

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

## **ASIA REPORT**

First Quarter 2009

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Reports of February, 2009

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

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

Nadia Tasleem

Weekly Report from 7 February 2009 to 13 February 2009

Presentation: 18 February 2009

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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; India, East Asia, GCC and Fertile Crescent from 7 February 2009 to 13 February 2009 as have been collected by interns.

### ***Summary***

#### ***India:***

##### **Political Front:**

All political parties in **India** remained active in propagating their ideas to gain votes. In this regard UPA, led by Congress has again raised the slogan of 'secularism' to win support of people belonging to various religions. Meanwhile BJP has again raised the issue of reconstruction of Ram temple in Ayodhya in order to provoke Hindu extremists to favour them. CPI (M) however accused Congress for increased US influence in the region; that according to them has left India isolated.

Meanwhile as far as Mumbai attacks are concerned, efforts are being carried out by both Pakistan and India to find culprits. In this regard Pakistani recent response to Indian dossier has been taken positively by Indian government. Meanwhile UN General Secretary also appreciated Pakistani commitment to counter terrorism. Some Indian police men however accused Pakistani military and ISI for its involvement in planning and executing Mumbai attacks. On this ground BJP has demanded ruling regime to cut off all sort of economic, social and cultural ties with Pakistan. Pakistani government however denies such allegations and reported that people belonging to different countries including India and Pakistan have played their role in terrorist act of 26/11. Meanwhile the Anjuman Minhaj-e-Rasool has passed a resolution demanding the public hanging of Mohammad Ajmal 'Kasab,' by claiming that there is no space for terrorism in Islam.

### **Social Front:**

As far as urbanization in **India** is concerned, the United Nations Development Programme (UNDP) sponsored study said an estimated 23.7 per cent urban populace was living in slums amid squalor, crime, disease and tension, but not all slum dwellers exist below the poverty line. Poor city planning and poorer urban land management and laws are to be blamed for the rise in numbers of urban poor. Report further adds that urban poverty in India is not an overflow of the poverty in villages but result of “poorly planned” urbanization. Meanwhile the All-India Muslim Personal Law Board (AIMPLB) has decided to oppose an amendment to the U.P. Zamindari Abolition and Land Reform Act, 1950, which entitles only unmarried daughters of property owners the right to inherit property. All the while extremist Hindus launched protest against the celebrations of Valentine’s Day in India and took serious action against those who were involved in its celebration.

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

**India** has expressed serious concerns regarding release of Pakistani nuclear scientist A.Q. Khan. Meanwhile responding to New Delhi's concerns, Bangladesh gave a commitment of not allowing its territory to be used for anti-India activities as the two countries discussed a proposal for setting up a regional task force to tackle the menace.

### **Economic Front:**

Around 20 lakh people have lost their jobs in **India** amidst economic crisis. Meanwhile sales in the Indian automobile market observed an overall 7.4 per cent decline in January this year.

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

#### **Political Front:**

**Indonesian** government has serious security concerns particularly regarding upcoming elections in 2009. Two significant developments at **Malaysian** political front include refusal of PAS to recognize government of Barisan National in Perak and news regarding expected take over of Najib as PM on 31 March this year. In **Philippines** use of force by government to crush Muslim rebels as well as communists in South appeared as potent development. National Assembly in **Laos** has been carrying out study to improve various set of laws. In **Cambodia** opposition party

remained busy in carrying struggle to obtain parliamentary recognition but hasn't achieved its objectives till now.

### **Social Front:**

Apart from earthquake few other social issues in **Indonesia** also remained significant. In this regard rally arranged by Papuans against Indonesian regime remained important as they could successfully grab attention of German human rights activists. Meanwhile Indonesian efforts to provide relief packages to Rohingya refugees; who have migrated from Myanmar, is yet another development. Lastly growing divorce rate in Indonesia is now being associated with democratic reforms being introduced in the country. Growing need of food for flood victims in **Thailand** as well as Thai government's concern regarding Rohingya Muslims can be regarded as important issues. Meanwhile Thai PM has seems optimistic regarding employment of more than 1 million jobless people. Power International has announced a plan to assist women with disabilities in five provinces in **Laos**.

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

To begin with **Indonesia** growing defence ties with Thailand and Singapore are significant. Moving towards **Philippines**; Iran has recently offered to help the Philippines negotiate peace with Muslim rebels in Mindanao. In case of **Thai-Cambodian** border issue, Thailand has refused to withdraw its troops from the disputed territory surrounding the Preah Vihear temple. Besides that **Vietnamese** growing ties with Japan and Laos also grabbed attention.

### **Economic Front:**

All East Asian countries are engaged in discussions to formulate a strategy to jointly deal with the adverse impact of global economic crisis. **Thai** PM asked overseas officials to contribute in country's economy to help her to cope up with economic recession. Thailand has also resumed FTA talks with the US. Stock exchange remained fluctuating in **Singapore**. Meanwhile government asked its people to put effort to come out of economic turmoil. New financial

regulations have been made by **Vietnamese** regime to govern state-run business. First Indo-china bank has got established in **Laos**. UN has announced to give more aid to **Cambodia** to support agriculture over there.

### ***Fertile Crescent:***

#### **Political Front:**

Elections dominated **Israeli** political scene. Out of 120 seats of Knesset no single party has been able to gain clear majority. Centrist Kadima party though has won 28 seats so far but second to it is right wing Likud party with 27 seats. Meanwhile the radical right party, the labor party and the religious groups won 15, 13 and 21 seats respectively. Unexpectedly huge voters' turnout and victory of conservative parties has been considered as a blow to peace efforts as none of these parties intend to carry negotiations with Palestinian authority. After observing Israeli political scenario, Chief Palestinian negotiator Saeb Erekat urged international community to shun any Israeli government that rejects the two-state solution. Mahmood Abbas also claimed to start negotiations with Israel only on one condition that if new regime stops further settlements in west bank. **Lebanese** Sunni majority leader Saad Hariri announced to hold parliamentary elections in time. Hence both ruling party and opposition have started political campaigns to win elections. Ruling regime has ruled out any possibility to form coalition government with Hezbollah in case of its victory in upcoming elections. Meanwhile all files concerning investigation of assassination of ex-Premier Rafik Hariri have been taken to a Special Tribunal for Lebanon in The Hague. At **Iraqi** political front the results of the provincial council elections that took place in 14 out of Iraq's 18 provinces over one week ago will be announced within two weeks. As far as Kurdish issue is concerned an Iraqi parliamentarian from the Kurdistan Alliance (KA) called on Prime Minister Nouri al-Maliki to work out solutions for many pending issues between the governments in Baghdad and the Kurdistan region. Meanwhile members of the Kurdistan National Assembly (parliament) unanimously voted to change its name to Iraq's Kurdistan Parliament.

#### **Social Front:**

An Israeli film, banned in **Lebanon** has grasped attention of young Palestinians living in refugee camps. A recently published report by National Centre for Human Rights, has appreciated improved conditions of **Jordanian** jails. Meanwhile government has recently imposed restrictions against some of the Imams but has denounced any sort of political motivation in this regard.

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

UAE and **Lebanon** have held talks to emphasize on the need of inter-Arab conciliation and to work on tackling differences between Palestinian factions. Meanwhile US President Barack Obama vowed to support UN moves to bring to justice the killers of slain Lebanese Prime Minister Rafiq Hariri. At **Egyptian** geo-strategic front efforts to bring various factions of Palestine and Israel on negotiation table in order to conclude a lasting peace deal overwhelmed the scene. Egypt has asked all factions of Palestine to unify in order to reach at a truce with Israel. Besides that Egypt, with the help of US, has started efforts to build high-tech security systems to halt arms smuggling through tunnels into Gaza. **Jordan** has also emphasized on the need of lasting peace between Palestine & Israel. **Syrian** Foreign Minister has asked UN to compel Israel to abide by UN resolutions urging Israel to withdraw from Arab lands that it had occupied in 1967. Syria has also emphasized greatly on the need of resolution of Arab-Israeli dispute. Kurdish officials in **Iraq** claimed that early withdrawal of US troops would lead to ethnic and sectarian conflict in Iraq hence withdraw should take place in accordance with the decided schedule. Meanwhile Estonian troops have left Iraq after completion of their mission. Iraq's Kurdistan region signed a Memorandum of Understanding (MoU) with the Qatari government during a visit by an Iraqi delegation to Doha. All the while Iraqi-Iranian talks to boost ties have started recently.

### **Economic Front:**

Despite world wide economic crisis, **Lebanese** banks have posted remarkable rise in net profit for the year 2008 and aim to gain more this year.

### **GCC:**

### **Political Front:**

Dozens of protesters clashed with police in cities across **Bahrain** after the tiny Persian Gulf nation's prosecutor announced that some 35 people, including prominent Shiite activists, would go on trial.

### **Social Front:**

A senior official at the Ministry of Culture, Arts and Heritage, expressed serious concern regarding Arabic language and claimed that Arabic is endangered and fading away due to the domination of the English language, particularly in the GCC communities where non-Arabs live in large numbers. **Saudis** seem concerned about lack of job opportunities in Saudi Arabia compelling young qualified people to look around for employment as unemployment rate is 26%. Besides that a court here sentenced organizers of an alleged gender-mixed party at a well-known Jeddah resort to six months in prison and a fine of SR45, 000. Japanese women experts in business administration have put an effort to train young Saudi women to start small and medium-size enterprises (SMEs), at a two-day seminar. All the while floods and heavy rains in Jeddah have crippled the city. Massive blaze in an industrial area in Sharjah and sand storm in **UAE** as well as **Bahrain** emerged as potent developments at social front. The State of **Kuwait** welcomed the major efforts by the Kingdom of Saudi Arabia to foster and develop human rights and its commitment to that goal.

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

Growing **Saudi** ties with Turkey, Italy and China grabbed attention. Meanwhile Saudi regime has also urged the need to resolve Israeli-Palestinian dispute. All the while **Kuwaiti** growing ties with Yemen, UAE, Turkmenistan and Ethiopia seem to be worth mentioning. Similarly **Qatari** growing ties with UAE and Egypt on one hand and her efforts to resolve Darfur crisis on the other hand grabbed attention. **Omani** growing ties with India, Yemen, UK and Singapore also remained in focus. Meanwhile **Bahraini** commander met with Pakistani President to discuss military cooperation and regional security.

### **Economic Front:**

**Saudi Arabian** shares rose to a three-week high after a rally in US stocks boosted investor confidence in the Kingdom. Net profits in Banks of **Dubai** dropped remarkably amidst economic crisis. At economic front, **Oman** plans to increase oil production this year from 757,000 barrels per day in 2008 to 805,000 barrels per day.

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

### **Fertile Crescent**

Aisha Rehman

From 6<sup>th</sup> - 13<sup>th</sup> February 2009

Presentation: February 18, 2009

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### **Palestine and Israel**

#### **POLITICAL NEWS**

- Erekat: Boycott any Future Israeli Government that Rejects Two State Solution
- Rival Kadima Likud Parties claim victory Palestinian Official: No talks without settlement freeze
- President Abbas: 'We will deal with any new Israeli government'

#### **SECURITY ISSUE**

- Israeli warplanes attack Gaza-Egypt border line
- PM Fayyad: PA Plan for Gaza Reconstruction Ready
- Israeli sources: Homemade shells fired from Gaza into Israel
- Israeli warplanes attack a Hamas target in southern Gaza
- Disappeared Free Gaza Activist Teresa McDermott Found in Israel's Ramleh Prison
- Israeli Navy shells eastern and northern beaches of Gaza

#### **ELECTIONS IN ISRAEL**

- Israeli sources: TV polls give Kadima 30 Knesset seats

- Israeli 2009 elections: Kadima leads vote with 30 seats
- Israeli 2009 elections: 2% increase increase in votes from 2006 elections
- Israeli elections start with concerns of low turn outs by voters
- Kadima party could lead opposition
- Livni effort to form Israel government fading  
Israel vote deals a setback to U.S. peace effort in Mideast
- After Israel elections, not much is clarified
- Disillusioned Israelis go to the polls

## Lebanon

### POLITICAL FRONT

- Hariri says parliamentary elections to be held on time
- Geagea calls for massive participation in February 14 rally
- Hariri murder probe files moved to Hague – Siniora
- Lebanon MPs warned of Islamist assassination threat
- Sfeir warns of 'historic dangers' if March 8 wins
- Lebanese lawmakers warned against assassination threat
- Obama Supports U.N. Moves to Punish Hariri Killers
- Berri Blames Saniora for Withholding South Council Funds, Labels Move 'Real Conspiracy'
- Wiretapping Crisis Escalates As Police Chief Accuses Bassil of Withholding Data
- Jumblat ... to Suspend or Not to Suspend Participation in National Dialogue?
- Najjar: Government Has No Say in Four General's Fate
- Hariri Would Not Forget May 7, But Would Eventually Forgive
- March 14 Rejects Foreign Influence, Calls Partisans to Chant for Lebanon on Saturday
- March 14, Bassil Preparing for New Round of Confrontation in Parliament

### GEO STRATEGIC FRONT

- UAE, Lebanon asserts importance of inter-Arab conciliation
- Lebanon 'to become non-permanent UN Security Council member'
- Sarkozy Determined to Bring Hariri Killers to Justice
- Israel Says Hezbollah Planning Murder Or Abduction Bid
- Hariri: No More Hegemony over Lebanon No Matter How Hard Syria Tried
- Lebanon: New Palestinian group 'planning attack' on Egyptian embassy
- Ban denies launch of Hariri tribunal next month will ignite crisis in Lebanon
- Report: Russian-donated MIG-29 to Lebanon "unsafe"
- Jumblat to Send 'Positive' Message to Hizbullah at Feb. 14 Rally
- U.N. Investigators in Syria on Eve of Hariri's Murder Anniversary
- Obama backs UN moves to try Hariri killers

- UN's Lebanon envoy meets Syrian VP
- Lebanon's Hariri would not join Hezbollah coalition

### ELECTIONS

- Moawad Won't Run in 2009
- Hariri: I Won't Take Part in New Government if March 8 Wins Elections
- 12,000 Employees Manning Polling Centers Will Be Able to Vote

### ECONOMIC ISSUES

- Lebanon banks insulated from financial crisis
- Lebanon's EDL continues to strangle state finances
- Lebanon's EDL continues to strangle state finances
- State Budget Again Postponed Till Next Thursday
- U.S. Provides \$12 Million to Lebanese Police

### SOCIAL ISSUES

- Israeli film, banned in Lebanon, still a hit

### Egypt

### GEO STRATEGIC ISSUES

- Egypt, Turkey call for Palestinian reconciliation
- Egypt hopes for Gaza truce deal 'in few days'
- Egypt invites rival Palestinian groups to meet
- Berlusconi in Mideast talks with Abbas, Mubarak
- Israel, Hamas on Verge of Truce Deal
- German-Egyptian Blogger Released, Fear Continues In Egypt
- Egyptian Negotiators Meeting With Hamas Delegation Over Cease-Fire

### SECURITY ISSUES

- Gaza smugglers say Egypt tightening tunnel trade
- Egypt says Clinton will attend conference on Gaza
- Egypt is building a high-tech security system with US assistance aimed at halting arms smuggling -- a key Israeli demand in the current truce talks.

## Jordan

### SOCIAL FRONT

- Prison conditions improve in 2008 - report
- Student activists object to ministry-sponsored conference
- 'Restrictions on Islamist imams not politically motivated'
- 52 women seeking legal guidance contact complaint office

### GEO STRATEGIC FRONT

- 'Resolving Arab differences a must'
- Activists call on Hamas to include Jordanians in any potential prisoner deal
- Jordan hopes for pro-peace Israeli gov't

## Iraq

### POLITICAL FRONT

- MP urges Maliki to resolve pending issues with KRG
- Politician withdraws nomination as speaker
- Lists can contest election results – IHEC
- Sectarianism behind my withdrawal from speakership nomination – MP
- MP denies terming winner lists in Ninewa as “inexperienced”
- VP, IHEC chief discuss commission’s development mechanism
- Parl. postpones speakership debate to Mon. session
- 138 votes required to dissolve Parliament- expert
- Poll results out in 2 weeks- IHEC
- Al-Sadr urges provincial council members to remain neutral
- Parliament begins session to elect new speaker
- Kurdish parliament changes its name
- Kurdistan Parliament to increase women’s representation

### SECURITY FRONT

- 1st reconciliation conf. in Sulaimaniya
- Kurdish official warns against early U.S. withdrawal
- Estonian troops leave Iraq – spokesman

### GEO STRATEGIC FRNT

- Kurdistan, Qatar sign MoU
- Barazani, Qatar emir take up developments in Iraq
- French support has been there for long- Talabani

- Talks to develop Iraqi-Iranian relations begin Wednesday – minister
- Maliki, Sarkozy meet in Baghdad

### SYRIA

- The Syrian Air Reduces the Oil High Price Fee on Tickets
- On the 27th anniversary of general strike, Israeli practices failed to break the Will of Syrian citizens in Golan
- Aleppo Governor discusses cooperation with Kilis counterpart
- Minister al-Moallem calls on UN to compel Israel to implement relevant resolutions
- Al-Shara discusses with Williams repercussions of Israeli aggression on Gaza
- Syrian citizens of occupied Syrian Golan mark the open strike anniversary, renew adherence to Syrian identity
- Al-Shara and al-Zahar Discuss Developments in Palestine and Efforts for Dealing with the Effects of the Israeli Aggression on Gaza
- Al-Buni and Hamad Discuss Possibility of the AFESD Financing Water and Land Reclamation Projects
- Romanian Delegation Discusses Means of Revitalizing Commercial Relations in Homs

### **Palestine and Israel**

### **POLITICAL NEWS**

#### **Erekat: Boycott any Future Israeli Government that Rejects Two State Solution**

The international community should shun any Israeli government that rejects the two-state solution, argued chief Palestinian negotiator Saeb Erekat. Erekat was making reference to the oft-cited conditions applied by the international Quartet on the Middle East (a grouping of the US, UN, EU, and Russia) in reference to Palestinian governments. The Quartet chose to boycott the Hamas-led government that emerged from democratic elections in 2006. Israel's national elections raised the possibility of a right-wing coalition. The charter of the mainstream rightist party Likud, which came in a close second in the election, calls for eternal Israeli dominion over all of its occupied territory. Erekat made these remarks during a meeting with US Consul General Jake Waller at Erekat's office in Jericho.

### **Rival Kadima Likud Parties claim victory Palestinian Official: No talks without settlement freeze**

No matter who leads Israel's new government, the Israelis will have to commit to a freeze on Jewish settlements in the West Bank before peace talks can resume, Palestinian officials said. Tzipi Livni's centrist Kadima Party had a one-seat edge on Benjamin Netanyahu's hard-line Likud Party, 28 seats to 27, with 99 percent of the votes counted in Israel's national election. But it wasn't clear Livni would be able to put together a governing coalition, as right-wing parties appeared to have won a clear majority of 65 seats in the 120-seat parliament. Netanyahu has said he would expand West Bank settlements. Livni, meanwhile, was Israel's chief negotiator in a year of inconclusive peace talks with the Palestinians that saw settlement construction continued and even accelerated under the outgoing Kadima-led government. Reflecting the growing frustration of Palestinian moderates, Husseini said Abbas would resume peace talks with Israel only if the next government agrees to freeze the settlements.

### **President Abbas: 'We will deal with any new Israeli government'**

President Mahmoud Abbas said that he is prepared to that emerges from Tuesday's election. But he called on Israel to stop building new settlements in the occupied territories. "I don't know who will win the elections, but we will cooperate with any new Israeli government emerging from the elections on the basis of the bilateral accords and the international resolutions which have been adopted up to this point," Abbas said at a joint press conference with Poland's President Lech Kaczynski in Warsaw. "We also expect that the new Israeli government will stop installing new settlements. If the new government does not do this, I don't know what will become of the peace process," Abbas said. "I call on Israel to meet its obligations, otherwise the entire world will be frustrated that peace is not coming and that violence and terrorism are knocking at our door -- it is the only alternative to peace."

## **SECURITY ISSUE**

### **Israeli warplanes attack Gaza-Egypt border line**

Israeli warplanes attacked Gaza-Egypt border line in southern Gaza, Palestinian sources reported. The sources stated that Israeli warplanes carried out a series of air strikes on the area that separates Gaza from Egypt, where Palestinians use underground tunnels to bring in essential goods and commodities from nearby Egypt, as Israel has kept border crossings closed for more than 19 months now, only allowing a tiny fraction of need aid and goods into Gaza. The Israeli air raids also hit an open field in eastern parts of Rafah city, with no casualties reported in both raids. From its part, Israeli Army confirmed that its warplanes targeted four underground tunnels on the Gaza-Egypt border line, as well as weapons warehouse in the southern Gaza Strip. An Israeli Army spokesperson was quoted by Palestinian media sources as saying that the shelling came in response to homemade shell-fire, fired from Gaza into southern Israel today.

Since Israel concluded its 22-day massacre on Gaza, on January 18, Israeli warplanes have carried out several air raids on the Egypt-Gaza border area, under the pretext of preventing smuggling of weapons into the Hamas-ruled territory.

### **PM Fayyad: PA Plan for Gaza Reconstruction Ready**

The general features of the document outlining the reconstruction of Gaza have been completed, Palestinian Prime Minister Salam Fayyad told. The specifics of the document rely on a detailed survey of the destruction of the Gaza Strip, now nearly complete. The Cooperative Housing Foundation is performing the assessments. *The PA has pledged 67 million US dollars for Gaza reconstruction, which will be distributed as follows:*

55 million US dollars for clearing rubble and reconstruction of government buildings, electrical and water systems  
22 million US dollars for rebuilding the homes of Gazans; this money will be distributed as follows:  
5,000 US dollars in cash will be given to the residents of homes totally destroyed  
3,000 US dollars to those whose homes were partially destroyed  
The PA document looks to consolidate and streamline the reconstruction so it is efficient and addresses agriculture and industry facilities as a priority. Fayyad noted that the plan included a mechanism for providing funds from the donors directly local industry and agriculture sectors through the banks. Fayyad called this the “best way to deal with the reconstruction issue.”

### **Israeli sources: Homemade shells fired from Gaza into Israel**

Israeli online daily Haaretz reported early on Sunday that a Palestinian homemade shell was fired from Gaza into the southern Israeli area of Naqqab. The Israeli Army stated that the shell caused set a car ablaze and slightly damaged other cars in and around where the shell landed. In the aftermath of the three-week-long Israeli Army attacks on the Gaza Strip, both the Israeli Army and Gaza-based resistance factions traded fire, despite a temporary ceasefire deal. The Israeli Army killed three Palestinians during recent attacks on the region.

### **Israeli warplanes attack a Hamas target in southern Gaza**

Israeli warplanes attacked on Thursday a Hamas target in southern Gaza Strip, with no injuries reported. Witnesses said that a n Israeli warplane fired two missiles at the headquarter of Hamas-led security forces in Khan Younis city. The said building was damaged during the last Israeli war on Gaza , which lasted 22 days.

## **Disappeared Free Gaza Activist Teresa McDermott Found in Israel's Ramleh Prison**

Scottish activist Teresa McDermott has been found in Ramleh prison four days after she was "disappeared" by the Israel government after being forcibly removed from a seaborne Lebanese aid mission to Gaza. In early February Teresa responded to a call for support from internationals from the organizers of a Lebanese humanitarian aid voyage to Gaza aboard the Togo flagged ship, Tali. Teresa was one of only 9 passengers aboard the cargo ship on February 4, 2009 when Israeli gunboats intercepted it, boarded and forced the ship to Ashdod port in Israel.

All the passengers and crew aboard were released on Thursday, February 5 except Teresa. Between Thursday evening and Sunday morning there was no word about Teresa's whereabouts except several false stories saying that "Britons" had departed to London. Finally on Sunday, Teresa was able to call her brother John in Scotland to say she was in Ramleh prison in Israel. According to Al Jazeera journalist Salam Khodr, when the ship was boarded, the passengers were beaten and kicked by Israeli soldiers before being removed from the ship. No information has been provided by Israeli officials about why Teresa has been detained, what the charges are if any and why her detention was concealed. When the British Consulate in Israel was contacted for assistance in finding Teresa, staff refused to help locate Teresa saying they couldn't provide assistance to a UK citizen unless she personally requested it. Members of the Scottish Parliament including Pauline McNeil and Hugh O'Donnell who were part of a fall delegation to Gaza aboard the Free Gaza boat, Dignity, are working with the British government to ensure that Teresa receives the protection and assistance to which she is entitled.

## **Israeli Navy shells eastern and northern beaches of Gaza**

The Israeli Navy shelled on Saturday several areas along the northern and western areas of Gaza beach, inflicting extensive damage to dozens of fishing boats that belong to Gaza fishermen. The Arabs48 news website reported that naval gunship opened fired at the fishermen and their boats in an attempt to bar them from fishing. On Friday, a Palestinian fisherman was injured when the Israeli Army opened fire at dozens of homes and fishing boats in Rafah, in the southern part of the Gaza Strip. The siege also claimed the lives of hundreds of patients as they were not allowed to leave Gaza for medical treatment in Egypt, Israel or elsewhere. Medical centers and hospitals ran out of basic supplies and medical equipment that are requiring spare parts or replacements, these life saving machines hve been shelved due to the siege. It is worth mentioning that on Saturday the Israeli Army invaded Khuza'a town, in Khan Younis, in the southern part of the Gaza Strip.

## **ELECTIONS IN ISRAEL**

### **Israeli sources: TV polls give Kadima 30 Knesset seats**

The Israeli elections were conducted on Tuesday with more than 50 percent of votes counted so far. The Kadima party is leading the race with 29 out of 120 Knesset seats. The Likud party is close behind with 27 seats. The race for prime minister is very close between Israel's Foreign Minister, Tzipi Livni, who so far remains in the first place, and Benjamin Netanyahu, who is only two seats behind. The Labor party suffered a noticeable blow with only 13 to 12 seats, and the extremist right wing party, Yisrael Beitenu, headed by Avigdor Lieberman garnered 15 to 16 seats.

After the Israeli Prime Minister, Ehud Olmert, resigned following criminal investigations, Livni was in charge of forming a new government but could not gather the needed 61-seat coalition, and general elections were called. Haaretz said that even if the exit polls are correct, the right-wing bloc, led by Likud leader Benjamin Netanyahu, will garner 63-64 seats, while the center-left bloc, headed by Livni, will take 56-57 seats. This means that a win in the polls does not necessarily mean that the next government will have a center-left formula.

Haaretz reported that exit polls of the three main TV stations in Israel were as follows;

Channel 1 poll; Kadima 30, Likud 28, Labor 13, and Yisrael Beiteinu, 14.

Channel 2 poll; Kadima 29, Likud 27, Labor 13 and Yisrael Beiteinu 15.

Channel 10: Kadima 30, Likud 28, Labor 13 and Yisrael Beiteinu 15.

Addressing supporters in Tel Aviv, Netanyahu said that although he may be the second in the polls, the party will be the key component of any government collation.

### **Israeli 2009 elections: Kadima leads vote with 30 seats**

The first report of the vote count reveals that the center-right Kadima party, headed by Tzipi Livni, has won 30 out of the 120 seats of the Israeli Knesset –Parliament. Israeli channel 10 has reported that the right-wing Likud party, headed by Benjamin Netanyahu, have won 28 seats, while the radical right party, Yisrael Beitenu, have scored 15 seats. The labor party won 13 seats while the religious group Shass won nince seats, Israeli channel 10 reported. Media sources have reported celebrations at the Kadima party campaign stations shortly after the reports was announced on TV.

### **Israeli 2009 elections: 2% increase increase in votes from 2006 elections**

The Israeli Knesset -Parliament- elections commenced Tuesday to determine the next 120 Knesset members. By the afternoon, the turn out was 32 percet, a two percent increase from the 2006 elections. The polling stations opened on Tuesday morning at 7:00 AM

and will be closed at 10:00 PM in the cities, and 8:00 PM in towns and villages, the Israeli Election Committee reported. There are 5.4 million illegible voters that will vote at 9,000 different polling stations, the committee added. The latest polls indicate that the leader of the right wing Likud party, Benjamin Netanyahu, is likely to win the Prime Minister's office, but the margin between Netanyahu and rival of the center-right Kadima party, Tzipi Livni, has shrunk considerably. The election process is being reported as going smoothly, with only a few isolated incidents in polling stations in Jerusalem, along with clashes between Israeli police and residents of the Arab-Israeli town of Umm al-Fahm. The residents were trying to stop elections observer, Baruch Marzel, from arriving into the town. Marzel is a far-right Israeli politician and settler who has used his position to incite anti-Palestinian sentiment among rightist Jews in Israel. Marzel had previously called for the transfer of Arabs from Israel, and in 2006, he called for the assassination of Israeli peace activists, including Uri Avery of the Israeli peace group Gush Shalom. In Israel, the elections are based on proportional representation, meaning that voters vote from a list of political parties, and not for individual "leaders".

### **Israeli elections start with concerns of low turn outs by voters**

the Israeli elections commenced in order to select the next 120 Knesset members. Politicians voiced concerns of a low voter turn out due to bad weather conditions. ***The polling stations were opened on Tuesday at 7:00 AM and will be closed at 10:00 PM in the cities and at 8:00 PM in towns and villages, the Israeli election committee reported. There are 5.4 million illegible voters that vote in 9,000 different polling stations, the committee added.*** The Israeli election committee also announced that there is 13 thousand Israeli prisoners that have the right to vote, and that the committee have placed 56 polling stations specifically for them. Meanwhile, the committee stated that there is half a million voters that are currently living outside of Israel. Politicians fear that the turn out today will be low due to the bad weather conditions, and they also voiced concerns that the voting process may be interrupted in the city and towns located near the Gaza Strip, as Palestinian resistance groups fired home made shells on Tuesday. The Israeli Army, police and paramedics were but on high alerts because of the election. The election process was reported as running smoothly, with only one incident of clashes between the Israeli police and residents of the Arab-Israeli town of Umm al-Fahm.

The residents closed the street leading to the town to stop election monitor Baruch Marzel from arriving into the town. Baruch Marzel, a far-right Israeli politician and settler, has used his position to incite anti-Palestinian sentiment among rightist Jews in Israel. The Israeli government approved the permit for a march, but said that it must be delayed until after the election on February 10th. Marzel has previously called for the transfer of Arabs from Israel, and in 2006 called for the assassination of Israeli peace activists, including Uri Avery of the Israeli peace group Gush Shalom. Nevertheless, the Israeli Supreme Court rejected a request by the Attorney General's office to prevent Marzel from serving as the election supervisor in Umm al-Fahm. The Attorney General, Menachem Mazuz, said that he was concerned that by putting Marzel in charge of the elections in Umm al-Fahm, the elections process in the town would be flawed, and his presence would dramatically increase tension in the town. But the Supreme Court struck down the

Attorney General's request, and Marzel was appointed to be in charge of the elections in the Arab.

### **Kadima party could lead opposition**

Israeli sources reported that several officials of the Kadima party are calling on the party head, Tzipi Livni, to consider being the leader of the opposition in Israel instead of being in the leader of a coalition government that contains a vast majority for right wing parties. But Livni said on a meeting with Kadima supporters Thursday that the party was elected by the Israeli public and should be the one that form a coalition that promotes its agenda. Israeli online daily, Haaretz, reported that Livni stated that it forming a real national unity government would not be possible with a 65 member coalition headed by Netanyahu. Meanwhile, Israeli Ynet News reported that according to Kadima officials, Livni hinted that she would not rush into a government headed by Likud party leader, Benjamin Netanyahu, as this government would also include Shas and Yisrael Beiteinu extreme right wing parties. Netanyahu met on Thursday with officials of the right wing National Union party and asked them to recommend that Israel's President, Shimon Peres, task him with forming the new government. The party did not offer a response yet, the Ynet said.

### **Livni effort to form Israel government fading**

Despite her centrist party winning the elections, Tzipi Livni has failed to attract other parties into a bloc against her conservative rival for power, Benjamin Netanyahu, who appears to have the upper hand. Foreign Minister Tzipi Livni's long-shot effort to form a majority bloc in parliament and become Israel's next prime minister appeared to be fading, despite final returns upholding her centrist party's narrow first-place finish in national elections. After a second day of postelection lobbying, Livni had failed to win the support of any other party to thwart a rival leadership bid by conservative opposition leader Benjamin Netanyahu. Vote totals released by the Central Elections Committee confirmed a sharp rightward shift giving Netanyahu and his Likud party the upper hand in competing efforts to amass a governing coalition. Neither Livni nor Netanyahu can achieve that goal without the support of Avigdor Lieberman and the 15 votes of his ultranationalist party, Israel Is Our Home. Lieberman met Wednesday with both candidates, who each reportedly offered him a high Cabinet post. It is up to President Shimon Peres to decide who gets first shot at forming a government. The president is legally mandated to choose the candidate with the best chance of forming a bloc backed by more than 60 votes in parliament. Peres will begin consulting with leaders of all 12 parties in the new parliament after election results are officially published next Wednesday. The Likud leader has picked up tentative support from the ultra-Orthodox Shas party, which won 11 seats. But he said he wanted to face the country's many challenges with a bigger coalition, including Livni's Kadima party and Labor, behind him. The final returns, announced after the tallying of 184,000 ballots cast by soldiers, prisoners, hospital patients and diplomats abroad, left unchanged the makeup of parliament that was evident in the hours after Tuesday's voting.

### **Israel vote deals a setback to U.S. peace effort in Mideast**

A worker walks next to a rotating billboard in Tel Aviv showing Tzipi Livni and Benjamin Netanyahu. Israeli President Shimon Peres is expected to ask one of them to try to put together a governing coalition. In backing right-wing parties, Israelis have shown they don't want to negotiate with a weak Palestinian Authority. Elections in Israel this week left uncertainty about the shape of a new government, but little doubt that the Obama administration had suffered a setback in its bid to mobilize efforts to bring peace to the Middle East. The surge in votes Tuesday for conservative parties revealed declining support for negotiations with a divided Palestinian leadership. Analysts and officials said that whether the new government is formed by the right-wing Likud party or the centrist Kadima, it probably would be too divided to conduct a peace negotiation, even if it wants to.

### **After Israel elections, not much is clarified**

The centrist Kadima party of Foreign Minister Tzipi Livni, who is seen here at party headquarters in Tel Aviv today, apparently eked out a victory, and thus she could be asked to form the next government. Tzipi Livni of centrist Kadima apparently ekes out a one-seat victory over conservative Benjamin Netanyahu of the Likud party, but a rightward shift in parliament could favor the runner-up. Israel's voters threw the country into political uncertainty Tuesday, apparently giving Foreign Minister Tzipi Livni's centrist party the largest share of seats in parliament but shifting the majority to a collection of right-wing parties hostile to her goal of a peace accord with the Palestinians. Near-complete returns left it unclear whether Livni or her closest rival, conservative Benjamin Netanyahu, would become Israel's next prime minister. Television viewers following the vote count early today watched the two candidates issue competing victory proclamations from separate headquarters in Tel Aviv.

