
- Pak capable of thwarting aggression from the east: Zardari
- Israelis to restore Nariman House on their own
- India has not shared any evidence of attack: Interpol
- India has given Pak time till Dec 26: Report

- India's case gets stronger with Pak armyman's arrest
- Mumbai attack: US back Indian proof of Pak hand
- India stays firm as Pak talks war
- "Ajmal not on Pakistan database"
- Taliban to back Pakistan in case of war
- India gives Saudi proof of Pak involvement
- PM meets defence chiefs to take stock of military situation
- India asks US, China, Iran to pressure Pak
- No legal aid to Ajmal unless citizenship proved: Pakistan

#### Domestic Situation:

- 3 soldiers grilled on Malegaon
- Assam cops for mafia-free state
- Country needs more courts to render speedy justice: CJI
- Centre speaks to Orissa govt on law and order during Christmas

#### Economic Front:

- Shipping industry seeks government help
- Bihar unaffected by global recession
- Govt lifts ban on cement export
- Fuel prices may be cut before polls
- Real GDP growth to be 7.7%: CMIE
- Tatas to inject 'millions of pounds' into JLR: Report
- India Central Bank May Extend Rate Cuts Amid Slowing Inflation
- India to Sign Contracts With Oil, Gas Explorers: Week Ahead
- "Free Trade Agreement will solve India-Pakistan problems"
- Indo-Pak tensions pull down Sensex
- Pakistan goods cross LoC despite tension

#### Geo-strategic developments:

- PM calls for maritime security
- Anti-tank Nag missile test-fired successfully
- Pakistan offers to buy Indian share of Iranian gas

#### Kashmir:

- Violent anti-poll protests in Srinagar
- 52% voters' turnout in J&K polls
- Violence down by 40 p.c. in J&K, says DGP

#### Social front:

- Untouchables enter Rajasthan temple
- 110 tigers lost in six years: Govt data

#### Foreign Relations:

- Central Govt plans crackdown along Indo-Bangla border
- Obama will face a more confident India: Bush
- Not safe to be in Pakistan: India tells its citizens
- Maldives offers help to 'observe' Indian Ocean

## **Political front:**

### **BSP is for all communities: Mayawati**

Insisting that the Bahujan Samaj Party is an "all-community party" and not meant for any particular group, Uttar Pradesh chief minister Mayawati reiterated she was for reservation based on economic criteria. Addressing party cadres at the party's "brotherhood conference" here, Ms Mayawati said, "The BSP has already included in its ranks the marginalised and poor in UP, irrespective of caste and creed. The party will continue to do the same at the national level, if voted to power." The party's opponents were spreading the false propaganda that the BSP was caste-driven, she said adding that her party had embraced and included the poorer sections of the upper caste in its reservation model based on economic criteria. Accusing the Congress and the BJP of being pro-rich in their policies since Independence and turning a blind eye to the economic criteria in reservation, she said her representations to the Centre were ignored. The BSP had captured power to implement a quota system linked to economic conditions, she said.

### **Rahul dreams of hunger-free India**

Congress MP Rahul Gandhi said that he too has a dream for India, a dream in which there would be no household without clothes or food. Mr Gandhi said that people often asked him if he, too, had a dream for India like his grandmother late Indira Gandhi and father late Rajiv Gandhi. Mr Gandhi also commented on the law and order situation in UP, particularly the police high-handedness.

### **IT Act gives govt right to spy on Net**

The Information Technology (Amendment) Bill 2006 will enable the government to intercept any Internet messages if it feels it necessary in the national interest. According to provisions of the amendment bill, the government will have the powers to intercept such messages for investigation, monitoring or decryption or any other information through a PC. According to the bill, with proliferation of information technology-enabled services, such as e-governance, e-commerce and e-transactions, protection of personal data and information and implementation of security practices and procedures relating to these applications of electronic communications

have assumed greater importance and they require harmonisation with the provisions of the Information Technology Act. Further, protection of critical information infrastructure is pivotal to national security, economy, public health and safety, so it has become necessary to declare such infrastructure as a protected system so as to restrict its access, the bill said. The bill states that rapid increase in the use of computer and Internet has given rise to new forms of crimes, like publishing sexually explicit materials in electronic form, video voyeurism and breach of confidentiality and leakage of data by intermediary, e-commerce frauds like personation commonly known as phishing, identity theft and offensive messages through communication services. So, penal provisions are required to be included in the Information Technology Act, the Indian Penal Code, the Indian Evidence Act and the Code of Criminal Procedure to prevent such crimes, said the bill.

### **‘Cong (I) born at my residence’**

Peeved at the indifference shown by the Congress MPs on the floor of the Lok Sabha when BJP was attacking him for his controversial statement on Mumbai terror attack, minority affairs minister A.R. Antulay invoked former PM Indira Gandhi’s name and also attacked the party spokespersons for spelling out Congress’ official line on his statement without cross-checking with him. "Don’t forget that this Congress (Indira) was born at my residence (2, Janpath) on December 31, 1977, after Indiraji had lost elections to Raj Narayan," Mr Antulay said.

### **Opposition puts government in the dock over terror attacks**

Coming soon after the November 26 terror attacks on Mumbai, the first week of the winter session of the Maharashtra legislature saw plenty of fireworks. The Opposition put the new government on the mat with its trenchant criticism of the security and intelligence failure and police inaction. Leader of the Opposition in the Assembly Ramdas Kadam and Bharatiya Janata Party (BJP)’s Gopinath Munde both took hawkish positions and Mr. Kadam demanded that India go to war with Pakistan on the terror issue. Mr. Munde said Chief Minister Ashok Chavan should meet the Prime Minister and demand the bombing of the terrorist training camps across the border. The Shiv Sena and the BJP relentlessly targeted the government.

## **Mumbai Carnage and Aftermath:**

### **Antulay ‘submits resignation’**

Union Minister for Minority Affairs A. R. Antulay, who was in the eye of a storm over his remarks on the circumstances leading to the death of three senior Maharashtra police officers during last month’s Mumbai terror strikes, has sent his resignation to the Prime Minister, according to informed sources. The Congress, however, maintained on Friday that it would await a statement from Leader of the House in the Lok Sabha Pranab Mukherjee. The sources said the party leadership expected the Prime Minister to accept the resignation sooner rather than later. The dominant view in the party is that Mr. Antulay had needlessly aided Pakistan’s campaign of denial on the Mumbai attacks. Raising the matter in the Lok Sabha, Sumitra Mahajan (BJP) said the Minister’s “irresponsible” remarks weakened India’s united fight against terror originating from Pakistan. Mr. Antulay was present in the House all through. In the Rajya Sabha, the Opposition demanded his immediate sacking. Raising the issue after question hour, S.S. Ahluwalia (BJP) said a senior Cabinet Minister was misleading the nation. Wondering why Prime

Minister Manmohan Singh was silent on the issue, he asked: "Into whose hands is Mr. Antulay playing Dawood Ibrahim [wanted mafia don] or Pakistan's Inter-Services Intelligence?" Manohar Joshi (Shiv Sena) said even the Maharashtra Home Minister confirmed that the police officers were killed by the terrorists, and asked why Mr. Antulay took a stand that favoured Pakistan. "Why can't the Congress and the Prime Minister take action against him for his anti-national stance? We will continue to oppose the government till he is removed." Outside Parliament, BJP spokesman Ravi Shankar Prasad called for an end to the "theatre of the absurd." He said Mr. Antulay communalised terrorism when the entire nation was united on the issue and his comments legitimised Pakistan's campaign of denial.

### **Govt for safe Antulay distance**

The government will distance itself from the statement of minority affairs minister A.R. Antulay on the killing of Maharashtra ATS chief Hemant Karkare in Parliament on Tuesday, official sources indicated on Monday. The Congress party has already differed with the doubts expressed by Mr Antulay on the circumstances in which Karkare was killed in the terror strikes in Mumbai last month. "How can we support Antulay's statement, will it not help Pakistan," authoritative sources in the government and the Congress asked. As far Mr Antulay's resignation is concerned, they said "the issue is open". It is significant that the Union minority affairs minister has not denied reports of his resignation.

### **Pranab: Options open on Pak**

Terrorist infrastructure in Pakistan is the greatest terrorist danger to peace and security in the entire civilised world, external affairs minister Pranab Mukherjee told the Heads of Mission Conference which got underway here on Monday. Over 100 Indian ambassadors and high commissioners are participating in the conference. He added that India was "not closing any option" of dealing with Pakistan. "The recent terrorist attack on Mumbai was unprecedented both in terms of its scale and audacity. This and the series of terrorist incidents preceding it, including the attack on our embassy in Kabul indicate that terrorism emanating out of Pakistan is acquiring an increasingly dangerous dimension," he said while delivering his inaugural address. "We will take all measures necessary as we deem fit to deal with the situation," he asserted. "In pursuit of our objectives, we are not closing any option. We will explore all options because we are obliged as our people were killed and properties destroyed," he said. Mr Mukherjee suggested the terror infrastructure in Pakistan has to be dismantled permanently. "We are not saying this just because we are affected but because we believe that it will be good for the entire world and also for Pakistani people and society," he said. India expected the "civilian government of Pakistan" to take effective steps to deal with elements within Pakistan who still continue the use of terrorism as an instrument of state policy but "unfortunately Pakistan's response so far has demonstrated their earlier tendency to resort to a policy of denial and to seek to deflect and shift the blame and responsibility," he elaborated. He said New Delhi has sought to deepen its engagement, either bilaterally or multilaterally and "even by assuming a built-in asymmetry in responsibilities" with its neighbours, but "an objective assessment shows that this policy has yielded results except with Pakistan".