### **Disillusioned Israelis go to the polls**

Surveys indicate that right-of-center parties, riding a belligerent mood over fighting with Hamas in Gaza, will together outpoll Kadima and other left-wing parties by about 10 seats. Israelis trudged to the polls today to elect a new government for the fifth time in 10 years, following a campaign mired in voter apathy, confusion and disillusionment with the country's politicians. Although compelling issues are at stake, including how to deal with the Hamas-ruled Gaza Strip, the West Bank, Syria and the threat of a nuclear Iran, candidates for prime minister avoided face-to-face debate and ran negative campaigns besmirching one another's credibility. Campaign rallies drew middling crowds and TV audiences ignored political ads. Final polls

published Friday indicated that as many as one-fourth of the 5.3 million eligible voters were undecided. With cold rain falling in much of Israel, candidates feared that many of them would stay home. Each voter was casting a single ballot, choosing among 33 parties offering candidates for the 120-seat parliament. The final voter surveys gave former Prime Minister Benjamin Netanyahu's opposition Likud Party a two- or three-seat lead over Foreign Minister Tzipi Livni's centrist Kadima party. The surveys indicated that Likud and other right-of-center parties, riding a belligerent mood in Israel over recent fighting with Hamas in the Gaza Strip, would together outpoll Kadima and parties to its left by about 10 seats. The result was a blurring of Israel's traditionally sharp ideological divisions. Adding to the confusion was a proliferation of smaller contenders, including a coalition advocating better benefits for Holocaust survivors and the legalization of marijuana. Israel's leading parties have sharp differences over the Palestinian conflict that could have turned the campaign into a referendum on an issue of immediate concern to the Obama administration. Likud wants peace efforts to focus on building the Palestinian economy, not, as Kadima proposes, on creating an independent state. Labor favors a more comprehensive, regional approach to peace, including negotiations with Syria. The election was called more than a year ahead of schedule because Ehud Olmert of Kadima, the outgoing prime minister, was forced to resign over corruption scandals. With surveys showing that 90% of the voters think the political system is tainted by corruption, Livni had hoped to make personal integrity a major issue. Unlike Barak and Netanyahu, she has never been the target of a police investigation for alleged corruption. But Israel's military assault on Gaza, following years of rocket fire from the territory, made security a far bigger concern to voters. A fraud investigation against Lieberman, in which his daughter, his lawyer and five other confidants were detained last month, did not inhibit his rise in the polls.

### **Israel opposition candidate Netanyahu still leads in polls**

The Gaza offensive has boosted the approval ratings of Tzipi Livni and Ehud Barak, but it also has given their rival an opportunity to tout his hawkish credentials. Hours after Prime Minister Ehud Olmert declared victory in the Gaza Strip, the hawkish contender to succeed him paid a visit to wounded soldiers and insisted that the enemy had not been defeated. Israel's election campaign, placed on hold during the 22-day military assault, is back in full swing. And despite a wartime popularity boost for the center-left government's senior ministers, Netanyahu has emerged with his front-runner status intact -- and with new ammunition for his bid to unseat them. The Feb. 10 elections offer a stark contrast of scenarios as the Obama administration considers how to forge a peace accord between Israel and the Palestinians. That task starts this week with a visit to the region by its new Middle East envoy, former Senate Majority Leader George J. Mitchell. Netanyahu, a former prime minister, is manifestly less interested in negotiating an agreement on Palestinian statehood than is either of his main rivals. His closest opponent, Foreign Minister Tzipi Livni, has led Israel's talks with the U.S.-backed Palestinian Authority in the West Bank for more than a year and wants to continue them. During that time, Israelis became more skeptical of peace as Hamas, the Islamic militant group running Gaza, stepped up rocket fire into southern Israel. And that has helped Netanyahu hold a consistent

lead in voter surveys before and since the Gaza offensive. He and other Likud candidates are praising the military's bravery while criticizing the political leadership for halting the operation and missing a chance to overthrow the Hamas government. That message has a receptive audience. Although Israelis firmly supported the assault on Hamas, polling last week showed them divided evenly on whether the military should have withdrawn from Gaza, as it did Wednesday, or taken control of the seaside enclave. The shortened election campaign is being waged partly along that fault line as Netanyahu's challengers defend the decision to implement a cease-fire two days before President Obama's inauguration.

## **Lebanon**

### **POLITICAL FRONT**

#### **Hariri says parliamentary elections to be held on time**

Lebanese Sunni majority leader Saad Hariri said that the parliamentary elections in June is to be held on schedule, local daily Al-Mustaqbal reported. The ruling coalition will go to the elections as a "unified list," Hariri said. The ruling March 14 coalition and the March 8 opposition are heating up their competition of the elections which decide who will rule the country for the next four years. There are concerns that the group who feels would lose in the upcoming elections would try to hinder the elections. Meanwhile, Hariri also said that the international tribunal about the assassination of his father Rafik Hariri is to begin on March 1. Former Prime Minister Rafik Hariri was killed in Beirut by a car bomb on Feb. 14, 2005, which the Lebanese ruling coalition accused Syria behind the incident, but the latter denied any involvement.

#### **Geagea calls for massive participation in February 14 rally**

Lebanese Forces leader Samir Geagea called on mass participation from his supporters at the commemoration of the assassination of former Prime Minister Rafik Hariri on February 14. Geagea told reporters in Maarab on Tuesday that "there is no possibility of politicizing the Special Tribunal but there are attempts to obstruct it." On the disruption of a studio in the LBC TV station, he said, "Security forces showed off their muscles at [LBC], but we will show off ours in the courts of law." Geagea expressed his full support for the Lebanese army and said that "we rely only on the Lebanese army." "We should not allow the intervention of any foreign influence in Lebanon again," he concluded.

#### **Hariri murder probe files moved to Hague – Siniora**

Lebanese Prime Minister Fuad Al-Siniora said all files concerning investigation of February 14, 2005, assassination of ex-Premier Rafik Hariri were taken to a Sepcial Tribunal for Lebanon in the Hague, the Netherlands. Siniora, in a TV interview to mark the 4th commemoration of Hariri's killing, said he received earlier today the Registrar of the Special Tribunal for Lebanon Robert Vincent. Vincent asserted neutrality of the Tribunal and that no party could interfere in its deliberations, said Siniora.

### **Lebanon MPs warned of Islamist assassination threat**

Two Lebanese members of parliament have been warned of possible assassination bids against them by an Al-Qaeda-inspired radical group, one of the MPs told. An army spokesman who did not wish to be identified confirmed that the security services had concluded that attacks might be being planned against certain MPs. "The security services have warned the MPs concerned that they could be targets," he said, without giving further details. The 2007 uprising by Fatah al-Islam in the north Lebanon Palestinian refugee camp of Nahr al-Bared left 400 people dead. A number of the group's militants are believed to have succeeded in escaping the army's siege of the camp. The anti-Syrian camp in Lebanon led by parliamentary majority leader Saad Hariri accuses Damascus of backing Fatah al-Islam. Syria for its part accuses the Hariri bloc of aiding the radical group. Several anti-Syrian MPs and journalists have been assassinated in Lebanon since 2005 when a massive car bomb killed ex-premier Rafiq Hariri, however, Syria has denied any involvement.

### **Sfeir warns of 'historic dangers' if March 8 wins**

Maronite Patriarch Nasrallah Sfeir has voiced fear Saturday about some attempts to remove President Michel Suleiman and warned of "historic mistakes" if March 8 Forces come to power. It is the first time that Sfeir states his opinion clearly about the two leading forces in Lebanon, 8 and 14 March, four month before the upcoming elections. He described 14 and 8 of March as: "two horses pulling a carriage, one is pulling it forward and the other backward leaving the carriage unable to move". He added: "as long as the two forces are against each other I can't see how they can run the country". Sfeir criticized the presence of armed groups outside state control.

### **Lebanese lawmakers warned against assassination threat**

Lawmaker and Syria-critic Mustafa Alloush confirmed reports of possible assassination attempts against some Lebanese parliamentarians, but added that precautionary measures have been taken. 'We have been directly informed by the army's command that some Fatah al-Islam members might be preparing for an assassination operation during this period,' against some

deputies, Alloush told Voice of Lebanon Radio. He added that a number of MPs have been advised to take security measures for their own safety.

'Regardless of whether (such threats) are a real possibility or are merely a tactic of intimidation, our past experience has proved that anything is possible. Therefore, all precautionary measures have been taken,' he said. The comments came a week after news reports said Fatah al-Islam, a Palestinian fundamentalist group which has links with al-Qaeda, might target Lebanese MPs from north Lebanon.

### **Obama Supports U.N. Moves to Punish Hariri Killers**

U.S. President Barack Obama vowed to support U.N. moves to bring to justice the killers of slain Lebanese former Prime Minister Rafik Hariri. The tribunal will try those presumed responsible for a series of attacks on Lebanese political and media personalities, notably the assassination of Hariri in a car bombing in February 2005 that also killed 22 others. The tribunal will have 11 judges, including four from Lebanon. Obama added in his statement that as Lebanon prepared for parliamentary elections in June, "the United States will continue to support Lebanon's sovereignty and independence, the legitimate institutions of the Lebanese state, and the Lebanese people. The statement added that the United States supported U.N. resolutions 1701 and 1559, ending the 2006 Israel-Hizbullah war and calling on all foreign forces to withdraw from Lebanese territories.

### **Berri Blames Saniora for Withholding South Council Funds, Labels Move 'Real Conspiracy'**

Parliament Speaker Nabih Berri blamed Prime Minister Fouad Saniora for withholding funds for the Council of the South, considering the move as a "real conspiracy." Saniora believed that depriving southern residents of compensations "will make them forget the resistance," Berri told. Saniora is "acting based on an accountant's mentality," Berri complained. He accused Saniora of not "paying a single penny from the cash" that was dedicated to the Council and which amounted to LL 300 billion. The speaker renewed a call for the establishment of a Ministry of Planning to replace councils and foundations.

### **Wiretapping Crisis Escalates As Police Chief Accuses Bassil of Withholding Data**

The wiretapping crisis has spurred sky-high as Police chief Gen. Ashraf Rifi accused Telecommunications Minister Jebran Bassil of withholding data from security services.

News reports on Friday said a meeting on Thursday of the Media and Communications Committee was very hot, particularly when Rifi accused Bassil of withholding data from security services. The conferees – including some 40 MPs from various political sides, the interior and justice ministers as well as General Security head Wafiq Jezzini and Police chief Gen. Ashraf Rifi - agreed Thursday to move toward the establishment of a parliamentary investigative committee to look into the wiretapping issue. Rifi accused Bassil of withholding data from security services on three different occasions: The first from July 27, 2008 for a period of 14 days, the second on Sept. 10, 2008 when pro-Syrian Lebanese politician Saleh Aridi was assassinated and the third on Jan. 19, 2009. Rifi, according to the daily Al Akhbar newspaper, also accused New TV and Syrian Intelligence of tapping his phone, citing a telephone conversation aired by the television between him and Lebanese detainee Ahmed Merhi who has links to al-Qaida.

#### **Jumblat ... to Suspend or Not to Suspend Participation in National Dialogue?**

Progressive Socialist Party leader Walid Jumblat has not yet decided whether or not to suspend participation in all-party national talks over a defense strategy. PSP press officer Rami Rayess on Wednesday said Jumblat has "up till now" did not make up his mind on this matter. Jumblat on Sunday declared his boycott of a committee assigned to tackle the issue of defense strategy. Jumblat said the reason he withdrew his representative, retired Col. Sharif Fayyad, from the defense strategy committee, was because he did not want to take part in what he called "counterfeit party." In an interview with the Central News Agency, Rayess asked: "What's the use for a committee of experts on defense strategy when the parties directly involved in the issue did not yet name their representatives (to committee)?"

#### **Najjar: Government Has No Say in Four General's Fate**

Justice Minister Ibrahim Najjar said transferring the four detained generals to a jail run by the international tribunal in the Hague does not require a cabinet approval. The executive authority would be interfering in the judicial authority's jurisdiction if it tries to tackle this issue, Najjar said in a television interview. Najjar's remark contradicts a statement by Premier Fouad Saniora who said on Tuesday that transferring the four generals to The Hague requires a decision adopted by the cabinet. Najjar also recalled that a treaty signed by Lebanon and the U.N. "calls on Lebanon to fully respond to all requests by the International Tribunal." He said the head of

the U.N. commission probing the Hariri killing and related crimes Danielle Bellemare had stated in an interview that witnesses and suspects would be transferred to The Hague in no more than two months.

### **Hariri Would Not Forget May 7, But Would Eventually Forgive**

Mustaqbal Movement leader Saad Hariri said the March 14 alliance does not want to hurl Lebanon into the intra-Palestinian dispute, adding that he did not forget the May 7 assault by Hizbullah and allies but would "eventually forgive because we have to live together." Hariri, in a television interview, also said his Mustaqbal Movement would compete in the forthcoming election within the unified March 14 ticket. He criticized as "shameful" verbal attacks by Free Patriotic Movement leader Michel Aoun on organizing a rally to commemorate the fourth anniversary of his father's assassination. Hariri paid tribute to Progressive Socialist Party leader Walid Jumblat for leading the March 14 alliance upon the assassination of ex-Premier Rafik Hariri in 2005. A smiling Hariri also declared support for "any centrist bloc" that calls for Lebanon's independence, sovereignty, stability and defends the nation's pluralist nature. He denied reports that Mustaqbal Movement was arming up partisans, recalling that "we are against civil war."

### **March 14 Rejects Foreign Influence, Calls Partisans to Chant for Lebanon on Saturday**

The March 14 majority alliance said it would not permit "external infiltration into our national-political life" and said the Lebanese people would reaffirm allegiance to the nation and support for justice on the fourth anniversary of ex-Premier Rafik Hariri's killing. The alliance, in a statement released after a meeting by its leaders, said "they" wanted Feb. 14, 2005, the day Hariri was assassinated, to be "a day marking state death." It said the international tribunal that would start operating on March 1st would be "an historic event that would safeguard justice and move criminals closer to justice."

### **March 14, Bassil Preparing for New Round of Confrontation in Parliament**

The ruling March 14 coalition is reportedly preparing for a new round of confrontation with Telecommunications Minister Jebran Bassil over the wiretapping issue. News reports said a meeting of the Media and Communications Committee scheduled for Thursday is likely to be a hot one just like the previous session with MPs from the ruling majority eyeing Bassil. Mustaqbal Movement MP Ghazi Youssef said March 14 lawmakers will listen to what Bassil has to say regarding questions raised on the wiretapping issue. Bassil, meanwhile,

told the daily As Safir that he would attend Thursday's meeting carrying with him a dossier full of "satisfactory answers to questions posed to him at the previous session."

## **GEO STRATEGIC FRONT**

### **UAE, Lebanon asserts importance of inter-Arab conciliation**

UAE and Lebanese Presidents, Sheikh Khalifa bin Zayed Al-Nuhayyan and Michel Suleiman respectively, underlined importance Tuesday of inter-Arab conciliation and to work on tackling differences between Palestinian factions. The presidents, in summit talks in Abu Dhabi, called for pushing forward the Middle East peace process to ultimately establish the independent Palestinian state, state-run news agency (WAM) said. Sheikh Khalifa and Suleiman underlined desire to further boost relations in all domains, said WAM. Sheikh Khalifa said the UAE was very keen on activating the joint Arab action, calling for regaining the Arab solidarity to face the challenges. Suleiman appreciated the UAE's support to Lebanon in the development and political spheres. At the end of the talks, both parties signed an agreement to establish a joint committee and an executive protocol for tourism.

### **Lebanon 'to become non-permanent UN Security Council member'**

The UN General Assembly will elect Lebanon as a non-permanent member of the Security Council next September, a local Lebanese newspaper reported. Quoting 'political sources in Lebanon,' the daily An Nahar said Lebanon will serve a two-year term starting January 1, 2010. The council has five permanent members with veto power - the United States, Britain, Russia, China and France - and 10 non-permanent members who serve two-year terms and have no power to veto resolutions. The 10 elected members enjoy all other aspects of council membership, including the right to propose resolutions, chair committees and hold the rotating council presidency for one-month periods. Five countries are elected every year by the General Assembly to replace five retiring ones.

### **Sarkozy Determined to Bring Hariri Killers to Justice**

French President Nicolas Sarkozy said his country was determined to reach the truth on the assassination of former Prime Minister Rafik Hariri and vowed to bring the culprits to justice. Sarkozy told a press conference at the end of his short Gulf tour in Kuwait City that France was "determined to know the truth in this crime and punish the perpetrators." Asked whether any deal had been cut between France and Syria regarding the international tribunal, Sarkozy said: "I understand these doubts."

### **Israel Says Hezbollah Planning Murder Or Abduction Bid**

Israel's counter-terrorism bureau warned that Hezbollah is planning to abduct or kill Israeli officials ahead of the anniversary of the assassination of the Lebanese militia's senior leader. The bureau reiterated its travel warnings for Israelis, calling on tourists and businessmen to take special precaution in hotels, restaurants and recreational spots abroad. The anti-terror bureau has issued a number of warnings that Hezbollah was seeking to target or abduct Israelis abroad following the assassination of Hezbollah commander Imad Mughniyeh in Damascus in February 2008. Hezbollah chief Hassan Nasrallah on Thursday vowed to avenge Mughniyeh's killing, which he blamed on Israel, although the Jewish state has denied any involvement in the incident. In 2000, Hezbollah snatched Israeli businessman Elhanan Tannenbaum after luring him to the United Arab Emirates. He was released in January 2004 as part of a prisoner exchange deal with the militia.

### **Hariri: No More Hegemony over Lebanon No Matter How Hard Syria Tried**

MP Saad Hariri stressed that Syria will not exercise hegemony over Lebanon again. "No matter how hard it tried, Syria will not go back to exercising hegemony over Lebanon," Hariri said in an interview with al-Massira. He accused "some sides," however, of continuing to work under instructions from the Syrian regime. He stressed that March 1 – the launch date for the international tribunal to try suspects involved in the assassination of his father, former Prime Minister Rafik Hariri – "is a date that concerns every struggler who fought for the creation of the international tribunal." Hariri hailed recent statements by Maronite Patriarch Nasrallah Sfeir, saying "it is true that the forthcoming elections will determine Lebanon's future."

### **Lebanon: New Palestinian group 'planning attack' on Egyptian embassy**

A new Palestinian militant group based in the volatile Ain al-Hilweh refugee camp could be planning to attack the Egyptian Embassy in Lebanon because Cairo refused to open its border with Gaza during Israel's recent military offensive against the enclave. Media reports, confirmed by a Lebanese security official, say the new group was set up after Israel launched its military onslaught against Gaza in December. Reports say it has been conducting training exercises in preparation for an attack. Egypt could be targeted because of its refusal to open the Rafah crossing point on its border with Gaza during the fighting, effectively trapping Gazan civilians in the midst of an Israeli military operation hallmarked by large numbers of civilian casualties. At least 1,400 people were killed during three weeks of fighting. The group, called the Jihad Movement for the Victory of Gaza, is said to include militants wanted for previous terrorist offenses who were recruited from groups like Fatah al-Islam, Jund al-Sham and Osbat al-Ansar. Some reports have linked Abdel-Rahman

Awad, a fugitive militant believed to have assumed leadership of the Fatah al-Islam group, to the new organization. Awad is known as the "Prince of Al-Qaeda" in Lebanon and is thought to be hiding inside Ain al-Hilweh. In December security services warned he was planning new attacks in Lebanon.

He added that it is "possible" that an attack on the embassy will be attempted. Reports said that the group, set up by a Palestinian called Jamal Hamad with the help of a wanted Lebanese militant called Ghandi Sahmarani, has been trained by "foreign experts" in camps in the Bekaa Valley. He pointed out that even if a small group did try to launch an attack it would likely be thwarted by the authorities before it could be carried out. "No one would allow it," he said. The group is the second new militant organization established in Lebanon since Israel launched its offensive against Gaza. Last month a group calling itself the Arab Islamic Resistance, claiming to have three thousand trained members armed with advanced weaponry, said it would "not stand idly by" as Gaza was attacked.

#### **Ban denies launch of Hariri tribunal next month will ignite crisis in Lebanon**

Secretary-General Ban Ki-moon denied that his launch of the Hariri Tribunal next month in The Hague, Netherlands, will ignite a new crisis in Lebanon, stressing that, on the contrary, it will "solidify" the political stability in the country. At the same time this launch of the Special Tribunal should give a very strong and important message to the world as a whole to prevent any such potential perpetrators," he added.

#### **Report: Russian-donated MIG-29 to Lebanon "unsafe"**

A well-informed source advised the Lebanese government to "wait" before accepting the Russian-donated MIG-29 jet fighters that are possibly "unsafe". A report in Russian Kommersant business daily quoted military sources as saying that "one third of the MIG-29 should be written off as obsolete because they are too rusty to take off without crashing." A pilot was killed during a MIG-29 fighter crash in southern Siberia on Dec. 5 and another MIG-29 crashed in October last year, the report added. Russia has promised to deliver ten MIG-29 jet fighters to Lebanon during a visit by Lebanese Defense Minister Elias Murr to Moscow in December as a gift to show new "military relationship" between the two countries. The report in Al-Nahar also said that the Lebanese delegation headed by air force commander Brig. Gen. Michel Mnassa did not leave for Moscow last month as scheduled. Meanwhile, another Lebanese military source told the Daily Star that the donated MIG-29 would be checked by Lebanese army experts before they are shipped to Lebanon.

## **Jumblat to Send 'Positive' Message to Hizbullah at Feb. 14 Rally**

Democratic Gathering leader Walid Jumblat will reportedly send a positive message to Hizbullah during the rally to be held on Saturday to mark the fourth assassination anniversary of former Prime Minister Rafik Hariri. The daily As Safir on Friday said Jumblat's speech will go beyond "calm." It said the Druze leader is expected to send "positive" messages to his opponents, particularly Hizbullah

## **U.N. Investigators in Syria on Eve of Hariri's Murder Anniversary**

A large group of U.N. investigators headed to Syria on the eve of ex-Premier Rafik Hariri's fourth assassination anniversary, the National News Agency reported Friday. The NNA said that the investigators left their headquarters in Monteverde Hotel in four dark-colored SUVs passing through the Masnaa border crossing on their way to Syria. The U.N. investigating commission has been set up to probe the Feb. 14, 2005 assassination of Hariri and related crimes.

## **Obama backs UN moves to try Hariri killers**

US President Barack Obama vowed to support UN moves to bring to justice the killers of slain Lebanese prime minister Rafiq Hariri ahead of the fourth anniversary of the assassination. "As we share our grief with the Lebanese people over the loss of prime minister Hariri, we also share our conviction that his sacrifice will not be in vain," Obama said in a statement ahead of Saturday's anniversary. The UN tribunal to try Hariri's alleged killers is due to open its doors on March 1, housed in the former headquarters of the Dutch intelligence service on the outskirts of The Hague.

## **UN's Lebanon envoy meets Syrian VP**

Syrian Vice President Farouk al-Sharaa met with UN Special Coordinator for Lebanon Michael Williams in Damascus, according to Syria's state-run news agency SANA. Sharaa stressed the importance of intensifying the efforts of the UN to end the siege on Gaza, open crossing points and stop the Israeli aggression on the Strip. Sharaa discussed with Williams the latest developments in the region, repercussions of the Israeli aggression on Gaza and the role of the UN and its international organizations to face the dangerous impacts resulted by this aggression. Williams, for his part, "praised the political and humanization efforts exerted by Syria in order to achieve peace and security in the region, referring to the positive developments in Syrian-Lebanese bilateral relations." The UN envoy also hailed as "important" the progress made in the Syrian-Lebanese relations.

## **Lebanon's Hariri would not join Hezbollah coalition**

Lebanon's parliamentary majority leader said his party would not join a unity government if the Hezbollah-led alliance wins June legislative elections, out of respect for democratic principles. In remarks published in the Saudi daily Asharq Al-Awsat, Hariri said he was not interested in forming a blocking minority in any Hezbollah-led government. He is the son of Rafiq Hariri, a former premier who was murdered in 2005. The assassination was widely blamed on then Lebanese power-broker Syria, which has denied any involvement. Hezbollah is backed by Syria and Iran, while Saad Hariri's group is broadly supported by

the West and Saudi Arabia. Hezbollah has said it would seek to form a national unity government if its camp wins. Hezbollah has veto power over major decisions in the current unity government formed in July following a political crisis that brought Lebanon to the brink of civil war. The crisis was defused following a Qatari-brokered deal in May that led to the election of army commander Michel Sleiman as president, formation of the unity government and a new electoral law.

## **ELECTIONS**

### **Moawad Won't Run in 2009**

Zghorta MP Nayla Moawad said she won't be a candidate for the 2009 parliamentary elections, adding her son Michel will be running for a seat in parliament allied with Jawad Boulos and Youssef al-Doueihy. In an interview with the daily el-Shark on Thursday, Moawad said that she had met with Marada leader Suleiman Franjeh, in 2006 at Bkirki and together agreed to keep Zghorta 'neutral' and far removed from any violence emanating from political disputes. She pointed that Christians in Lebanon have to safeguard the Maronite patriarchy, the presidency and the military institution. Regarding the issue of a centrist parliamentary bloc, Moawad said that the Lebanese constitution gives citizens the right to vote for a candidate they deem suitable, as it allows those eligible to run for office. Moawad added that historically the president of the republic had been known to have a parliamentary bloc, she questioned the reasons behind the ongoing campaign by some against the president and the Maronite patriarchy. She stressed that the main difference between March 8 and 14 Forces lies in the question of what kind of Lebanon we want.

### **Hariri: I Won't Take Part in New Government if March 8 Wins Elections**

Parliamentary majority leader Saad Hariri declared that he would not take part in a new government if the Hizbullah-led March 8 Forces won upcoming general elections. "I will not take part in the new rule if March 8 won the parliamentary election ... because I do not want to strengthen the principle of veto power which is being exercised in the present government," Hariri said in an interview. He said March 14 electoral lists would be made public on March 14 on the occasion of the fourth anniversary of the Independence Uprising. Hariri called on the Lebanese to "choose" the Lebanon they want. He also stressed the need to respond to the Saudi initiative for Arab reconciliation "because supreme Arab interests are above all." On the international court to try suspects involved in the assassination of his father, former Prime Minister Rafik Hariri, Hariri said he expects "justice not vengeance" out of the tribunal.

### **12,000 Employees Manning Polling Centers Will Be Able to Vote**

Public service employees tasked with manning polling centers during Election Day June 7 will be able to vote, pan-Arab daily Al Hayat reported Friday. It said the justice ministry has recently received a memorandum from the interior ministry setting June 4 voting date for city employees who will be supervising the election process. Al Hayat quoted senior justice ministry sources as saying the number of public service employees to take part in the "extraordinary" voting day is between 11,000 to 12,000. The sources said around 5,200 polling centers are to be distributed among electoral constituencies, meaning one station for every 800 voters with two servants manning each one.

## **ECONOMIC ISSUES**

### **Lebanon banks insulated from financial crisis**

Bank Audi on Friday posted a 19 per cent rise in net profit for 2008 and said it aimed to increase net earnings and assets in 2009 despite a difficult regional economic outlook. The bank posted net profit of \$238.5 million. Its customer deposits rose nearly 21 per cent to \$17.3 billion and total assets climbed 18 per cent to \$20.4 billion, making it Lebanon's largest bank on both counts. Lebanon's banks have largely been insulated from the global financial crisis by regulations that stopped investments in the risky assets. Customer deposits grew at a record pace in Lebanon in late 2008 as Lebanese repatriated funds to banks at home, perceiving them as protected from the crisis. Bank Audi's customer deposit base grew by \$3 billion in 2008, Baz said, exceeding an average of \$2 billion to \$2.5 billion over the past five years. Shares in the bank changed hands on Friday at \$46.90, unchanged from Thursday's close. Bank Audi would push ahead with plans to expand its

businesses in both Egypt and Syria by opening six or seven branches in each country in the first half of 2009, Baz said. But it would not invest further for now, he said, describing 2009 as a year of consolidation rather than expansion. "We are going to stick only to the committed branches," he said. "We have very, very ambitious targets for those subsidiaries in Syria and Egypt," he said. Bank Audi also has operations in private and corporate banking in the Gulf, where Baz said a less favourable economic climate would have a limited impact on the bank in 2009. "We haven't reached the size of business that puts us at risk ... in those countries," he added. Lebanon, which accounts for the bulk of the bank's business, is expected to enjoy economic growth of 4 per cent this year, according to the central bank governor. Baz said Lebanon's economy would be shielded from slower growth elsewhere in the Middle East thanks to "abundant liquidity and lending potential".

### **Lebanon's EDL continues to strangle state finances**

Lebanon's budget deficit in 2008 reached 29.35 percent of spending or LL4.404 trillion (\$2.9 billion), up LL566 billion compared to 2007, the Finance Ministry said. In a statement, the ministry added that the ailing Electricite du Liban (EDL) continued to throttle the state's finances. It said that the government's subsidies for EDL rose by LL951 billion in 2008. The price of oil in international markets hit \$147 in June of last year before falling gradually in the following months. The Energy Ministry has repeatedly said that the cost of fuel oil, which is used to run all of the country's decrepit power stations, represents nearly 90 percent of the total spending on the electricity sector. The ministry added that the primary surplus for all of 2008, excluding the cost of debt servicing, fell to LL900 billion from LL1.102 trillion in 2007. Total government spending in 2008 reached LL15.007 trillion compared to LL12.587 trillion in 2007.

### **Lebanon's EDL continues to strangle state finances**

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### **State Budget Again Postponed Till Next Thursday**

Cabinet has postponed until next Thursday a session to discuss the 2009 state budget after ministers again failed to agree on funds for the Council for the South. Cabinet, which held Thursday an ordinary session under President Michel Suleiman in Baabda, tackled issues like sand and rock quarries and a government plan to face the repercussions of the global financial crisis on Lebanon. Information Minister Tareq Mitri, however, said at the end of the meeting around 10 pm that he cannot "promise" the Lebanese that Cabinet would be able to approve a budget plan next Thursday. Health Minister Mohammed Jawad Khalife hinted that Suleiman is working for a settlement of the budget crisis and expected a breakthrough before Thursday's Cabinet meeting. Meanwhile, Finance Minister Mohammed Shatah explained that the amount of funding needed for the Council for the South budget is LL 90 billion and not just LL 60 billion, adding that Cabinet decided on this issue after examining the projects.

### **U.S. Provides \$12 Million to Lebanese Police**

The U.S. embassy said it has provided Lebanese police with an additional \$ 12 million for communications upgrades and Nahr al-Bared security. A statement by the U.S. embassy in Beirut said Ambassador Michele Sison signed an amendment to the 2007 letter of agreement with Internal Security Forces chief Gen. Ashraf Rifi. It said the amendment provides an additional \$12 million in "U.S. bilateral assistance to the program with the Lebanese Government to enhance the capacity of the ISF." "With this addition, the U.S. Government is providing \$80 million to the ISF over a four year period," the statement said. communication systems to the ISF and is the first phase of a planned nationwide system," it added. The statement said that law enforcement assistance program assists the ISF to enforce the rule of law and protect the Lebanese people within their sovereign state. It said professional development of the ISF is critical for Lebanon's sovereignty and security. The statement reiterated the U.S. Government's commitment to supporting Lebanon, the ISF and the Lebanese people.

## **SOCIAL ISSUES**

## **Israeli film, banned in Lebanon, still a hit**

In the narrow alleys of the Shatila refugee camp, a group of young Palestinians sit around a TV watching a pirated copy of the recently-released hit animation film by Israeli director Ari Folman, "Waltz with Bashir". The audience are paying rapt attention to the spectacle of a film made by an Israeli which deals with one of the most painful episodes in Palestinians' living memory - the Sabra and Shatila massacres of September 1982. The massacres - of Palestinian men, women and children - were perpetrated over three days by Christian Phalangist militiamen, as Israeli soldiers who were occupying Beirut at the time stood by. The massacres are remembered as one of the most brutal events in Lebanon's bloody recent history, and are infamous across the Middle East. The exact number killed is - of course - disputed, with estimates ranging from 328 up to 3,500. The killings took place days after the assassination of Phalangist leader and Lebanese president-elect, Bashir Gemayel. Gemayel gives his name to the innovative animated documentary by Folman, which re-tells the story of the massacre through the recollections of former Israeli soldiers who, as teenagers, witnessed the aftermath of the killings and took part in the Israeli invasion of Lebanon earlier in 1982. It begins with Folman, as himself, realising that he has no memory of his time in Lebanon as a 19-year-old soldier, and proceeds with his attempts to recollect it. It ends with the horror of the camp massacre itself.

## **Egypt**

### **GEO STRATEGIC ISSUES**

#### **Egypt, Turkey call for Palestinian reconciliation**

The leaders of Egypt and Turkey said Wednesday that reconciliation between the two main Palestinian groups was crucial to establish a lasting truce in Gaza after Israel's deadly operation. "Israel's attack would have been out of the question if there were no divisions and disagreements among the Palestinians," Egyptian President Hosni Mubarak told a new conference after talks with his Turkish counterpart Abdullah Gul. "I underlined (to Gul) the importance we attribute to national Palestinian reconciliation because the interests of the Palestinian people are above reconciliation between the groups," he said, through a translator. Egypt has stepped up contacts with envoys from Israel and the Islamist movement Hamas running Gaza, seeking a durable truce. Both sides called separate ceasefires on January 18, following Israel's 22-day offensive on Gaza which killed around 1,330 Palestinians. But progress towards a permanent ceasefire has been slow despite repeated announcements of imminent success. The Egyptian truce plan also calls for Hamas and Palestinian leader Mahmud Abbas's Fatah movement to reconcile and form a government that would be acceptable to the international community.

### **Egypt hopes for Gaza truce deal 'in few days'**

Egypt is hopeful that a Gaza truce accord between Israel and the Palestinian Islamist movement Hamas can be reached in coming days, foreign ministry spokesman Hossam Zaki told AFP. Egypt has been mediating indirect talks for a lasting truce since the end of Israel's massive 22-day onslaught on the Gaza Strip, which killed at least 1,330 Palestinians and 13 Israelis. The fighting ended when both Israel and Hamas, the enclave's rulers, called separate ceasefires on January 18. However, the fragile calm has been tested by Palestinian rocket attacks on Israel and retaliatory air strikes. On Saturday, a spokesman for Hamas said it expects agreement with Israel on the reopening of border crossings into the Gaza Strip "within the next few days." Israeli and Palestinian officials have been shuttling to Cairo for talks with Egypt's intelligence chief and Middle East mediator Omar Suleiman, hoping for a truce deal with just two days until Israel's election. A Hamas delegation from Gaza led by firebrand Mahmud Zahar travelled to Syria on Sunday for consultations on the truce negotiations with Damascus-based members of the group's powerful politburo, Hamas official Mohammed Nasr told AFP. After Damascus, Zahar headed on Sunday evening to Qatar, a Gulf state which supports Hamas, according to the Qatar News Agency (QNA). Egypt has refused to permanently open the crossing in the absence of EU monitors and representatives of Palestinian Authority president Mahmud Abbas. Israel is insisting on an open ended truce and is only willing to allow 80 percent of goods into Gaza, Nazzal said, noting that Israel has not said how it would define the 80 percent.

### **Egypt invites rival Palestinian groups to meet**

In a sign of progress on a deal to end the Gaza crisis, Egypt has invited rival Palestinian factions to a reconciliation conference in Cairo this month, a Palestinian official said Monday. Egypt is trying to broker two key agreements in the sensitive region. One is a long-term truce between Israel and Gaza's militant Hamas leaders in place of a temporary cease-fire after Israel's devastating three-week offensive in Gaza last month. The other is an end to the bitter divide between Hamas and the Palestinian Authority, which worsened after the militant group expelled its rivals from the Gaza Strip more than a year and a half ago. The Palestinian Authority controls the West Bank. The groups received invitations for the Feb. 22 reconciliation meeting, said Abdel Rahim Malouh, leader of the Popular Front for the Liberation of Palestine. In Paris, Egyptian President Hosni Mubarak expressed hope for "a return to calm" in Gaza by next week, after he and French President Nicolas Sarkozy discussed efforts for a one- or two-year truce in the Palestinian territory. The two leaders helped push Israel toward ending its offensive in Gaza, which was meant to halt years of rocket fire on southern Israeli communities. Gaza's Hamas rulers announced their own cease-fire the same day, but scattered attacks are straining the truce. Some 1,300 Palestinians were killed in the offensive, according to Gaza health officials, and the government said 13 Israelis also died. Asked whether a long-term truce could be signed as soon as Tuesday, the day of Israel's election, Mubarak told reporters at the French presidential palace, "We discussed the date at which a return to calm could come. Perhaps starting next week." The plan for a one- or two-year cease-fire would include the

reopening of Gaza border crossings that have been blockaded since Hamas seized control of the territory, and the renewal of long-term peace talks between Israel and the Palestinians, a French official said. The official was not authorized to be publicly named.

### **Berlusconi in Mideast talks with Abbas, Mubarak**

Italian Prime Minister Silvio Berlusconi met with Palestinian leader Mahmud Abbas and Egyptian President Hosni Mubarak to discuss the fragile ceasefire in the Gaza Strip. Berlusconi met first with Abbas and the two leaders heaped praise on Mubarak and US President Barack Obama for their efforts in the Middle East. Egypt has stepped up contacts with envoys from Israel and the Islamist movement Hamas, seeking a durable truce after both sides called separate ceasefires on January 18 following Israel's 22-day offensive on Gaza. Progress towards a permanent ceasefire has been slow despite repeated announcements of imminent success. For his part, Obama late last month sent his special Middle East envoy George Mitchell to the region, and Mitchell intends to return at the end of this month. In the statement, Berlusconi reiterated that Italy was prepared to "offer all the support needed to strengthen the ceasefire and facilitate the delivery of humanitarian assistance to the Palestinian population." Berlusconi, who currently chairs the Group of Eight leading industrialised nations, later met with Mubarak and said he had accepted an invitation to attend an international aid conference for Gaza in Cairo on March 2. Mubarak said Italy can play a key role at the aid conference and recalled that Berlusconi had proposed a type of "Marshall Plan" for the reconstruction of Palestinian territories and institutions.

### **Israel, Hamas on Verge of Truce Deal**

A long-term truce between Israel and the Islamic resistance organization Hamas could be reached within the next 48 hours, according to sources in Cairo. This would replace the shaky and temporary truce reached on Jan. 18 following Israel's military offensive into Gaza which killed over 1,300 Palestinians, most of them civilian, and left approximately 5,000 wounded. [Mahmoud al-Zahar](#) one of Hamas's more militant Gaza-based leaders will be returning to Cairo shortly to possibly confirm an agreement between Israel and his group. The agreement would include the release of captured Israeli soldier [Gilad Shalit](#) as well as the release of at least 1,000 Palestinian prisoners held in Israeli jails. Diplomats and Egyptian officials say the first part of an effort to implement a cease-fire calls for a truce of between one year and 18 months and the initial opening of at least two of the Gaza Strip's border crossings. In the second phase of the proposal, Israel will release the Palestinian prisoners in exchange for Shalit. Three of the four are Hamas members while the fourth is [Ahmed Sadat](#) the secretary-general of the Popular Front for the Liberation of Palestine, a faction of the Palestine Liberation Organization. If an agreement on the prisoner release proceeds, Israel would increase the amount of goods entering Gaza through the [Kerem Shalom](#) crossing in the south of the Gaza strip. More than 100 trucks of aid are currently passing into Gaza on a daily basis, insufficient according to aid organizations. The head

of mission of the International Committee of the Red Cross in Jerusalem Katherina Ritz said at least 400 trucks per day were needed under ordinary circumstances.

### **German-Egyptian Blogger Released, Fear Continues In Egypt**

German-Egyptian blogger Phillip Rizk was released from police custody early Wednesday morning after nearly five days in detention, where his location was unknown to his loved ones. According to his family, Rizk is safe and currently at home. Despite his ordeal, according to a Facebook Web site created to update concerned friends and colleagues on his disappearance, the embattled blogger has urged "that all upcoming planned protests and marches still take place to end the siege on Gaza." His arrest on Friday left his family and a number of activists in fear that they might be next. His family and the activists who joined Rizk on a protest march told the Middle East Times that they fear for their safety and possible arrest. Rizk's family said that police intimidated them early Monday morning, threatening to arrest the father after he refused to accompany the police to a station. Amnesty International and local rights groups' lawyers were forced to intervene in order to calm the situation. Arrested on Friday following a 10-kilometer (6 miles) demonstration march, Rizk was not heard from until his Wednesday release, and it took the government nearly three days to admit to his actual arrest. For the other activists who joined the blogger on Friday's march in support of Palestinians, their own safety was a concern. Travis Randall, who gave a detailed report on what occurred on Friday, told the Middle East Times that he went to the American embassy in Cairo to seek their advice. Egyptian security forces reported on Tuesday that a second blogger had that fear realized on Friday, the same day Rizk was taken. Diaeddin Gad, 22, who runs the Angry Voice blog, was taken from the Nile Delta governorate of Gharbiyah, security sources confirmed, without providing any further information.

According to government sources, the young blogger was arrested over comments critical of Cairo's involvement during the recent 23-day Israeli war against Hamas-ruled Gaza.

### **Egyptian Negotiators Meeting With Hamas Delegation Over Cease-Fire**

Egyptian mediators will be conferring with a Hamas delegation from both Gaza and Damascus in a bid to broker a long-term truce with Israel, after sounding out the views and positions of Israel from its envoy, Amos Gilad, Painstaking and tedious behind-the-scenes negotiations are getting under way in the coming hours between Egyptian mediators and Hamas representatives, in a bid to strengthen the ceasefire in Gaza and broker a long-term truce with Israel. Egyptian Intelligence Chief General Omar Suleiman, who brokered the last six-month truce between Israel and Hamas in February, met with Israeli Defense Ministry envoy Amos Gilad to hear Israel's position. An Egyptian staged-peace plan for Gaza is at the center of negotiations, building on an initial ceasefire, then moving on to the re-opening of border crossings into Gaza, followed by reconciliation between rival Palestinian factions Hamas and Fatah. Egyptian Foreign Ministry Spokesman Husam Zaki describes what Egypt is trying to achieve, now that the first phase of its peace initiative, an unconditional ceasefire in Gaza is apparently holding. Hamas'

representative to Jordan, Mohammed Nazzal, explained point-by-point what the discussions will entail.

## **SECURITY ISSUES**

### **Gaza smugglers say Egypt tightening tunnel trade**

In the dunes of rubble along the Gaza border work crews are excavating scores of bombed tunnels, but smugglers say Egyptian forces on the other side are gradually choking off their trade. The bombed border area a few metres from his house resembles a vast mining camp, with scores of crews repairing the tunnels -- many using earthmovers. No one expects the new security measures to last for long. The thriving tunnel trade survived Israel's three-week onslaught last month and most diggers expect the tunnels will remain as long as Israel and Egypt refuse to open the border crossings of the Hamas-ruled enclave. Abu Mohammed's tunnel was still intact after the war, and he said that until Thursday he was bringing in 15 tonnes of goods each day, a shipment worth around 12,000 dollars (9,400 euros). Israel and Egypt have sealed the Gaza Strip off from all but vital humanitarian aid since the Islamist Hamas movement seized power in June 2007. Of greater concern to the smugglers are developments on the other side of the border, where Egyptian forces have redoubled efforts to combat the tunnels.

### **Egypt says Clinton will attend conference on Gaza**

Secretary of State Hillary Clinton has agreed to attend an international donors conference in Cairo next month to help rebuild the Gaza Strip after Israel's December invasion, Egypt's foreign minister said. Speaking after meeting Clinton, Ahmed Aboul Gheit said the top U.S. diplomat would attend the March 2 meeting, which is being held in coordination with the Palestinian Authority. Preliminary estimates put the damage in Hamas-run Gaza after Israel's offensive, which killed 1,300 Palestinians, at nearly \$2 billion (1 billion pounds). Saudi Arabia has said it would donate \$1 billion but the United States has not yet indicated what it will contribute. There are also U.S. concerns that funds not be channelled through Hamas, which Washington brands a terrorist group. A senior State Department official confirmed Clinton would be in Cairo but said it had not yet been formally announced and details were still being made. He did not have estimates of what the United States might contribute towards rebuilding Gaza. Aboul Gheit said he had urged Clinton and the Obama administration to show a strong commitment to Arab-Israeli peace and told her 2009 was a "crucial year". The Bush administration was accused by many Arabs of siding with Israel on key issues and Aboul Gheit said he expected a more even-handed approach, particularly in urging an end to Israeli settlement activity. Israeli-Palestinian peace talks revived by the Bush

administration are stalled, particularly after Israel's invasion of Gaza. The Obama administration has appointed a special envoy to tackle the Israeli-Palestinian crisis but the political stalemate in Israel after this week's elections and delays in forming a new government will likely delay further a resumption of peace moves.

**Egypt is building a high-tech security system with US assistance aimed at halting arms smuggling -- a key Israeli demand in the current truce talks.**

The United States has pledged 25 million euros (32 million dollars) in detection equipment to unearth smuggling tunnels, and US army engineers have been providing technical assistance on the ground. Abu Mohammed suspects the heightened Egyptian efforts are aimed at pressuring Hamas into accepting a truce. "If Hamas agrees to the truce the Egyptians will turn a blind eye. If not there could be problems," he said. In the meantime, hundreds of diggers are working to rebuild the network. Hamas police patrol the tunnels, forbidding the import of drugs and weapons and collecting an annual tax of 2,500 dollars (2,000 euros) per tunnel, according to tunnel owners. The tunnels remain lucrative, however, providing jobs, money, and goods to thousands of people on both sides of the border town of Rafah. In the Al-Nijma market in the centre of Rafah vendors hawk stoves, microwaves, generators, and washing machines, many still coated in dirt from the underground passage. The prices have crept up since the end of the war, Abu Dawud says from behind a table lined with boxes of Egyptian-made cookies and crisps. Abu Haithem, another vendor, said washing machines fetching 480 shekels (120 dollars) before the war are now going for 570 shekels (140 dollars). But he says he is not concerned about the future of the underground pipeline.

**Jordan**

**SOCIAL FRONT**

**Prison conditions improve in 2008 - report**

Conditions in the Kingdom's correctional and rehabilitation centres improved during the past year, according to the National Centre for Human Rights' (NCHR) sixth annual report, which was released NCHR Commissioner General Muhyiddine Touq said the number of complaints on physical abuse, punishment and degrading treatment in detention centres declined in 2008, the Jordan News Agency, Petra, reported. The report commended positive measures taken by the Public Security Department last year to improve inmates' conditions, including building new correctional centres and providing training and rehabilitation programmes. Touq, however, highlighted the increase in the number of inmates awaiting trial, calling for efforts to streamline trial procedures. The number of detainees awaiting trial stood at 26,088, while the number of those convicted totalled 24,176 at the end of last year, according to the report. It also indicated that 39 suicide attempts were recorded at correctional centres, while 24 inmates died in prison.

Nisreen Zreiqat, director of the NCHR correctional and rehabilitation unit, who prepared the report, told The Jordan Times that the blueprint highlighted the detention environment, inmates' problems and positive and adverse changes over the past year and also outlined NCHR recommendations regarding the findings.

### **Student activists object to ministry-sponsored conference**

University student council members are set to convene at a government-sponsored conference later this month to discuss political development amid objections from student activists that the gathering represents interference in student affairs. The gathering, recently proposed by the Ministry of Political Development, was criticised by student activists as “patronising” and an attempt to undermine efforts to form a general union of university students. Minister of Political Development and Minister of State for Legal Affairs Kamal Nasser told The Jordan Times on Sunday that the conference on “The culture of democracy and national dialogue”, aims to introduce students to “goals of political development” and the political, social and economic aspects of reform in the country. In a statement issued on Saturday, the National Campaign for Defending Students' Rights (Thabahtoon) said such a conference “should come from the will of the students” without any “agenda imposed on them”. Nasser stressed that the upcoming conference, slated for February 23, will be a “self-guided initiative” from participants without government interference, adding that the event is aimed at “eliminating the culture of fear” surrounding political discussion and to increase students' political awareness. Despite the topics proposed by the ministry, Nasser said it is for participants to decide which subjects they wish to discuss. Meanwhile, Thabahtoon called for the establishment of a general union of Jordanian students to stand as an alternative to government-guided initiatives, stressing that such a union is the “goal of all active student movements” in the Kingdom.

### **'Restrictions on Islamist imams not politically motivated'**

Minister of Awqaf and Islamic Affairs Abdul Fattah Salah said the ban on some Islamist clerics delivering Friday sermons was not politically motivated. “This is a purely administrative procedure. We are not targeting any group,” Salah told The Jordan Times yesterday, referring to a decision taken by the ministry last week to prevent several clerics affiliated with the Muslim Brotherhood from delivering sermons in mosques. Islamist movement leaders, meanwhile, labelled the recent decision as a “setback for public freedoms”. Zaki Bani Rshaid, secretary general of the Islamic Action Front (IAF), the political wing of the Muslim Brotherhood, accused the minister of “undermining” the Preaching and Guidance Law and called on the government to reconsider the decision. Islamist movement leaders told The Jordan Times they fear further “harassment” by authorities now that the conflict in Gaza has ended. Officials at the Awqaf Ministry were unable to disclose the exact number of imams included in the recent decision, but according to Islamist officials, “at least 12” were told they could no longer give sermons. The Islamist movement organised scores of demonstrations across the Kingdom during the 22-day attack on Gaza.

## **52 women seeking legal guidance contact complaint office**

Twenty-eight-year-old Amal is bullied by her alcoholic and drug-addicted husband almost on a daily basis. The mother of a three-year-old child does not want to break up her family and is only seeking a peaceful solution to her quandary. She resorted to the Women's Complaint Office, which started operation in October 2008, but which was officially launched by HRH Princess Basma. Amal, whose name has been changed for privacy reasons, is one of 52 women who have already contacted the establishment seeking legal help and advice, according to Juliana Turjman, a social worker at the complaint office which is operated by the Jordanian National Commission for Women (JNCW) and supported by Freedom House.

Most of the calls or visits focused on the Citizenship Law, domestic abuse and labour matters, such as arbitrary dismissal and gender discrimination, according to Turjman. Another woman who called the office recently is 30-year-old Shrouq (not her real name), a mother of three who has been married to a Syrian and is struggling to keep her children in school since the law does not recognise them as Jordanian citizens. She said the office is trying to help her and has started compiling data to find out the number of women who seek their help in cases related to the Citizenship Law. Women calling the hotline for other problems are offered guidance and if their case does not fall within the jurisdiction of the complaint office, they are directed to other NGOs, Turjman added. She added that she hoped the complaint office would become a reference and a well-known entity for women to resort to when they are subjected to any form of abuse or discrimination. Princess Basma also announced that the JNCW will work to open more offices in its 50 branches across the Kingdom "so that women can feel safe, knowing that they can convey their complaints easily".

The office will also be responsible for collecting national data on violence against women, issuing an annual report with its findings and enhancing women's ability in solving their problems. The goal is to formulate a national strategy that would determine what actions should be taken to eliminate violence against women. In addition, it will work to provide an accurate annual statistics report on violence and discrimination against women and recommend solutions at the national level. At yesterday's launch, USAID Mission Director Jay Knott described the complaint office as "a milestone achievement" for women's advancement in Jordan.

## **GEO STRATEGIC FRONT**

### **'Resolving Arab differences a must'**

His Majesty King Abdullah urged a "maximum degree of pan-Arab solidarity". He said Arabs should overcome any differences that hamper their ability to effectively address political, security and economic challenges. At a meeting with Arab League Secretary General Amr Musa, King Abdullah emphasised that settling Arab differences is the first

step to aptly serve the interests of the Arab peoples. The Monarch said it was important to build on the positive atmosphere that emerged at the Kuwait Arab summit in January, particularly following a speech by King Abdullah Ben Abdul Aziz of Saudi Arabia that opened the door for Arab reconciliation. His Majesty also highlighted the need to urgently exert all possible efforts to realise Palestinian national reconciliation, urging Arab and international efforts to resolve the Palestinian-Israeli conflict on the basis of the two-state solution. King Abdullah and Musa reviewed efforts to consolidate the ceasefire in the Gaza Strip and start the rebuilding process in the coastal enclave. Talks also focused on ways to sustain the ceasefire and Palestinian national reconciliation, along with bilateral ties.

### **Activists call on Hamas to include Jordanians in any potential prisoner deal**

Activists have called on the Islamic group Hamas to include Jordanian prisoners in any potential agreement with Israel on the release of Palestinian prisoners. In a letter sent to Khaled Mishaal, chief of Hamas' political bureau, the National Committee for Prisoners and Missing Persons in Israel said Jordanians should be included in any agreement on the issue, "particularly after reports in the media suggested a prisoner swap with the Jewish state is currently under consideration". The group says at least 32 Jordanians, including one woman, are being held, "tortured and mistreated" in Israeli prisons. Maysara Malas, the committee's rapporteur, stressed that activists are following up on Jordanian prisoners in Israel, most of whom are the longest-serving prisoners among Arab detainees. He added that the committee is "aware of Hamas' keenness to free Jordanian prisoners as part of any agreement with Israel." Malas added that the committee is "doing its best" to determine the fate of tens of Jordanians missing in Israel, which he estimates at 26.

### **Jordan hopes for pro-peace Israeli gov't**

The government said it hopes for the formation of an Israeli government that is committed to making peace and one that engages in serious and productive negotiations with the Palestinians. Minister of Foreign Affairs Salah Bashir, who said the government was closely monitoring Tuesday's Israeli election and its outcome, noted that Jordan prefers an Israeli government that will bring an end to the settlement activity on Palestinian lands and efforts to Judaize Jerusalem, two prerequisites to a comprehensive political settlement of the Israeli-Palestinian conflict. He said Jordan is seeking a settlement that addresses the outstanding issues between the two sides in line with internationally agreed-on terms of references for Middle East peace, the Arab Peace Initiative and the two-state solution. Bashir said the government is keen on using its ties with Israel in a manner that would serve the Palestinians and help bring about peace and stability in the region, which, he said, are in the interest of Jordan.

## **Iraq**

### **POLITICAL FRONT**

#### **MP urges Maliki to resolve pending issues with KRG**

An Iraqi parliamentarian from the Kurdistan Alliance (KA) called on Prime Minister Nouri al-Maliki to work out solutions for many pending issues between the governments in Baghdad and the Kurdistan region. "Maliki should make use of his big victory in elections to open up new channels of communication with all sides that believe they are not in harmony with the government, particularly with the Kurdistan Regional Government (KRG)..." MP Mahmoud Othman told. The Independent High Electoral Commission (IHEC) on Thursday (Feb. 5) announced 90% of the results of the provincial council elections held on Saturday (Jan. 31). Maliki's Dawlat al-Qanoon (State of Law) coalition has dominated the votes in nine out of the 14 provinces where elections were held.

### **Politician withdraws nomination as speaker**

The head of the Iraqi National Dialogue Council said that he will withdraw his nomination for the position of the Parliament's speaker. "Yesterday (Feb. 6), Osama al-Nujeifi and Maysoun al-Damlouji from the Iraqi National List (INL) announced their withdrawal," Khalaf al-Alyan told Aswat al-Iraq news agency. Alyan ruled out the possibility of holding a vote on the Parliament's speaker today. Mahmoud al-Mashhadani stepped down as Parliament speaker in December 2008 following a heated argument with members of parliamentary committees, during which he allegedly used "offensive" language that prompted many parliamentarians to call for his resignation.

### **Lists can contest election results - IHEC**

Many petitions regarding the results of provincial elections have been filed to the Karbala branch of the Independent High Electoral Commission (IHEC), the office director said indicating that all electoral lists have the opportunity to contest the results. "We received petitions concerning issues that do not reach the level of violations," Safaa al-Mousawi told Aswat al-Iraq news agency. "All the slates that participated in the provincial election can contest, as results that were announced are preliminary," he said. He stressed that local and international monitors labeled his office as neutral.

### **Sectarianism behind my withdrawal from speakership nomination - MP**

A lawmaker from the Iraqi National List (INL) cited the "sectarian quota system" on which he said the Iraqi parliament is based as the reason behind his decision to withdraw his nomination for the Parliament's speakership. "I withdrew my nomination on Friday (Feb. 6)," Osama al-Nujaifi told Aswat al-Iraq news agency. "There are Sunni, Shiite, and Kurdish blocs in the Parliament, and the national movement is the weakest," he said. "Running a House like this is a difficult task that requires the speaker to make

concessions,” he added. He pointed out that he would not vote for any of the other candidates.

### **MP denies terming winner lists in Ninewa as “inexperienced”**

A Sunni lawmaker denied he termed winner lists in Ninewa’s local elections as “inexperienced,” urging mass media that attributed the “false” statements to him to seek accuracy. “The report was false. I didn’t say during the Friday sermon that the Ninewa lists in the provincial council elections, namely al-Hadbaa bloc, that they are inexperienced,” Harith al-Obaidi, a member of the Iraqi Accord Front (IAF), told Aswat al-Iraq news agency. He called on the mass media to observe accuracy and honesty in what they quote from their sources.

### **VP, IHEC chief discuss commission’s development mechanism**

Iraqi Vice President Adel Abdelmahdi discussed with the chief of the Independent High Electoral Commission a mechanism for developing the IHEC’s work in a way to have elections in Iraq keeping up with democratic nations, according to a release by Abdelmahdi’s office. “Abdelmahdi received Farah al-Haydari and his accompanying delegation. The vice president expressed support for the IHEC as a newly established organization and stressed its independence,” read the release as received by Aswat al-Iraq news agency. The IHEC chief said the final results of the provincial council elections will be announced during the next couple of weeks.

### **Parl. postpones speakership debate to Mon. session**

The Iraqi parliament postponed till Monday a session to debate the issue of the speaker post after several blocs withdrew for failing to reach an agreement. “Today’s session was postponed to Monday after six parliamentary blocs withdrew, rendering the quorum unobserved,” the Aswat al-Iraq news agency correspondent said. “The withdrawal occurred before voting over candidates for the speaker post,” he added, noting the six blocs that withdrew were the Dawa Party – Iraq Organization, the Dawa Party of Prime Minister Nouri al-Maliki, Khalaf al-Alyan’s National Dialogue Council (NDC), Saleh al-Motlak’s National Dialogue Front (NDF), the Islamic Fadhila (Virtue) Party and the Sadrist Bloc, or Iraqis loyal to Shiite leader Muqtada al-Sadr. Five candidates are vying over the speaker post: Iyad al-Samarraie of the Iraqi Islamic Party (IIP), independent lawmaker Wathab al-Dulaimi, NDC lawmaker Khalil Jaddou, Abad Motlak al-Juburi of the Independent Arab Bloc and independent legislator Hussein al-Falluji. The Iraqi parliament is still without a speaker since former speaker Mahmoud al-Mashhadani’s resignation was accepted in an extraordinary session held on December 23, 2008 after a squabble between

him and members from the security & defense and legal committees and some words he said which were considered “insulting”.

### **138 votes required to dissolve Parliament- expert**

A legal expert on Monday said that it is difficult to dissolve the Iraqi Parliament or its presidential board, arguing that 138 votes are required for the dissolution. “The Iraqi constitution stipulates that 138 votes are needed for the dissolution of the 275-member Parliament,” Tareq Harb told Aswat al-Iraq news agency. “Parliamentarians can submit a request for the dissolution of the Parliament, but it is difficult to obtain 138 votes,” Harb added. A number of lawmakers from different political blocs have called to dissolve the Parliament in light of their failure to elect a new speaker. In December 2008, Mahmoud Mashhadani stepped down as Parliament speaker following a heated argument with members of parliamentary committees, during which he allegedly used “offensive” language that prompted many parliamentarians to call for his resignation.

### **Poll results out in 2 weeks- IHEC**

The results of the provincial council elections that took place in 14 out of Iraq’s 18 provinces over one week ago will be announced within two weeks, a senior election official said “The maximum time limit for announcing the results of elections is two weeks, but we will do our best to announce them even earlier than that,” the head of the Independent High Electoral Commission (IHEC), Faraj al-Haidari, said on Monday.

On Jan. 31, voters headed to polling stations in Baghdad and 13 other Iraqi provinces to elect their representatives in the country’s provincial councils amidst tight security measures. Over 15 million voters participated in the election, according to the IHEC. Security personnel, prisoners sentenced to less than five years and hospital-bound patients cast early ballots in the special voting, held on Jan. 28. Participation in the local council elections all over Iraq reached 51 percent, the IHEC said.

### **Al-Sadr urges provincial council members to remain neutral**

Shiite cleric Muqtada al-Sadr on Tuesday demanded those who will enter the provincial councils not to favor their blocs and to remain neutral in dealing with all kind of issues, according to a statement released by his office in Najaf. “The member should not take his party or his bloc’s side because partial interests might conflict with popular interests which is prohibited,” said the statement received by Aswat

al-Iraq news agency. Addressing a gathering of his followers of who won the local elections, al-Sadr said the new member should have experience in politics.

### **Parliament begins session to elect new speaker**

: The Iraqi parliament started its regular session under First Deputy Speaker Sheikh Khaled al-Attiya to elect the new speaker. Sunday's session (Feb. 8) was postponed until today (Feb 9) after six parliamentary blocs withdrew, rendering the required quorum to elect the speaker unobserved. Five candidates are vying over the speaker post: Iyad al-Samarraie of the Iraqi Islamic Party (IIP), independent lawmaker Wathab al-Dulaimi, NDC lawmaker Khalil Jaddou, Abad Motlak al-Juburi of the Independent Arab Bloc and independent legislator Hussein al-Falluji. The Iraqi parliament is still without a speaker since former speaker Mahmoud al-Mashhadani's resignation was accepted in an extraordinary session held on December 23, 2008 after a squabble between him and members from the security & defense and legal committees and some words he said which were considered "insulting.

### **Kurdish parliament changes its name**

Members of the Kurdistan National Assembly (parliament) on Wednesday unanimously voted to change its name to Iraq's Kurdistan Parliament. "This happened during an extraordinary session held under Speaker Adnan al-Mufti," the correspondent of Aswat al-Iraq news agency said. "The total number of the Kurdish lawmakers is 111," he added. "This session assigned to hold a number of amendments to the elections law in the region, including determining the member's age to 25 and above," Adnan al-Mufti said. "Among the amendments; changing the name of the Kurdistan National Assembly to Iraq's Kurdistan Parliament, according to the law number 1 of 1992," he added.

### **Kurdistan Parliament to increase women's representation**

During an extraordinary session, the Kurdistan Parliament decided to increase women's quota to 30 percent, according to the Parliament's speaker. "During the session, the name of the Kurdistan National Assembly (parliament) has been changed to Iraq's Kurdistan Parliament...Women's quota of seats has been increased from 25 percent to 30 percent," Adnan al-Mufti told reporters following the session.

## **SECURITY FRONT**

**1st reconciliation conf. in Sulaimaniya**

The Civil Development Organization in Sulaimaniya on Saturday held the first conference on reconciliation and peaceful coexistence at the Ducan resort. "The first regional conference on reconciliation and peaceful coexistence in the provinces of Kirkuk, Diala, Salah al-Din and Ninewa will last two days," the general director of the organization, Ata Mohammed, told Aswat al-Iraq news agency. The Civil Development Organization (CDO) was established on March 16, 1999 in Sulaimaniya. The conference will be attended by the regional minister for civil society affairs, George Mansour, and representatives of political parties and the regional government.

### **Kurdish official warns against early U.S. withdrawal**

A premature withdrawal of U.S. troops from Iraq may lead to the emergence of ethnic and sectarian disputes in the country, a spokesperson for the border guard forces in Iraq's Kurdistan region said. "All Iraqi officials believe that the United States should withdraw according to schedule by the end of 2011, but serious repercussions may result from an early U.S. army pullout from Iraq," In his speech upon taking office, U.S. President Barack Obama said that the United States will leave Iraq to Iraqis. On November 27, 2008, the Iraqi Parliament passed a security pact with the United States, known as the status-of-forces agreement (SOFA), 10 days after the Iraqi cabinet approved it with an overwhelming majority

### **Estonian troops leave Iraq – spokesman**

The Estonian troops in Iraq left the country after ending their missions there, according to a spokesman for the Iraqi defense ministry. "All 34 Estonian troops in Iraq left the country today (Feb. 7) and were bidden farewell by Iraqi Defense Minister Abdelqader al-Obaidi with his Estonian counterpart Jaak Aaviksoo as desired by the Iraqi government," Maj. General Mohammed al-Askari told. The Iraqi Presidential Board (PB) had passed on December 28, 2008 a resolution authorizing the cabinet to organize and set controls on the presence and withdrawal of foreign troops from Iraq. The Estonian contingent was part of a U.S.-led international alliance that toppled the regime of former Iraqi president Saddam Hussein on April 9, 2003.

## **GEO STRATEGIC FRNT**

### **Kurdistan, Qatar sign MoU**

Iraq's Kurdistan region on Sunday signed a Memorandum of Understanding (MoU) with the Qatari government during a visit by an Iraqi delegation to Doha, according to the Qatari news agency (QANA). The MoU was signed by the Qatari minister of state for international cooperation, Dr. Khaled Bin Mohammed al-Atiya; and the minister of housing and construction in the Kurdistan Regional Government (KRG), Imad Ahmed, according to the news agency. The memorandum covers cooperation in the fields of infrastructure, agricultural development and

investment, tourism and aviation, the Iraqi minister told reporters. On February 3, a delegation from the Kurdistan region, headed by President Massoud al-Barazani, left Arbil for Kuwait on a Gulf tour that also included Qatar.

### **Barazani, Qatar emir take up developments in Iraq**

The president of Iraq's Kurdistan region, Massoud al-Barazani, discussed with the emir of Qatar, Sheikh Hamad Bin Khalifa al-Thani, the recent developments in Iraq, the Qatari news agency (QANA) said. According to QANA, the meeting was attended by Abdullah Bin Hamad al-Atiya, the deputy premier and the minister of energy and industry; Sheikh Abdelrahman Bin Saud al-Thani, the chief of the Emiri diwan; Khaled Bin Mohammed al-Atiya, the minister of state for international cooperation; Sheikha Hind Bint Hamad Bin Khalifa al-Thani, the emir's office director; Saad Bin Mohammed al-Ramihi, the emir's secretary; and Ambassador Ibrahim Abdelaziz al-Sahlawi, the head of the Arab affairs department in the Foreign Ministry. On February 3, a delegation from the Kurdistan region, headed by President Barazani, left Arbil for Kuwait on a Gulf tour that also included Qatar.

### **French support has been there for long- Talabani**

Iraqi President Jalal Talabani said that France has been supporting the Iraqi people for 40 years. "Sarkozy is cooperative with Iraq," Talabani said during a Baghdad-based joint press conference with French President Nicolas Sarkozy, who arrived in Iraq earlier today. Earlier today, Sarkozy arrived in Baghdad on a state visit and was received by Talabani and a number of Iraqi officials. Sarkozy's visit to Baghdad is the first since he came into office in May 2007. On November 17, 2007, Talabani paid a visit to France, where he was received by Sarkozy at the Elysee, the French presidential palace. France had strong relations with Iraq before the collapse of Saddam Hussein's regime. It was a main trade partner for Iraq, which supplied the former regime with weapons. It was one of the opponents of the U.S.-led war in Iraq.

### **Talks to develop Iraqi-Iranian relations begin Wednesday - minister**

Iraqi Trade Minister, Abdul Falah al-Sudani, said that the Iraqi-Iranian talks will begin on Wednesday morning in Baghdad to discuss means to bolster bilateral relations. Al-Sudani told Aswat al-Iraq news agency that he will head the Iraqi side, while the Iranian side will be headed by Iran's Foreign Minister Manouchehr Mottaki. Mottaki had arrived in Baghdad late Tuesday on a several day visit to the country, during which he will meet with Iraq's President Jalal Talabani and Prime Minister Nouri al-Maliki as well as a number of senior Iraqi officials, according to a

governmental source. The Iranian minister's last visit to Iraq was on March 3 2008. The two neighbours agreed in January to establish a high-ranking joint committee to improve cooperation. Iraqi Prime Minister Nouri al-Maliki visited Tehran last month to seek Iran's help in rebuilding the country. Trade between the two countries, which share a 1,200-kilometer border, grew from \$1.5 billion in 2006 to \$2.8 billion in 2007. The volume of trade reached \$4 billion at the end of 2008.

### **Maliki, Sarkozy meet in Baghdad**

Iraqi Prime Minister Nouri al-Maliki received French President Nicolas Sarkozy, who arrived earlier in the day in the capital Baghdad, according to al-Iraqiya TV. Earlier today, Sarkozy arrived in Baghdad on a state visit and was received by his Iraqi counterpart Jalal Talabani and a number of Iraqi officials. Sarkozy's visit to Baghdad is the first since he came into office in May 2007. On November 17, 2007, Talabani paid a visit to France, where he was received by Sarkozy at the Elysee, the French presidential palace.

## **SYRIA**

### **The Syrian Air Reduces the Oil High Price Fee on Tickets**

The Syrian Airlines , Syrian Air, has begun the application of the new modification of the oil high price fee on travel tickets. Director General of Syrian-Air, Ghayda Abdul-Lateef, told SANA reporter today that the agency had begun yesterday to enforce this measure due to the current low price of fuel on domestic and world levels. She added that the fee was reduced from USD 50 to USD 25, pointing out that such reduction also covers transit and stop over.

### **On the 27th anniversary of general strike, Israeli practices failed to break the Will of Syrian citizens in Golan**

Syrian citizens of the occupied Syrian Golan commemorate on Saturday, Feb.14 the 27th anniversary of the open general strike announced in 1982 in protest of the Israeli occupation decision to annex the Golan and apply the Israeli laws and identity on the Syrian citizens. With the passing of years, our families in Golan underline each day their rejection of dealing with the occupation and its unfair decisions, showing commitment to the Syrian identity though all acts of daily repression practiced by the occupation forces.

### **Aleppo Governor discusses cooperation with Kilis counterpart**

Governor of Aleppo Tamer al-Hijja discussed with Governor of the Turkish state of Kilis Turhan Iwaz the trade and industrial ties between Aleppo and Kilis and means of enhancing them in addition to the stages of the Syrian-Turkish Regional cooperation program. Al-Hijja underlined that work with the Turkish side is underway to build a typical park in Aazaz area in implementation of the 3rd stage of the Syrian-Turkish Regional Cooperation. "The Turkish government is very interested in developing the relations with Syria... the Syrian-Turkish Regional cooperation program is a positive and successful step to boost ties in different fields," Kilis Governor said. He called businessmen to invest in the big project which is being implemented by Kilis state related to the manufacture of agrarian and nutritional products and exporting them to neighboring markets.