### **Police report in House may defuse Antulay remark row**

The furore over minorities minister A.R. Antulay's remarks over the shooting of Maharashtra anti-terrorist squad chief Hemant Karkare may die down after the details of Karkare's death and



his post-mortem report by the Mumbai police are tabled during the Question Hour in Parliament on Tuesday. Karkare's post-mortem report reportedly confirms that he was killed by AK-47 bullets, fired by alleged Lashkar-e-Tayyaba terrorist Ismail, one of which hit him fatally in the head. He and additional commissioner of police (east) Ashok Kamte, also hit by bullets, died on the spot. Encounter specialist Vijay Salaskar died on the way to hospital. According to highly placed sources in the Mumbai police, Kasab reportedly told police that they did not know who was travelling in the jeep when they opened fire. "He told us that he and Ismail opened fire on seeing a police jeep. He did not know who Karkare was," said an official source. Constable Jadhav, who was travelling in the jeep with the three officers in his account, said that when the vehicle came close to the Cama Hospital, they were asked to look for terrorists behind a red vehicle. "He said they saw a red vehicle parked in the corner of the road, when suddenly a man came out of the corner and began firing on their vehicle," said the officer. Karkare and Kamte came out of the vehicle and fired back when bullets hit them and they collapsed," said the officer.

### **US offer to help set up NIA**

A top US intelligence official on Monday met home minister P. Chidambaram and other senior Indian intelligence officials offering assistance in the setting-up of the National Investigation Agency (NIA), besides sharing critical inputs gathered by the FBI and Indian intelligence agencies during the month-long probe in the November 26 strikes. US director of national intelligence John Michel McConnell, who flew into the city, held a half-an-hour meeting with Mr Chidambaram in North Block on Monday morning. US ambassador David C. Mulford was also present in the meeting. Mr McConnell is later believed to have met National Security Advisor M.K. Narayanan and India's intelligence chiefs to discuss the evidence gathered in the Mumbai attack probe. Though there was no official word about the FBI team's return to the US, a senior home ministry official said that the month-long probe into the Mumbai attacks is nearing its final stage. Officers from the FBI have been camping in Mumbai for almost one month and have already questioned Ajmal Amir Kasab to ascertain his identity as a Pakistan citizen and those of his handlers in Pakistan. Sources in the MHA said that India is keen to pick up "useful tips" from the US for the setting up of the NIA.

### **India May Consider 'Precision' Strikes in Pakistan**

India may consider "precision" strikes inside Pakistan-administered Kashmir if its neighbor doesn't cooperate in controlling terrorists, a U.S. private Intelligence Company said. "Indian military operations against targets in Pakistan have in fact been prepared and await the signal to go forward," Austin, Texas-based Stratfor said in a report, without providing details of its source of information. Tensions between the nuclear-armed neighbors rose last month after terrorists killed 164 people in attacks targeting Mumbai's main railway station, two five-star hotels, a Jewish center and a hospital. India blamed the attacks on "elements" in Pakistan, which then demanded evidence to support the accusation. India is unlikely to risk war by escalating the situation, an analyst said. "This is an incorrect assessment," said Ajai Sahni, executive director of the Institute for Conflict Management, a New Delhi-based independent policy research group. "India won't initiate action of warfare. It will exert greater international pressure." India has threatened action and joined the U.S. to pressure Pakistan for action against all involved in the attacks, Stratfor said. It hasn't repeated the military buildup that deployed 750,000 troops in Kashmir within a week after a terrorist attack on the nation's Parliament in December 2001, Stratfor said. India put its Border Security Force on high alert on Dec. 18, Stratfor said. That force, which currently has 45,000 troops deployed along the 2,030-mile border with Pakistan, has a mandate to prevent infiltration and would not be involved in any combat operations, Stratfor

said. "New Delhi has little choice but to respond," Stratfor said in the report. "And if Islamabad will not cooperate in controlling the militants, India will have to take unilateral action." While Pakistan detained at least 16 suspected militants following the Mumbai attacks, it says they won't be extradited to India and may be tried in Pakistani courts. Pakistan hasn't said whether the arrests are linked to the Mumbai attacks. U.S. Secretary of State Condoleezza Rice met with Indian and Pakistani leaders in New Delhi and Islamabad this month to urge cooperation between the two in the wake of the attacks. India, which fought three wars with Pakistan since independence in 1947, has refused to allow its cricket team to tour Pakistan next year, the Pakistan Cricket Board said this week.

### **India gives Pakistan Mumbai gunman's letter**

India said the pressure put on Pakistan by world leaders over last month's attacks on Mumbai was inadequate and handed over a letter allegedly written by a surviving gunman to Islamabad. Foreign ministry spokesman Vishnu Prakash said Pakistan's acting High Commissioner Afrasiab Mehdi Hashmi was summoned to the ministry and given the letter purportedly written by Mohammed Ajmal Amir Iman. "In his letter to the Pakistan High Commission, Iman has stated he and the (nine) terrorists killed in the attack were from Pakistan and he has sought a meeting with the Pakistan high commission," Prakash added. A ministry official who did not want to be named told AFP a photocopy of Iman's original letter had been handed over, adding the gunmen has sought legal aid. "The letter urges Pakistan to provide him such assistance," he said. Indian lawyers have refused to represent Iman in court.

### **India to Pak: Don't create war hysteria**

India on Tuesday asked Pakistan to hand over the 'wanted' terrorists and stop creating war hysteria. Prime Minister Manmohan Singh told reporters, "No one wants war. International community must put pressure on Pakistan to act against terrorists." PM also said Pakistan must dismantle terror infrastructure. External Affairs Minister Pranab Mukherjee also gave a strong message to Pakistan. He said, "Don't create war hysteria. Act against those responsible for Mumbai attacks.

### **Kasab's letter not ample proof: Pakistan**

Pakistan has once again turned a blind eye to what is incontrovertible proof - arrested Mumbai terrorist Ajmal Kasab's letter seeking help from the Pakistan government, as its citizen. Pakistan foreign ministry sources saying that the 'letter itself is not ample proof', as urged by the ministry of external affairs. "The Indian government needs to provide ample proof to establish Kasab's identity." Pakistan's shocking response comes after India summoned Pakistan's acting high commissioner and handed over a letter written by Mumbai terror attack accused Ajmal Amir Iman 'Kasab' to Pakistan government.

### **Air force stations in cockpit ready alert**

Chandigarh-based 12 Wing of the Air Force Station has witnessed hectic activity of late, putting personnel at "cockpit ready alert", a situation sources said was "hardly routine". An IL-76 transport aircraft flew twice between 3 am to 7 am on Sunday from Chandigarh for operational preparedness "in case of any conflict". The aircraft is the largest the IAF has. Importantly, it made two sorties for J&K despite heavy fog. Taking off first at 3.15 am and then at 6.15 am, the aircraft flew at a time when domestic planes at the Chandigarh airport were not allowed to take off because of low visibility, at just 300 meters. The airport and air force share a common airstrip and other systems. Sources said the development came after a meeting of senior defence officials in Delhi on Saturday. Air force stations were put on "cockpit ready alert" almost immediately after that. With large transport aircraft like AN-32 and IL-76, the Chandigarh station is vital for the air force, forming a crucial cord between troops in rest of the country. In fact, three transportation aircraft consisting of two AN-32s and one IL-76 were flown from here to Delhi after a call from air headquarters after the recent Mumbai attacks. The aircraft were used to airlift 200 NSG commandos from Delhi, along with RAF troops, to Mumbai. Sources in Western Air Command said on Monday that the latest moves have been taken to maintain "optimum operational preparedness" and added a consistent increase in average flying effort had contributed to this. A senior defence official, who requested anonymity, told TOI, "We are taking precautions and are fully prepared to meet any eventuality. And as far as the present development is concerned we are closely monitoring the situation." Commenting on it, Air Marshal Randhir Singh (retd) said the move could be part of an "operation preparedness" effort aimed at training pilots to fly in low visibility in case of an emergency. "IAF normally conducts such sorties to meet internal requirements of the force as well," he added.