### **Minister al-Moallem calls on UN to compel Israel to implement relevant resolutions**

Foreign Minister Walid al-Moallem on Wednesday called on the UN to assume its responsibilities in compelling Israel to implement the UN Security Council resolution 1701 and other resolutions related to the Arab-Israeli conflict which call for the Israeli withdrawal from the Arab lands to the 4th of June, 1967 line. The Minister discussed with the UN Special Coordinator for Lebanon Michael Williams the latest developments in the Middle East, particularly in Lebanon. Mr. Williams briefed Minister al-Moallem on the UN efforts related to the execution of Security Council 1701. In this regard, Deputy Foreign Minister Fayssal al-Mikdad also met Mr. Williams.

### **Al-Shara discusses with Williams repercussions of Israeli aggression on Gaza**

Vice President Farouk al-Shara underlined the importance of intensifying the efforts of the UN to end the siege on Gaza, open crossing points and stop the Israeli aggression on the Strip. Al-Shara discussed with UN Special Coordinator for Lebanon Michael Williams the latest developments in the region, repercussions of the Israeli aggression on Gaza and the role of the UN and its international organizations to face the dangerous impacts resulted by this aggression. Williams, for his part, praised the political and humanization efforts exerted by Syria in order to achieve peace and security in the region, referring to the positive developments in Syrian-Lebanese bilateral relations. Deputy Foreign Minister Fayssal al-Mikdad and Mr. Williams' accompanying delegation attended the meeting. He hailed as important the progress in the Syrian-Lebanese relations.

### **Syrian citizens of occupied Syrian Golan mark the open strike anniversary, renew adherence to Syrian identity**

Syrian Citizens of the occupied Syrian Golan on Saturday renewed adherence to their Syrian Arab identity and rejection of all decisions of the Israeli occupation authorities for

being illegal decisions. In a statement issued today marking the 27th anniversary of the open strike announced to protest the Israeli entity decision to annex the Golan and impose the Israeli identity on its sons, Golanese asserted continuation of their struggle until the liberation of the land and the people and that they are ready to offer the sacrifices needed for the liberation.

They hailed the active and decisive role of the national unity and communication with the motherland, Syria, in confronting the unjust resolution and forcing the Israeli authorities to abandon its attempts to impose Israeli identity on sons of the Golan. The statement pointed out that belief of the Golan sons in the resistant method adopted by Syria and their trust in the national institutions made them more capable to resist and face the occupation oppression. They expressed pride over the active role played by the motherland, Syria, in the face of the Zionist schemes in the region, underlining determination to perform their national duty in exposing the occupation and resisting it by all possible ways. They stressed that the Israeli force will not frighten them and deter their determination to liberate their land.

### **Al-Shara and al-Zahar Discuss Developments in Palestine and Efforts for Dealing with the Effects of the Israeli Aggression on Gaza**

Vice President Farouk al-Shara discussed with Member of the Politburo of the Palestinian National Resistance Movement ( Hamas ) Mahmoud al-Zahra the latest developments and the efforts being made for dealing with the catastrophic outcome of the Israeli aggression on the Palestinian people in Gaza. Viewpoints were in agreement regarding the need for ending the unjust siege imposed on Gaza Strip, opening the crossing points, and bolstering the unity of the Palestinian people on the basis of adhering to legitimate national rights, particularly the right to return and the right to establish an independent state with Jerusalem as its capital. The meeting was attended by Deputy foreign Minister Dr. Fayssal Mikdad and the delegation accompanying al-Zahar. In a statement to the press following the meeting, al-Zahar expressed the Palestinian people's appreciation of Syria's leadership and people for their support to the Palestinians and their just cause. Regarding the talks of the Hamas delegation in Egypt, al-Zahar said they would focus on means of sustaining a truce that guarantees the Palestinian people's rights after they end their battle with Israel. He added that talks would also deal with the Palestinian reconciliation program, affirming Hamas's honest desire for establishing inter-Palestinian dialogue based on adhering to rights, refusing to forfeit the right of resistance and rejecting dealing with the enemy. In response to a question on the effects of the Gaza aggression on Israeli elections, al-Zahar stressed that the failure of Israeli War Minister Ehud Barak proves that he and Israel were defeated. He also pointed out that Israel's failure to subdue the Palestinian people and break their will should be a lesson to whoever will head the Israeli government.

### **Al-Buni and Hamad Discuss Possibility of the AFESD Financing Water and Land Reclamation Projects**

Minister of Irrigation Nader al-Buni discussed on Wednesday with Director General of the Arab Fund for Economic and Social Development (AFESD) the possibility of the

Fund financing strategic projects in the fields of water and land reclamation in Syria. Minister al-Buni reviewed a number of projects that the Fund can finance, including a project for drawing water from the Euphrates River to Palmyra and a project for establishing water pumping stations on the banks of the Dajla River. He also expressed his Ministry's readiness for contacts and consultations with the AFESD to provide guarantees for funding the projects. For his part, Hamad underlined the need for using an international advisor to verify the studies of the drawing water project from Euphrates River and the need to speed up the financing of this project. He also said that he would call on the Fund's Board of Directors to allocate a grant for carrying out the project next month. He pointed out that the AFESD regards the project for the installation of water pumping stations on Dajla River as a national strategic project, and that they would invite international advisors to evaluate and study it.

### **Romanian Delegation Discusses Means of Revitalizing Commercial Relations in Homs**

Chairman of Homs Chamber of Commerce Adel Tayara discussed on Wednesday with a delegation from the Commercial Attaché Office at the Romanian Embassy in Damascus means of boosting trade exchange and invest opportunities in Syria and Romania. Tayara briefed the delegation on the industrial and investment development in Syria, particularly in industrial cities, banks, investment laws and work regulations. For their part, members of the delegation called for boosting economic relations between Syria and Romania to meet the level of political relations between the two countries. Trade exchange between Syria and Romania amounts to around USD 180 millions. Syrian exports are agricultural products, particularly olive oil. Romanian exports to Syria are mostly cars and electronics.

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

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

Madiha Kaukab

Weekly Report: from 7<sup>th</sup> January 2009 to 13<sup>th</sup> January 2009

Presentation Date: 18<sup>th</sup> January 2009

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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.

### GCC

## **Social Desk**

### **Blind forum signifies cooperation among GCC States**

Kuwaiti Minister of Social Affairs and Labor Badr Al-Duwaylah said the blind forum signifies unity among the non-profit organizations in the Gulf. At the forum's opening, Al-Duwaylah said in a speech on behalf of His Highness the Prime Minister Sheikh Naser Al-Mohammad Al-Ahmad Al-Sabah, that "Nothing stands in the way of disabled people who have strong determination to achieve their goals nowadays," he said.

### **Arabic 'under threat in Gulf states'**

ARABIC is endangered and fading away due to the domination of the English language, particularly in the GCC communities where non-Arabs live in large numbers, a senior official at the Ministry of Culture, Arts and Heritage, said yesterday.

Cultural expert Dr Marzook Basher Binmarzook, who is also Gulf Times' Editor-in-Chief, was speaking at a press conference to announce a seminar titled 'Language and Identity', given GCC countries as a case to discuss, from February 15 to 17 at Sharq Village and Spa. "Language is the key issue for the societies' identities", he explained while observing that GCC countries were facing a great danger in this regard, due to the non-Arabic-speaking majority.

### SAUDI ARABIA

#### Social Desk

#### **Saudi women graduates leave Kingdom for GCC jobs**

Many Saudi female graduates are being forced to look for jobs in neighboring countries as there are not enough opportunities for them in the Kingdom, Dr. Salwa Al-Khateeb, a King Saud University professor, said here Wednesday.

She said the number of unemployed female Saudi graduates has been increasing every year because of a lack of opportunities for them. This explains, she said, the trend of seeking jobs in neighboring countries. Several women graduates have now taken up teaching assignments in Kuwait, Qatar and Bahrain, she said. Official statistics, she said, show that 176,000 Saudi women

graduates are unemployed which represents an unemployment rate of 26 percent. “Only 500,000 out of five million Saudi women have jobs. This shows that the total workforce of Saudi women in the Kingdom is only 10 percent which is the lowest in the world,” Dr. Al-Khateeb said.

### **Jail, fine for mix-party organizers**

A court here sentenced organizers of an alleged gender-mixed party at a well-known Jeddah resort to six months in prison and a fine of SR45,000 Wednesday.

The verdict included two administrative staff members and the lead singer of the party. The prosecutor general said that the organizers did not stop the party when they were told to do so. It took several attempts to stop it, the prosecutor said in the charge list, asking for maximum punishment for the organizers during the hearing session.

### **Red Bull Paper Wings planes take off in Kingdom!**

College students in Saudi Arabia will join thousands of students in 85 countries around the world in the preliminary finals of the Red Bull Paper Wings 2009 contest.

“The event will be held on February 19th in each province of the Kingdom. Students will be required to design their own paper airplane and compete in the national qualifications which will take place in each country,” said Ibrahim Al-Bloushy, the Communication Manager of Red Bull Saudi Arabia. “The first three winners from each province of the Kingdom will qualify for the final Saudi Arabia qualifications which will take place in Jeddah during March. Then the winner in Jeddah will qualify to compete in the global finals of Red Bull Paper Wings in Austria during the 1st and 2nd of May, 2009,” said Al-Bloushy.

### **Al-Rajhi Alliance bags SR6.8b Haramain train contract**

Al-Rajhi Alliance has bagged the Haramain Express Train Project worth SR6.8 billion. The three-year contract tasks Al-Rajhi Consortium with constructing the railway works linking Makkah and Madina via Jeddah and King Abdul Aziz Airport, Abdul Aziz Al-Hugail, General President of the Saudi Railways Organization (SRO) said here Friday.

### **Heavy floods cripple Jeddah**

Heavy rains and floods here on Friday evening cut off at least four eastern districts – Ajwad, Samer, Manar, and Tawfiq – from the rest of Jeddah. The residents trying to reach their homes were seen stranded along the Haramain highway. The rains also choked the city streets, intersections, and residential areas, bringing in nearly two dozen reports of short-circuit incidents and power outages throughout the city. At least 32 traffic accidents but no casualties were reported.

## **‘Saudi women exposed to wolves’**

Dr. Muhammed Aal-Zulfa is a controversial member of the Shoura Council who doesn't shy away from talking on issues the Saudi society prefers to be silent about. He won supporters and sharp critics when he raised the issue of women driving in the Shoura Council in 2006.

Recently, this topic resurfaced when the Hail Rally was almost not being held because women could not participate in it. The Rally, however, did not receive official international recognition because of that.

## **KSA launches nanotech, stem cell research**

As King Abdullah, Custodian of the Two Holy Mosques, inaugurates a package of development projects worth SR14.039 billion at King Saud University (KSU) here today, King Abdullah Institute for Nanotechnology, affiliated with KSU, announced that it has registered two nanotechnology patents with the United States Patent and Trademark Office.

The two products are the initial seeds in developing nanotech research in the Kingdom, especially in the water studies. Abdullah Al-Othman, President of KSU, said the Kingdom has of late enlarged its scope of technology research and economic strategy to focus on a knowledge-based economy.

## **Arroyo lauds King's global peace efforts**

Philippines President Gloria Arroyo has praised the strategic and deep political insight of King Abdullah, Custodian of the Two Holy Mosques, and highlighted his keenness to promote peace, security and stability not only in the Mideast but across the world.

She emphasized that the initiatives of the Custodian of the Two Holy Mosques, in political, economic and cultural domains, have gained wide acceptance by the entire international community. King Abdullah, she noted, is enriched with a brave personality and a farsighted outlook in devising solutions to the crises of the region which can prevent the expansion of differences among followers of different religions and lead to the adoption of a policy of dialogue around the world.

## **IAQ names first academician from Kingdom**

The Saudi Quality Council (SQC) for the Western Region has announced the nomination of its director, Ayed T. Al-Amri as an academician to the International Academy for Quality (IAQ).

Ayed Al-Amri is the first Saudi to become an academician member of the IAQ. The IAQ is a US based non-profit organization dedicated to using the leadership of academicians, individually and in teams, to internationally advance understanding and communication of all activities involved in achieving quality for the benefit of people.

## **Princess says ready to drive – if allowed**

The wife of one of Saudi Arabia's most high profile and richest men said she's ready to get behind the wheel if women are ever permitted to drive.

Princess Amira Al-Taweel, the wife of global tycoon Prince Alwaleed Bin Talal, told Al-Watan Arabic daily that she already drives when she travels abroad. "Certainly I'm ready to drive a car," said Al-Taweel, whose husband is ranked as the world's 13th-richest person by Forbes magazine. "I have an international driver's license, and I drive a car in all the countries I travel to." Her answer came after the interviewer noted that her husband had said in a previous interview he would be the first to let his wife and daughter drive if the ban was lifted.

## **Official: Create right work atmosphere for Saudi youths**

A labor official has come out strongly in support of Saudi youths and said the major reason behind their unemployment is the presence of about seven million foreign workers in the Kingdom.

"Some people brand Saudi youths as lazy and reckless. In fact these are false and baseless accusations because productivity is governed by the work atmosphere. If we ensure an appropriate atmosphere for them they will fully devote themselves to their jobs," Ali Bin Abdullah Al-Salihi, Director of the Labor Office in Qassim, said.

## **Beauty business booms**

Despite the slowdown in global demand afflicting other industries, the highly profitable beauty and cosmetics industry is set to get even bigger in the Kingdom, with some industry experts expecting beauty sales to increase by at least 25 percent this year.

According to a recent survey in the Middle East, almost 60 percent of the GCC population is under 25, ensuring a high growth rate in the beauty market. The beauty products and services market is worth more than SR7.3 billion in the Kingdom.

## **Mixed party: Businessman's sentence upped**

The District Court here on Monday enhanced the sentence of a businessman who was found guilty of organizing a mixed-gender party in his theme park. Giving his ruling on requests from other judges, Judge Muhammad Al-Fa'eem of the District Court increased the sentence to suit the guilt of violating the sanctity of the holy place.

## **Interpol issues alert for 85 wanted by KSA**

Interpol put out an international security alert Tuesday for 85 alleged terrorists suspected of plotting attacks against Saudi Arabia in the largest single batch of wanted notices ever sent to

police agencies worldwide. Saudi authorities asked Interpol for help in locating the 83 Saudis and two Yemenis after releasing a new most-wanted list last week.

Documents profiling the suspects show that they include a man married to Osama Bin Laden's daughter and another who was suspected of involvement in a plot to kill the US ambassador in Yemen. Interpol, based in Lyon, France, said the men are all wanted on terrorism-related charges, including links to Al-Qaeda in Saudi Arabia, Iraq and Afghanistan. Interpol lists more than 13,000 suspected terrorists in its databases.

### **High dowry? No, won't marry you!**

Young Saudi men have started an online campaign to boycott marrying Saudi women because dowries and marriage costs are spiraling. "Let her become a spinster!" is the theme of the campaign which is attracting a large number of young Saudi men who can't afford to marry Saudi women and are looking for non-Saudi brides.

### **Crown Prince OKs new program for disabled**

Crown Prince Sultan Bin Abdul Aziz, Deputy Premier, Minister of Defense and Aviation and Inspector General, has approved a package of recommendations adopted by the Committee for the Development of Services for the Disabled above 15 years of age.

The Committee has recommended to the Ministry of Social Affairs to allocate five percent of the revenue of the productive families in Social Security for projects to rehabilitate, employ and support the disabled.

### **Japanese experts to train prospective Saudi businesswomen**

Japanese women experts in business administration will train young Saudi women how to start small and medium-size enterprises (SMEs) at a two-day seminar starting here March 9. Four Japanese women will conduct the seminar, sponsored jointly by the Ministry of Economy and Planning and the Technical and Vocational Training Corporation (TVTC), said an official source of the Japanese International Cooperation Agency (JICA), a Japanese government body in Riyadh for technical cooperation between the two countries.

#### **Labor Desk**

### **Discussions planned to end labor disputes**

Minister of Labor Ghazi Al-Gosaibi said Saudi labor officials tasked with arbitrating the complaints of foreign workers against their employers will hold a series of discussions with labor representatives of foreign embassies in order to arrive at solutions for expediting workers' grievances and complaints.

#### **Human Rights Desk**

## **A Saudi girl's quest for legitimacy**

A Saudi girl disowned by her father ten years ago is insisting on her father undergoing a DNA test in order to ascertain her own identity. The mother and an uncle of Fatimah, the Saudi girl, have moved the court to order the DNA test of the father who refused to give his name to the girl after accusing his wife of adultery.

## **Non-Muslims 'free to worship in private'**

Establishing houses of worship for non-Muslims is a sensitive issue but the Kingdom does not restrict non-Muslims to practice their religion in private, a senior human rights official said here Saturday. Zeid Al-Hussein, Vice President of the Saudi Human Rights Commission, said the Kingdom is not only an Islamic state, but it is also the cradle of Islam and of Islamic civilization. It is the land of the Two Holy Mosques and the destination of Muslims from around the world.

## **Woman on black magic seeks help from rights body**

The power of magic spells still thrives in the Arab popular culture and a human rights body has been recently called up to help cast away a magic spell on a woman and her house.

A 53-year-old woman from Makkah has blamed a spell for separating her from her parents and siblings for over 35 years. Her agony was compounded when she was also separated from her own seven children too by another mysterious spell.

### **IR Desk**

## **Italy's ex-PM here to discuss economic crisis**

Lamberto Dini, former prime minister of Italy and President of Foreign Relations Senate Committee, arrived in Riyadh Thursday to hold talks with high-ranking Saudi officials. Dini has a two-point agenda, Middle East peace and the international financial crisis, an official source at the Italian Embassy here, said.

Dini, as head of a six-member Italian parliamentary delegation, is scheduled to hold talks with Prince Saud Al-Faisal, Minister of Foreign Affairs and Dr. Ibrahim Al-Assaf, Minister of Finance, besides addressing a session of the Shoura Council. The Italian leader also called on Sheikh Saleh Bin Humeid, Chairman of the Shoura Council.

## **Davos shapes new Saudi-Turkish ties**

You too would like to have measured the effect Prime Minister Recep Tayyip Erdogan's the-emperor-has-no-clothes warning he issued in Davos had in the Arab world if you visited this part of the world right after the incident. The best country for such an observation is, beyond any doubt, Saudi Arabia.

Its relationship with the US, its distance from Hamas and Iran, its apparent closeness to Egypt, its effect on the Muslim world and its historical opposition to the Ottoman heritage make it a valuable country to measure the possible long-term results of the post-Davos future.

## **Abdullah, Hu discuss rights of Palestinians**

Twelve Chinese schoolchildren who survived the deadly earthquake in Sichuan province in May 2008, were treated to an experience of a lifetime Tuesday evening when they received gifts from King Abdullah, Custodian of the Two Holy Mosques.

The children arrived with Chinese President Hu Jintao and his 100-member high-powered delegation. King Abdullah, Custodian of the Two Holy Mosques, was introduced to the schoolchildren when he greeted Hu at the Riyadh Air Base. The children offered the King their thanks for his donations in support of the survivors of the Sichuan quake that had killed or left missing 87,000 people.

Hu's delegation includes some key ministers from his cabinet, which reflects the importance of his visit to Saudi Arabia, his second in three years.

## **King gets cable from US President**

King Abdullah, Custodian of the Two Holy Mosques, on Wednesday received a reply cable of thanks from US President Barack Obama in response to the King's letter of congratulations on Obama assuming the office of presidency. In his cable, President Obama extended his thanks to the King saying, "I thank you for congratulating me on my being elected the president of the United States of America. I'm grateful for your letter and I'm sure we will work together in a spirit of peace and friendship to build a safer world during the next four years. I am looking forward to working with you to achieve this and to boost the good relations between our two countries.

### **Economic Desk**

## **Saudi shares rise to a 3-week high**

Saudi Arabian shares rose to a three-week high after a rally in US stocks boosted investor confidence in the Kingdom. Saudi Basic Industries Corp., the world's biggest chemicals maker by market value, climbed for a third day, while Al-Rajhi Bank rose to its highest in more than three weeks. Arab National Bank increased after announcing a dividend.

"Gains in the US are helping investors regain some confidence," Ahmed Alghamdi, a sales trader at National Commercial Bank, told Bloomberg in a telephone interview from Jeddah.

## UAE

### Social Desk

#### **Massive blaze reported in Sharjah, warehouse gutted****Joy Sengupta**

A massive fire has broken out in a warehouse in the Sharjah Industrial Area 5 . Under the influence of strong winds which have been experienced in the UAE the blaze is said to be spreading rapidly to engulf other establishments in the area.

Civil defense officials aided by the fire brigade departments from Dubai, Ajman and Sharjah have reached the spot and are battling to get the blaze under control, According to officials no casualties have been reported from the accident site.

#### **Sandstorm Whips UAE Staff Reporter**

A strong sandstorm swept the emirates on Thursday bringing down temperature and visibility, and depositing sand on roads, balconies and rooftops of buildings.

No flight disruption, diversion or even delay was reported in Dubai and Sharjah airports. The Met Department predicted unstable weather today with low visibility in the morning and rough sea conditions due to strong winds.

### Economic Desk

#### **Dubai bank net profits drop 7%**

Emirates NBD bank said on Thursday its 2008 net profit fell by seven percent on the back of huge writedowns.

Net income was \$1 billion compared with \$1.76 billion in 2007. Total revenues rose 19 percent to \$2.3 billion. Writedowns and impairments on investment and other securities totaled \$2 billion reflecting market-wide devaluation of equity and fixed income markets and increased market risk premiums, the bank said. The lender was created in late 2007 from the merger of two leading Dubai-based banks - Emirates Bank International and National Bank of Dubai.

## Kuwait

### IR Desk

#### **Kuwait, Yemen sign 11 cooperation protocols, agreements**

By Ahmad Al-Zarqa (with photos) ADEN, Yemen, Feb 7 (KUNA) -- Kuwaiti and Yemeni Foreign Ministers concluded a joint committee meeting here Saturday and signed 11 cooperation protocols and agreements in fields of economy, security, culture, judicial and tourism.

Kuwait Deputy Prime Minister, Foreign Minister and Acting Oil Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah said the committee meeting's venue in Aden remind "us of the Kuwaiti trade offices in this ancient city over a 100 years ago." The committee was meeting at a time His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmad Al-Sabah was showing great desire to translate resolutions of the Arab Economic Summit, held in Kuwait last month, into action, Sheikh Mohammad told KUNA after the meeting.

### **Kuwait's FM hold talks with UAE counterpart**

Kuwait's Deputy Premier, Foreign Minister and Acting Oil Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah held talks on Saturday with United Arab Emirates (UAE) counterpart Sheikh Abdullah bin Zayid prior to his visit to Yemen. The talks highlighted bilateral relations and current developments in the region. Sheikh Dr. Mohammad arrived in Yemen to attend joint ministerial bilateral committee after a one day visit to UAE. (end) wa.mb KUNA 071626 Feb 09NNNN

### **Kuwaiti FM receives letters from Turkmenistan, Ethiopia officials**

Deputy Prime Minister, Foreign Minister and Acting Oil Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah received on Sunday a letter from Deputy Chairman of the Cabinet of Ministers for Oil and Gas of Turkmenistan, Tacerdi Tagyyew, dealing with bilateral relations and issues of joint interest.

### **Economic Desk**

### **Al-Shall Consulting Office hails Kuwait's economic draft law**

Al-Shall Consulting Office hailed in its latest weekly report the draft bill recently adopted by the Kuwaiti cabinet to address the impacts of the global economic downturn as having "numerous advantages." The main aim of the bill is to minimize the impacts of the financial turmoil in "a comprehensive manner," starting with surveying the early stages of the stock market meltdown in order to determine the tools to contain the crisis, the report noted.

Although Kuwait's banking system and macro-economy are still safe, the bill outlined the precautionary steps to immunize the national economy against the possible spread of the impacts of the global crisis. Recognizing that there was no need to adopt costly rescue plans, the State of Kuwait guaranteed deposits amounting in value to some KD 24.7 billion under the draft law. The bill highlighted the significance of ensuring the abundance of liquidity through issuing long-term treasury bonds and bills, the report pointed out. It gave the Central Bank of Kuwait (CBK) free rein in stepping in at times of eventuality at any local bank to buy the assets of insolvent banks at their book value.

### **Kuwait ranks 2nd Arab, world's 36 in terms of capital access in '07 - Report**

The State of Kuwait ranked as the second Arab country and the World's 36th in 2007 according to an international capital access index.

The country lost five positions on the international rating list compared with its position in 2006, report issued by Milken Institute and carried by Tunisia's economic daily Assabah here on Saturday said. The United Arab Emirates (UAE) ranked first and 29th on the Arab and international levels respectively in 2007, also losing one position on the international rating.

### **Jordan hails Kuwait summit for drawing inter-Arab trade roadmap**

By Mashhour Abu Eid (with photos) AMMAN, Feb 7 (KUNA) -- The recent Arab economic summit in Kuwait has set out a roadmap for bolstering inter-Arab trade and reinforcing Arab economic and social development, a Jordanian official said.

Resolutions made during the summit have put Arab governments and the private sector before challenges that require swift moves to translate them into practical steps and to provide the legislative and investment atmosphere in Arab countries, Haidar Murad, chairman of the Jordanian chamber of commerce, told KUNA.

### **Social Desk**

### **Kuwait supports Childhood in Islamic Confrence**

Regional Director of the Center for Childhood and Motherhood Suad Abdulatif Al-Swaidan said that Kuwait presents a unique experience concerning Children in all aspects.

Al-Swaidan told KUNA on the sidelines of its participation in the Second Islamic Conference of Ministers in charge of Childhood, that Kuwait supports childhood in social, health, and educational aspects, believing that children play a major role in future developments.

### **Kuwait welcomes major efforts by Saudi Arabia to foster human rights**

The State of Kuwait welcomed the major efforts by the Kingdom of Saudi Arabia to foster and develop human rights and its commitment to that goal.

Addressing the Universal Periodic Review (UPR) session of the Kingdom at the Human Rights Council, Kuwaiti Officer in Charge to the UN in Geneva and other international organizations Najeeb Al Bader praised the measures taken by the kingdom which proves its close cooperation with the concerned international mechanisms and especially the Human Rights Council.

### **Qatar**

### **IR Desk**

Qatari PM meets UAE FM

Qatari Prime Minister and Foreign Minister Sheikh Hamad bin Jasssem Al-Thani held talks here Saturday with visiting UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nuhayyan on regional issues of mutual concern. Sheikh Abdullah is visiting Doha as part of a tour to Jordan and Oman.

### **Egypt surprised by Qatar's call for int'l donor conf.**

Spokesman of the Egyptian Foreign Ministry Hosam Zaki said Saturday Cairo was "surprised" at the recent call by Qatar to host an international donor conference on reconstruction of Gaza Strip in synchronization with Egypt's preparations for a similar event on March 2.

During his visit to Turkey, Qatari Prime Minister Sheikh Hamad Bin Jasssem Bin Jabr Al-Thani announced on Wednesday that his country would hold an international conference to rebuild Gaza Strip after the Israeli aggression.

Darfur talks delegates praise Qatar's efforts

HH the Emir Sheikh Hamad bin Khalifa al-Thani meeting Dr Nafie Ali Nafie, Assistant to the Sudanese President and Head of the Sudanese government delegation, and the leader of the Justice and Equality Movement (JEM) Khalil Ibrahim at Doha Sheraton Hotel yesterday.

THE delegates attending the first round of Darfur peace talks currently in session in Doha have praised the efforts made by Qatar to bring about peace in the Sudanese region. Dr Nafie Ali Nafie, Assistant to the Sudanese President and Head of the Sudanese Government delegation, and the leader of the Justice and Equality Movement (JEM) Khalil Ibrahim, attended a reception hosted by HH the Emir Sheikh Hamad bin Khalifa al-Thani for the delegation at Doha Sheraton Hotel yesterday.

## **Bahrain**

### **IR Desk**

### **Zardari, Bahrain commander discuss military cooperation, regional security**

ISLAMABAD, Feb 12 (APP): Commander of National Guard of Bahrain Major General Sheikh Mohammad Bin Issa Al-Khalifa on Thursday attended a luncheon meeting with President Asif Ali Zardari and discussed matters relating military co-operation and regional security. In a meeting held at Presidency, they discussed bilateral relations and other issues of mutual interest.

President Zardari appreciated the excellent relations between Bahrain and Pakistan, particularly between the armed forces of two countries.

### **Social Desk**

## **Desert storm blows out Bahrain F1 testing**

Formula One pre-season testing in Bahrain was blown out by a desert sandstorm for the second day in a row on Thursday.

"This is a new experience for me," said Toyota's Italian Jarno Trulli, who had been looking forward to his first dry test of the new TF109 car after rain and hail disrupted the team's previous outing in Portugal last month. "It's obviously a pity that we've been stuck in the pits both yesterday and today."

## **Protests in Bahrain after decision to try Shiites**

Dozens of protesters clashed with police in cities across Bahrain Tuesday after the tiny Persian Gulf nation's prosecutor announced that some 35 people, including prominent Shiite activists, would go on trial.

## **OMAN**

### **IR Desk**

## **Yemeni-Omani Committee to meet**

The 9th Yemeni-Omani Committee round is to be held in Oman's capital, Muscat on February 28. The meeting would be chaired jointly by Transport minister Ibrahim Khalid al-Wazeer and his Omani counterpart Khamis Mubarak al-Alawi.

The two-day meeting will discuss cooperation agreements in areas such as transport, trade and industry, vocational training, environment, justice, investment, exchange of information, telecommunication and traffic, al-Wazeer said.

## **Badr, Alawi in talks with UK minister**

Sayyid Badr bin Saud al Busaidy, Minister Responsible for Defence Affairs, received here yesterday Bob Ainsworth, British Minister for the Armed Forces. Sayyid Badr welcomed the guest and reviewed with him bilateral relations, co-operation between the armed forces of both countries and issues of common concern. The meeting was attended by the Chief of Staff of the

Sultan's Armed Forces (SAF), the British ambassador to the Sultanate and the delegation accompanying the guest.

### **Oman-India talks focus on promoting audit process**

Sayyid Abdullah bin Hamad al Busaidy, Chairman of the State Audit Institution (SAI), yesterday held an official session of talks with Vinod Rai, Comptroller and Auditor General of India. They discussed bilateral co-operation and developing the audit process in both countries. Talks also focused on the importance of training and exchange of expertise to promote the skills and capacities of the employees and intensifying the comprehensive and specialised courses in internal and external auditing in both countries.

### **Singapore, Oman sign agreement**

Singapore has reached an Open Skies Agreement (OSA) with the Sultanate of Oman to allow flexibility for air services by both countries' carriers.

Singapore carriers will be able to have any number of passenger and cargo flights between Singapore and points in Oman, as well as beyond Oman. Likewise, carriers from Oman may have any number of flights to and beyond Singapore. Singapore already has OSAs with Bahrain, Kuwait, Qatar and the United Arab Emirates, plus more than 30 other countries.

## **Oil & Gas**

### **Oman to boost oil production in 2009**

MENAFN citing an official at Petroleum Development Oman reported that it plans to boost its crude oil output in 2009 and to grant 5 exploration licenses to foreign oil firms, despite OPEC plans of cutting oil supply in line with the slowing demand.

According to the official, Oman plans to increase oil production this year from 757,000 barrels per day in 2008 to 805,000 barrels per day. In 2008, total oil production grew by 47,000 barrels per day from 2007, the first year of growth since mounting in 2001 at 956,000 barrels per day. Oman's crude oil contributes to the benchmark price for about 12 million barrels per day of crude exports from Middle East producers to Asia, and the country has invested heavily on new technology to improve oil production from its old.

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

### **SOUTH EAST ASIA**

Tatheer Zahra Sherazi

Monitoring Report

From 6 February 13 February

Presentation February 18, 2009

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- Indonesia protest sparks election security fears
- Nizar goes about 'business as usual'

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- Indonesia, Thailand enhance military cooperation
- Indonesia, Singapore to sign sea border agreement

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- Indonesia in cross hairs of global economic slowdown

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- Human rights violations in Papua
- 42 injured as powerful quake hits Indonesia
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- 100,000 Indonesian workers in Malaysia to be repatriated
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#### Political Front

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- Najib: He will be sensitive to all races .
- Najib assures non-Malays in Perak they will not be neglected
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- Najib to take office in March
- Umno Youth to go all out to stop Nizar
- Boost for Najib, blow to Anwar
- Cabinet to decide on quantum of electricity tariffs' reduction soon
- Thai academic flees after monarchy insult charge
- Thailand's monarchy should be abolished, a prominent academic says.

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- PM rallies envoys behind economy
- China, Malaysia reach inter-bank currency swap deal

#### Social Front

- Thailand: PM confident measures can help one million unemployed
- Thai govt warns Jolie and UNHCR over comments on Rohingyas
- PM urges 4 nations to jointly solve Rohingya problem
- Flood victims need food
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- Iran offers to help in peace talks

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- Govt urges caution in captives-held region
- Philippine Senate summons Arroyo's husband

#### Economic Front

- Asia has best potential to stem global slump
- The country's economic zones turned in a total of P443 billion in export revenues and generated some 177,000 jobs last year.

#### Social Front

- US marine to stay in Philippines' custody over rape
- The National Ulama Conference of the Philippines (part 2)
- Philippine troops kill 8 communist rebels in south
- EU stresses rights in pact with Manila
- Philippines: Two suspected Abu Sayyaf rebels killed by army
- Three Filipino seamen freed by Somali pirates

#### Thailand

#### Political Front

- Thai PM names new minister of social development and human security

#### Strategic Front

- Indonesia, Thailand enhance military cooperation
- Thailand denies border pullback deal with Cambodia

#### Economic Front

- Thailand and US to resume FTA talks

#### Social Front

- Six leftists killed in encounter
  - Singapore

#### Political Front

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#### Economic Front

- Singapore shares kick off week positive
- More help for SMEs to get access to trade credit insurance, reduce costs.
- Singapore shares close 1.92% lower
- Singapore not a tax haven, says finance ministry

#### Social Front

- PM Lee urges S'poreans to focus on future during current recession
- Singapore artist overcomes mental ordeal through art

#### Vietnam

#### Political Front

- Vietnam asks for restraint over East Sea islands

- Gov't orders smooth implementation of ASEAN charter
- Vietnam concerned over instability in southern Sudan

#### Strategic Front

- Vietnam engages in ever-closer relationship with Japan

#### Economic Front

- Gov't tightens State corporations' investments
- Azerbaijan appreciates Vietnam's position
- New financial regulations to govern state-run businesses.
- Strong Vietnamese Economy Signals Robust Growth for Cavico
- Government boosts rice reserves.
- Govt to ask discount from department stores to boost local spending

#### Social Front

- Laos

#### Political Front

- India Embassy hosts lecture to promote international relation policy
- NA discuss on laws improving

#### Strategic Front

- More than 60,000 households in Vientiane access to electricity
- Flood victims receive aid package
- Laos, Vietnam further cooperation on security

#### Economic Front

- Laos? access to WTO is unpredictable
- Indochina Bank starts to operate in Laos

#### Social Front

- Power International pledge to further aid Lao with disabilities
- Newly skilled Lao workers to work in South Korea
- Laos is constructing internal and international rail linkages (eco)
  - Cambodia

#### Political Front

- Cambodian political opposition struggles hard to obtain proper parliamentary recognition

#### Strategic Front

#### Economic Front

- Natural resources "for sale" in Cambodia: Global Witness strikes again
- Decentralisation and deconcentration in Cambodia: what's behind the D&D policy

- Water shortage raises questions
- Kingdom's banks at risk: IMF
- True Move to invest despite slump
- UN calls for more aid to support Cambodia's agriculture

Social Front

## Summary

This week situation again there is similarity and continuity in news on of this region.