### **Bal Thackeray to govt: Attack Pak, don't warn**

Describing the present regime at the helm of affairs in the country as "impotent", Shiv Sena chief Bal Thackeray on Monday stressed the need for imposition of emergency. "Only Indira Gandhi had the guts to handle threats which endangered national security. There is no use of issuing just warnings to Pakistan. The government should have the daring to attack it," Thackeray told his party mouthpiece 'Saamna' in an interview.

### **Pakistan jets take to the skies**

Fighter jets of the Pakistan Air Force thundered over the capital, Rawalpindi and Lahore all of Monday afternoon, heightening people's fears that a war was about to break out any minute with India. A brief statement from the Pakistan Air Force said that "in view of the current environment, the PAF has enhanced its vigilance." The sorties fuelled rumours that the jets were scrambling to counter an imminent Indian air-strike on Muridke, headquarters of the Jamat-ud-dawah, near Lahore. Analysts interviewed by television channels said the rising pitch of the statements by Indian leaders indicated New Delhi was seriously preparing for a strike against Pakistan. Pakistan Army chief General Ashfaq Parvez Kayani told the visiting U.S. Joint Chiefs of Staff Chairman, Admiral Mike Mullen, that Pakistan "wants peace with India on equal level," but "no compromise will be made on Pakistan's defence."

### **World needs to do more, says Pranab**

After the Mumbai attacks, India has successfully managed to convince other countries to pressure Pakistan to act against non-state actors orchestrating terror attacks from its soil, External Affairs Minister Pranab Mukherjee told 120 Indian heads of mission here on Monday. However, the effort by the global community is not enough and much more needs to be done. The actions should be pursued to their logical conclusion. "We need effective steps not only to bring those responsible for the Mumbai attacks to justice but also to ensure that such acts of terrorism do not recur." However, Mr. Mukherjee drew satisfaction from the foreign policy for the immediate neighbourhood, pointing out that it has yielded results, except with Pakistan.

### **India adopts nuanced approach**

India has unveiled a nuanced approach in dealing with Pakistan after the Mumbai terror strikes. Sources say there is a feeling that the situation is different as compared to 2001-02 when tensions were high after the attack on Parliament. There is also an understanding of the new power structure in Pakistan which is evolving and under attack by other more established power centres. New Delhi is clear that while international pressure is a force multiplier, other nations will not be able to help India fully realise its two objectives prevent more such attacks and try the perpetrators of the Mumbai attacks in Indian courts. India is also keen on scotching speculation about a military strike being attributed to briefings by government officials. "No one in his right mind would go through this option or give the time frame which would only put everyone on notice," said the sources while denying that India ever resorted to coercive diplomacy. "This is a different situation from 2001-02. We have not recalled the High Commissioner or sent forces to the border as was the case last time. But this is a different Pakistan in other respects as well. General Pervez Musharraf was the chief executive officer of Pakistan as well as the Chief of the Army Staff, but now the formal authority appears to be

separate from the real one," they said. India does not want to enter into a debate into the extradition of suspects and is not even keen on discussing the people it would want to be sent for trial because that would "trivialise the main issue." Having given evidence in the past and having seen how Islamabad has dealt with Interpol's previous red corner notices, New Delhi feels it is now Pakistan's turn to prove its sincerity in rooting out terrorism. "The world also is waiting, otherwise there would be consequences," the sources added. Apart from the changed situation in Pakistan, investigators here have noticed a change in the Lashkar-e-Taiba's operating behaviour. Although the LeT is Pakistan-based, created by the Inter-Services Intelligence and used in Jammu and Kashmir, its operations have now been detected in Sudan, Chechnya, Iraq and Afghanistan. There are also some reports of its plans to link up in South East Asia. "It is beginning to look like the Al-Qaeda," the sources said. India agrees that part of the purpose behind the attack was to get out of the war in the west with the Taliban. "It is possible that this could have been used to relieve pressure. One can't prove these things but if you examine the way a section of Pakistan has reacted by creating hysteria about air intrusions, hoax calls and military build up on the border there is an obvious interest in trying to move away from the west. The more we see them reacting, the more it indicates either involvement or cover up," they said. "The conclusive part is how one section of Pakistan reacted. Who created the war hysteria? Who gave the civilian government of Pakistan a bad name? At the same time, it is important to see what Pakistan is capable of doing because some bits don't want to go down the Jehadi-ISI road," the sources added. After the "unhappy experience" with the UNSC in the past, there is a "built-in resistance" to taking that approach again. "We didn't go to the UNSC. There was a requirement for two years. We are not expecting other countries to do 100 per cent of what we like. They might do some of what we want but not all ...," asserted the sources.

#### **Pakistan says it is prepared to defend itself**

Pakistan asserted that it was prepared to defend itself if any aggression or war was imposed on the country, even as Islamabad said it would be "irresponsible" to speculate on the Mumbai attacks before the results of the probe are out. "We do not want aggression or war and we want peace. But if war is imposed on us, we have the capability and right to defend ourselves," Foreign Minister Shah Mehmood Qureshi told reporters in Multan in reply to a question about the tensions between India and Pakistan. "Pakistan's defence and security is complete. Pakistan's government and armed forces are alert. We have every right to defend the country," he added.

#### **Pranab: denials won't take you anywhere**

"For God's sake do not indulge in flat denials; denials do not lead us anywhere," External Affairs Minister Pranab Mukherjee urged. He was referring to fugitives, wanted by India in connection with terrorist attacks, taking shelter in that country. "Instead of contradicting [this] and [coming up with] denials please cooperate. We cannot chase non-state actors in other countries," Mr. Mukherjee said. Pakistan should "dismantle the infrastructure [of terrorism] facilities available to them and return the Indian fugitives hiding in that country," he said. "We have requested and are suggesting that you fulfill your commitment. We are asking for nothing more, nothing less. Every civilised nation is bound to fight against this menace [terrorism]."

#### **Tai and Trident reopen, put the past behind**

The Taj Mahal Palace and Tower lit up with cheer on Sunday evening as it reopened its doors to a thousand guests for a private soiree. Addressing journalists, Tata Group chairman Ratan Tata said that he felt considerable pride that the hotel was able to put the past behind and veer itself back on track. "I am a person who hates to look back. I look at it [the re-opening] as the commencement of a new era. To us it was a challenge to have the hotel re-opens in some form within a month of the attack. It is a tribute to everybody who has worked on to have this happen and we stand before you." Responding to questions, Mr. Tata said that the tragedy had done more than unite corporate India. It has united the citizens of Mumbai. We propose to dedicate this reopening of the hotel to the people who have lost their lives and we believe that the opening of this hotel will send a message that we come alive in a record period of time and play host to everyone as part of this great city," he said. Talking about the security upgrade at the hotel, he said the heightened measures would certainly be in place, but their knowledge would be covert. The Oberoi will reopen only after at least seven months, said Rattan Keswani, president, Trident Hotels.

### **Did some Taj guests die after police "error"?**

In a report that will embarrass the Mumbai police, the BBC on Sunday quoted guests who survived the terror attack on Taj Hotel as saying that some people may have died as they tried to escape after they were misled by the police into believing that it was safe to leave. However, the police denied the allegation. One survivor, Dr. Prashant Mangeshikar, a gynaecologist who was trapped in the hotel for several hours, said some guests were shot and killed by terrorists after police told them it was safe to get away. Dr. Mangeshikar said that he and some others had barricaded themselves in a room and waited. In the early hours of the morning, police officers who made it through to where they were hiding reportedly told them it was safe to leave the hotel because the gunmen were cornered on another floor.

### **India capable of giving fitting reply: Sonia**

Congress president Sonia Gandhi on Sunday asked Pakistan to put the brakes on the elements using its soil against India and said "otherwise we have capacity to give befitting reply." Addressing an election rally here, just a few km from the International Border with Pakistan, Ms. Gandhi said it had been India's endeavour to have good relations with neighbours. "But our aspirations were not respected and our desire for having peace should not be treated as our weakness." She asked Islamabad to come heavily on those who had been attacking India. "If that does not happen, we have the capability to give a befitting reply," she said amid a thunderous response from the gathering.

### **Army chief rushes to Siachen, border areas in J&K**

In view of the heightening tension with Pakistan, Government on Tuesday rushed Army chief General Deepak Kapoor to Siachen Glacier and forward areas of Jammu and Kashmir to check the operational preparedness of the troops. Government sources said that Gen. Kapoor left for Siachen Glacier on Tuesday morning and will be there for a day to interact with the unit commanders and senior officers, before returning to the Capital after taking stock of the

situation.

Gen Kapoor would also visit some of the remote areas in J&K along the borders with Pakistan to interact with the troops posted there, the sources said. His sudden trip to the forward areas comes at a time when the government has stated that it is not ruling out any option in its fight against terrorism emanating from Pakistani soil in the wake of the Mumbai terror attacks. On Saturday, Prime Minister Manmohan Singh and some senior ministers had deliberations with the armed forces' top brass at the PMO in South Block, following which it is believed that defence minister A K Antony directed that all leave to military personnel be cancelled till April next year in view of the situation along the borders. Since the Mumbai carnage, Army units along the borders with Pakistan have been maintaining a close vigil. Some of IAF fighter aircraft squadrons in bases in forward areas have been on a "cockpit alert" under which the force remains ready for military operations.

### **Pak to India: Don't blame us for your failures**

Ruling out the possibility of a war with India in the wake of heightened tensions, Pakistan Premier Yousuf Raza Gilani on Wednesday alleged the Indian government was trying to find a "scapegoat" to cover up for the intelligence failure behind the Mumbai terror attacks. "My assessment is that there will not be a war," he told reporters in Lahore. However, he said the government and armed forces of Pakistan were prepared for all eventualities in the face of mounting tensions between the two countries. "We are a responsible nation and we are assessing the situation. The armed forces of Pakistan are assessing the situation but I do not think there will be a war," he said. "If they (India) try to indulge in any adventure of this kind, the people and institutions of Pakistan are united." Gilani said there were indications that there was "great public pressure on the Indian government" in the wake of the Mumbai attacks. "There was an intelligence failure and they want to make someone the scapegoat," he claimed. "If anyone speaks to us at an international level, they should back it up with evidence...The evidence will be shared with the country. So we don't want to jump to a conclusion," Gilani said.

### **Pak capable of thwarting aggression from the east: Zardari**

Amid a war of words with India over the Mumbai terror attacks, Pakistan has said its armed forces were fully capable of "thwarting any aggression from the east". "India should not underestimate Pakistan's military power," President Asif Ali Zardari said at a meeting with Gen Tariq Majid, chairman of the Joint Chiefs of Staff Committee, on Tuesday night. Gen Tariq Majid

told the President that the armed forces were fully capable of meeting any eventuality, Dawn News channel said. During a meeting with Shahid Malik, Pakistan's High Commissioner to India, Zardari said Islamabad wants good relations with New Delhi but "on the basis of sovereign equality".

### **Israelis to restore Nariman House on their own**

Showing resolve, Israelis at the Nariman House have said they won't leave the city and will restore the building, damaged by terrorists in the last month's strikes, on their own. "We are emotionally attached to the building, to the city and so we will not leave the city and hope that no such situation arises again in the future," building in-charge, Levi Jurkowicz said. "Once we get possession of the building, we will investigate and then restore it but definitely not demolish it," Jurkowicz said.

### **India has not shared any evidence of attack: Interpol**

Interpol chief General Ronald K Noble said in Islamabad on Tuesday that India had neither shared any evidence about the involvement of Pakistani nationals in the Mumbai attacks nor given any names to the agency. While it may surprise some, the fact remains that even approaching the France-based global agency in the past has been of little help for India. According to senior Indian police and security officials, it's neither mandatory nor a norm to share probe details with Interpol. "Whether or not to approach Interpol is entirely up to the country concerned. Even after the role of an accused is established and he is chargesheeted, there are other ways of nabbing him, like issuing a letter rogatory to the country where he might be hiding," a senior police officer said. CBI chief Ashwani Kumar said the agency had not shared any information with Interpol because it did not want to give half-baked findings to the international agency. "We did share some (basic) information with Interpol. But unless the investigation is complete, how can we share the full details?" he said. "Interpol can do some basic things, like circulating information among its 180-odd member nations. However, it can neither act on its own nor force any country to act," said an official, adding that Interpol doesn't have policing powers.

### **India has given Pak time till Dec 26: Report**



India has given Pakistan time till December 26 for a crackdown on terror infrastructure, said a report of a leading publisher of geopolitical intelligence on Tuesday. The report from Stratfor says that after the November 26 Mumbai attacks, India relayed a message to Pakistan via the US that they would be given 30 days to crackdown on Islamist militant proxies operating on Pakistani soil. Pakistan's deadline, as far as we know, is December 26, making Indian military action against Pakistan a very real and near possibility. The Indians have had a month to prepare their military operations against Pakistan, and Indian defence sources have revealed that these plans are ready to go into effect, the report said.

### **India's case gets stronger with Pak armyman's arrest**

India got more evidence on Tuesday of Islamabad's complicity in terror attacks on Indian soil when J&K police arrested three terrorists, including a Pakistani army regular. The other two are Jaish-e-Mohammed operatives. According to J&K DGP Kuldeep Khoda, the three were sent from Karachi to Kathmandu in Nepal from where they sneaked into Uttar Pradesh. They then took a train and reached Jammu to disrupt the election process in the state. "One of the three terrorists was identified as Ghulam Farid (alias Gulshan Kumar), a sepoy in 10 Azad Kashmir regiment of Pakistan army. His service number is 4319184. The other two were identified as Mohammad Abdullah from Harpur in NWFP and Mohammed Imran from Dera Nawab in Bahawalpur," said DGP Khoda. All three were nabbed from Hotel Samrat in Jammu, near the bus stand. Farid joined the Pakistan Army in 2001 and was detailed for terrorist activities in 2005, the police chief said. Before getting into the Pakistani Army, Farid was a member of Harkat-ul-Jihad-e-Islami and underwent training at Barnala terror camp, according to DGP Khoda. The two terrorists, Abdullah and Imran, were trained by Mufti Abdul Rauf, the brother of JeM chief, Maulana Masood Azhar, named by India in the list of terrorists it wants extradited from Pakistan. "All three had booked hotel rooms under fake names. They were waiting for a guide with arms and explosives and who would identify targets for them," Khoda further said.

### **Mumbai attack: US backs Indian proof of Pak hand**

The US has endorsed the evidence gathered by Indian agencies about the complicity of Pakistan's state actors in the terrorist attack on Mumbai, in what can result in stepped up international pressure on the Zardari regime to take action against the mentors of Lashkar-e-Taiba.

Top US intelligence official John Michael McConnell is learnt to have expressed complete satisfaction with the strength of India's case against Pakistan, based on FBI's examination of call records of satellite and cellular phones used by Mumbai attackers and their Pakistan-based handlers. McConnell confirmed that one of the numbers logged on the satellite phone the terrorists used while navigating their way to Mumbai belonged to known Lashkar terrorist Abu Al Qama. Indian intelligence officials are familiar with the satellite phone that Qama uses. The US, using its leverage with Sharjah where Thuraya is headquartered, corroborated this fact, and also the fact that Qama was passing instructions to the attackers from Pakistani soil. India's case about the Pakistan hand has also been borne out by the data the Americans retrieved, using their superior technology, from the damaged mobile phones used by terrorists while they were carrying out the massacres in Taj and Trident hotels. The phones had got severely damaged in the fire that broke out during the gunfight. "We are committed to get to the bottom of this case," US officials are learnt to have told their Indian counterparts during their interaction spread over 48 hours. The Americans are planning to confront the Pakistanis, still in denial mode, with the evidence that their own investigation has thrown up. Sources said the UK has also passed on electronic intercepts, described by a senior source as "one clinching piece of evidence", to India.

### **India stays firm as Pak talks war**

In a move aimed at preventing Pakistan from using war "hysteria" to deflect attention away from calls that it crack down on terror groups, Prime Minister Manmohan Singh tamped down on war talk even as he made it amply clear that India was not relaxing its tough posture towards Islamabad. With investigators, both Indian and foreign, gathering more and more evidence that the Mumbai attacks were not just the handiwork of the Lashkar-e-Taiba and links to ISI being pursued, the PM noted that the situation with regard to Pakistan remained "worrisome". This was a clear indicator that the government, backed by the Congress leadership, will continue to insist on a list of deliverables from Pakistan. Asked if war was imminent, the PM said, "The issue is not war. Nobody wants war." Singh's disclaimer contrasted sharply with foreign minister Pranab Mukherjee's persistent tough stand about military option being kept open, giving the impression of a change of tack. However, the PM's message to Pakistan was the same as Mukherjee's. His remarks came amid signs of Pakistan trying to stoke war fears as a diversion. On Tuesday, Pakistan army chief Gen Ashfaq Parvez Kiyani went on record to say the army could respond to India "within minutes". India, however, refused to get distracted. In the evening, the official spokesperson responded to Kiyani's statement by saying, "The talk of war or creating war hysteria is diversionary. The issue is not defence of Pakistan but a terrorist attack on India from Pakistan." Mukherjee also stuck to his "deliver on your promise" message to Pakistan. "My request to friends in Pakistan is to address the issue; that is terrorism and not raise war hysteria," he said.

### **"Ajmal not on Pakistan database"**

Pakistan on Tuesday deflected the issue of the alleged Pakistani nationality of Ajmal Amir 'Kasab', the lone gunman from the Mumbai attacks who is in police custody in India by declaring that he is not on the country's computerised data base. "As far as Ajmal Kasab is concerned, NADRA (National Database and Registration Authority) do not have any records of his," Interior Ministry chief Rehman Malik told journalists after a meeting with visiting Interpol chief Ronald Noble here.