At political front there are many improvements between countries of this region like Indonesia and Thailand have agreed to enhance military cooperation, including securing the Malacca Strait together with Singapore and Malaysia. While on the other hand Indonesia and Singapore plan to sign an agreement on their common sea borders in the north of Nipah Island, western part of Indonesia.

Elections in Indonesia are going on in different states but there is very different reaction of different parties and groups over the elections. Pas will not recognize the new Perak government helmed by Barisan Nasional, said Pas spiritual leader Datuk Nik Abdul Aziz

Nik Mat. He held to the belief that a snap election should take place to give the people of Perak a chance to choose their government.

At Social Front Indonesia has recently provided relief materials to assist Rohingya refugees, a Muslim minority group from Myanmar. Around 200 refugees had arrived in Indonesia last month in a critical condition after facing oppression and hardship in their home country.

In Philippine many courtiers is taking interest in resolving the issue between Muslim groups of Mindanao and Philippinian Government like Iran is offering to help the Philippines negotiate peace with Muslim rebels in Mindanao.

While in disputed territory Thailand has not agreed on the proposed troop withdrawal from the disputed territory surrounding the Preah Vihear temple as claimed by Cambodian Prime Minister Hun Sen.

At Economic Front New Thai PM is working for the betterment of things despite of all the criticism. Thai Prime Minister Abhisit Vejjajiva has said that Thai officials working overseas can play a key role in helping the government tackle the sagging economy, says Thailand and the United States will resume free-trade agreement talks after a three-year suspension of negotiations.

Vietnam that is getting an importance of hub not only in the whole region but also in the whole world is increasing its relations with great powers like The forthcoming visit to Vietnam by Japanese Crown Prince Naruhito is an event of great importance demonstrating the increasingly closer relationship between the two countries, according to Vietnam's ambassador to Japan.

At Social front A powerful earthquake off eastern Indonesia briefly triggered a tsunami warning Thursday, causing a stampede of residents to higher ground. Hundreds of buildings were damaged and at least 42 people injured, some seriously.

Thai government is not happy with US actress Angelina Jolie and the United Nations High Commission for Refugees for criticising that Thai government did not respect Rohingya boat people's human rights

Due to many reasons Malaysian Government is formulating a strategy to deport foreign workers from Malaysia around, in this regard 100,000 Indonesian workers are predicted to be deported from Malaysia this year. The workers are working in Malaysia's manufacturing sector, which saw a declining order of about 30 percent.

Summary of news items is as below:

## ● **Indonesia**

### **Political Front**

- **Indonesia is not a Muslim democracy**

This refers to a part of former President Fidel Ramos' speech that you published February 3. He referred to Indonesia as "the world's largest Muslim democracy." It is not. Indonesia is a secular republic whose constitution stipulates religious freedom but whose government officially recognizes only six religions: Islam, Protestantism, Roman Catholicism, Hinduism, Buddhism and Confucianism.

- **Indonesia protest sparks election security fears**

Indonesia's head of police said on Friday he would reshuffle two top police officials for failing to keep law and order after fighting broke out at a local parliament, prompting concerns over security ahead of the 2009 elections.

- **Nizar goes about 'business as usual'**

As the Barisan Nasional state government got down to brass tacks yesterday after assuming power on Thursday, a parallel "state government" was going about business as usual.

## **Strategic Front**

- **Indonesia, Thailand enhance military cooperation**

Indonesia and Thailand have agreed to enhance military cooperation, including securing the Malacca Strait together with Singapore and Malaysia, said Indonesian military chief Gen. Djoko Santoso.

Military cooperation between the two countries has run well so far but it will be stepped up even more and conducted on a wider scale, Gen. Santoso said after accompanying Thai Armed Forces Chief Gen Songkitti Jaggabatara at a meeting with Indonesian Defence Minister Juwono Sudarsono in Jakarta on Feb. 4.

- **Indonesia, Singapore to sign sea border agreement**

Indonesia and Singapore plan to sign an agreement on their common sea borders in the north of Nipah island, western part of Indonesia, later this month, Indonesian President Susilo Bambang Yudhoyono has said.

## **Economic Front**

- **Indonesia in cross hairs of global economic slowdown**

Customs officer Tiko Murtiadji is no economist, but as he watches a truck-size X-ray machine inspect a cargo load of car tires here, he knows evidence of the global economic slowdown is standing just outside his window.

## **Social Front**

- **Eid Charity aid for Rohingya refugees in Indonesia**

Sheikh Eid Charity, through its office in Indonesia, has recently provided relief materials to assist Rohingya refugees, a Muslim minority group from Myanmar.

Around 200 refugees had arrived in Indonesia last month in a critical condition after facing oppression and hardship in their home country. Two pick-ups loaded with aid materials were handed to the local authorities in Indonesia.

- **Human rights violations in Papua**

Members of a German human rights delegation walk out of the German Embassy building in Central Jakarta on Thursday after meeting with representatives of Papuan youths and students. The latter were in Jakarta to stage a rally supporting a plan by the German delegation to conduct checks on human rights violations in Papua, following the government's rejection of the delegation's request to visit the province.

- **42 injured as powerful quake hits Indonesia**

A powerful earthquake off eastern Indonesia briefly triggered a tsunami warning Thursday, causing a stampede of residents to higher ground. Hundreds of buildings were damaged and at least 42 people injured, some seriously.

- **Indonesian divorce rates jump after decade of reforms**

Women's emancipation and political differences have contributed to a sharp rise in divorce rates in Indonesia since democratic reforms were introduced more than 10 years ago after the fall of autocratic president Suharto, the Ministry of Religious Affairs said Thursday. The divorce rate has increased steadily every year during the past decade and, during last year, 10 in 100 marriages ended in divorce, the ministry said in a news release posted on its website.

- **100,000 Indonesian workers in Malaysia to be repatriated**

Around 100,000 Indonesian workers are predicted to be deported from Malaysia this year, an official said on Feb. 6.

- **Malaysia**

### **Political Front**

- **Pas refuses to recognise new BN govt**

Pas will not recognise the new Perak government helmed by Barisan Nasional, said Pas spiritual leader Datuk Nik Abdul Aziz Nik Mat. He held to the belief that a snap election should take place to give the people of Perak a chance to choose their government.

- **Najib: He will be sensitive to all races**

The selection of Pangkor state assemblyman Datuk Dr Zambry Abdul Kadir as the new menteri besar of Perak is apt, Deputy Prime Minister Datuk Seri Najib Razak said yesterday.

- **Najib assures non-Malays in Perak they will not be neglected**

Deputy Prime Minister Datuk Seri Najib Tun Razak has given his guarantee that the non-Malays in Perak will not be neglected under the new Barisan Nasional-led state government.

- **Najib adopts people-first leadership style**

The Barisan Nasional has begun taking steps to regain the people's trust after the thrashing in the last general election. Leading this quest is no other than the country's next Prime Minister.

- **Najib to take office in March**

MALAYSIA'S deputy premier Najib Razak will take over as Prime Minister from Abdullah Ahmad Badawi on March 31, an influential news website reported on Wednesday.

- **Umno Youth to go all out to stop Nizar**

Umno Youth members will do “whatever is necessary” to prevent former Mentri Besar Datuk Seri Mohammad Nizar Jamaluddin from reporting to work today at the State Secretariat. Umno Youth deputy chief Khairy Jamaluddin said this included members guarding the building gates and even sitting in front of the Mentri Besar’s Office to prevent Nizar from entering.

- **Boost for Najib, blow to Anwar**

More seriously, critics of the former deputy prime minister, including former PKR Youth chief Mohamad Ezam Mohd Noor, lashed out at Anwar's two-faced attitude to party-hopping.

- **Cabinet to decide on quantum of electricity tariffs’ reduction soon**

The Cabinet will decide in a couple of weeks the rate of reduction of electricity tariffs for the industrial sector. International Trade and Industry Minister Tan Sri Muhyiddin Yassin said that the Cabinet had earlier agreed in principle to lower tariffs but had yet to determine the exact amount.

- **Thai academic flees after monarchy insult charge**

The Thai government has cracked down on thousands of websites deemed to be critical of the monarchy, which is revered in Thailand.

- **Thailand's monarchy should be abolished, a prominent academic says.**

Professor Giles Ji Ungpakorn - who fled to Britain at the weekend after he was charged with defaming the royal family - claims the Thai government is using the country's strict lese majeste laws to silence its critics.

## **Strategic Front**

### **Economic Front**

- **PM rallies envoys behind economy**

Thai officials working overseas can play a key role in helping the government tackle the sagging economy, Prime Minister Abhisit Vejjajiva says.

- **China, Malaysia reach inter-bank currency swap deal**

The People's Bank of China (PBOC) announced on Feb. 8 it has signed a bilateral currency swap agreement with Bank Negara Malaysia, China’s Xinhua news agency reported.

## **Social Front**

- **Thailand: PM confident measures can help one million unemployed**

Thai Prime Minister Abhisit Vejjajiva said Wednesday he is confident his government's extra budget and measures could help 'not less than one million jobless people.'

- **Thai govt warns Jolie and UNHCR over comments on Rohingyas**

Thai government is not happy with US actress Angelina Jolie and the United Nations High Commission for Refugees for criticising that Thai government did not respect Rohingya boat people's human rights

- **PM urges 4 nations to jointly solve Rohingya problem**

The Prime Minister insisted Thailand was not in a position to receive more Rohingya as refugees to the nation, adding the problem needed concerted solutions from relevant countries, including Indonesia, Malaysia, Myanmar and Thailand, and not Bangkok's alone.

- **Flood victims need food**

: About 20,000 rural folks in flood-ravaged settlements in interior northern Sarawak are in urgent need of food supplies.

- **Philippine**

## **Political Front**

- **Iran offers to help in peace talks**

Iran is offering to help the Philippines negotiate peace with Muslim rebels in Mindanao, an envoy told The Manila Times on Tuesday night.

Rouzbehani added that Iran supports peace in all parts of the world, including the negotiations between the Philippine government and the Moro Islamic Liberation Front

## **Strategic Front**

- **Govt urges caution in captives-held region**

The Philippines warned soldiers yesterday against opening fire on kidnappers holding three workers of the International Committee of the Red Cross (ICRC) captive in the lawless south of the country.

- **Philippine Senate summons Arroyo's husband**

Filipino senator Miriam Defensor-Santiago on Friday (February 6) assailed the “hoity-toity” World Bank and announced that she would resume her inquiry into the purported rigged bidding for projects that it was funding.

## **Economic Front**

- **Asia has best potential to stem global slump**

The 10-country Asean grouping and its dialogue partners are being called upon to engage more meaningfully on the world stage amid the economic crisis that has hit most nations very badly.

- **The country’s economic zones turned in a total of P443 billion in export revenues and generated some 177,000 jobs last year.**

De Lima said 1,000 of Intel’s 1,800 laid off workers at Gateway were absorbed by its sister company, Numonix. Numonix, which located here last year, has already sent to the Philippines their machineries from Pudong, China, she added.

## **Social Front**

- **US marine to stay in Philippines’ custody over rape**

The Philippines’ highest court has ruled an American soldier convicted of raping a Filipino in 2006 must be placed in government custody, scrapping a deal between the two countries that allowed detention inside the US embassy.

- **The National Ulama Conference of the Philippines (part 2)**

Part began to report that from January 26 to 29, 200 ulama and aleemat - Muslim scholars trained in Islam and Islamic law who are the interpreters of Islam’s sciences, doctrines and laws - participated in their second national summit. Representing more than 100 ulama organizations, they ratified their charter and elected an interim board of 15 to start the daunting task of organizing the national network. The ulama and aleemat chose the name “National Ulama Conference of the Philippines (NUCP).”

- **Philippine troops kill 8 communist rebels in south**

Soldiers backed by attack helicopters have killed eight communist rebels over the past week in the southern Philippines as part of a stepped-up campaign against the guerrillas, an army commander said Saturday.

- **EU stresses rights in pact with Manila**

Manila: The European Union yesterday underscored the need to incorporate the protection and promotion of human rights into an agreement being negotiated with the Philippines, which seeks to expand political, security and economic co-operation.

- **Philippines: Two suspected Abu Sayyaf rebels killed by army**

Government troops on Monday killed two Muslim militants in the southern Philippines suspected of belonging to the Al-Qaeda linked Abu Sayyaf militant group. The clash occurred in Akbar, in Basilan province, when troops encountered militants while searching for three kidnapped aid workers and a nine-year-old boy allegedly being held by Abu Sayyaf.

- **Three Filipino seamen freed by Somali pirates**

Three Filipinos were among the 24 crew members of a Chinese vessel who have been freed over the weekend after being held hostage for almost three months by Somali pirates, the Philippine Department of Foreign Affairs said on Monday.

- **Thailand**

### **Political Front**

- **Thai PM names new minister of social development and human security**

Thailand's Prime Minister Abhisit Vejjajiva on Feb. 4 said he would endorse Issara Somchai as the new social development and human security minister, reported local media.

### **Strategic Front**

- **Indonesia, Thailand enhance military cooperation**

Indonesia and Thailand have agreed to enhance military cooperation, including securing the Malacca Strait together with Singapore and Malaysia, said Indonesian military chief Gen. Djoko Santoso.

- **Thailand denies border pullback deal with Cambodia**

Thailand has not agreed on the proposed troop withdrawal from the disputed territory surrounding the Preah Vihear temple as claimed by Cambodian Prime Minister Hun Sen, the Bangkok Post reported on Feb. 8.

### **Economic Front**

- **Thailand and US to resume FTA talks**

Thailand and the United States will resume free-trade agreement talks after a three-year suspension of negotiations.

### **Social Front**

- **Six leftists killed in encounter**

Six communist rebels were killed in a clash with government troops in the southern Philippines, a regional military spokesman said yesterday.

## ● Singapore

### Political Front

### Strategic Front

### Economic Front

- **Singapore shares kick off week positive**

Singapore shares kicked off the week on a positive note early Monday, buoyed by hopes for the quick passage of a large US economic stimulus package. The blue chip Straits Times Index was marginally higher, up 0.85 per cent - or 14.65 points - to 1,730.00 within the first minutes of trade. Some 60.9 million shares exchanged hands, with gainers beating losers 87 to 32.

- **More help for SMEs to get access to trade credit insurance, reduce costs**

Small and medium-sized enterprises in Singapore can look forward to more help during the current economic downturn.

- **Singapore shares close 1.92% lower**

Singapore shares closed 1.92 per cent lower on Monday, reversing early gains, in a market cautious over corporate earnings, analysts said. .

- **Singapore not a tax haven, says finance ministry**

The Singapore government has said the country is not a tax haven, despite its recent move to cut its corporate tax rate to 17 per cent. Responding to questions raised in Parliament on Tuesday, Singapore's Finance Ministry said the country's corporate tax rate is not among the lowest in the world.

### Social Front

- **PM Lee urges S'poreans to focus on future during current recession**

Singapore is in a recession, but Prime Minister Lee Hsien Loong says Singaporeans must not sit idle and wait for things to get better.

- **Singapore artist overcomes mental ordeal through art**

Art is different things to different people. But for one person, it has helped her come to terms with her mental and physical condition. As a secondary school art teacher, 36-year-old Aneesa Connie Teo used to teach 500 to 600 students per week.

## ● Vietnam

### Political Front

- **Vietnam asks for restraint over East Sea islands**

Vietnam has requested all relevant parties to refrain from any activities that may complicate the situation in the East Sea , particularly regarding the Spratly and Paracel archipelagoes. Vietnamese Foreign Ministry spokesman Le Dung made the call during a regular press conference in Hanoi on Feb. 5.

- **Gov't orders smooth implementation of ASEAN charter**

The Prime Minister has appointed the Foreign Ministry as the national coordinator for regional cooperation in the process of building an Association of Southeast Asian Nations (ASEAN) community and executing the ASEAN charter.

- **Vietnam concerned over instability in southern Sudan**

A Vietnam Representative to the United Nations

Security Council (UNSC) voiced concern over volatile situation in southern Sudan while speaking at the UNSC's meeting on February 5.

## **Strategic Front**

- **Vietnam engages in ever-closer relationship with Japan**

The forthcoming visit to Vietnam by Japanese Crown Prince Naruhito is an event of great importance demonstrating the increasingly closer relationship between the two countries, according to Vietnam 's ambassador to Japan .

## **Economic Front**

- **Gov't tightens State corporations' investments**

The Vietnamese Government has required State corporations to spend at least 70 percent of their total investment on their major industry and refrain from investing in such "sensitive fields" as securities, banking or insurance.

- **Azerbaijan appreciates Vietnam's position**

Azerbaijan 's President Ilham Aliev said he highly values Vietnam 's political prestige in the world arena and the economic achievements it has made in recent years. The President made the statement while receiving Vietnamese ambassador to Azerbaijan Bui Dinh Dinh on February 6.

- **New financial regulations to govern state-run businesses**

State-run enterprises must preserve their state capital in compliance with laws governing the use and management of funds and assets and benefit distribution, according to a new government decree.

- **Strong Vietnamese Economy Signals Robust Growth for Cavico**

LOS ANGELES & HANOI, Vietnam--(BUSINESS WIRE)--Cavico Corp), a leading infrastructure development company in Vietnam, today announced that the Company doesn't foresee any negative impact on the Vietnamese government's planned infrastructure spending for 2009 due to the current global financial crisis. Cavico management believes that infrastructure growth continues to remain top priority for Vietnam.

- **Government boosts rice reserves**

Prime Minister Nguyen Tan Dung has ordered the Ministry of Finance and Ministry of Agriculture and Rural Development to buy up an additional 100,000 tonnes of rice for the national reserve.

- **Govt to ask discount from department stores to boost local spending**

Deputy Prime Minister Korbsak Sabhavasv said Thursday he would ask shops and department stores nationwide to provide 10-20 per cent discount for consumers in a bit to stimulate domestic spending.

## **Social Front**

- **Laos**

## **Political Front**

- **India Embassy hosts lecture to promote international relation policy**

The Foreign Affairs Institute, Ministry of Foreign Affairs in collaboration with the Embassy of India organized in Vientiane yesterday a lecture under theme ? India policy for South East Asia?.

- **NA discuss on laws improving**

Standing Committee of National Assembly (NA) is carrying out a study to improve several sets of laws, local area laws and to reconsider the six laws that had been approved by the 6th Ordinary Session of National Assembly and then it will present its findings to the 7th Ordinary Session of National Assembly.

## **Strategic Front**

- **More than 60,000 households in Vientiane access to electricity**

Head of Energy and Mining Division, Energy and Mining Service of Vientiane province, Mr. Chalernsouv Visitphackdy said last week that more than 63,000 households in 451 villages, Vientiane province or equals to 82 per cent of population have been accessible to electricity.

- **Flood victims receive aid package**

The flood victims in Sangthong district, Vientiane Capital received 7.21 tonnes of rice and 1,442 bottles drinking water worth almost 30 million kip from Labour and Social Welfare Division of Vientiane Capital.

- **Laos, Vietnam further cooperation on security**

The Ministry of Public Security of Laos and Ministry of Police of Vietnam last week signed an annual cooperation agreement in Luang Prabang province.

## **Economic Front**

- **Laos? access to WTO is unpredictable**

Minister of Industry and Commerce said Laos? access to the World Trade Organisation is unpredictable although a number of rounds of talks with the WTO members have been reached.

- **Indochina Bank starts to operate in Laos**

The Indochina Bank officially started operation on Feb. 6 after one year of construction with a total investment of 5 million USD.

## **Social Front**

- **Power International pledge to further aid Lao with disabilities**

Power International has a plan to assist women with disabilities in five provinces. This is the second phase of the project of the Lao Disabled People?s Association, Strengthening Programme: Improvement of Welfare, Interests and Rights of People with Disabilities Throughout the Country, said Mr John Firchar, representadtive of Power International in Laos. The phase II project is given an allocation of 122,696 euro and its work will commence from now till 2011.

- **Newly skilled Lao workers to work in South Korea**

Laos is equipping Lao workers with vocational skills and it is part of its preparation plan to send them to work in South Korea in the near future.

- **Laos is constructing internal and international rail linkages (eco)**

(KPL) The Party stressed the importance of using the railway for communication and transportation in Laos during its 7th Party Congress and it sees it as also having relevance to the economics and trade in the country.

- **Cambodia**

## **Political Front**

- **Cambodian political opposition struggles hard to obtain proper parliamentary recognition**

Cambodia's main political opposition coalition, the Sam Rainsy Party (SRP), was hoping to obtain better legislative recognition through the allocation of an active role within the National Assembly but saw its ambitions shattered as Prime Minister Hun Sen declared his views on the matter on Monday 17th November as he was away for business in the Kandal province.

## **Strategic Front**

### **Economic Front**

- **Natural resources “for sale” in Cambodia: Global Witness strikes again**

The environmentalist NGO Global Witness, genuine thorn in the Cambodian government's side, is back with a new report, vitriolic following its custom. The title gives the tone: “Country for Sale: Welcome to Cambodia”!

- **Decentralisation and deconcentration in Cambodia: what's behind the D&D policy**

On May 17th this year, polls will be held in Cambodia on the basis of indirect suffrage for the election of councillors in the capital, provinces, municipalities, districts and sections [khans] in the whole Kingdom.

- **Water shortage raises questions**

Why is service disrupted? When will it be resolved? More importantly, who or what is to blame? Siem Reap is entering week four of a mysterious water supply disruption, and the only thing flowing is the rumour mill. The town's watering holes, as well as other businesses and homes, have been parched dry, stretched to the breaking point with as little as one hour of water a day, with no explanation from authorities and no end in sight.

- **Kingdom's banks at risk: IMF**

Nonperforming loans could soar to 13 percent and reserves fall below limits if deposits and foreign capital continue to shrink, says new report

- **True Move to invest despite slump**

True Move, the country's third-largest mobile operator, has reaffirmed that it will continue to invest this year despite the current economic slowdown.

- **UN calls for more aid to support Cambodia’s agriculture**

United Nations Development Programmes has asked donors to speed up farm aid to help Cambodia increase rice exports to offset the losses felt by the important garment sector and tourism due to the global financial crisis.

### **Detailed Monitoring Report**

- Indonesia

### Political Front

- **Indonesia is not a Muslim democracy**

This refers to a part of former President Fidel Ramos' speech that you published February 3. He referred to Indonesia as "the world's largest Muslim democracy." It is not. Indonesia is a secular republic whose constitution stipulates religious freedom but whose government officially recognizes only six religions: Islam, Protestantism, Roman Catholicism, Hinduism, Buddhism and Confucianism. It is not at all an Islamic state but it is the world's most populous Muslim-majority nation, with almost 86.1 percent of Indonesians or 200 million of them declaring themselves to be Muslims. It is a democracy cursed with all the ills the Philippines has.

I agree with Mr. Ramos that "Indonesian Islam" is at the vanguard of national movements for good governance, respect for human rights, and free and credible elections. Although, he must know that the foremost Muslim associations, NU and Muhammadiyah, and the government's religion department are persecuting the "heretical" Ahmadiyah minority sect.

- **Indonesia protest sparks election security fears**

Indonesia's head of police said on Friday he would reshuffle two top police officials for failing to keep law and order after fighting broke out at a local parliament, prompting concerns over security ahead of the 2009 elections.

The protest at the parliament in Medan, North Sumatra has shocked many Indonesians while calling into question the ability of the police to maintain public order. With parliamentary elections due on April 9 and presidential elections on July 8, the head of the national police said security would be stepped up to ensure peaceful voting.

Indonesian police chief Bambang Hendarso Danuri said he would reshuffle the heads of North Sumatra province and Medan police following the case. Abdul Aziz Angkat, council speaker for North Sumatra province, died from a heart attack on Tuesday after he was beaten up by protesters calling for the establishment of a new district.

The incident was shown on Indonesia's Metro TV and follows a long-running and heated debate. In the wake of Angkat's death, President Susilo Bambang Yudhoyono has called for a halt in the creation of new districts

- **Nizar goes about 'business as usual'**

As the Barisan Nasional state government got down to brass tacks yesterday after assuming power on Thursday, a parallel "state government" was going about business as usual.

Former menteri besar Datuk Seri Mohammad Nizar Jamaluddin held a meeting with the former state executive councillors from Pakatan Rakyat at his "official" residence at Jalan Raja Dihilir "on matters for the betterment of Perak". Nizar, with his team of executive councillors, announced that the Pakatan Rakyat state government had decided on four policy matters.

Among "policies" approved were extensions on leasehold industrial land from the original 30- or 60-year limit to a new 99-year lease. Current leasehold tenants may apply for the new extension from the relevant department if they are interested." Nizar also declared that 342 people had been shortlisted as local councillors and that they would be sworn in to serve their zones as soon as possible.

He also announced that the state had allocated RM1 million to help pay for the funeral expenses of the state's hardcore poor. Nizar also announced that RM2.7 million would be pumped into the Ipoh Airport to transform it into a low-cost carrier terminal for Firefly.

He said BN could appoint state executive councillors "and make Perak the first state in the world with two government". Nizar said he and his team of executive councillors would report for work at the state secretariat on Tuesday.

## **Strategic Front**

- **Indonesia, Thailand enhance military cooperation**

Indonesia and Thailand have agreed to enhance military cooperation, including securing the Malacca Strait together with Singapore and Malaysia, said Indonesian military chief Gen. Djoko Santoso.

Military cooperation between the two countries has run well so far but it will be stepped up even more and conducted on a wider scale, Gen. Santoso said after accompanying Thai Armed Forces Chief Gen Songkitti Jaggabatara at a meeting with Indonesian Defence Minister Juwono Sudarsono in Jakarta on Feb. 4.

- **Indonesia, Singapore to sign sea border agreement**

Indonesia and Singapore plan to sign an agreement on their common sea borders in the north of Nipah island, western part of Indonesia, later this month, Indonesian President Susilo Bambang Yudhoyono has said.

The agreement on the sea border in the western region was reached after intensive negotiations between the two governments over the past three years, President Yudhoyono was quoted by Antara news agency as saying on Feb. 2.

The fixing of the sea territorial border would encourage economic cooperation among Indonesia, Singapore and Malaysia, particularly the Singapore-Johor-Riau economic development triangle, he added. He said that clear geopolitical borders and guaranteed security would boost regional cooperation, including security cooperation in the Malacca Strait.

## **Economic Front**

- **Indonesia in cross hairs of global economic slowdown**

Customs officer Tiko Murtiadji is no economist, but as he watches a truck-size X-ray machine inspect a cargo load of car tires here, he knows evidence of the global economic slowdown is standing just outside his window.

When Hillary Clinton visits Indonesia next week during her first overseas trip as secretary of state, she will drive past other signs of trouble on her way from the airport to downtown Jakarta, the capital city.

Near the airport, hundreds of migrant workers cast about, evicted from Malaysia and other countries where palm oil plantations and parts factories are gearing down. As Clinton passes through Jakarta's business district, she might spot a few buildings that remain unfinished a decade after the Asian financial crisis ended in 1999. Today, real estate developers are putting a new cohort of projects on hold.

Indonesia could emerge this year as test case for the growing debate over whether the full-fledged embrace of globalization—encouraged by the U.S. and other major economies for at least a quarter-century—has damaged the economies of several less-developed countries.

Indonesia is fairly well set, the thinking goes, because it focused on developing its domestic economy in parallel with its export sector. Other regional powerhouses such as Singapore and Malaysia focused almost exclusively on exports. The value of exports from those two countries nearly doubles their actual domestic production, while Indonesia's exports amount to only 25 percent of its gross domestic product.

Will Indonesia be insulated from the global crisis? Not quite. Private forecasts put the country's growth considerably below the nearly 5 percent target set by Indonesia's government. But even growth in the consensus of about 3 percent would put Indonesia ahead of trade-heavy Singapore, which could see its economy decline 1 percent this year.

Malaysia, meanwhile, has laid plans to send 100,000 Indonesian migrant workers back home, as palm oil plantations and export-based manufacturers cut operations. Malaysia's economy is expected to grow only about 1 percent this year.

Indonesia is taking measures to build new barriers against the global economy. The government recently imposed registration requirements on the import of some 500 key product categories.

Trade minister Mari Elka Pangestu, in an interview with the Tribune and other journalists on an Asia reporting trip sponsored by the East West Center in Hawaii, called Indonesia's registration requirements "an effort to reduce illegal imports." But it's clear the

government is seeking to protect Indonesian jobs by erecting non-tariff barriers to block imports.

Indonesian mining executive Beni Bahta said Indonesian industry can succeed even without new tariffs. He is optimistic enough, he said, that he is scouting for new mineral resources to buy on behalf of the Brazilian mining conglomerate that owns his company.

For the remainder of the year, Indonesia will face a tough balancing act. The government's heavy debt load will limit what officials can do to stimulate the economy. Investment bank Morgan Stanley says the high debt makes Indonesia the most fragile economy in southeast Asia.

Chairul Hadi, a human rights activist, has opened a shelter for migrant workers expelled from countries where the economy is slowing. Hadi once believed Indonesia was insulated, but the tide of financially broke, worn-down immigrants at his shelter each day has convinced him otherwise. Indonesia tried harder than most in this region to steer an independent course. In a global crisis this powerful, it may not be possible to keep trouble at arm's length.

## **Social Front**

- **Eid Charity aid for Rohingya refugees in Indonesia**

Sheikh Eid Charity, through its office in Indonesia, has recently provided relief materials to assist Rohingya refugees, a Muslim minority group from Myanmar.

Around 200 refugees had arrived in Indonesia last month in a critical condition after facing oppression and hardship in their home country. Two pick-ups loaded with aid materials were handed to the local authorities in Indonesia.

Ali bin Abdullah Al Suwaidi, General Manager of Eid Charity, stated that the humanitarian gesture is part of the Charity's mission to support the needy. He further, announced that the charitable foundation is planning to dispatch another aid consignment for a fresh group of Rohingya refugees who have landed in Indonesia through the sea.

- **Human rights violations in Papua**

Members of a German human rights delegation walk out of the German Embassy building in Central Jakarta on Thursday after meeting with representatives of Papuan youths and students. The latter were in Jakarta to stage a rally supporting a plan by the German delegation to conduct checks on human rights violations in Papua, following the government's rejection of the delegation's request to visit the province.

- **42 injured as powerful quake hits Indonesia**

A powerful earthquake off eastern Indonesia briefly triggered a tsunami warning Thursday, causing a stampede of residents to higher ground. Hundreds of buildings were damaged and at least 42 people injured, some seriously.

The US Geological Survey said the shallow, 7.2-magnitude quake struck off Sulawesi island's coast at around 1.34am, shaking people from their sleep. It was followed by dozens of aftershocks, the strongest measuring 6.2.

Nearly 500 buildings were damaged, including several schools, hospitals and churches, he said. Of the 42 people receiving medical care, 10 suffered serious injuries. Thousands of others were seeking refuge in shelters.

The USGS said the early morning quake, and nearly three dozen aftershocks that followed, were centered 320km from Manado, the northernmost city on Sulawesi island, and 20km beneath the ocean floor. Indonesia is prone to seismic upheaval due to its location on the so-called Pacific "Ring of Fire," an arc of volcanos and fault lines encircling the Pacific Basin.

In December 2004, a massive earthquake off the country's western island of Sumatra triggered a tsunami that battered much of the Indian Ocean coastline and killed more than 230,000 people — more than half of them in Indonesia's Aceh province alone. A tsunami off Java island in 2007 killed nearly 5,000.

- **Indonesian divorce rates jump after decade of reforms**

Women's emancipation and political differences have contributed to a sharp rise in divorce rates in Indonesia since democratic reforms were introduced more than 10 years ago after the fall of autocratic president Suharto, the Ministry of Religious Affairs said Thursday. The divorce rate has increased steadily every year during the past decade and, during last year, 10 in 100 marriages ended in divorce, the ministry said in a news release posted on its website.

The ministry said 2 million couples get married every year in Indonesia, the world's most populous Muslim country. In Indonesia's second-largest city, Surabaya, 80 per cent of 48,374 recorded divorces were initiated by women while in the capital, Jakarta, women filed 60 per cent of the 5,193 divorces, the statement said without giving a timeframe for those figures. Nasaruddin Umar, the ministry's director general for Islamic community guidance, said divorces triggered by differences in political views increased every year and the trend was cause for concern.

Nasaruddin said he believed that more and more women were filing for divorces because they believed they had the same rights as men. Under Indonesian marriage laws, men and women have equal rights

- **100,000 Indonesian workers in Malaysia to be repatriated**

Around 100,000 Indonesian workers are predicted to be deported from Malaysia this year, an official said on Feb. 6.

If the deportation really happens, the workers will be repatriated in stages, Indonesian Manpower and Transmigration Minister Erman Suparno was quoted by Antara news agency as saying. The workers are working in Malaysia's manufacturing sector, which saw a declining order of about 30 percent.

Earlier, Indonesian Ambassador to Malaysia Dai Bachtiar also said that it was predicted that around 100,000 migrant workers from Indonesia will have to return to their home country in 2009.

- **Malaysia**

### **Political Front**

- **Pas refuses to recognise new BN govt**

Pas will not recognise the new Perak government helmed by Barisan Nasional, said Pas spiritual leader Datuk Nik Abdul Aziz Nik Mat.

He held to the belief that a snap election should take place to give the people of Perak a chance to choose their government.

Nik Aziz, who is also the Kelantan menteri besar, said the latest development in Perak was being masterminded by a certain party. Later, Nik Aziz said he did not want to comment on the move by former Perak menteri besar Datuk Seri Mohammad Nizar Jamaluddin to file a suit against the Sultan of Perak, Sultan Azlan Shah, on Tuesday. Nik Aziz said he respected the sultan's decision not to dissolve the Perak legislative assembly.

- **Najib: He will be sensitive to all races**

The selection of Pangkor state assemblyman Datuk Dr Zambry Abdul Kadir as the new menteri besar of Perak is apt, Deputy Prime Minister Datuk Seri Najib Razak said yesterday.

Najib, who is also Perak Barisan Nasional chairman, said Zambry had the experience and qualification in fields related to administration and politics.

Asked to comment on concern by some parties that the BN government would neglect the non-Malays in Perak, Najib said: "I've asked the menteri besar to be sensitive to all races. We will fight for the interests of all races. In fact, I'll be joining the Chinese community

in Ipoh in its Chinese New Year celebration tomorrow night. On whether BN had made a mistake in accepting Behrang assemblyman Jamaluddin Mat Radzi and Changkat Jering assemblyman Mohd Osman Mohd Jailu, both of whom are facing corruption charges, into the BN, he said they were independent assemblymen who supported the BN. Asked whether by-elections should be held to overcome the political upheaval in Perak, Najib, who is also BN deputy president, said the decision rested with the Sultan of Perak.

Meanwhile, Unity, Culture, Arts and Heritage Minister Datuk Seri Shafie Apdal described the selection of Zambray as apt and timely in view of the latter's experience in the political arena and the fact that he was a capable, young leader.

- **Najib assures non-Malays in Perak they will not be neglected**

Deputy Prime Minister Datuk Seri Najib Tun Razak has given his guarantee that the non-Malays in Perak will not be neglected under the new Barisan Nasional-led state government.