### **Taliban to back Pakistan in case of war**

Hunted by the U.S. and NATO forces for committing acts of terror in Afghanistan, the Taliban on Tuesday said they would back the Pakistan Army by deploying hundreds of suicide-bombers in case of any military action with India. Claiming that "thousands of our well-armed militants are ready to fight alongside the army if any war is imposed on Pakistan," chief of the outlawed Tehrik-e-Taliban Pakistan, Baitullah Mehsud, told The News daily over the phone from an undisclosed location.

### **India gives Saudi proof of Pak involvement**

India is learnt to have furnished evidence of involvement of elements in Pakistan in the Mumbai terror attacks to the visiting foreign minister of Saudi Arabia, who called for setting up an international body to deal with the "cancer", officials said. Saudi Arabia has now joined India in pressing for urgent and transparent cooperation of all nations in ending terrorism. Foreign minister Pranab Mukherjee held talks with his Saudi counterpart Prince Saud Al-Faisal and shared evidence of the complicity of elements in Pakistan in the November 26 Mumbai terror attacks and sought Saudi support for bringing the perpetrators of the Mumbai attacks to justice, official sources said. Mukherjee is believed to have impressed upon Al-Faisal the need for Saudi Arabia using its influence on Pakistan to ensure that those behind the Mumbai carnage, who are in Pakistan, are brought to justice at the earliest. "Terrorism is a cancer, we need to cut it out," said the Saudi foreign minister, while calling for the United Nations to set up an international body to deal with Mumbai-like terror attacks. During the Saudi foreign minister's visit here, New Delhi will seek Riyadh's support in clamping down on the financing of terrorists, some of whom use Saudi charities and other fronts for generating funds for subversive activities, official sources said here. Saudi Arabia has been a key ally of Pakistan and has enormous clout over the powers-that-be in that country. At a joint media interaction with his Saudi counterpart after the talks, Mukherjee said terrorism is not an issue between India and Pakistan but a global menace. "It was agreed that global terrorism has to be dealt with by joint action among all countries. We further agreed that whatever action has to be taken to control terrorism, should be taken without delay and in a transparent manner," he said.

### **PM meets defence chiefs to take stock of military situation**

Amid reports of a military build-up across the borders in Pakistan, chiefs of the three armed forces on Friday met Prime Minister Manmohan Singh and briefed him on the country's defence preparedness. During the meeting, which took place at the Prime Minister's office, Singh took stock of the possible conventional military threat scenarios and the counter-measures that the Army, Navy and the Air Force had put in place along the borders, defence ministry sources said. "In the meeting, the three Services chiefs made a presentation on the military preparedness to the Prime Minister," the sources said adding that the issues relating to the Pay Commission "anomalies" were also discussed. Though the defence ministry described the meeting between the PM and the Services chiefs as routine, it assumed significance amid reports that there was a build up of Pakistani troops on their eastern borders.

### **India asks US, China, Iran to pressure Pak**

Intensifying its diplomatic offensive, India has made it clear to the US and Iran as well as Pakistan's key allies, China and Saudi Arabia that they need to do more to use their clout to pressure Pakistan into acting against the perpetrators of the Mumbai carnage. Foreign minister Pranab Mukherjee spoke to US Secretary of State Condoleezza Rice and Chinese foreign minister Yang Jiechi on Thursday night and conveyed New Delhi's growing impatience with Pakistan's denial and diversionary tactics. Mukherjee also asked his interlocutors to use their considerable clout to compel Pakistan to eliminate the infrastructure of terrorism which is a threat not only to India but the world, reliable sources said. He also impressed upon them the need for intensified international efforts to bring the perpetrators of the Mumbai mayhem to justice. Condemning the attacks, Yang agreed that the perpetrators should be punished and praised India for its "restraint and steadfastness" amid this provocative situation. Rice assured India that the US has not relented in its efforts to persuade Pakistan to dismantle terror camps in that country. Mukherjee conveyed a pointed message to the visiting Saudi Foreign Minister Saud Al-Faisal Friday and reminded Riyadh of many levers it has to call Pakistan to account over the use of its territory as a launching pad for terror attacks against India.

### **No legal aid to Ajmal unless citizenship proved: Pakistan**

Pakistan will not act on the request for legal aid by Ajmal Amir Iman, the lone gunman captured for the Mumbai attacks; unless it is proved that he is a Pakistani national, interior ministry chief

Rehman Malik has said. "There is no question of consular access unless it is proved that Ajmal Kasab is a Pakistan national," Malik told reporters on the sidelines of a function at the headquarters of the national database and registration authority on Wednesday. "We have thoroughly checked the registration record but have not found Ajmal Kasab's name in the NADRA database," he said. "Therefore we are not sure whether he is a Pakistani. How we can give him consular access without having knowledge about his nationality?"

## **Domestic Situation:**

### **3 soldiers grilled on Malegaon**

The Mumbai ATS, probing the Malegaon blasts case, is questioning three soldiers who had earlier served with Lt. Col. P.S. Purohit, the Army officer arrested in the case. South Block sources confirmed the Army had made the three, including a JCO, available for questioning. The questioning is learnt to have taken place in Mumbai in front of Army officers. This comes after the ATS began to investigate if Lt. Col. Purohit had any links in the alleged blasts conspiracy to other personnel he had served with. The three are believed to have served with him in Deolali.

### **Assam cops for mafia-free state**

The Assam police on Monday launched a special drive to bring an end to mafia raj and organised crimes through which it aims to win over the confidence of the people. Assam director-general of police, G.M. Srivastva told this newspaper that they have formed a special police squad that would respond to the people's call. "In order to check the insurgency, we need to have public cooperation and by launching this drive we intend to send a message to the people that the police force is to help them," he said admitting that the growing number of land-grabbing cases and organised crimes has been hampering the credibility of the police force. He said, "The railway stations have been a soft target of the insurgent groups in the state so this committee would be instrumental in enhancing the vigil besides increasing the public participation in policing."

### **'Enough proof to act on terror suspects'**

India on Monday said that the Pakistan government has sufficient evidence which links the elements based in the country to the Mumbai terror attacks as well as the activities of the terrorist groups. "There is a lot of evidence with the Pakistani government and other countries on not just the Mumbai incident. Everyone knows and has evidence about the activities of terrorist groups in Pakistan," India's acting high commissioner Manpreet Vohra said on Monday. India's investigation into the incident is underway and more information will be disclosed at the "appropriate time", he said. India is committed to resolve all the disputes with Pakistan and still wishes to continue talks for regional peace, Mr Vohra said. "Our leaders have clearly said war is not a solution," he added. Mr Vohra pointed out that the Pakistan government has "many international obligations" under the UN Security Council resolutions that declared the Jamaat-ud-

Dawah a front for the LeT and listed four individuals, including Jamaat chief Hafiz Mohammed Saeed, as terrorists subject to sanctions.

### **Country needs more courts to render speedy justice: CJI**

There is a backlog of 3.56 crore cases in the courts across the country, including 48,000 in the Supreme Court, and the country needs at least 10,000 more courts to reach world standards in dispensation of justice. Mr. Justice Balakrishnan said that of the more than 15,000 courts in the country, only 13,600 were functioning and over 1,600 non-functional owing to vacant positions of judicial officers. Till recently, vacancies in Tamil Nadu were a cause of concern. But, they were filled up now. Bihar still had 300 vacancies and Uttar Pradesh 200. The CJI said he had requested Prime Minister Manmohan Singh to increase the number of Central Bureau of Investigation courts. In the last 10 years, the cases investigated by the CBI were pending disposal and there was need for more courts to handle them. The CBI had filed voluminous documents in cases relating to corruption by bureaucrats. After the enactment of the Family Courts Act in 1985, only 138 courts were formed. There was need for more such courts to clear the backlog of cases, he said. Mr. Justice Balakrishnan also expressed concern over the backlog of cases under Section 138 of the Negotiable Instruments Act. He said either new courts should be set up or the existing ones exclusively designated for handling such cases. Courts in New Delhi had six lakh cases and the State government had agreed to start 160 more family courts. Maharashtra had agreed for 20 more. The CJI exhorted the Officiating Chief Justice of the Madras High Court to take up the matter with the Tamil Nadu government for establishing more family courts. There were more than one lakh petty cases pending in courts all over the country. The evening courts functioning in New Delhi and Ahmedabad and the morning courts in Andhra Pradesh were helping in clearing such cases.

### **Centre speaks to Orissa govt on law and order during Christmas**

With tensions still simmering in communally sensitive Kandhamal district, Union Home Minister P Chidambaram on Wednesday made it clear to Orissa Government that it was its responsibility to maintain law and order during Christmas and days following it. Ever since the killing of VHP leader Swami Lakshmanananda Saraswati in August, Kandhamal had witnessed large-scale violence against Christians in the district and elsewhere in the state. Hindutva outfits in the state had called for a bandh on Thursday against the "failure" of the state Government to nab the killers. The bandh was later called off. Chidambaram, who spoke to Patnaik on Wednesday, said "I have impressed upon him that it is the responsibility of the state government to maintain law and order and protect the lives of all sections of people in the state. "My appeal to the people of Orissa is to maintain peace and harmony among different communities. Christmas is celebrated in many countries of the world, including India, as a day of joy, happiness and peace. I am confident that the government of Orissa will ensure that December 25, 2008 and the days following will be marked by peace and harmony." He said the Centre has provided a large number of security personnel to assist the state government in maintaining law and order.

### **Economic Front:**

### **Shipping industry seeks government help**

Indian shipping industry demanded that the Centre should create a Rs 10,000 crore fund to provide soft loans as availability of low cost money from abroad was increasingly drying up. "This fund will pave the way for raising debt at a lesser cost," Until six months ago, when Indian shipping companies were able to raise debt below four per cent in the foreign markets, but now it had dried up, Indian shipping companies raise debts from foreign markets because of cheap interest rates and long repayment duration. While the global credit crunch and the slowdown had created problems for shipping industry, it had also presented some opportunities in terms of tonnage acquisition at competitive prices. Indian shipping companies have laid out a plan for \$20 billion in the next four years to acquire vessels to maintain their market share.

### **Bihar unaffected by global recession**

The global economic meltdown might have had its adverse impact on many of the world's richest countries, but in Bihar, considered to be one of the poorest states in India, it is business as usual here. While automobile sales have shot up by 45 per cent, the real estate sector has been booming in the last few months as the world began feeling the heat of the economic recession. According to an official report, a total of 1.33 lakh new vehicles were sold in the last 11 months in Bihar against the sale of 92,147 in the corresponding period of 2007, which is 40,853 more than those sold last year. In November alone, altogether 19,729 vehicles in different categories were sold 4,403 more than those sold in the same period last year. Officials said the automobile sector registered a growth of about 45 per cent in sales this year. Notably, Bihar has recorded growth in this sector at a time when its sales have dipped by 20 to 25 per cent in many states. No less rosy seems to be the picture of the real estate sector in the state, which figures among the most backward states of the country. As per a report received from the state registration department, Bihar earned Rs 37 crore in revenue from flat registrations in the last two months. Altogether 3,139 flats were registered which indicates there is good cash flow in Bihar. The real estate sector has been badly hit by the global recession in the country, which have compelled the builders to slash rates and offer attractive packages to push through their sales. One main reason why the economic recession has not impacted Bihar, economic experts explain, is that here the source of income is not based on industry. There is no stock market here, bank loans have gone to very few and the state has second-tier cities. Rather, the state mainly has a salaried class who works with the government, semi-government offices or companies. "Bihar has no industry, no stock market. So, there is no question of staff retrenchment here or slashing salaries. Instead, several companies have opened branch offices here where it has deputed officials who are getting a hefty salary on time. This is why the global recession has not impacted Bihar, but one cannot say for sure that this will continue in the future," explained Bihar's deputy chief minister, Mr Sushil Kumar Modi, who also holds the finance portfolio. He added that Bihar had mainly the second-class cities and the rate of real estate properties had increased tremendously since it was the middle-class population who dominated the state. "Further, there are few cash crops in Bihar and the main crops of the people here are rice and wheat, which don't require much investment. Hence, few people have approached banks for loans," Mr Modi, who is a senior BJP leader, told The Statesman.

Moreover, a huge number of development projects had been launched in Bihar since the NDA government came to power, which had drawn many construction companies, builders and suppliers, he said. This year, Mr Modi said, the state government was investing Rs 13,500 crore on development projects.

### **Govt lifts ban on cement export**

With easing of prices, the government announced lifting of ban on cement exports giving relief to the industry starved of orders from the depressed construction sector. The ban has been lifted with immediate effect, according to a notification of the Directorate General of Foreign Trade. The government had slapped a ban on cement exports in April after a sharp rise in prices. Besides, rise in cement prices had a cascading effect on other sectors.

### **Fuel prices may be cut before polls**

The government may further reduce petrol, diesel and domestic LPG prices just before the general elections are announced in February, a senior official said. "To my mind, the government will wait till February before making another round of price cuts," a senior petroleum ministry official said. Earlier this month, the government reduced petrol price by Rs 5 a litre and diesel by Rs 2 a litre as international crude oil prices dipped from an all-time high of \$147 a barrel in July to under \$45 a barrel. "This period (till February) will be used to monitor the movements in international prices. There is no point in cutting fuel prices just now and then having to raise it again if oil makes a retreat," the official said.

### **Real GDP growth to be 7.7%: CMIE**

Economic think tank Centre for Monitoring Indian Economy has said it is expecting the economy to recover in the fourth quarter with a real GDP growth of 7.7 per cent as a slew of measures adopted by the government and the RBI will help maintain growth. "Timely corrective steps taken by the government and the Reserve Bank of India (RBI) have restored liquidity. The recent measures have also provided some industry-specific sops. "The monetary and fiscal interventions cannot tackle the full impact of the global liquidity crisis. But these are expected to reduce the pains inflicted on the industry," the CMIE said in its monthly review here. "Fiscal 2008-09 is expected to end with a growth of 7.5 per cent. This is much lower than our earlier forecast of 9.4 per cent that has been revised progressively since the global liquidity crisis to 8.7 per cent and 8.2 per cent in October and November 2008, respectively," the monthly review said. Real GDP grew by a respectable 7.8 per cent in the first half of financial year 2009, which was lower than its expectations but, it was nevertheless in line with its view that the economy was growing at a healthy pace and that fears of a slowdown were misplaced, CMIE said. The agricultural sector grew by 2.7 per cent during the quarter ended September 2008, lower than CMIE's expectations.

### **Tatas to inject 'millions of pounds' into JLR: Report**



With no signs of financial aid coming from the UK government, Indian conglomerate Tatas have agreed to inject "tens of millions of pounds" into its British car company Jaguar Land Rover, says a media report. "Tata, the Indian owner of Jaguar Land Rover, has agreed to inject 'tens of millions' of pounds into the British car company to prevent an immediate cash flow crisis, while the government continues to consider the case for a taxpayer-funded bail out," the Financial Times has reported. Jaguar Land Rover has been reportedly seeking financial assistance from the government to the tune of one billion pounds in the wake of sharp fall in sales and credit crisis. Further, the car maker's chief David Smith has cautioned of thousands of job losses unless it receives emergency aid. Tatas are striving to raise over Rs 15,000 crore, on top of Rs 13,000 crore it got from sale of equity in a telecom arm. The group plans to mobilise the resources through public offer of debt securities, sale of Tata Motors' vehicle loan pool, private equity placement and soliciting public deposits. Meanwhile, the Financial Times in its report published online on Sunday noted that the cash injection from Tatas has bought ministers breathing space to respond to demands for multi-billion pound loan guarantees from the car sector. Quoting a government insider, the daily said, "They (Tata) have managed to solve the immediate difficulties so may be they can resolve some others as well." "Tata is understood to be adamant that its support for its UK car subsidiary does not negate its argument that the government should provide bridging loans and credit guarantees to the company and the British car sector as a whole," the report noted.

### **India Central Bank May Extend Rate Cuts Amid Slowing Inflation**

India's central bank has scope to extend the steepest set of interest-rate cuts since 2000 after inflation slowed to nine-month low, economists said. The country's benchmark 10-year bonds completed the biggest weekly gain in at least a decade as investors speculated the central bank will add to the three interest-rate cuts of the past two months. A report this week showed inflation slowed more than economists expected, to 6.84 percent in the first week of December. Easing inflation may alleviate the central bank's concern earlier this week that faster than "acceptable" price gains have made monetary-policy management more complex amid slowing growth. The Reserve Bank of India's actions should have been "more aggressive" to counter the global recession, according to Arvind Virmani, the finance ministry's chief economic adviser. "Inflation is no longer a concern now and that gives the central bank huge leeway to cut borrowing costs," said Sonal Varma, an economist at Nomura International Plc in Mumbai. "Inflation has gone below the central bank's year-end target for the first time this year, softening its worries over prices." Bonds rallied after the Dec. 18 inflation report. The yield on the 8.24 percent note due April 2018 dropped 66 basis points this week to 5.56 percent in Mumbai, according to the central bank's trading system. The Reserve Bank hasn't commented on the latest inflation data. "This year is difficult," Palaniappan Chidambaram, who was India's finance minister until Dec. 1, said this week. The economy expanded at the slowest pace since 2004 in the three months to Sept. 30. Chidambaram is currently the home minister. To revive consumer demand and lending, the Reserve Bank on Dec. 6 cut its benchmark repurchase rate to 6.5 percent from 7.5 percent, the third reduction since Oct. 20. The following day, the government announced a \$4 billion stimulus package to bolster spending, including lower taxes on consumer goods like cars, television screens and motorbikes. India is working on more measures to boost economic growth and may

announce a second installment of the stimulus package soon, Trade Minister Kamal Nath said last week. "The central bank is likely to continue with further monetary easing on an ongoing basis," said Siddhartha Sanyal, an economist with Edelweiss Capital Ltd. in Mumbai, who expects prices in India to fall next year on cheaper commodities. Inflation eased in the week to Dec. 6 after a drop in crude oil costs led the government to cut retail fuel prices, helping cool price-gains further from a 16-year high of 12.91 percent in August. Crude oil has tumbled more than 70 percent from a record \$147.27 on July 11. The central bank will review its inflation forecast in the Jan. 27 monetary-policy meeting, Governor Subbarao said Dec. 11, signaling he may lower an earlier estimate of 7 percent for the current fiscal year.