“The party will fight for everybody’s interests,” Najib told reporters after attending the 44th South-East Asia Central Banks Governor’s Conference at Bank Negara Malaysia here yesterday.

He was responding to claims that the Chinese in Perak were worried that their welfare may be sidelined under the new leadership. Najib was also confident that picking Dr Zambray as the new Perak Menteri Besar was the right decision based on the latter’s experience in political administration.

On Changkat Jering assemblyman Mohd Osman Mohd Jailu and Behrang assemblyman Jamaluddin Mohd Radzi joining Umno while facing corruption charges, Najib stressed they were Independents and not Umno members. He added that the Sultan was satisfied that Datuk Seri Mohammad Nizar Jamaluddin had lost the majority in the State Assembly. Najib said Barisan respected the Sultan’s consent to appointing Dr Zambray as the Menteri Besar.

- **Najib adopts people-first leadership style**

The Barisan Nasional has begun taking steps to regain the people’s trust after the thrashing in the last general election. Leading this quest is no other than the country’s next Prime Minister.

DATUK Seri Najib Tun Razak has been hosting breakfast meetings with newspaper editors regularly for the past two months. The discussions are two way – the Deputy Prime Minister updates and explains to the journalists on the country’s policies and political developments.

For prosperity: Najib (second from right), MCA president Datuk Seri Ong Tee Keat (centre), Federation of Chinese Associations Malaysia president Tan Sri Lim Gait Tong (third from right) and Datin Seri Rosmah Mansor tossing yee sang during the Malaysia-China Friendship Night at The Mines Resort in Seri Kembangan on Sunday.

The editors, in return, tell him what the people are saying about the Government. Most times, the remarks are candid and no holds barred. Najib is equally open with his feelings. From the unveiling of a “mini budget” in March to complaints from a Chinese newspaper editor of racist trainers at courses conducted for Government scholar holders, everyone gets to hear each other’s views. He carefully takes down notes of cases he needs to follow up while his aides listen attentively. It is a platform that the country’s next Prime Minister has committed to so he can hear alternative views.

On Sunday night, Najib made another refreshing commitment – the Government will examine and make necessary changes to its policies to regain the people’s trust and confidence after losing their support in the March 8 polls.

It was an honest admission because the perception, rightly or wrongly, is that many Umno leaders are still in denial mode.

The old approaches, such as the perceived obsession of them hanging on to their division chairman positions at all costs, have taken a toll on the party. They have yet to wake up from their slumber. Najib gave an assurance that the Barisan would continue to work on the multi-ethnic and power sharing platform to ensure that all Malaysians are looked after. Najib is well aware of the political cost if no immediate steps are taken soon to salvage.

- **Najib to take office in March**

MALAYSIA'S deputy premier Najib Razak will take over as Prime Minister from Abdullah Ahmad Badawi on March 31, an influential news website reported on Wednesday.

Quoting an unnamed source, the Malaysian Insider ([www.themalaysianinsider.com](http://www.themalaysianinsider.com)) said Mr Najib will assume the premiership on the same day that Mr Abdullah clocks out, and will chair his first Cabinet meeting the next day. Mr Najib, the son of Malaysia's second Prime Minister Razak Hussein, will stand unopposed as the leader of the United Malays National Organisation (UMNO), the lead component in the country's ruling National Front in party elections scheduled from March 24 to March 28.

Mr Najib takes over a country that is sliding towards recession. Data released on Thursday showed exports fell nearly 15 per cent in December from a year ago, much worse than expected.

Mr Abdullah took over the helm of this South-east Asian country on Oct 31, 2003 from long-serving premier Mahathir Mohamad. Mr Abdullah led the National Front to a historic sweep of over 90 per cent of parliament seats in polls held in March 2004.

Mr Abdullah's lacklustre administration and unfulfilled reform promises led in part to a polls backlash in the general elections in 2008 when the coalition lost its cast-iron two-thirds parliamentary majority forcing him to quit early.

The 55-year old British-educated Najib will be leading a coalition and government still struggling to turn around from the election losses amid the first likely recession in eight years for Malaysia

- **Umno Youth to go all out to stop Nizar**

Umno Youth members will do “whatever is necessary” to prevent former Mentri Besar Datuk Seri Mohammad Nizar Jamaluddin from reporting to work today at the State Secretariat. Umno Youth deputy chief Khairy Jamaluddin said this included members guarding the building gates and even sitting in front of the Mentri Besar’s Office to prevent Nizar from entering.

However, he said such action might not be necessary as Ipoh OCPD Asst Comm Azisman Alias had given the assurance Nizar and his “illegal excos” would be barred from entering. Loud and clear: Khairy (with microphone) addressing the rally of youth and movement leaders in Ipoh, held to show their loyalty to the Sultan of Perak.

Khairy also appealed to the Perak Sultan to strip Nizar and former senior exco Datuk Ngeh Koo Ham of their Datukships. He said Pakatan Rakyat’s refusal to give way to newly-sworn Mentri Besar Datuk Dr Zambry Abdul Kadir showed the coalition was power crazy.

Perak Mufti Datuk Seri Harussani Zakaria also urged the people to respect the decision made by Sultan Azlan Shah. He said as ruler of the state, the Sultan had the power to appoint or strip Nizar of his Mentri Besar post. Speaking to reporters here after a visit by Dr Zambry to his home yesterday, Harussani said the people had to accept the Sultan’s decision. Urging Muslims in Perak to be rational, Harussani said they should be united and work together to develop the state.

- **Boost for Najib, blow to Anwar**

More seriously, critics of the former deputy prime minister, including former PKR Youth chief Mohamad Ezam Mohd Noor, lashed out at Anwar's two-faced attitude to party-hopping.

Ezam said Anwar's mercenary inconsistency in regard to party loyalty and discipline did not make him a "good statesman". As the crisis unfolded in Ipoh last week, the international news wires quickly savoured the just deserts, describing the fall of the

Pakatan in Perak as a "boost" for Deputy Prime Minister Datuk Seri Najib Razak and a "blow" to Anwar. Anwar's comeuppance was not only a point to be made by journalists.

At a press conference after the swearing-in on Friday of BN's Datuk Dr Zambry Abdul Kadir as Perak menteri besar, however, Anwar again bragged about luring defectors. Perhaps half believing that he could still pull it off, senior leaders of the Pakatan, such as Pas' Datuk Seri Abdul Hadi Awang and the DAP's Lim Kit Siang, have indulged Anwar as the presumptive prime minister.

Nasarudin's first crossing on Jan 25 was roundly welcomed. With no hint of hypocrisy, Terengganu Pas commissioner Datuk Mustafa Ali was reported five days later as saying that BN defectors were doing the right thing but Pas members would never be allowed to switch. Of the Pakatan stalwarts, only DAP chairman Karpal Singh declined to be mesmerised by Anwar's rhetoric and stuck to a principled stand against party turncoats.

Last June, Anwar assumed he had Karpal on his side. "If people endorse our agenda and policies, Karpal does not have problems" with cross-overs. On Jan 9, in the latest of Karpal's rebuffs, he said: "DAP will only form the Federal Government with the support of the people in the general election, together with its partners in the Pakatan Rakyat, and not on the support of crossovers."

- **Cabinet to decide on quantum of electricity tariffs' reduction soon**

The Cabinet will decide in a couple of weeks the rate of reduction of electricity tariffs for the industrial sector. International Trade and Industry Minister Tan Sri Muhyiddin Yassin said that the Cabinet had earlier agreed in principle to lower tariffs but had yet to determine the exact amount.

For one, he said, the electricity consumption among the industries varied and this should be factored in when determining rebates. On another matter, Muhyiddin said the ministry was also looking into setting up a special Human Resource Development Fund for selected industries to encourage them to retrain workers rather than retrench them.

He added that the application for setting up of the fund was being made under the proposed Government economic stimulus plan.

Earlier in his speech, he said that 10 investment missions were being planned this year for Asean countries, Japan, America, the European Union, the Middle East, Russia and Australia.

- **Thai academic flees after monarchy insult charge**

The Thai government has cracked down on thousands of websites deemed to be critical of the monarchy, which is revered in Thailand.

A Thai academic has fled the kingdom after being charged with insulting the monarchy, saying he won't get a fair trial. The Thai police laid charges against 55-year old Giles Ji Ungpakorn last month.

They say he breached Thailand's strict lese majeste laws in a book he wrote two years ago after the military coup. More recently Mr Giles has attacked the royalist People's Alliance for Democracy protest group which shut down Thailand's airports last year. Mr Giles initially said he would fight the charges and fight for freedom of speech. But at the weekend he fled to Britain, where he also holds citizenship. In an email to the ABC, Mr Giles described Thailand as a police state. He says he won't return until the regime had changed. The new government has cracked down on thousands of websites deemed to be critical of the monarchy, which is revered in Thailand.

- **Thailand's monarchy should be abolished, a prominent academic says.**

Professor Giles Ji Ungpakorn - who fled to Britain at the weekend after he was charged with defaming the royal family - claims the Thai government is using the country's strict lese majeste laws to silence its critics.

Police say Giles breached the laws in a book he wrote in 2007, following Thailand's military coup but he says he is being punished for speaking out against the pro-monarchic People's Alliance for Democracy, a major player in the current Abhisit political regime.

He initially said he would remain in Thailand to fight the charges but later fled to Britain, where he also holds citizenship, because he feared he wouldn't get a fair trial. He said: "The political climate in Thailand is nearing a situation like a police state. The courts are biased. I think the government is trying to create a climate of fear in conjunction with the efforts of the military.

To move forward, the academic says the monarchy must be abolished.

"Whether or not that's its intention, the fact is that the monarchy is being used by the government and the military to justify its own actions. The 16 million people who voted for the previous elected governments feel that the monarchy has intervened in politics and actually destroyed democracy.

## **Strategic Front**

### **Economic Front**

- **PM rallies envoys behind economy**

Thai officials working overseas can play a key role in helping the government tackle the sagging economy, Prime Minister Abhisit Vejjajiva says.

As Thailand reels from the global financial crisis, the prime minister yesterday told Team Thailand in Tokyo that team members were important in turning government policy into action. Plans to revive the economy include attempts to find new markets and measures to bring in more tourists by temporarily lifting visa fees and slashing the landing fee at airports by half.

Mr Abhisit met them on his first day of his working visit which ends tomorrow. Today he will meet leading members of the Japanese business association Keidanren and president of the Japan International Cooperation Agency Sadako Ogata, and Minister of Economy, Trade and Industry Toshihiro Nakai. He will also call on Prime Minister Taro Aso.

He will discuss with Japanese government and business leaders the relaxation of trade measures which could present barriers to international trade with Thailand, Mr Abhisit told reporters at Suvarnabhumi airport before his departure. He will also follow up the progress of the government's request for loans from the Japanese government for its electric train projects. Mr Abhisit said he expected his three-day visit would smooth continuing international cooperation projects between Thailand and Japan. He would discuss with Prime Minister Aso immediate economic threats looming in Asia and the Japanese government's recent announcement that it would help economies in Asia out of economic slump.

Mr Abhisit said he would see what role Thailand could play in the Japan-led economic stimulus attempt, and how Thailand could benefit from it. He also planned to talk to Japanese business leaders to restore their confidence in the Thai economy. Mr Abhisit will meet business leaders from several sectors including the steel, food, and tourism industries.

In Thailand, an executive of a training association that has arranged on-the-job training placements for Thais in Japan for five years said the economic slowdown and labour retrenchments in Japan had hurt the programme. Mikio Tanaka, deputy general manager of the Association for International Manpower Development of Medium and Small Enterprises, Japan (IMM), said the economic slump in Japan had forced small and medium-sized enterprises to close businesses and lay off staff. The situation made it difficult for IMM to arrange on-the-job training placements in Japan for its Thai trainees.

Mr Tanaka said the number of Thai trainees placed in on-the-job training in Japan this year could fall by half compared to last year.

- **China, Malaysia reach inter-bank currency swap deal**

The People's Bank of China (PBOC) announced on Feb. 8 it has signed a bilateral currency swap agreement with Bank Negara Malaysia, China's Xinhua news agency reported.

The agreement allows the two banks to swap 80 billion yuan/40 billion Ringgit (roughly 11.12 billion USD) in three years, and could be extended if mutually agreed. The arrangement aims to boost bilateral trade and investment as well as boost economic development of the two countries, said the PBOC.-

## **Social Front**

- **Thailand: PM confident measures can help one million unemployed**

Thai Prime Minister Abhisit Vejjajiva said Wednesday he is confident his government's extra budget and measures could help not less than one million jobless people.

Mr. Abhisit said that economic ministers earlier in the day discussed the mid-year government budget amounting to Bt6.9 billion which would be spent on boosting workers' skills which could help about 500,000 of Thailand's unemployed. Another measure which is being implemented by several ministries could lessen hardships of at least 500,000 unemployed people, he said.

His remarks were made as Labour Minister Phaithoon Kaeothong said the number of newly-registered jobless people in January rose to 66,776, up sharply by 141 per cent in the corresponding period of 2008. According to Mr. Phaithoon, the country's five top industries which have laid off the highest number of employees were auto parts and automobile production companies, furniture, textiles and machinery production.

However, there will be 128,173 jobs available in February and the Labour Ministry will offer them at job fairs held Saturdays in every region of the country, Mr. Phaithoon said.

- **Thai govt warns Jolie and UNHCR over comments on Rohingyas**

Thai government is not happy with US actress Angelina Jolie and the United Nations High Commission for Refugees for criticising that Thai government did not respect Rohingya boat people's human rights

Thai Foreign Ministry's Permanent Secretary Virasakdi Futrakul said the Rohingya's presence in Thailand is a hot issue. "It was a coincidence that the [Rohingya](#) was a hot news issue at the time. We must warn UNHCR that they should not comment on the matter because they have no mandate." The warning came after UNHCR's goodwill ambassador Jolie who visited Burmese camps along Thai border last week criticised Thai government of ignoring the plight of Rohingyas and suggested that Thai government should take better care of the Burmese ethnics. Virasakdi told reporters that Angelina was not focused on the Rohingya, but was visiting Burmese refugee camps.

- **PM urges 4 nations to jointly solve Rohingya problem**

The Prime Minister insisted Thailand was not in a position to receive more Rohingya as refugees to the nation, adding the problem needed concerted solutions from relevant

countries, including Indonesia, Malaysia, Myanmar and Thailand, and not Bangkok's alone.

Prime Minister Mr. Abhisit Vejjajiva said on Tuesday (February 10) that the government has agreed with the United Nations High Commissioner for Refugees (UNHCR), the UN refugee agency, that if the UNHCR helped Thailand to seek countries of origin and destinations of the Rohingya, the Thai government would be prepared to help expatriating them to the destinations.

He said, however, that at the moment, Thailand was not in a position to additionally receive boat people of the Rohingyas, the minority Muslim group in Myanmar, as refugees as significant number of the group has already been living in Thailand.

Stressing the Rohingyas were not refugees, Mr. Abhisit said that most of them were men in working ages. They fled their origin countries to seek for jobs. He also said that if the Western nations were willing to receive the Rohingyas, Thailand was prepared to take care of the expatriation process.

The premier noted that the Rohingya issue should be jointly solved between Indonesia, Malaysia, Thailand and Myanmar, adding it was the common problem between these nations, and not Thailand's alone. He also said that Japanese leaders shared his view on the matter that the solution to the problem should be done on regional basis.

- **Flood victims need food**

: About 20,000 rural folks in flood-ravaged settlements in interior northern Sarawak are in urgent need of food supplies.

Food supply depleted after weeks of heavy rain inundated their settlements and destroyed their padi fields and vegetable farms. Help us: Residents in Lawas moving their belongings by boat to higher ground. According to locals, this was the worst flood to hit the town since 1974. Most of the victims are living in the Baram parliamentary constituency which is the second largest parliamentary seat in Malaysia after Kapit.

Baram state disaster relief committee chairman Joseph Balayong, told The Star yesterday, that he had received appeals for help from 17,000 people and eventually about 20,000 people would need help. Balayong, who is also the Baram district officer, said his office had distributed food to those living in and around major towns and villages, while relief workers were deployed into the deep interior to send food. He also expressed worries of swift river current posing a danger to boats ferrying the workers and food supply. Meanwhile, Public Works Department workers have started to repair the rural road networks that had collapsed recently due to erosion.

# ● Philippine

## Political Front

- Iran offers to help in peace talks

Iran is offering to help the Philippines negotiate peace with Muslim rebels in Mindanao, an envoy told The Manila Times on Tuesday night.

Rouzbehani added that Iran supports peace in all parts of the world, including the negotiations between the Philippine government and the Moro Islamic Liberation Front (MILF).

Iran is willing to be consulted and share insights from its experience in Tajikistan, he said. The DDR would shift the focus of the peace talks to the communities and stakeholders instead of the rebel groups, he explained. The process is similar to Malacañang's new approach to forging peace with the MILF. Rouzbehani said he has broached this idea to Hermogenes Esperon Jr., formerly the presidential adviser on the peace process, and to the new government peace panel chairman, Rafael Seguis.

### Change Iran wants

Also on Tuesday night, Rouzbehani challenged US President Barack Obama to extend his promise of change in US foreign policy. Rouzbehani said America's interference in other countries, particularly those in the Middle East, has created many problems. America, for one, has been prodding Iran to give up its nuclear power facilities, he added.

He also chided America's support of Israel's military offensive on the Gaza Strip, which has now left around 500 dead and hundred others wounded.

Also on Wednesday, Roque said that an output of 10,000 nursing jobs yearly is being projected for the Nurses Assigned in Rural Areas (NARS)—a training program of the Labor department in partnership with the Philippine Nursing Association, deans of nursing schools and government units. The program, which also provides a P2,000 stipend from the local government, would help in the placement of Filipino nurses, especially new nursing graduates who just passed the board exams.

### No closures in PEZA

Despite the global economic crunch, no factory in the country's economic zones have shut down, Lilia de Lima, head of the Philippine Economic Zone Authority (PEZA) said also on Wednesday. Despite the closure of Intel's factory in Cavite last month, de Lima said the employment rate in the economic zone managed to increase by 2.54 percent in 2008 compared to 2007.

## **Strategic Front**

- **Govt urges caution in captives-held region**

The Philippines warned soldiers yesterday against opening fire on kidnappers holding three workers of the International Committee of the Red Cross (ICRC) captive in the lawless south of the country.

On Monday, two Muslim rebels were killed and 11 soldiers were wounded in a brief firefight as government troops closed in on a kidnap gang believed to be holding the hostages in the interiors of Jolo island, Brigadier-General Gaudencio Pangilinan said.

“The rules of engagement are very clear — unless fired upon, you don’t fire,” Pangilinan told reporters in Manila after the ICRC said it was “very concerned” about the safety of the captives after it learned about the fighting in the area. The ICRC workers — Swiss Andreas Notter, Italian Eugenio Vagni and Filipina Mary Jean Lacaba — were abducted on January 15 a few hundred yards from a prison on Jolo island where they had inspected a water and sanitation project.

The Abu Sayyaf, a small Islamic militant group, claimed it was holding them and demanded negotiations with the country’s vice president and the ambassadors of Italy, Switzerland and Qatar, but the government rejected the request.

Pangilinan said hundreds of soldiers had cordoned off an area where the kidnap gang was keeping their hostages, trying to limit the movements of the Islamic militants and controlling the flow of food and other supplies to them.

- **Philippine Senate summons Arroyo's husband**

Filipino senator Miriam Defensor-Santiago on Friday (February 6) assailed the “hoity-toity” World Bank and announced that she would resume her inquiry into the purported rigged bidding for projects that it was funding.

Santiago said she had scheduled a hearing on February 12 and that her committee on economic affairs had sent out invitations to the public figures implicated in the purported collusion in the bidding for the National Road Improvement and Management Program 1 (NRIMP 1). Those invited are Jose Miguel “Mike” Arroyo, President Gloria Arroyo’s husband; Prospero Pichay and Jacinto Paras, former representatives of Surigao and Negros Occidental, respectively; Florante Soriquez, former secretary of the Department of Public Works and Highways; and Lope Adriano, Tito Miranda and Boy Belleza, project director, assistant director and alleged broker, respectively, of the DPWH.

Yesterday, she described World Bank Country Director Bert Hofman as “arrogant” and accused him of impeding the inquiry. She called on the foreign affairs department to file a

“formal protest” against the World Bank for its refusal to give the Senate a copy of its report on three Filipino construction firms that it had blacklisted for collusion.

#### Confidentiality of referral report

Santiago wrote a letter on February 4 requesting the World Bank to furnish her committee a copy of its report. The senator said that out of courtesy, Hofman should at least have directed the World Bank legal department to submit a legal memorandum to the Senate.

#### Ombudsman Gutierrez

Santiago’s committee has also issued a subpoena to Finance Secretary Margarito Teves and Ombudsman Merceditas Gutierrez directing them to bring the World Bank report to the hearing on February 12. (The two officials were no-shows at the January 27 hearing.) Budget secretary Rolando Andaya had earlier said that World Bank officials furnished the Ombudsman all documents pertaining to the rigged bids.

On Thursday, senator Panfilo Lacson called on Santiago to resume the inquiry so she could subpoena the World Bank report. On Wednesday, he released to the media “excerpts” of the report that, he said, had at least 10 witnesses linking Mike Arroyo, certain politicians and DPWH officials to collusion in the rigged bidding. Santiago had said she would resume the inquiry only if Lacson would be able to produce the witness who told him that one of the three blacklisted Filipino contractors delivered bribe money to the office of the President’s husband in 2003.

#### Where’s the proof

Press Secretary Cerge Remonde said those politicians dragging even Ms Arroyo’s name into the controversy should present proof of wrongdoing on her part.

Remonde also pointed out that the purported irregularities occurred under NRIMP I.

He reiterated that the purported World Bank report implicating Mike Arroyo in the controversy was but a copy of the complaints of losing contractors. Bello said that if Lacson were holding a sworn statement of the losing contractors, this would be a “good basis” for the conduct of an investigation. Santiago, who also chairs the Senate foreign relations committee, pointed out that since the World Bank was on Philippine territory, it was governed by the Philippine Constitution.

#### Skewed UN system

Santiago said she replied to Hofman immediately after receiving his letter, saying that under international law, the immunity principle had evolved from an absolute rule to a relative rule.

“In the final analysis, it is the Philippine Supreme Court which has the power to decide whether there are compelling reasons to rebut the presumption of confidentiality made by the World Bank. It is only a presumption, and this is the right time to test this in a Philippine court,” Santiago said.

## **Economic Front**

- **Asia has best potential to stem global slump**

The 10-country Asean grouping and its dialogue partners are being called upon to engage more meaningfully on the world stage amid the economic crisis that has hit most nations very badly.

The vast Asian continent, with Asean at its heart, is increasingly being seen as the only engine of growth in the wake of an apparently synchronised global economic recession and social stress, according to participants of last weekend's World Economic Forum (WEF) in Davos, Switzerland.

Nik Gowing from the BBC World News TV channel asserted at a WEF session that if there were no effective solution to the current crisis, there could be a destructive social backlash that would provoke political instability in countries while reviving protectionism and reversing the trend towards globalisation.

Japanese Prime Minister Taro Aso, one of Asean's dialogue partners, shared the opinion that Asia - which accounts for 40 per cent of the world population - had the greatest potential. To help jump-start the regional economy that has been battered by the US-induced global financial crisis, in Davos, Japan announced its US\$17-billion development package for Asian countries to invest in infrastructure and other mega-projects to boost economic growth.

Moreover, Yasuo Hayashi, chairman and CEO of the Japan External Trade Organisation, suggested that the Big Three - Japan, China and India, all key partners of Asean - quickly conclude economic partnership agreements with other Asean members for long-term peace and prosperity.

It is imperative to expedite all motions since economic integration, though greatly beneficial, can be a time-consuming process, the Japanese official said.

Abhisit, also the current chairman of Asean, added that all regional measures needed to be coordinated. With regards to tourism, the PM said the means to apply for visas online, Asean-based tour packages and human-resource training for better travel guides and services were now in place. The Thai leader also supported the long-term objective of promoting value-added eco-tourism, medical tourism and the importance of green travel.

Geoffrey Lipman, assistant secretary-general of World Tourism Organisation, said: "Less travel hassles and more coordinated regional efforts are needed to use travel and tourism as the engine for economic growth."

At the food-security session, Bill Gates, co-chair of the Bill and Melinda Gates Foundation, highlighted the need for technology vitality and need for self-sustenance.

Later, Abhisit told Surin Pitsuwan, the current secretary-general for Asean, to study and implement a regional rice stockpile of 2 million to 3 million tonnes for the Asean community.

Surin noted that the viability of this sort of scheme depended on institutional designs as well as good governance, including accountability, inclusivity, transparency and constant stakeholder dialogue. On the issue of the Rohingya refugees from Burma, Surin said Asean should hold a focus group to find resolutions during the Asean Summit scheduled to be held in Thailand later this month.

- **The country's economic zones turned in a total of P443 billion in export revenues and generated some 177,000 jobs last year.**

De Lima said 1,000 of Intel's 1,800 laid off workers at Gateway were absorbed by its sister company, Numonix. Numonix, which located here last year, has already sent to the Philippines their machineries from Pudong, China, she added.

While some 12,500 workers at the economic zones were laid off from October last year to February 7 this year, the authority has approved more than 560 companies in 2008. These companies have already started hiring new workers inside economic zones.

For 2009, de Lima earlier said that the authority and the Board of Investment (BOI) have approved P7.965-billion worth of new investments, representing a 117-percent increase compared to the P3.66-billion figure in the same period last year.

### Solution to crisis

Affirming that the country is actually "awash with cash," Social Security System President Romulo Neri told congressmen also on Wednesday that the Philippines needs to spend more in infrastructure investments to weather the global crisis.

Neri told reporters after the hearing of the House joint committees on economic affairs and banks that the P330-billion economic stimulus package is important since the country's savings have only been "accumulating in our system."

## **Social Front**

- **US marine to stay in Philippines' custody over rape**

The Philippines' highest court has ruled an American soldier convicted of raping a Filipino in 2006 must be placed in government custody, scrapping a deal between the two countries that allowed detention inside the US embassy.

The Supreme Court, in a majority vote taken on Tuesday but announced only on Wednesday, upheld a decade-old security treaty between Manila and Washington. It also said the treaty was clear on the detention "by Philippine authorities" of any US personnel serving sentences. Jose Midas Marquez, a court spokesman, said the US Marine could remain at the US embassy until final arrangements have been made for his detention in a Philippine facility.

He said the court had ordered the government to begin talks with US officials on Lance Corporal Daniel Smith's transfer to Philippine custody. The court nullified two executive agreements signed by Philippine Foreign Minister Alberto Romulo and US Ambassador Kristie Kenney in December 2006 that allowed the transfer of Smith to the embassy premises. "Agreements on the detention of the accused in the United States embassy are not in accord with the VFA (Visiting Forces Agreement) itself because such detention is not by Philippine authorities", the judges said in a 19-page decision.

The US Embassy in Manila said in a statement it has taken note of the court's decision and would refer the matter to legal experts in Washington.

- **The National Ulama Conference of the Philippines (part 2)**

Part began to report that from January 26 to 29, 200 ulama and aleemat - Muslim scholars trained in Islam and Islamic law who are the interpreters of Islam's sciences, doctrines and laws - participated in their second national summit. Representing more than 100 ulama organizations, they ratified their charter and elected an interim board of 15 to start the daunting task of organizing the national network. The ulama and aleemat chose the name "National Ulama Conference of the Philippines (NUCP)."

From our neighbor, Indonesia, the two largest Muslim religious organizations in the world, Nadhlatul Ulama (NU) and Muhammadiyah, are engaged not only in teaching the faithful about Islam but also in addressing societal problems. They are engaged in the protection of human rights of Muslims as well as non-Muslims. They are engrossed in the reformation of society, with the capacity to influence their national government. Leaders of Nadhlatul and Muhammadiyah have been physically attacked, by misguided fringe elements, during their peaceful demonstrations in support of pluralism and respect for other faiths.

NU and Muhammadiyah have participated in our two ulama summits. Muhammadiyah President Din Syamsuddin and NU Vice Chair Masykuri Abdilla were with us last January 2008. Muhammadiyah Secretary Dr. Anwar Abbas and NU Secretary General

Dr. Endang Turmudi stayed with us for this week's four-day summit, a continuation of their support for this initiative to help empower our Philippine ulama.

Both NU and Muhammadiyah are stellar examples of the influence of the ulama to improve society. Both have universities, hospitals, Islamic financial institutions, that provide vital services to their communities. Both use their influence for peace and justice.

Dr. Endang Turmudi, the Secretary General of Nadhlatul Ulama (NU), the largest Muslim religious organization in Indonesia, noted in his keynote address that “The Islamic concept, which suggests no differentiation between religious and worldly lives, as the latter has to be stirred up by Islamic values and norms, has resulted in a dynamic attitude of Muslim society, which attempts to make the reality suitable to the ideal as revealed by the Qur’an.” Thus, organizations like NU and Muhammadiyah, another major Indonesian religious organization, aim to implement this concept to construct “an ethos that urges Muslims to build their social and political order compatible with Qur’anic morals and ethics.” Dr. Turmudi observed that “In Indonesian history, for example, this attitude was expressed by their refusal of Dutch presence, which created a situation far from ideals, and also by an ongoing dynamic attitude, which presented a self-critique, an effort to revitalize Islam.”

Dr. Anwar Abbas, Secretary of Muhammadiyah and Chair of the Entrepreneurship and Economic Council of The Muhammadiyah Central Board, focused the attention of the ulama participants on the need for the NUCP to become an independent and sustainable organization. He observed in an interview with ABS-CBN that the “negative perceptions of Muslims being a ‘lazy people’ are sometimes fortified by Muslim brothers who neglect their surroundings.” In his laecture, he spoke of how Muhammadiyah developed its organizational capacity and financial independence, allowing it to serve the needs of its community, both spiritual and physical. He also stressed the importance of the ulama working together with the other sectors of society—the professionals, civil society, government—to better serve the Ummah.

Muhammadiyah and Nadhla-tul are involved in societal reform, strengthening the pluralistic nature of Indonesia society. Both have established their own universities, hospitals, madrasah (Islamic schools), pesantren (Islamic boarding schools), and microfinance facilities. Both have members who have exerted tremendous influence in Indonesian political development. Amien Rais, Muhammadiyah leader, had led and inspired the reform movement that forced the resignation of President Suharto in 1998. Abdurrahman Wahid, the NU leader popularly known as Gus Dur, later became President of Indonesia from 1999 to 2001.

Will the NUCP become the ulama's vehicle for the improvement of the lives of the Ummah, similar to NU and Muham-madiyah? Only if the different ulama organizations

stay together. Only if they unite their voices and, as one, demand for the peace and justice the Ummah deserves. As the theme of the summit states, “one message, one Ummah.” And that message is peace. Mindanao’s major development partners, who spoke at the summit, picked the theme.

European Union Ambassador Alistair Macdonald stressed the need for the citizens of Mindanao, for the ulama, to be engaged in peace and development, “for the sake of the children of Mindanao who deserve no less.” The European Commission has provided some P7.6 billion for development programs in Mindanao over the last two decades.

Australian Deputy Head of Mission Stephen Scott presented the Mindanao programs of the Australian government and encouraged the ulama to be engaged. Australia is one of the major development partners of Mindanao.

Will they succeed? Only if the ulama organizations will stay together and gain strength from each other.

However, I take comfort in the statements given by the elected chair of the interim board, Dr. Abhoulkair Tarason, the highly respected chair of the Basilan Ulama Supreme Council. In 2007, Aleem Tarason had explained in an interview conducted by a member of a visiting election monitoring team that “the best system for the communities is the system that the people have freedom to decide themselves in what model they need and that model must not against Islamic laws.”

- **Philippine troops kill 8 communist rebels in south**

Soldiers backed by attack helicopters have killed eight communist rebels over the past week in the southern Philippines as part of a stepped-up campaign against the guerrillas, an army commander said Saturday.

The military is under orders from President Gloria Macapagal Arroyo to end the 40-year-old Maoist insurgency — one of Asia's longest — by 2010.

Lt. Col. Milfredo Meligrito, commander of the 57th Infantry Battalion, said soldiers killed seven New People's Army guerrillas Friday in a battle outside Tulunan township in Cotabato province. He said another guerrilla was killed in a clash Monday. He said troops were pursuing a few dozen guerrillas who fled but there were no reports of firefights Saturday. Meligrito said his troops launched the offensive against the rebels earlier in the week based on information the guerrillas were consolidating and training their forces in the area, about 600 miles (970 kilometers) southeast of Manila.

He said troops had discovered two abandoned rebel training camps. Peace talks with the rebels, brokered by Norway, stalled in 2004 when the rebels accused the Philippine

government of instigating their inclusion on the U.S. list of terrorist organizations. Rebel ranks have thinned to an estimated 5,200 — down from their peak of more than 25,000 in the mid-1980s — because of battle setbacks, surrenders and factionalism

- **EU stresses rights in pact with Manila**

Manila: The European Union yesterday underscored the need to incorporate the protection and promotion of human rights into an agreement being negotiated with the Philippines, which seeks to expand political, security and economic co-operation.

James Moran, the EU's director for Asia and chief EU negotiator for the Partnership Co-operation Agreement (PCA) with the Philippines, stressed that human rights is one of the cornerstones of the pact.

The EU was among dozens of foreign governments that condemned a spate of extrajudicial killings in the Philippines, which resulted in the death of nearly 900 political activists since 2001 under the administration of President Gloria Macapagal Arroyo.

The EU has also criticised the Philippine government's failure to stop the murders and prosecute soldiers and military officers accused of being behind the killings. More than 400 political activists have also disappeared in the Philippines since 2001, many of whom are believed to have been abducted by the military and feared dead by now.

Local and international human rights groups have blamed the military for most of the killings and disappearances, which were allegedly being perpetrated as part of the armed forces' anti-insurgency campaign. The Philippines is the fifth member of Association of the South-East Asian Nations (Asean) to negotiate a PCA with the EU. Negotiations have been completed with Indonesia and are currently at an advanced stage with Singapore and Thailand. The EU also recently started negotiations with Vietnam, and is expected to start formal talks with Malaysia and Brunei.

The EU is the fourth-largest trading partner of the Philippines, accounting for 14% of total trade in goods. It is one of the largest foreign investors in the country and a top source of official development assistance

- **Philippines: Two suspected Abu Sayyaf rebels killed by army**

Government troops on Monday killed two Muslim militants in the southern Philippines suspected of belonging to the Al-Qaeda linked Abu Sayyaf militant group. The clash occurred in Akbar, in Basilan province, when troops encountered militants while searching for three kidnapped aid workers and a nine-year-old boy allegedly being held by Abu Sayyaf.

Five marines were wounded on Monday in clashes on the southern island of Jolo, where the Filipino authorities believe the hostages are being held captive. The three Red Cross

workers, Italian citizen Eugenio Vagni, Swiss national Andreas Notter and Filipino Mary Jean Lacaba were abducted on the island last month after visiting a local prison.

The firefight on Jolo began when Abu Sayyaf bandits fired at soldiers in the village of Barangay, the Philippines army public information chief, Lt. Col. Ernesto Torres said in a statement, quoted by GMA News.