### **India to Sign Contracts With Oil, Gas Explorers: Week Ahead**

India will sign production-sharing contracts this week with companies including BHP Billiton Ltd. and Oil & Natural Gas Corp. that were awarded oil and gas areas off the nation's west coast. The government approved the award of 44 oil and gas areas last month that were auctioned this year. Oil Minister Murli Deora will be present at the event in New Delhi. BHP Billiton, the world's largest mining company, state-controlled Oil & Natural Gas, India's biggest energy exploration company, and BG Group Plc won the largest number of bids.

### **"Free Trade Agreement will solve India-Pakistan problems"**

While there are many demanding that Pakistan be punished unequivocally for the Mumbai attacks, Kishore Mahbubani, former Singapore Ambassador to the U.N, believes that India should actually conclude a Free Trade Agreement (FTA) with Pakistan and help develop the other country's economy to create a bulwark for itself against terror elements. "An India-Pakistan FTA is an idea whose time has come. The anger over the terrorist attacks is justifiable because there is no doubt that Pakistanis were involved in the attacks. But India needs to look at the problem from a longer-term perspective and free trade would actually improve the situation in the long run," Dr. Mahbubani said on Sunday. He said a 20-year programme to build Pakistan's education, health and other infrastructure would place the economy in better shape and create a strong middle class. This middle class would share India's apprehensions over radicals and provide a bulwark against terrorism in the long run. This would also benefit the Asian resurgence in the 21st century, and the collective power of the economies could help place them in a favourable position of power relative to the U.S. and the European Union. He said the anachronistic organisation of bodies such as the IMF and the World Bank, which was still Euro and U.S.-centric, needed to be altered and the bargaining power of a united Asia could make this possible.

### **Indo-Pak tensions pull down Sensex**

Wary traders, who didn't want to carry positions ahead of a long weekend, turned sellers on Friday sending equities southward for the fourth consecutive day. Tension between India and Pakistan and lower advance tax payments helped bears dominate the ring. The on-going tension between India and Pakistan weighed on market sentiments, as the service chiefs of army, navy and air-force met Prime Minister Manmohan Singh to brief him on latest security situation. There were also reports that Pakistan has increased its troops across the Line of Control. Lower

advance tax payment was another worrying factor for the traders, as direct tax payments for the Oct-Dec quarter fell 22% from the year-ago period. Market was also left slightly disappointed on WPI inflation, as it fell to 6.61% for the week to Dec 13 from 6.84% a week earlier while traders saw it at a nine-month low of 6.5%. Marketmen said inflation has become a non-event as they expect it to dip to 2% by Feb-Mar. "There was fear amongst traders due to the war-like situation with Pakistan. FIIs who had stopped selling in equities for the past one month are now booking profits in small pockets. This is putting pressure on the indices. Today was the first day of new F&O series and normally we see build-up of long positions. But gradual fall in the Sensex indicates that some FIIs were lightening their portfolios," said Anita Gandhi, head-institutional business at Arihant Capital. The BSE Sensex ended at 9328.92, down 239.80 points or 2.51 per cent from Wednesday's close. The index touched an intra-day low of 9294.98 and high of 9706.38. NSE's Nifty closed at 2857.25, down 2.04% or 59.60 points. The broader index touched a low of 2844.80 and a high of 2960.95. Market breadth was negative with 1,597 losers against 866 gainers. The BSE Midcap Index ended down 1.24% and BSE Smallcap Index declined 1.43%. Amongst the sectoral indices, BSE IT Index was down 3.92%, BSE Realty Index was 3.82% lower and BSE Bankex fell 2.99%. BSE Healthcare Index, on the other hand, ended up 0.50%. Reliance Infrastructure (-6.10%), DLF (-5.97%), Infosys Technologies (-5.33%), ICICI Bank (-5.17%) and Mahindra & Mahindra (-4.65%) were the major Sensex losers. Maruti Suzuki (1.68%), Tata Power (0.50%), Satyam Computers (0.41%), Ranbaxy Laboratories (0.30%) and Grasim Industries (0.28%) were the Sensex gainers. Market also lacked volumes as most investors were in a holiday mood after the Christmas holiday on Thursday and some traders going on extended leave till New Year. "The good thing is that markets are going down on low volumes and any good newsflow is likely to spike the benchmarks," Arihant Capital's Gandhi said. Traders keenly await a second stimulus package from the government, which is may meet the needs of exports, housing and steel industry.

### **Pakistan goods cross LoC despite tension**

For the first time after cross-border trade started in October, Pakistan traders on Thursday moved a truckload of goods for their counterparts in Jammu and Kashmir via Chakan-da-Bagh point, notwithstanding tension between the two countries over Mumbai terror attacks. "Trader Mohammad Akber of Hajir in Pakistan has sent a truckload of 150 boxes of oranges and 100 boxes of pomegranates besides 252 pairs of special Peshawari sandals to a business firm in Poonch," district officials here said. They said that for the first time since October 21, when cross-border trade started through Poonch-Rawalkote road, traders across the borders have exchanged consignments. The truck with the consignment crossed Chakan- da-Bagh LoC point and arrived at Rangar International Trade Centre at Poonch, they said, adding it would be later handed over to the party in Poonch after checking. The Indian firm had sent a consignment of 2,200 kg of tomatoes on December 23 as demanded by the Pakistan trader, officials said.

### **Geo-strategic developments:**

## **PM calls for maritime security**

India on Thursday sought to impart a "strategic thrust" to the seven-nation Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) regional grouping by proposing regional maritime security cooperation. Prime Minister Manmohan Singh highlighted the need for maritime security and transport in the Bay of Bengal to combat the dangers posed by the sea. He said there was a need to coordinate on issues of maritime transport such as construction of a deep-water port to service the region. "... new trans-national challenges have emerged. Climate change, energy and food security threaten our developmental efforts. Terrorism and threats from the sea continue to challenge the authority of the state," he said. According to the summit declaration, the member states finalised a convention on combating international terrorism, transnational organised crime and illicit drug trafficking.

## **Anti-tank Nag missile test-fired successfully**

Third generation hit-to-kill anti-tank missile Nag was successfully test-fired in its full configuration at the Air Force ranges near Pokhran, Rajasthan, on Thursday. This marks the first in a series of winter trials to be conducted by the Army till this month-end. Describing the trial as "100 per cent success," Nag's Programme Director and DRDL director P. Venugopalan told The Hindu that the missile carried a live warhead and caused extensive destruction to the stationary target, a derelict tank, covering a range of 3.3 km. He said the missile, launched from its dedicated carrier, Namica, zeroed in precisely where the Army wanted, which was one of the main objectives of the trial. It was bang on target. It pierced through the tank's armour at the point specified by the user. The exercise was conducted as part of the final user trials, which would be carried out by the Army in different conditions. The winter trials would be followed by summer trials and the missile was expected to be inducted into the Army shortly. The missile, which could be fired during night and day, is equipped with "top attack" capability to nullify the explosive reactive armour (ERA) of a battle tank.

## **Pakistan offers to buy Indian share of Iranian gas**

Pakistan has offered to Iran that it could buy the Indian share of gas from the proposed \$ 7.5 billion pipeline project involving the three countries, a media report said on Thursday. It claimed that New Delhi has apparently lost interest in the venture after signing the nuclear deal with the U.S. A team of energy experts, led by the Adviser to the Prime Minister on Petroleum and Natural Resources, Asim Hussain, would travel to Iran on December 29 to discuss the proposal, the Dawn quoted sources in the Petroleum Ministry as saying. The team's visit follows directives from President Asif Ali Zardari and it thoroughly discussed the deal with him and Prime Minister Yousuf Raza Gilani. During its two-day visit, the delegation will try to persuade the Iranian authorities to sign an agreement to transfer the Indian share of gas to Pakistan in the next few months. The sources were quoted as saying that Iran still wanted India to be part of the project to "counter growing U.S. influence on its old ally in the energy sector."

## **Kashmir:**

### **Violent anti-poll protests in Srinagar**

At least nine persons including three policemen were injured when anti-poll protesters attacked supporters of two candidates in Srinagar and indulged in stone pelting at several places on penultimate day of campaigning for the final phase of J-K Assembly elections. Shouting anti-election slogans, groups pelted stones on police and paramilitary forces at Jamia Masjid and adjoining areas including Nowhatta, Gojwara and Rajouri Kadal in downtown Srinagar, official sources said. Police used batons to disperse the protestors and in the ensuing clashes, four persons including two policemen were injured, while shops and business establishments were closed and traffic came to a standstill. Four persons including a policeman were injured when supporters of separatists' Co-ordination Committee which has called for a boycott of elections pelted stones on the cavalcade of an independent candidate in Habbakadal constituency here. A group of youth, shouting pro-freedom slogans, appeared at Asyed Ali Akbar and pelted stones on the cavalcade of independent candidate Mr Bilal Ahmad Parra, a senior leader of People's Democratic Front, who was holding a roadshow, the sources said. The youths were later chased by police and paramilitary personnel, the sources said. A police guard also fired in the air following a clash between supporters of National Conference and its arch rival PDP at Khanyar locality of interior city, they said. No one was hurt in the shooting but one person was injured in the brick-batting between the two sides.

### **52% voters' turnout in J&K polls**

Fifty two per cent voters' turn-out was recorded in the final phase of Jammu and Kashmir assembly polls on Wednesday, says Election Commission. The crucial last phase of the staggered Jammu and Kashmir polls ended on Wednesday amid minor clashes between police and anti-election protesters in Srinagar. About 34 per cent of the 16.91 lakh- strong electorate today exercised their franchise in 21 constituencies till late afternoon. Stray clashes between police and protestors injured at least 14 people, including a photojournalist, in Srinagar. Anti-election demonstrators took to the streets in various parts of the city but were stopped by police and paramilitary men who were deployed in strength. Polling in eight constituencies of Srinagar city, considered a separatist stronghold, was 13 per cent till 3 pm as compared to the five per cent turnout in 2002 elections. The polling percentage in 13 constituencies of Jammu (11) and Samba (2) was as high as 48 per cent, officials said. The average turnouts in the earlier phases of the elections were over 60 per cent.

### **Violence down by 40 p.c. in J&K, says DGP**

Maintaining that the situation in Jammu and Kashmir was fast changing, Director General of Police Kuldeep Khoda on Thursday said violence had shown a remarkable decline by 40 per cent in 2008. He said 800 militants were still active in the State and Pakistan was continuing with its attempts to push in more but the effective control along the borders had defeated their designs. Interacting with journalists here, Mr. Khoda said that in spite of the agitation during the

Amarnath land row, the situation had witnessed phenomenal change. The recent elections concluded without any major incident through a seven-phase long process. He said in the 2002 elections 909 incidents took place but this time only 101 incidents were reported. Similarly 48 political activists including a minister were killed in 2002 but this year not a single political killing took place. "The number of incidents has remained below 700 and in the past it has never been less than 1000." Compared to 164 civilian deaths in 2007, 89 were killed this year. The highest number of civilians killed was 1413 in 1996. Mr. Khoda said 102 top militant commanders were killed by the security forces. "In all 350 militants were killed during the year" he added. "For the first time, this year also witnessed the best ever performance of the police and security forces on the human rights front, as no complaint of custodial disappearance was reported" he said. However, there was one report of custodial death of Ghulam Hassan Malla, resident of Chotipora Shopian. The investigation of the case is being pursued vigorously. To a question, Mr. Khoda said that 300 of the 800 militants active in the State were foreigners. He said lesser infiltration was witnessed. "Our vigil is effective and whosoever tries sneak in is being eliminated."

## **Social front:**

### **Untouchables enter Rajasthan temple**

Alwar, a small town in Rajasthan, witnessed a social revolution of a different kind as scores of erstwhile scavengers were allowed to enter a temple here, thereby realising the dream of Mahatma Gandhi. In addition to that, they also dined with families of "upper social strata", a pipe dream till recent times. "It is dream come true for me; I have entered a mandir (temple) for first time in my 45 years of life. It is a revolution in true sense," said Ms Anguri Devi, a former scavenger. The moment is equally "unforgettable" and "historical" for Ms Rajni Nanda, Ms Bimla Chumar and Ms Usha Devi, who were in the trade of scavenging. "Till recent times we were not allowed to enter the premises of temples in the locality, but from today we can enter and perform Puja freely," Ms Nanda said. The socially significant development has taken place on the initiative of Sulabh movement, founded by Ms Bindeshwar Pathak in 1970. "People who used to run away even from the shadow of a scavenger befalling on them have now dined with such people and it is no less than achieving the impossible," said Ms Pathak.

### **110 tigers lost in six years: Govt data**

India's forests have lost at least 110 royal striped cats, including 17 tigresses, in the past six years due to poaching and several other reasons, according to government data. The figures made available under the RTI Act reflects that the royal predators have been unsafe not only in non-protected area but also inside reserves, given that this year alone 14 cases of tiger mortality, including four tigresses and two cubs, have been reported till November.

## **Foreign Relations:**

### **Central Govt plans crackdown along Indo-Bangla border**

The Centre has planned to act in concert with the West Bengal government and the Border Security Force (BSF) to initiate steps to crackdown on smugglers' cartels operating along the Indo-Bangladesh border. The proposed move comes in the wake of discreet enquiries by the country's external Intelligence agency, Research and Analysis Wing (RAW) that have indicated that at least three Bangladeshi nationals helped smuggle into India some of the SIM cards which the 10 Pakistani terrorists used in their strike on Mumbai last month. As a part of the process, the Centre will share information with the West Bengal government since the assistance of the state police machinery will be required to identify and isolate the smugglers who, in the words of a senior home ministry official, form a "key resource" for forces "inimical to India". As a first step, therefore, Indian security agencies as well as the BSF and the state police will identify the powerful smugglers' cartels suspected to have links with the Bangladeshi Harkat-ul-Jehadi-Islami (HuJI) and the Directorate General of Force Intelligence (DGFI). Besides contraband smugglers, attempts will be made to identify those engaged in the illegal trade in cattle. The BSF has been tasked to intensify vigil to curb cattle smuggling. In this context, BSF sources said that hundreds of cattle smugglers operate in the border stretch in West Bengal and constitute a threat to security in the frontier areas. Plans are also afoot to identify and isolate local politicians who provide protection and patronage to smugglers in border zones. This would be a more difficult and tricky task considering that several panchayat members belonging to the CPI-M are suspected to back a number of top smugglers and other anti-social elements in the Bengal borderlands. The names of the politicians will, however, not be shared with the state police.

#### **Obama will face a more confident India: Bush**

As Barack Obama prepares to assume office next month, President George W Bush has said that his successor, during his presidency, will have to face an India that is "now more confident" in its relations with Washington and "encourage" Pakistan to go after terrorists. "Obama will face a rising China, an India that is now more confident in its relationship with the United States," Mr. Bush told in an interview to The Washington Times. "But at the same time, [Mr. Obama] will have to deal with Pakistan, and encourage the Pakistan government to continue to go after the terrorists in the remote regions of its country," he said.

#### **Not safe to be in Pakistan: India tells its citizens**

India on Friday advised its nationals to avoid travelling or being in Pakistan, fearing their persecution in the wake of media reports there that some Indians have been accused of terror attacks and arrested. The external affairs ministry said while Pakistani media has claimed arrest of several Indian nationals in Lahore and Multan over the last two days, the police have expressed ignorance, indicating that it could be the handiwork of agencies which operate outside the civilian control in that country. The statement by external affairs ministry spokesman Vishnu Prakash came after media reports in Pakistan claimed that Indian nationals Satish Anand Shukla, Ram Kumar, Ram Chandar and Prakash were arrested for a bomb blast in Lahore two days back.

"There have been reports in the Pakistani media that several Indian nationals have been arrested over the last two days in Lahore and Multan and are being accused of being terrorists," he said.

"Since it has also been reported in the Pakistani media yesterday that the senior police officer in Lahore was unaware of the arrest in his city, it seems that this is the work of other agencies in Pakistan that operate outside the law and civilian control," Prakash said. "Indian citizens are, therefore, advised that it would be unsafe for them to travel or be in Pakistan," Prakash said.

### **Maldives offers help to 'observe' Indian Ocean**

President of the Maldives Mohamed Nasheed on Thursday offered his country's assistance in "observing" the Indian Ocean following the rise in piracy and the use of the sea route from Karachi to Mumbai in carrying out the Mumbai terror strikes. "On any given day, there are a greater number of people from the Maldives in the Indian Ocean than anyone else. People have to understand that the Maldives has survived in the middle of the Indian Ocean for centuries. We understand the topography of the Indian Ocean; we are ready to cooperate in observing the Indian Ocean," he told journalists at the end of his three-day tour to India, his first after taking over as President. Acknowledging that many students from the Maldives were going to madrasas in Pakistan and their parents were largely unaware of their whereabouts or what they were being taught, the President pointed out that as long as there was limited education opportunities in the Maldives and India, parents would continue to send their children to the madrasas in Pakistan.