Troops are putting mounting pressure on the kidnappers to release the Red Cross workers. Media reports gave no information about the nine-year-old boy. Sixteen of surrounding Sulu province's 19 mayors have signed a pledge to help secure the hostages' release, GMA News said. They also condemned "in the strongest terms" the actions of Abu Sayyaf and other militant groups operating in the region.

Abu Sayyaf, which means "bearer of the sword" is listed as a terrorist organisation by the United States. Filipino authorities have linked the group to a spate of kidnappings and killings in Sulu and Basilan provinces.

Abu Sayyaf has reportedly demanded a ransom of up to 10 million dollars for the release of the Red Cross workers, who were kidnapped on 15 January.

- **Three Filipino seamen freed by Somali pirates**

Three Filipinos were among the 24 crew members of a Chinese vessel who have been freed over the weekend after being held hostage for almost three months by Somali pirates, the Philippine Department of Foreign Affairs said on Monday.

It brought the number of Filipino seafarers still being held by pirates in Somalia down to 53. The released sailors were kidnapped in the Gulf of Aden on Nov.14, 2008, when heavily-armed Somali pirates hijacked their Chinese-operated fishing boat Tianyu No. 8 as it sailed through the dangerous waters. Bayani Mangibin, spokesman of the Philippine Department of Foreign Affairs, said the sailors were freed Sunday and were "all in good condition. He said the Filipino sailors will undergo medical check-ups and debriefing before they can be repatriated to the Philippines.

The Philippines supplies a third of all of the world's sailors. The 350,000 Filipino sailors operate major oil tankers, luxury liners and passenger vessels all over the world and expose themselves to pirate attacks in dangerous regions.

Manila has been in a dilemma on how to provide protection for the sailors. It says banning Filipinos from certain risky regions would be difficult because of the rapid mobility of the sailors and its lack of ability to monitor their movement.

- **Thailand**

## **Political Front**

- **Thai PM names new minister of social development and human security**

Thailand's Prime Minister Abhisit Vejjajiva on Feb. 4 said he would endorse Issara Somchai as the new social development and human security minister, reported local media.

Issara Somchai, Democrat member of the Parliament of Thailand's northeastern province of Ubon Ratchathani, was chosen by Democrat party to be the successor of just retired minister Witoon Nambutr on Feb. 3, according to the Bangkok Post.

The decision came just hours after Witoon Nambutr announced his decision to step down as minister due to accusation of distributing rotten canned fish to flood victims in the South. Issara's name has already been forwarded for royal endorsement. PM Abhisit said he was expected to swear an oath of allegiance next week.

## **Strategic Front**

- **Indonesia, Thailand enhance military cooperation**

Indonesia and Thailand have agreed to enhance military cooperation, including securing the Malacca Strait together with Singapore and Malaysia, said Indonesian military chief Gen. Djoko Santoso.

Military cooperation between the two countries has run well so far but it will be stepped up even more and conducted on a wider scale, Gen. Santoso said after accompanying Thai Armed Forces Chief Gen Songkitti Jaggabatara at a meeting with Indonesian Defence Minister Juwono Sudarsono in Jakarta on Feb. 4.

During the meeting, both sides discussed the need to step up their existing cooperation, reported the Antara news agency. The Indonesian military chief said the Thai military's involvement in maintaining security in the Malacca Strait was beginning to run well. Thailand is guarding Zone V in the strait by conducting coordinated patrols with Indonesia, Malaysia, and Singapore. Over 50,000 vessels pass through the strait per year, carrying about one-quarter of the world's traded goods. The Malacca Strait is the main waterway linking the Pacific Ocean and the Indian Ocean with major Asian economies such as India, China, Japan and the Republic of Korea.

- **Thailand denies border pullback deal with Cambodia**

Thailand has not agreed on the proposed troop withdrawal from the disputed territory surrounding the Preah Vihear temple as claimed by Cambodian Prime Minister Hun Sen, the Bangkok Post reported on Feb. 8.

Wibulsak Neepal, Commander of the Thai 2 nd Army Region, said no agreement on a troop pullout was reached at the meeting between Cambodian PM Hun Sen and

Thailand's Defence Minister Prawit Wongsuwan on Feb. 6 during his visit to Phnom Penh. He added that the troop withdrawal call would be looked into by a working committee set up to handle border demarcation disputes and that he expected an outcome soon.

However, the Thai-Cambodian Joint Boundary Commission, which is working to resolve the outstanding issues, met in Bangkok this week without making any progress, the paper said. Earlier on Feb. 7, Cambodian PM Hun Sen said that there will be no more military confrontation in the disputed border area near Preah Vihear temple and that both Cambodia and Thailand have agreed to withdraw the remaining troops. The agreement was said to be reached during Hun Sen's meeting with Thai Defence Minister Prawit Wongsuwan on Feb. 6.

## **Economic Front**

- **Thailand and US to resume FTA talks**

Thailand and the United States will resume free-trade agreement talks after a three-year suspension of negotiations.

The two countries have agreed to revive the negotiation process once their new administrations have fully settled into office, Deputy Commerce Minister Alongkorn Ponlabout was quoted by The Nation newspaper as saying on Feb. 5. Alongkorn said the move was aimed at maintaining Thailand's export growth amid a sharp slowdown in most countries' economies, with the US being one of the Kingdom's major export markets.

Reaching agreement on an FTA with the US would not only help maintain export growth to the US, but also increase bilateral cooperation on investment and services, he said.

Alongkorn is scheduled to lead a team of officials to Washington early next month to officially announce the resumption of FTA talks, and to attempt to convince the US administration to upgrade Thailand's trade status. FTA discussions between the two countries, which started in June 2004, encompassed 22 issues covering trade in goods and services, plus investment. During the meeting, both sides discussed the need to step up their existing cooperation, reported the Antara news agency.

The Indonesian military chief said the Thai military's involvement in maintaining security in the Malacca Strait was beginning to run well. Thailand is guarding Zone V in the strait by conducting coordinated patrols with Indonesia, Malaysia, and Singapore.

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## **Social Front**

- **Six leftists killed in encounter**

Six communist rebels were killed in a clash with government troops in the southern Philippines, a regional military spokesman said yesterday.

Major Randolph Cabangbang said the fighting erupted Friday when soldiers encountered an undetermined number of guerrillas in the outskirts of Tulunan town in North Cotabato province, 960km south of Manila. Cabangbang said among the fatalities was a guerrilla commander identified as Felix Amodia. He said Amodia's body was turned over to the local officials.

- **Singapore**

### **Political Front**

### **Strategic Front**

### **Economic Front**

- **Singapore shares kick off week positive**

Singapore shares kicked off the week on a positive note early Monday, buoyed by hopes for the quick passage of a large US economic stimulus package.

The blue chip Straits Times Index was marginally higher, up 0.85 per cent - or 14.65 points - to 1,730.00 within the first minutes of trade. Some 60.9 million shares exchanged hands, with gainers beating losers 87 to 32.

Other Asian markets were also positive early Monday, cheered by Wall Street's positive close last Friday as the US inches closer to pumping at least US\$780 billion to bolster its ailing economy. Japan's Nikkei 225 was up 1.9 per cent, South Korea's Kospi rose 0.8 per cent, Taiwan's weighted index climbed 2.2 per cent, Australia's S&P/ASX 200 was 1.5 per cent higher, while New Zealand's NZX-50 added 0.7 per cent.

US stocks soared on Friday as investors shook off grim jobless data to focus on the government's new financial sector rescue plan, due to be announced next week. The Dow Jones Industrial Average vaulted 217.52 points (2.70 per cent) to finish at 8,280.59, capping a strong weekly gain for the indexes. The tech-heavy Nasdaq climbed 45.47 points (2.94 per cent) to 1,591.71 and the broad Standard & Poor's 500 index advanced 22.75 points (2.69 per cent) to 868.60. Investors cheered in anticipation of Treasury Secretary Timothy Geithner's announcement due Monday of a new stabilisation plan for the battered finance sector

- **More help for SMEs to get access to trade credit insurance, reduce costs**

Small and medium-sized enterprises in Singapore can look forward to more help during the current economic downturn.

This includes a S\$660 million initiative to help SMEs seek new markets and growth opportunities as well as schemes to make it easier for them to obtain trade credit insurance, reduce costs and preserve jobs. Exporters are increasingly turning to trade credit insurance coverage on fears that more buyers will default in payments. This is pushing up the cost of such insurance as insurers become more selective.

The government is introducing the Export Coverage Scheme (ECS) to help firms have better access to such insurance protection, with effect from 1 March 2009. Minister for Trade and Industry, Lim Hng Kiang, said: "ECS will protect our exporters and traders against the risk of default by their buyers. IE Singapore will, through the pooling of insurers and co-sharing of risk, increase the insurance coverage capacity of this programme.

The ECS is expected to support up to S\$4 billion worth of trade turnover and benefit around 1,000 Singapore-based companies.

And to further ease cash-flow pressures, industrial landlord JTC is lifting its current 50 per cent sub-letting cap until 31 December 2011. This will allow firms to sub-let more rented space that would otherwise be left vacant. Senior Minister of State for Trade and Industry, S Iswaran, said: "We want to give companies some flexibility - first to put to productive use vacant space that may occasionally come about; and second, to facilitate co-location of related business activities where it makes economic sense." Also announced in Parliament on Monday were measures amounting to S\$660 million to help SMEs build their long-term capabilities.

Among these measures is SPRING Singapore's S\$200 million programme to fund up to 70 per cent of individual SMEs' capability development programmes, from 50 per cent currently. It is also raising its funding support for industry-level projects to 80 per cent from 70 per cent currently. The Economic Development Board will also set aside a S\$200 million Living Lab Fund to make Singapore a "living lab" for companies and entrepreneurs to develop capabilities in science and technology.

The Energy Market Authority is also revising its formula in calculating electricity tariffs. This will help reduce volatility in electricity tariffs and allow them to be more reflective of prevailing fuel prices. The new formula will use the average of fuel oil prices in the preceding three months to determine the tariff for the current quarter. This is expected to help reduce the volatility in electricity tariff, and allow the tariff to be more reflective of prevailing market prices of fuel. Currently, fuel oil prices in the first month of the previous quarter are used to set the

- **Singapore shares close 1.92% lower**

Singapore shares closed 1.92 per cent lower on Monday, reversing early gains, in a market cautious over corporate earnings, analysts said.

The blue-chip Straits Times Index closed down 33.01 points at 1,682.34 on volume of 886 million shares worth S\$864m. Losers led gainers 228 to 131 while 877 issues were unchanged. Singapore Airlines (SIA) and Singapore Telecommunications (SingTel) were due to report earnings on Tuesday. SIA fell 34 cents to S\$10.40, and SingTel dropped 10 cents to S\$2.43. On Monday, CapitaLand, one of Asia's largest property firms, reported a year-on-year 88.4 per cent drop in fourth-quarter net profit and announced it is seeking to raise about S\$1.84 billion in a rights issue. News of the rights issue likely weighed on sentiment, traders said.

CapitaLand had not yet resumed trading after a halt ahead of the announcements, but other property firms were lower. City Developments dropped 21 cents to S\$5.16 and Keppel Land eased four cents to S\$1.34.

Shipping firm Neptune Orient Lines fell eight cents to S\$1.18. DBS Bank was down 29 cents at S\$8.23, while counterpart UOB fell 14 cents to S\$11.08 and OCBC closed 12 cents lower at S\$4.95.

- **Singapore not a tax haven, says finance ministry**

The Singapore government has said the country is not a tax haven, despite its recent move to cut its corporate tax rate to 17 per cent.

Responding to questions raised in Parliament on Tuesday, Singapore's Finance Ministry said the country's corporate tax rate is not among the lowest in the world.

Senior Minister of State for Finance and Transport, Lim Hwee Hua said: "Tax havens are typically dependent on 'mail-box' companies. Singapore is, on the other hand, a substantive, knowledge-based economy in both manufacturing and services. Companies, both foreign and local, run real operations in Singapore that compete globally on the basis of value." The ministry also said it is looking to adopt an Organisation of Economic Cooperation and Development (OECD) standard for transparency and effective exchange of tax information

## **Social Front**

- **PM Lee urges S'poreans to focus on future during current recession**

Singapore is in a recession, but Prime Minister Lee Hsien Loong says Singaporeans must not sit idle and wait for things to get better.

He urged Singaporeans to seize opportunities to learn new skills to keep their jobs. Mr Lee was speaking while celebrating Lunar New Year with some 1,000 residents in Yio

Chu Kang. Mr Lee said the government is already using the downtime to upgrade Singapore's infrastructure. He also defended the government's Jobs Credit scheme in response to those who say it benefits companies more than workers.

Mr Lee also gave some examples of how community groups are helping the less fortunate during this downturn.

He said one grassroots organisation even started a "Rice Party" in June last year where volunteers give out free meals, food vouchers and rations to low income families.

- **Singapore artist overcomes mental ordeal through art**

Art is different things to different people. But for one person, it has helped her come to terms with her mental and physical condition. As a secondary school art teacher, 36-year-old Aneesa Connie Teo used to teach 500 to 600 students per week.

She decided to call it quits after her mental health went on a tailspin about two years ago. Now, as artist-in-residence at Zhonghua Secondary School, she has found comfort working with only 30 students who have toiled with her to come up with this exhibition entitled "Just Desserts". The textured art pieces bear several layers of meaning. They represent Connie's renewed hope and reflections of her ordeal.

## • **Vietnam**

### **Political Front**

- **Vietnam asks for restraint over East Sea islands**

Vietnam has requested all relevant parties to refrain from any activities that may complicate the situation in the East Sea , particularly regarding the Spratly and Paracel archipelagoes.

Vietnamese Foreign Ministry spokesman Le Dung made the call during a regular press conference in Hanoi on Feb. 5. Dung was answering correspondents' questions regarding Vietnam 's reaction to the Philippines ' House of Representatives' recent approval of House Bill 3216, which stipulates the country's new archipelagic baseline. The new boundary, approved by the Philippine government, now includes several islands that lie within the Spratly archipelago and the Scarborough Shoal.

Earlier, on Jan. 27, the Philippines ' Senate ratified Senate Bill 2699 that did not include the islands named in the country's HB 3216. These islands are now governed in accordance with the relevant rules stated in Article 121 of the UN 1982 Convention on the Law of the Sea.

- **Gov't orders smooth implementation of ASEAN charter**

The Prime Minister has appointed the Foreign Ministry as the national coordinator for regional cooperation in the process of building an Association of Southeast Asian Nations (ASEAN) community and executing the ASEAN charter.

In a recent decision, the Government leader also ordered all relevant agencies to maintain regular contact with each other via the sole national liaison channel, the National ASEAN Secretariat under the Foreign Ministry, to “ensure good coordination of action in formulating and executing national policies regarding ASEAN cooperation.” The Foreign Minister has been entrusted with chairing the ASEAN Coordinating Council and the ASEAN Political-Security Community Council, whilst the Minister of Industry and Trade is to chair the ASEAN Economic Community Council. The Minister of Labour, War Invalids and Social Affairs will chair the ASEAN Socio-Cultural Community Council.

- **Vietnam concerned over instability in southern Sudan**

A Vietnam Representative to the United Nations

Security Council (UNSC) voiced concern over volatile situation in southern Sudan while speaking at the UNSC's meeting on February 5.

The diplomat, however, took positive note of developments in the area, including the generally stable security situation in UNMIS (United Nations' Mission in Sudan)'s area of operations, the relatively calm relations between Sudan and neighbouring states and the further progress in the implementation of the Abyei Roadmap Agreement.

He pointed out the need for the Comprehensive Peace Agreement (CPA) parties to build upon the momentum of political will, determination and decisive action to jointly achieve further improvements in such benchmarks as North-South border demarcation, Abyei stabilisation and administration, disarmament, demobilisation and reintegration, national census, referendum and electoral preparations.

He spoke highly of the role played by the UN, regional organisation and neighbouring countries in helping to strengthen national efforts towards the full implementation of the CPA. He said he was concerned about the possible negative impacts of the possible International Criminal Court decision to indict the President of the Sudan on the peace process there, urging the Security Council to consider this matter carefully in the interest of both peace and justice in the Sudan.

## **Strategic Front**

- **Vietnam engages in ever-closer relationship with Japan**

The forthcoming visit to Vietnam by Japanese Crown Prince Naruhito is an event of great importance demonstrating the increasingly closer relationship between the two countries, according to Vietnam's ambassador to Japan.

The Vietnamese ambassador to Japan, Nguyen Phu Binh, said "The visit will pave the way for us to greet the Japanese Emperor and Empress in Vietnam in the future." He added that, although the royal family do not hold any power, they nevertheless play an important symbolic role in Japan's domestic and foreign affairs.

The Japanese Crown Prince is scheduled to visit Vietnam from February 9-15. During an interview with the Vietnam News Agency, Binh said that Vietnam-Japan relations are developing rapidly and are on the right track to realise their shared vision of creating a strategic partnership, as decided by both governments in 2006, a decision that is viewed as a crucial milestone in their bilateral ties.

Economically, Japan is Vietnam's leading international partner; between 1992 and 2007 the land of the rising sun provided around 13 billion USD in ODA to Vietnam, revealed Binh. Trade has been identified as an area of great potential for further development for the two nations. In 2008, bilateral trade value reached 17.3 billion USD, surpassing the target set for 2010 by 2.3 billion USD, Binh said.

During 2008, which marked the 35th anniversary of the two countries' diplomatic ties, cultural cooperation entered into the spotlight with a variety of artistic performances and festive activities being organised in both countries, including a three-day Vietnamese festival in Tokyo's Yoyogi park, which was attended by Crown Prince Naruhito and attracted up to 150,000 visitors.

This year, the two countries plan to co-organise a "Japanese festival" at the ancient town of Hoi An in Vietnam's central region, where many Japanese businessmen plied their trade four centuries ago, Ambassador Binh said.

He said he expected that Japanese and Vietnamese cultural and art quintessence would light up the festival and help strengthen the cultural bonds, as well as attract a greater number of Japanese visitors to Vietnam.

In 2008, the number of Japanese tourists to Vietnam fell slightly compared to the previous year, dropping 5 percent to 400,000 due to fall-out from the global economic crisis. This slight drop meant that Vietnam's customs, traditions, landscape, cuisine, and people remain a hidden charm to many Japanese tourists, added the ambassador. Regarding education, the diplomat said he expected the field to be given more attention in any future cooperation, resulting in an increase in the number of Vietnamese students studying in Japan, which currently stands at 3,000.

He hoped that the Japanese side would eagerly invest in projects to construct schools teaching Japanese or in the establishment of Vietnamese universities that follow a Japanese syllabus and adhere to Japanese teaching methods.

In 2008, Vietnam and Japan signed an Economic Partnership Agreement (EPA), which paved the way for the two countries to further expand their multi-dimensional cooperation in the future.

## **Economic Front**

- **Gov't tightens State corporations' investments**

The Vietnamese Government has required State corporations to spend at least 70 percent of their total investment on their major industry and refrain from investing in such "sensitive fields" as securities, banking or insurance.

The requirement was mentioned in a new regulation on the management of State corporations' finance and State investment in those areas beyond their core line of business that the Government made public recently. The legislation will take effect as from March 25, 2009.

Under the legislation, State corporations are allowed to proactively mobilise capital to support their production but only when their debt is not to exceed their charter capital by three times. State corporations are allowed to contribute capital to banking, insurance and securities businesses but their investment is required not to surpass 20 percent of those businesses' charter capital. In case they want to increase their stake, these corporations need to submit their proposal to the Prime Minister for consideration and approval.

However, State corporations are forbidden from contributing money to and buying holdings in risk investment funds, securities investment funds, and securities companies. They are also not allowed to buy shares of enterprises where managers, directors and major share holders are blood-relations with their directors.

Those State corporations which had invested in the areas beyond their core business with investment being higher than the required level, or contributed capital to risk investment funds, securities investment fund or securities companies are required to adjust those investment levels within two years since the day this regulation takes effect.

This new regulation, while clearly defining the authority, obligations and responsibilities of the management board, general director and directors in managing their corporations' finance, and related works, also requests that State corporations should take 10 percent from their net profit to send to their own financial contingent fund.

- **Azerbaijan appreciates Vietnam's position**

Azerbaijan 's President Ilham Aliev said he highly values Vietnam 's political prestige in the world arena and the economic achievements it has made in recent years. The President made the statement while receiving Vietnamese ambassador to Azerbaijan Bui Dinh Dinh on February 6.

He highlighted Azerbaijan and Vietnam 's traditional relations, adding that he will instruct relevant agencies to focus on cooperation in economic-trade and oil and gas with Vietnam . The Vietnamese diplomat proposed the Azerbaijani president urge relevant ministries and agencies to strengthen cooperation in oil and gas exploration and exploitation and personnel training for this sector. Previously, Azerbaijan 's Foreign Minister Elmar Mammedyarov also praised the effective cooperation between the two countries' ministries of foreign affairs at regional and international forums while receiving ambassador Dinh.

He suggested that the two ministries should hold political discussions to exchange their views. The same day, the Vietnamese ambassador also met with Azerbaijan 's President of National Assembly, Minister of Industry and Energy, Vice chairman of Trade and Industry Division and Deputy Director of the National Oil and Gas Company to discuss measures to promote bilateral cooperation. On this occasion, ambassador Dinh also visited the Vietnamese community living in Baku capital.

- **New financial regulations to govern state-run businesses**

State-run enterprises must preserve their state capital in compliance with laws governing the use and management of funds and assets and benefit distribution, according to a new government decree.

The legal document was issued on Feb. 5 by the Prime Minister to regulate financial management in State-run enterprises and to ensure the effective management of State capital invested in other businesses.

The decree states that, regarding external investment activities, state-run companies must ensure at least 70 percent of their total investment capital is invested in businesses operating in the same field, and their total external investment capital, whether long-term or short-term, may not exceed their charter capital.

However, regarding investment in the banking, insurance and securities sectors, a state-run company may not invest in more than one enterprise in each field, and its investment capital may not exceed 20 percent of its charter capital and 30 percent of the charter capital of the organization it invests in. Exceptional cases must be submitted to the Prime Minister for approval.

- **Strong Vietnamese Economy Signals Robust Growth for Cavico**

LOS ANGELES & HANOI, Vietnam--(BUSINESS WIRE)--Cavico Corp), a leading infrastructure development company in Vietnam, today announced that the Company doesn't foresee any negative impact on the Vietnamese government's planned infrastructure spending for 2009 due to the current global financial crisis. Cavico management believes that infrastructure growth continues to remain top priority for Vietnam.

Martin Rama, the World Bank's Acting Country in Vietnam, was quoted as saying "Vietnam's forecast GDP growth will take the lead in the South East Asia next year," explaining that Vietnam is better at dealing with crisis than other countries in the region thanks to its economic restructuring before. The high GDP forecast of 6.5% is based on Vietnam's FDI (Foreign Direct Investment) attraction and exports. Despite the global downturn, Vietnam's exports posted 34% growth from Jan-Nov, and attracted \$59.3 billion in first ten months, which is equivalent to two thirds of the country's GDP value. The World Bank also predicted that the government will boost spending in the coming months.

Vietnam has topped a list of 2008's biggest investors in Laos, implementing 146 projects with a total investment capital of \$758 million. Vietnam's projects in Laos are predominantly in the fields of mining, agriculture and forestry product processing, and hydro-power plant construction in Southern Laos.

Cavico Corp. is focused on large infrastructure projects, which include the construction of hydropower facilities, dams, bridges, tunnels, roads, mines and urban buildings. Cavico is also making investments in hydropower facilities, cement production plants and urban developments in Vietnam. The company employs more than 3000 employees on projects worldwide, with offices throughout Vietnam and a satellite office in Australia.

Founded in 2000, Cavico is a major infrastructure construction, infrastructure investment and natural resources conglomerate headquartered in Hanoi, Vietnam. Cavico is highly respected for its core competency in the construction of mission-critical infrastructure including hydroelectric plants, highways, bridges, tunnels, ports and urban community developments. One of the Company's primary competitive advantages is its ability to nurture a project "from concept through completion" with a vertical portfolio of interrelated investment, permitting, design, construction management and facility maintenance services. Cavico's project partners include top multi-national corporations and government organizations. The Company employs more than 3,000 full-time, part-time, and seasonal workers. For more information, visit <http://www.cavicocorp.com>. Information on the Company's Web site or any other Web site does not constitute a portion of this release.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements, including but not limited to, the Company's ability to obtain the necessary financing to continue and expand operations, to market its construction services in new markets and to offer construction services at competitive pricing, to attract and retain management, and to integrate and maintain technical information and management information systems; the effects of currency policies and fluctuations, general economic conditions and other factors detailed from time to time in the Company's filings with the United States Securities and Exchange Commission and other regulatory authorities. These statements include, without limitation, statements regarding our ability to prepare the Company for growth, the Company's planned expansions, and predictions and guidance relating to the Company's future financial performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

- **Government boosts rice reserves**

Prime Minister Nguyen Tan Dung has ordered the Ministry of Finance and Ministry of Agriculture and Rural Development to buy up an additional 100,000 tonnes of rice for the national reserve.

The move, which will cost about 880 billion VND, follows similar measures by other countries in the region. Both Thailand and India recently increase their rice reserves to ensure food security.

Rising prices and export orders necessitated the move. A kilogramme of rice in the Mekong River Delta currently sells for 3,500-4,000 VND, 200-300 VND higher than before the Tet holiday, according to Vietnam Food Association general secretary Huynh Minh Hue. Vietnam predicts that rice exports in 2009 will total 4.5-5 million tonnes. Buyers in the Philippines, Singapore and some African countries have recently signed contracts to buy rice from Vietnamese exporters. The Philippines is the leading importer of Vietnam's rice, with plans to import 1.5 million tonnes this year. It, along with other traditional markets like Malaysia and Cuba, consume 40 percent of the Vietnamese rice exports.

- **Govt to ask discount from department stores to boost local spending**

Deputy Prime Minister Korbsak Sabhavasv said Thursday he would ask shops and department stores nationwide to provide 10-20 per cent discount for consumers in a bid to stimulate domestic spending.

This measure would be done following the government's Bt2,000 cash handout to 9-million low-income earners. Korbsak added that the government would give the Bt2,000 cash handout to the 9-million people via cheques by submitting through post. The 10-20 per cent discounts in all shops and department stores would help boost spending and prevent people from saving the money at bank accounts, he said.

## **Social Front**

### ● **Laos**

## **Political Front**

- **India Embassy hosts lecture to promote international relation policy**

The Foreign Affairs Institute, Ministry of Foreign Affairs in collaboration with the Embassy of India organized in Vientiane yesterday a lecture under the theme 'India policy for South East Asia'.

The main purpose of the function aimed to provide the Lao officials who are working in the ministry of foreign affairs with the knowledge and understanding about the foreign policy of India which needs to promote its international relation with ASEAN including Laos.

The lecture with honorable speaker by Indian Ambassador to Laos Suresh K. Goel was a part of activities of India embassy to mark 60th anniversary founding of India and was attended by 30 Lao officials.

The co-operation between Laos and India has been constantly developed, particularly in the field of politics, economic, trade and education. In the past few years, India has provided a number of scholarships to Laos which was a main contribution to develop the human resource of Laos.

- **NA discuss on laws improving**

Standing Committee of National Assembly (NA) is carrying out a study to improve several sets of laws, local area laws and to reconsider the six laws that had been approved by the 6th Ordinary Session of National Assembly and then it will present its findings to the 7th Ordinary Session of National Assembly.

The meeting discussed such topics was held on Friday, at the National Assembly, under the chairmanship of Mr Thongsing Thammavong, President of NA. The Deputy President of NA, the Standing Committee of NA and the NA commission members were also at this meeting.

## **Strategic Front**

- **More than 60,000 households in Vientiane access to electricity**

Head of Energy and Mining Division, Energy and Mining Service of Vientiane province, Mr. Chalernsouk Visitphackdy said last week that more than 63,000 households in 451 villages, Vientiane province or equals to 82 per cent of population have been accessible to electricity.

Mr. Chalernsouk continued that the number of households is accessible to permanent electricity increased by 14 per cent compared to 2005. Almost 14,000 families in 77 villages have not yet accessed to the electricity.

Last year, the Energy and Mining Service of Vientiane province focused on hydropower construction projects namely Namhone hydropower electricity in Meung district with investment cost of 416 million kip, Pakchan hydropower worth 1.5 billion kip, Khokmeuak hydropower worth 916 million kip and Phalath hydropower with its cost of 1.3 billion kip. These construction projects are located in Sanakham district. Namueang-Phonsaveng hydropower construction project in Feuung district, Thin On focal construction project, Vangvieng district was investment of 6.8 billion kip. Phalack focal development area of Kasi district which was investment cost of 1.4 billion kip and Pha An project in Home district was worth 3.4 billion kip. These construction projects are running on schedules.

Meanwhile, the Electricite du Laos branch of Vientiane province has fulfilled the installation of transmission line projects in Nampok area of Sanakham district, Nabone area of Feuung district and Nongbouathong area of Phonsavad village, Kasi district, which was worth of 1 billion kip.

In addition, the local people in the province invested over 1 billion kip in installation of electricity transmission line between Khokkhaodor and Donephoung villages and a 2-billion kip project for installing electricity network between Moon and Houaytao villages. These projects are in Sanakham district

- **Flood victims receive aid package**

The flood victims in Sangthong district, Vientiane Capital received 7.21 tonnes of rice and 1,442 bottles drinking water worth almost 30 million kip from Labour and Social Welfare Division of Vientiane Capital.

The handing over ceremony took place at Sangthong district on 6 February. Deputy Chief of Sangthong district, Mr. Duangta Soulivong, representing to receive the aid package, from Head of Labour and Social Welfare Division, Mr. Onsy Keophengla in the witnesses of relevant officials and local people.

The aid packages would be distributed 721 families in 15 villages in Sangthong district. The relief aid package was supported by the United Nations Development Programme. It

expects to have more than 9,000 families in eight districts in Vientiane Capital, suffered from flood last year

- **Laos, Vietnam further cooperation on security**

The Ministry of Public Security of Laos and Ministry of Police of Vietnam last week signed an annual cooperation agreement in Luang Prabang province.

Signatories to the document, Mr Thongban Sengaphone, Lao Minister of Public Security and his Vietnamese counterpart Major General Le Hong Anh in the presence of both sides officials. Under the agreement, two sides have agreed to further cooperation on political security, maintenance in social order and security for people in two countries, particularly provinces sharing common borders with Vietnam.

They have also agreed on cooperation drugs control along borders, military direction and techniques, and exchange visit between two delegations. At the same time in Luang Prabang province, Brigadier General Le Quy Vuong, Head of Force Construction Department, Ministry of Police of Vietnam gave over VND 1.4 billion (more 700 million kip) in cash to the Lao Ministry of Public Security to spend on purchasing necessary equipment for newspaper, television station and art sector of Ministry of Public Security.

The cash, received by Brigadier General Somkeo Silavong, Head of General Political Department of Minister of Public Security in the witnesses of Lao Minister of Public Security and Vietnamese counterpart.

## **Economic Front**

- **Laos? access to WTO is unpredictable**

Minister of Industry and Commerce said Laos? access to the World Trade Organisation is unpredictable although a number of rounds of talks with the WTO members have been reached.

?Before accessing WTO Laos has to complete all its plans and existing regulations and laws are necessary to be adapted according to the international environment,? said Dr. Nam Viyaketh.

However, said Dr. Nam, at the fifth working group meeting being held early this year the government will present document on its trade in service. The minister admitted that the trade in service is sensitive as it involves various sectors. The member states have prioritised Laos? access to the world body as they acknowledge that Laos is a least developed. However among various areas, banking and finance, insurance and communication are subjected for the protection by the Lao government.

Laos has been awarded generalised system preferential from the European Union and other countries but its access to international markets is not guaranteed and stable.

- **Indochina Bank starts to operate in Laos**

The Indochina Bank officially started operation on Feb. 6 after one year of construction with a total investment of 5 million USD.

The bank, located at the centre of Vientiane Capital in Nongbon village, Xaysettha district, is one of private banks owned by Republic of Korean investors in Laos. It is part of KOLAO Group Company's efforts to promote the sectors of mining, investment, finance, tourism and trade.

More than 3,000 customers have already opened their accounts at the bank on the first day of operation, however the bank expects that the number would rise to 10,000 this year.

## **Social Front**

- **Power International pledge to further aid Lao with disabilities**

Power International has a plan to assist women with disabilities in five provinces. This is the second phase of the project of the Lao Disabled People's Association, Strengthening Programme: Improvement of Welfare, Interests and Rights of People with Disabilities Throughout the Country, said Mr John Firchar, representative of Power International in Laos. The phase II project is given an allocation of 122,696 euro and its work will commence from now till 2011.

This project will operate in Sayaboury, Oudomsay, Luang Prabang, Saravane and Sekong provinces. The phase I of the project was from 2005 to 2008, it was operational in 10 provinces and its expenditure was 300,000 British pounds, said Mr John. A closing ceremony of the phase I project was held on 11 February, at the MLSW.

- **Newly skilled Lao workers to work in South Korea**

Laos is equipping Lao workers with vocational skills and it is part of its preparation plan to send them to work in South Korea in the near future.

Deputy Head of Labour Skill Development, Mr. Thongdeng Singthilath said that Laos is now at the stage of drafting the employment agreement with South Korea and the contract will be signed soon. "This is a good offer for Laos as its newly skilled workers will be working with the skilled workers of South Korea," he added. However, what had not yet been decided is the number of Lao workers that will be sent to this country Mr Thongdeng said.

He also said that over the past few years, Laos sent its unskilled workers to Japan and they learnt their vocational or trade skills in their host country and presently there are 256 Lao workers in this country.

The spin-off of such a form of labour export is that it contributes to poverty reduction, it reduces the number of unemployed people and it upgraded the trade skills of Lao workers, said Mr Thongdeng. Laos also aims to reach such similar agreements with Russia and Sweden, added the labour chief.

- **Laos is constructing internal and international rail linkages (eco)**

(KPL) The Party stressed the importance of using the railway for communication and transportation in Laos during its 7th Party Congress and it sees it as also having relevance to the economics and trade in the country.

The former Prime Minister of Laos, Kaysone Phomvihane said that the functions of public works and transport are the life blood of the country as they are closely linked to the economy, production, livelihood, social-culture and defence of the country.

During the Third Party Congress the members voted for the development of the railway in Laos because it is a convenient form of transportation, it is cheap, it will increase the volume of trade in the country and its rail lines can be linked to other countries.

Background of railway in Laos:

In 1893 Laos was a colony of France and in this year this colonial power initiated the proposal to build a railway line in Laos to link two islands in the Mekong river that runs through Champasak province.

In 1910, France built a railway for such a linkage and the train ran the eight kilometres long line with its 13 arches from Done Deah to Done Khone islands and back.

France also built the railroad to serve its military objectives and it constructed a five-kilometre long line on Road No. 12 in Khammoune province.

Many years later, in 1978, the Lao Ministry of Public Works and Transport established a railway department with a staff of 10 civil servants.

In 1979, the department initiated a study on the possibility of constructing a railway line from Savannakhet to Dong Ha, Ban Sod and Kor Lor.

But, at the end of 1979 this department was dissolved for lack of funds. However, in spite of the dissolution the Party persisted to uphold its long established policy on the need to develop a rail network in Laos to get this land locked country to enjoy good linkages by means of a good rail and road linked transportation system. .

In 1995, the Party and government declared that the Railway Department become the Railway Development Board. In 2000, it changed its name again to become the Laos Railway Authority. This body had 12 officials and now it has 20.

The second tier policy of the government is the Train Asean Railway. There is the existing Singapore to Kunming project but the details had not been worked out yet.

There is the opinion that once the rail linkage between Thailand and Cambodia is established and that major repairs are being carried out on the Cambodian line the rail linkage to Kunming is complete and so becomes operational. This is so because the existing Vietnamese line is linked to Kunming and Beijing and from this Chinese capital city one can travel by train to Moscow.

#### A railway plan for Laos

To get the historical railway line that links the Done Death- Done Khone islands to become a tourist attraction. This project will be a reality in the future as an agreement had been signed between the Minister of Public Works and Transportation and the governor of Champassak in 2005.

The railroad survey project for the line from Thakhek to Muda, is 137 kilometres long and the Vietnamese government has given a grant of US\$70,000 for the survey.

3- There is a survey project on the railway linkage from Vientiane to Pakxe and from the Cambodian border to China and it is getting a grant from the Chinese government for the study. The 30-kilometre Thanaleng- Thongmang rail link project is at the survey stage and it is already getting funds from the Lao government for such work. However, a proposal had been submitted to the Chinese government for funds to support the survey project, said Mr Sonesack N. Nhansana, Deputy Director General of Lao Railway Authority.

?I am sure that in the future the railroad in Laos and the region will be so developed that it will be able to facilitate the export of Lao goods to the world and vice versa,? said Mr Sonesack.

He added that the Lao Railway Authority will seek funds to build the railroad so that it enjoys seamless linkages to the Greater Mekong Sub-region (GMS) and so transform this land-locked country to become a land-linked country and with superb transportation linkages.

The Lao government is giving priority to the construction of two railway lines: the Vientiane-Thakhek-Muda and Vientiane-Luang Prabang-Boten lines and the latter ends at the Lao-China border.

The basic railway strategy of the Party and government is to have railway lines linking the south of the country to the northern parts and to establish linkages to the GMS. The rail line, Vientiane-Thakhek- Muda, is being given the highest priority status because it

will eventually become part of the long Singapore-Kunming line and for Laos it will give her an export outlet, to Vu An harbour of Vietnam.

This line will run through an industrial zone and an area in Laos that is rich in natural resources. It means that the products from the factories and the minerals from the mines can be transported to the Vu An harbour for export to their overseas destinations.

The rail line accorded the second highest priority will run from Vientiane to Luang Prabang and then to end at the Lao-China border checkpoint town, Boten. This line will be most useful as a transportation link between Laos and China and also for another linkage, the Thailand to Laos and to China route.

Another line will link Thakhek-Savannakhet-Pakxe-Vangtao and this is also given priority. Presently, survey work is being carried out on a nine kilometre stretch of line that will connect the Thanaleng railway station, located in Dongphosy village, Hadxaifong district, Vientiane province to Vientiane station located in Khamsavad village, Xaysetha district.

The AFD or France Development Agency gave a grant of 150,000 Euros for this project. Five companies are bidding for this project and two of them are Thai companies. Three of them are Lao companies and they will establish joint ventures with overseas companies to bid for this project and it is expected that the bids will be higher than the AFD grant and it is said that it can be as high as 250,000 Euros.

On completion of this stretch of nine kilometers, this line will join another proposed line: commencing from km21 No13 south road to the proposed new 25th Sea Games stadium and to the proposed new airport which will be at km21 No13 south road.

Up to date the Lao government funded survey work on the construction of the proposed line from Khamsavad village to km 21 No13 road south had been completed. This line will run southwards to Khammouane province to join the Muda-Vietnam Tan Up line which is in Laos and then link to the Vietnamese railway line that skirts the northern coast of Vietnam to Hanoi and from there to run northward again, to China and to end in Kunming, Yunnan province, China.

When Laos completes such a linkage then it has single handedly carried out a crucial rail linkage and in doing so made the dream of the Asean Railway come true, a rail link that stretches from Singapore to Kunming and vice versa.

The proposed rail lines in Laos will establish rail connections for the four countries, Laos, Vietnam, Thailand and China and an indirect effect of such linkages could be the birth of a new economic zone, the North South Corridor.

Regarding the rail linkage of Vientiane-Luang Prabang-Boten, it has political implications and it is best summed up by the slogan, 'The old Asean should help the new Asean to be strong and to be equal,' as it will further foster friendship between two communist countries, Laos and China, who are already close friends.

The proposed rail linkage of Laos has military implications as the trains can play an important role as a transporter of troops and logistics to the front to fight against a common enemy. Laos, with its traditional friendship ties with Vietnam can cooperate more efficiently in deploying its fighting forces on a cooperative basis to the front by means of the joint rail linkages and so gain an advantage against its common enemy.

Commenting on the three and a half kilometre Laos-Thai railway link (Thanaleng-Nongkhai), due to commence operation in March 2009, Mr Sonesack said that rail transport is cheaper than carriage by lorries so that the rate of transportation will be reduced by as much as 50 per cent. He added this will ultimately lead to the lowering of the prices of imported goods from Thailand.

Such a statement is justified when one looks at a report of the 74th Kunming-Singapore Railway Meeting on the cost difference of using road and rail transport. If a train runs the whole length of the Kunming-Singapore line 2,000 times the cost of fuel will be US\$3.2 million. If the lorry is used it will have to do 133,333 trips in order to carry the equivalent weight of goods and the monetary expenditure will be US\$13.7 million. Based on such figure, the savings by means of usage of the train will be US\$10.5 million.

#### Lao trains run again

At the time of writing this news report the train engineers are carrying out test runs on the Thanaleng-Nongkhai line and it is to make sure that the railway line and trains will be fully operational in March 2009, said the Lao railway official.

They are checking on the tracks, the communication system and the synchronization of the closure and opening of the Friendship bridge whenever the train runs on the track of the bridge. At the initial stage the train will make two trips per day and at the end of the day it will be parked in the Nongkhai station, Thailand. During the early stage of its operation it will only carry passengers and light goods, said the Lao railway official.

From the 7 to 15 July 2008, the Laos-Thai railway officials jointly tested the operational capability of this line by giving free trips to Lao and Thai passengers. The first free service trip of the day starts from the Nongkhai railway station at 9:10 a.m. and it will reach the Lao station at 9:25 a.m. A little while later, the train will leave Thanaleng station at 10:05 a.m and it will arrive in Nongkhai railway station at 10:20 a.m.

Mr Sonesack said that ever since the commencement of the testing the trains had transported 6,000 passengers and 2,000 of them are Lao citizens.

The Lao-Thai officials have agreed fixing the price of the train tickets for the short trips: 50 baht, 30 baht and 20 baht for the first, second and third class.

### Thai trains run to Laos

At the end of the day, the operation of the Thanleng-Nongkhai line means that a Thai train with 20 carriages can run from Hualumphong railway station in Bangkok to the end of the line in Thanaleng station, Laos and in doing so establish a rail linkage between Laos and Thailand. This is only a bridgehead and it implies a beginning but it can expand and the railway line can eventually stretch to reach the whole length and breadth of Laos

## ● **Cambodia**

### **Political Front**

- **Cambodian political opposition struggles hard to obtain proper parliamentary recognition**

Cambodia's main political opposition coalition, the Sam Rainsy Party (SRP), was hoping to obtain better legislative recognition through the allocation of an active role within the National Assembly but saw its ambitions shattered as Prime Minister Hun Sen declared his views on the matter on Monday 17th November as he was away for business in the Kandal province. Hun Sen was quite straight forward in his approach and even called “stupid” the party's demands about the amendment of the National Assembly's internal rules, which was meant to provide the opposition party with official recognition and therefore important positions and roles within the institution. Despite being prevented from leading the executive and legislative powers, the SRP does not yield and is willing to continue the struggle to obtain a proper parliamentary status.

#### Hun Sen: no parliamentary positions for the opposition

The Prime Minister counter-attacked after having received criticism from representatives of the opposition, accusing him of having deceived them into taking part to the first parliamentary session on 24th September. The result is that from now on, SRP deputies will be refused important positions within the National Assembly, he declared, thus promising to stand in the way of any important appointment.

The SRP won 26 seats at the outcome of the July 27th legislative elections and warned several times that it would boycott the deputies' swearing-in ceremony before going back on its decision on the very day of the ceremony. The day before, the SRP and Kem Sokha's Human Rights Party (HRP) had sent a statement to the head of government,

requesting that the lower chamber officially acknowledges the role of the opposition parties who lack representation within the government and made this acknowledgement the sine qua non of their future participation in parliamentary projects. .

#### For a real political equilibrium between powers

The SRP is nevertheless intending to continue fighting for parliamentary recognition and several important positions within the Assembly, which would be split according to the number of seats they won after the elections. Opposition deputy Yim Sovann, for his part, did not think the request was “excessive”. “Our demands comply with the principle of pluralism. We want to reach a balance between the executive and the legislative powers”, the former chairman of the parliamentary commission of Interior and National Defence explained, quoting the example of foreign political systems: “In the United States or Germany, if the ruling party is in charge of the Ministry of Economy, then the opposition must be in charge of the parliamentary commission of Economy and Finance”.

Cheam Yeap, CPP chairman of the parliamentary commission of Economy, Finance, Banking and Audit, looked at the example of his own commission, which is “only” in charge three institutions (the Ministry of Economy, the central Bank and the National Audit Authority) and reckoned the argument used by the SRP was specious, reminding that the current procedure does not prevent the lower chamber from creating new commissions.

#### A budget for the parties present within the National Assembly?

Yim Sovann stressed the fact that the issue was also a financial one and argued in favour of the strengthening of the budget available to the parties present in the National Assembly. The budget would then be proportionally split between representatives according to their number in the Assembly, thus following the rule stipulating that opposition parties are allowed to enjoy enough public funding and are therefore able to play their part in every respect. And there again, foreign political patterns, especially European ones, are a source of inspiration for the SRP. “In Germany, the budget is split according to the number of votes gained by every party. In order to be in a position to give constructive advice to the government, the opposition parties, which act as a mirror in which the government would see itself, must have financial resources available”, Yim Sovann considered. “These funds are not meant for deputies to grow rich or buy cars, but will be used to buy computers, stationary and pay for the electricity and water bills”, he precised.

#### Opposition weakened but still hopeful

The opposition, deprived of any important posts within the National Assembly, declared itself under pressure. Opposition representatives denounce the difficulty of access to any

information relating to the lower chamber, especially concerning permanent committee meetings. “We cannot debate on the proposed bills and we do not have our say when it comes to modifying them before they are presented in a parliamentary session. Serving the interest of citizens is therefore difficult.” And as long as the role of the opposition is not guaranteed, SRP deputies will continue to boycott meetings and seminars organised within the Assembly, including those initiated by NGOs or the international community, with the exception of parliamentary sessions, as a direct response to the ostracism they claim to be the victims of.

The main opposition party's elected representatives claim they have now gone onto a new strategy: working out of the parliamentary system by directly visiting inhabitants and “inform them of the country's evolution”. “The word 'despair' does not exist in the SRP dictionary. We are still breathing. We will continue our struggle, with hope. One day, success will come to us because everything has to come to an end and nobody is immortal”, Yim Sovann concluded with a touch of philosophy in his words

## **Strategic Front**

### **Economic Front**

- **Natural resources “for sale” in Cambodia: Global Witness strikes again**

The environmentalist NGO Global Witness, genuine thorn in the Cambodian government's side, is back with a new report, vitriolic following its custom. The title gives the tone: “Country for Sale: Welcome to Cambodia”! Their previous report “Cambodia's Family Trees”, published on June 1st 2007, had incurred the wrath of the authorities in Phnom Penh, and their latest is no exception. The London-based organisation – who had started to denounce operations of illegal logging since 1995 – had been obliged to close their Phnom Penh office in September 2005, “because of the concerted attempts by the authorities to stop our activities,” Mike Davis of Global Witness had then explained. According to the organisation, the patterns of institutionalised corruption and clan and family patronage of the elite ruling the country – which they had exposed in the forest exploitation – are now observed in the exploitation of mineral and oil resources. The NGO is ringing the alarm.

- **Decentralisation and deconcentration in Cambodia: what's behind the D&D policy**

On May 17th this year, polls will be held in Cambodia on the basis of indirect suffrage for the election of councillors in the capital, provinces, municipalities, districts and sections [khans] in the whole Kingdom. These elections come as part of the decentralisation and deconcentration process – also known as D&D, according to the acronym used by the Cambodian political class – which the state has been trying to implement since 2001. The goal of this new policy is to delegate and, to a lesser extent, to

transfer part of the decision-making power to localities at sub-national levels. For that process, several administrative reforms have been carried out and redistribute the roles of each of those divisions. To avoid losing the plot in front of this new concoction brought by the Organic Law on Administrative Management adopted in April 2008, here is a little explanation of the ins and outs of this reform and the D&D policy.

- **Water shortage raises questions**

Why is service disrupted? When will it be resolved? More importantly, who or what is to blame? Siem Reap is entering week four of a mysterious water supply disruption, and the only thing flowing is the rumour mill. The town's watering holes, as well as other businesses and homes, have been parched dry, stretched to the breaking point with as little as one hour of water a day, with no explanation from authorities and no end in sight.

Officials are alternately blaming overpopulation, Lunar New Year festivities and burst water pipes - but no concrete answers are forthcoming in Siem Reap's own Watergate.

The water troubles began in the last week of January but reached an intolerable level in the first week of February. Unable to clean dishes or flush toilets, many bar owners were forced to improvise or close.

Two weeks ago, the minister of tourism was in town, "saying we had to stick together and that the government was going to help us through the global financial crisis. They said they're building a new road to Angkor Wat. But what's the use of a new road if tourists can't flush the toilet? I feel like there's been no support, and no one knows what's going on", Williams said.

- **Kingdom's banks at risk: IMF**

Nonperforming loans could soar to 13 percent and reserves fall below limits if deposits and foreign capital continue to shrink, says new report

More oversight is needed if Cambodian banks are to weather the storm, says an IMF report. Cambodia's banks are under threat from rising nonperforming loans, slow deposit growth and low liquidity, according to an International Monetary Fund report released this week.

If the situation deteriorates, some banks could be unable to meet the government's minimum capital requirements, the report says. The annual economic review adds that poor compliance with reporting rules could mean Cambodian banks are even worse off than thought. The IMF assessment adds to warnings that the global financial crisis is spreading to Cambodia's banking industry - a sector that until recently was seen as a pillar of stability amidst falling garment exports and dwindling tourist arrivals.

It follows last week's annual World Bank report that also raised concerns about the Cambodian financial sector.

### More supervision needed

The IMF's resident representative for Cambodia said the report highlighted the risks that Cambodian banks face in 2009 but did not serve as a negative forecast for the sector.

But John Nelmes told the Post Wednesday the report was a warning the National Bank of Cambodia (NBC) needed to watch closely the sector in 2009. The report says liquidity shortages have arisen at some banks. "In response, banks have been raising deposit rates, drawing excess reserves and, in a few cases, borrowing from abroad," it says.

An extreme scenario illustrated by the IMF shows non-performing loans rising to a startling 13 percent, with six banks falling short of the government's risk-weighted capital ratio of 15 percent. Falling property prices have also put pressure on the sector, the report says. "Large withdrawals have reportedly been made by firms concentrated in the property sector, notably Korean-owned banks."

The World Bank report mentions "two large banks" being at risk from nonperforming loans. Spokesmen for the IMF and the World Bank would not name the banks in question, but industry sources have identified Canadia and Vattanac Bank as of particular concern.

He said that the bank's liquidity and deposits been steady over the past three months. Vattanac Bank would not respond to requests for comment.

- **True Move to invest despite slump**

True Move, the country's third-largest mobile operator, has reaffirmed that it will continue to invest this year despite the current economic slowdown.

True is ready to invest 10 billion baht when 3G licences are issued, says Mr Supachai.

CEO Supachai Chearavanont said the company was now ready to invest 10 billion baht in third-generation (3G) wireless broadband services nationwide this year as soon as the National Telecommunications Commission (NTC) issues 3G licences.

Mr Supachai said the combination of the two investment alternatives was based on pros and cons of each type. Investing in the new 2.1 GHz under a new licensing agreement is likely to stipulate a lower revenue-sharing rate but require a larger investment. Upgrading the analogue 850 MHz, meanwhile, would provide a more competitive network coverage at a lower investment cost but would still be under the existing concession system.

Mr Supachai said Thailand's information and communications technology (ICT) industry would continue growing this year given the still-low penetration rate of broadband internet access and pay-TV.

Thailand has only one million broadband subscribers out of a total 15 million households while cable-TV and local satellite TV subscribers total four million, representing 18%, compared with 80-90% in developed countries

Mr Supachai said he expected to see between seven to eight million new mobile numbers this year, about the same level as last year. True Move expected to attract one-third of the total. True Corporation recently announced that its rights offering involving a 20-billion-baht capital increase had received strong support from the Charoen Pokphand Group, its major shareholder. True floated 10 billion new shares to existing shareholders in the rights issue priced at 1.95 baht per share. The five-day subscription period ended last Friday. The company said shareholders had subscribed 3.272 billion shares or 6.362 billion baht. CP Group, meanwhile, subscribed 2.77 billion shares, or 27.7% of the total rights issue.

Mr Supachai said the planned multi-round subscription was expected to be fully subscribed by the end of this year. Shares of True (TRUE) closed on the Stock Exchange of Thailand at 1.87 baht on Friday, down one satang, in trade worth 48.52 million baht.

- **UN calls for more aid to support Cambodia's agriculture**

United Nations Development Programmes has asked donors to speed up farm aid to help Cambodia increase rice exports to offset the losses felt by the important garment sector and tourism due to the global financial crisis.

Douglas Broderick, UNDP resident representative, told an economic forum in Phnom Penh on Feb. 5 that Cambodia had great potential as it is located in Southeast Asia but required financial support, according to news agencies. Cambodian officials said the government had lent private millers 30 million USD to buy rice from farmers to ensure domestic supplies but was seeking another 300 million USD to increase capacity for collecting, stocking and processing the crop.

According to the Federation of Cambodian Rice Miller Associations (FCRMA), Cambodia may see a 10-fold increase in private sector milled rice exports this year, up to 200,000 tonnes from 20,000 tonnes in 2008, thanks to greater milling capacity and emergence of new markets.

The private sector is required to maintain minimum stocks of 500,000 tonnes in 2009, up from 400,000 tonnes in 2008, it said. About 300,000 tonnes have already been collected from the latest harvest, and the industry is using 15 million USD of low-interest bank loans to enhance the capacity and quality of milling through upgrading infrastructure

## **Business and Politics in Muslim World**

### **India**

Sadia Khanum

7<sup>th</sup> January 2009 to 13<sup>th</sup> February 2009

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- ‘Snap trade, transport ties with Pakistan’
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### **Political front:**

#### **We never left Ram, asserts Advani**

It was back to Jai Shri Ram for the Bharatiya Janata Party's prime ministerial candidate L.K. Advani, who concluded the three-day party conclave on Sunday. Mr. Advani said no one had been able to give a convincing answer why there should not be a grand Ram temple built at Ayodhya. "Jai Shri Ram. There will be some who will say we have gone back to Ram, but I say we never left Ram. Only when the Ram temple is built at Ayodhya can a Jai Shri Ram slogan come from within the heart." Mr. Advani mentioned the Ram temple as he spoke extempore, departing almost wholly from the prepared text, which, he said, should be taken as read. On Saturday, party president Rajnath Singh said the Ram temple would be built as soon as the BJP got an opportunity to do so. Mr. Advani said India was partitioned on the basis of Hindu and Muslim majority areas. While Pakistan declared itself to be an Islamic state, India gave equal right to all citizens and became secular. His message to the workers and leaders was to avoid a "self-goal" and said it was because of internal weaknesses that the party had lost the Delhi and Rajasthan elections. The BJP was a party with a difference because while some parties were

“family parties, some others were one-leader parties,” and only the BJP had a leadership that had risen from amongst the party cadre.

### **‘Snap trade, transport ties with Pakistan’**

A political resolution adopted on the final day of the 3-day Bharatiya Janata Party conclave here demanded that all trade, transport, tourism and cultural ties with Pakistan be snapped and the Indian High Commissioner recalled if Pakistan did not take proper action, including handing over all the terrorists involved in Mumbai and other terrorist attacks. The resolution termed the United Progressive Alliance a “coalition of opportunism,” of “desperation” and “compulsion” that had “no moral right to seek legitimacy” because of its track record. The “illusion of a third front” was dismissed as the product of the politics of manipulation and opportunism, while noting that fresh efforts were being made to bring together the Congress-led UPA and the Left-dominated third front. The resolution brought up the recent controversy in the Election Commission and alleged that this was part of the pattern of erosion of institutions by the UPA.

### **UPA has repaired grave damage done to our secular polity and society: Sonia**

“Ready, prepared and confident,” the Congress on Sunday flagged off its campaign for a fresh mandate on the “strength” of the performance of the United Progressive Alliance government and with a renewed pledge to fight divisive forces. Inaugurating the day-long national convention of Block Congress Committee and District Congress Committee presidents here, Congress president Sonia Gandhi set the agenda for the battle ahead by once again aligning India’s grand old party with the “aam aadmi” and advocating balanced growth. Wrapping up the proceedings in the evening, she held out the hope of merit and not patronage being the criteria for candidate selection. Responding to views against seat adjustments, she explained that alliances were necessary but that should not stop the party’s foot soldiers from working to strengthen the organisation. While asserting that the UPA had repaired the “grave damage done to our secular polity” and society by the BJP-led National Democratic Alliance, Ms. Gandhi said: “Theirs was the voice of polarisation, of division and hatred. Ours is the voice of social justice, communal harmony and inclusiveness. Theirs was the voice of a privileged few. Ours is the voice of the multitudes the ‘aam aadmi’.” Taking on the BJP, she claimed that parties which divided people in the name of religion and interfered with personal lives could not be effective in the war against terror. The Congress alone, according to her, was in a position to fight terror because it was the only party which had the ability to carry every section of society with it.

### **The fight is between secularists and pseudo-secularists: Advani**

The Bharatiya Janata Party’s prime ministerial candidate, L.K. Advani, who concluded the 3-day party conclave here on Sunday returned to his favourite formulation of “pseudo-secularism,” saying the real fight was between the “secularists” (meaning the BJP and the RSS and its affiliates) and the “pseudo-secularists,” that is, the Congress, the Left and others. He rejected the description of the BJP as a communal party. It was during the Partition that he had asked the then RSS chief, M.S. Golwalkar, what secularism meant. “It was from Guruji [Golwalkar] that I learnt about secularism when I talked to him soon after the assassination of Mahatma Gandhi,” Mr. Advani admitted. He added that he had told him India was a Hindu majority state, therefore, a Hindu state. He recalled his 50-year long association with the former Prime Minister, Atal Bihari Vajpayee, and said it was the second National Council he had not been able to attend due to ill-health. He said he wished him a speedy recovery.

### **Congress to blame for Babri demolition: Mulayam**

Former Uttar Pradesh Chief Minister and Samajwadi Party president Mulayam Singh reminded the Congress that it was responsible for the demolition of the Babri Masjid. In a strong reaction to the Congress' reported opposition to his alliance with Kalyan Singh, Mr. Mulayam Singh stated that it had no right to oppose the understanding as the unlocking of the Ayodhya mosque (February 1, 1986) and the subsequent 'shilanyas' of the Ram temple (November 1989) were performed when the Congress was in power at the Centre, and in Uttar Pradesh. When the Masjid was demolished on December 6, 1992, then too the Congress was at the helm of affairs in Delhi, the Samajwadi Party president added. "Had the structure not been unlocked and the shilanyas not performed, the Babri Masjid would not have been demolished," the former Uttar Pradesh Chief Minister said at a Press conference here. Mr. Mulayam Singh also reminded the Congress of the Samajwadi Party's support to the Manmohan Singh government which led it to win the no-trust vote in July 2008, adding that his party continued to support the United Progressive Alliance government. However, the Samajwadi chieftain cautioned the Congress to stay away from the Kalyan Singh issue and not to meddle in his affairs. Mr. Mulayam Singh's strong criticism of the Congress appeared to have placed a question mark over the possibility of a seat-sharing arrangement between the Samajwadi Party and the Congress in Uttar Pradesh for the Lok Sabha polls. On the fate of the political understanding, Mr. Mulayam Singh said he was open to an alliance with the Congress. In a throwback to his days as the Chief Minister in 1989-1991 when the Babri issue hotted up, Mr. Mulayam Singh (he became the CM in December 1989) said the Samajwadi Party had opposed the shilanyas as it feared that the move would impact upon national unity. "The catastrophic events of December 6, 1992 vindicated our stand," he said. In October-November 1990 when an abortive attempt was made to storm the mosque, the police opened fire to quell the mob. "Many people were killed in police firing and several others injured, but my government managed to save the Babri Masjid," Mr. Singh said. He recalled his address at the meeting of National Integration Council (NIC) in 1990 in which he equated himself with Arjuna. He added that there has been no change in the Samajwadi Party's stand of defending the weak and oppressed.

### **India isolated in neighbourhood, says D. Raja**

The Communist Party of India (CPI) charged that proximity to the United States had led to India's isolation in the neighbourhood and this was reflected in the frustration of the United Progressive Alliance (UPA) leadership in putting its point across. CPI secretary D. Raja said both Pakistan and Sri Lanka did not seem to respond to India's call on vital issues. "The country stood humiliated and that was mostly on account of its closeness to the U.S.," he said. He said Islamabad's reaction and Colombo's response to New Delhi's demand for action against the perpetrators of the Mumbai attacks and on the Tamil issue respectively underscored India's isolation. Mr. Raja regretted that the "indifferent attitude" of the neighbours was mostly because it had compromised on its sovereign foreign policy and was harming the country's cause. This isolation was telling on the UPA leadership and its frustration was reflected in its statements. "The fact that External Affairs Minister Pranab Mukherjee, National Security Adviser M.K. Narayanan and Union Home Minister P. Chidambaram repeatedly hammered on Pakistan's failure to respond to their inputs on the Mumbai attack underscores their frustration," Mr. Raja said. He accused the UPA government of providing military aid to Sri Lanka and wondered why the Congress never cared to react to such accusations. "It should react to such allegations and make it clear that the country was not providing any military help to Colombo." Mr. Raja said that it was the moral responsibility of India to ensure the safety of the Tamil civilians caught in the cross-fire between the Sri Lankan forces and the Liberation Tigers of Tamil Eelam. He hoped that

Delhi would urge the Mahinda Rajapaksa government to resume peace talks and politically solve the ethnic conflict.

### **BJP misusing Lord Rama's name: Congress**

The Congress accused the Bharatiya Janata Party of “misusing, rather abusing” Lord Rama’s name for petty gains. “Lord Rama will never forgive the BJP for this,” Congress spokesman Manish Tewari told journalists here, reacting to the BJP’s decision to make the Babri Masjid-Ramjanambhoomi an election issue. The BJP, at its national council meet in Nagpur, said that it would build a Ram temple at Ayodhya if it came to power with a majority at the Centre. Mr. Tewari said it was a simple case of using religion for political gains. “In Mangalore Sri Ram Sene misbehaves with women and in Delhi, the BJP rakes up the Ram temple issue just before the general elections are due.”

### **We can get back to power: Modi**

Gujarat Chief Minister Narendra Modi intervened in the discussion at the Bharatiya Janata Party’s National Executive Committee meeting here on Friday to say that in the recent Assembly elections the party proved the point that it “can and does get elected back to power.” When State presidents of the party were reporting on their preparedness for the Lok Sabha polls, Mr. Modi suggested that the party had unnecessarily been defensive about the results of the Assembly elections that is, the party had been returned to power in Madhya Pradesh and Chhattisgarh. It was only the media that harped on the party’s loss in Rajasthan.

### **Congress: Karnataka is being Talibanised**

The Congress on Friday accused the Bharatiya Janata Party government in Karnataka of attempting to “saffronise and Talibanise” the State, resulting in a “major outbreak” of violence and crimes against women and the minorities. In a statement, the Congress alleged that the Yeddyurappa dispensation was using government funds to ‘saffronise’ educational institutions. It charged that the government had released Rs. 5 crore to ABVP-headed committees in all colleges and universities of the State on the pretext of generating anti-terror awareness. “However, in these meetings, the real message being spread is one of hatred and enmity against minorities,” Congress spokesperson Jayanthi Natarajan said while briefing mediapersons. “It is particularly obnoxious that the entire campaign is being spearheaded by Higher Education Minister Arvind Limbavalli who is himself a former ABVP activist. It is a matter of particular concern that the fight against terror which is and ought to be a united national effort is being communalised so blatantly,” the statement said. As for the attack on girls in a pub in Mangalore last month, the Congress said that instead of taking steps to protect women in the area, the Chief Minister had asserted his government’s intent to stamp out the pub culture, “thereby indirectly conveying his support for the actions of the Sri Ram Sene and its leader Pramod Muthalik.” Referring to the threat of the Sri Ram Sene to target couples found dating on Valentine’s Day, the Congress said this was nothing but Talibanisation of the State and a thinly veiled attempt to impose a barbaric code of conduct on young girls. Worse still, Ms. Natarajan alleged, the Chief Minister had conveyed his tacit support for the threats. She questioned the administration’s decision to withdraw cases against activists of the Bajrang Dal and Sri Ram Sene.

### **RSS marginalised in BJP candidate selection**

The RSS, which earlier used to have a major say in the selection of BJP candidates for Lok Sabha elections, finds itself playing a minimal role this time round. Senior RSS pracharaks told The Statesman that the Sangh's decision to have less of a say in the selection of BJP candidates was more out of convenience than because of any rift between the two Sangh Parivar members. BJP insiders, however, said RSS-BJP bonhomie is increasingly getting eroded and hampering the BJP's electoral chances. In 2005, Mr L K Advani stirred up a hornet's nest when he talked of RSS interference in the BJP's day-to-day affairs. The RSS later refuted the charge. The BJP's defeat in the recent assembly poll in Rajasthan was the latest pointer to attempts to deny the RSS any major say in candidate selection. Sources said a senior VHP leader had driven from Delhi to the then chief minister, Ms Vasundhara Raje's residence in Jaipur to lobby for a candidate but it was not considered. Similarly, the BJP had spurned RSS suggestions for the Delhi assembly polls. The BJP leadership cleared Ms Raje's name for the post of leader of the Opposition in Rajasthan despite the RSS's opposition to her candidature. Another RSS leader had recently gone with the name of a candidate from Bihar for the Patna Lok Sabha seat but it was set aside in favour of another BJP candidate. Sangh sources said earlier the top leadership of the BJP and the RSS used to have a "seat by seat" analysis of all the 500 plus Lok Sabha seats. There used to be three sets of names for each Lok Sabha seat and a final decision on the candidate used to be taken following a detailed discussion among the RSS-BJP leadership. The interaction between the RSS and the BJP then used to be more "formal" in nature. Today the two Sangh units meet to discuss seats but in a more "informal" fashion. The discussion is generally confined to about 50 candidates, the sources pointed out. According to a senior RSS leader, the general cadres no longer find themselves under any obligation to take up the cudgels on the BJP's behalf despite their respect for RSS ideology and its teachings. There is a general sense of detachment among the cadres and this is making it difficult to rope them in for electoral mobilisation for the BJP.

## **Mumbai Attacks and Aftermath:**

### **Mumbai terror 'a crime against humanity, totally unacceptable'**

I would not pre-judge what the Pakistan government will say. But I am convinced that the Pakistani government is also committed to addressing terrorism," United Nations Secretary-General Ban Ki-moon told in an interview in New Delhi on Thursday. He was asked whether he was confident that Pakistan would heed his appeal to "fully cooperate" with the Indian government in getting to the bottom of the Mumbai terror attacks. Mr. Ban, who was in New Delhi for a day, revealed that Prime Minister Yousuf Raza Gilani had informed him the Pakistan government "was going to enact the legislation to allow them to punish those Pakistani people who engage in terrorist acts outside Pakistan." Condemning the Mumbai terror attacks as "totally unacceptable," Mr. Ban underscored the importance of "addressing and eradicating terrorism...in the name of humanity." Noting that an opportunity had been missed in the wake of 9/11, he said what happened in Mumbai should strengthen the international community's resolve to work on "a comprehensive international convention on terrorism." Asked for his thoughts on what more could be done by way of international pressure or persuasion to ensure that Pakistan did the right thing, Mr. Ban responded: "In investigating and addressing terrorism, that should be done

voluntarily by any member state [of the UN] even before any pressure, so-called pressure, comes. This is, after all, a crime against humanity...There should be active efforts by the whole international community regardless of where it happened.”

### **Anjuman for public hanging of Ajmal**

The Anjuman Minhaj-e-Rasool has passed a resolution demanding the public hanging of Mohammad Ajmal ‘Kasab,’ the Pakistani national caught alive during the November 26 Mumbai terror attacks. The resolution was passed at a meeting of the Anjuman’s National Council of Advisers on February 4 and 5 in Ajmer. At a press conference in Ajmer on Thursday, Anjuman chairman Maulana Syed Athar Hussain Dehlavi said there was no place for terrorism in Islam and in the teachings of the Holy Prophet. The Anjuman strongly condemned terrorism and wanted Ajmal hanged in full view of the public. There was no sanction in Islam for the activities of groups such as the Lashkar-e-Taiba. The Maulana described the Indian Muslim as a patriotic citizen, who was ready to lay down his life for the country. He appealed to Muslim youth not to be swayed by emotion, and affirmed that Jammu and Kashmir was an integral part of India. Reading out from the resolution, the Maulana demanded that the government immediately withdraw its affidavit filed in the Supreme Court, which described the keeping of beard as a non-obligatory practice in Islam. He said the meeting discussed three specific issues related to Indian Muslims identity, security and equity and noted that the Indian Muslims were not a minority but formed the second largest majority in India. The Maulana regretted that despite this, political parties were treating the community casually. He was also critical of the Muslim leadership, blaming it for the current plight of the community.

### **Pakistan asks India to 'come clean' on Mumbai**

India must “come clean” about those on its own soil involved in the Mumbai terrorist attacks, Pakistan said on Friday, a day after it admitted that the assailants set out from Pakistan. “Pakistan expects India to come clean on the multiple facets of the Mumbai tragedy and expose the names of persons and entities in India who were also responsible for acts of commission and omission in a transparent manner,” it said. The statement was made in response to comments from foreign minister Pranab Mukherjee who branded the threat from Pakistan a “global cancer” and urged Islamabad to dismantle the “infrastructure of terrorism.”

### **Pakistan has to earn India's trust, says US intel chief**

The United States has welcomed Pakistan’s decision to acknowledge the involvement of its nationals’ in the Mumbai terrorist attack and prosecute the masterminds, but warned that “unless Islamabad takes sustained, concrete, meaningful steps to allay Indian concerns about its support to anti-Indian militant groups,” peace talks between the two countries may not resume. While Pakistan’s belated and shifty action to act against terrorists was broadly welcomed by the Obama administration on Thursday, the top US intelligence czar sounded a note of caution about a job unfinished by Islamabad to regain New Delhi’s trust. Much of this, he suggested,

centered round Pakistan's civilian government success in de-toxifying its military's strategy of using terror as a strategy against India. Testifying before the Senate Intelligence Committee, Dennis Blair, the new Director of National intelligence, obliquely commended Indian restraint while suggesting Pakistan still had work to do. "In the absence of a military response against Islamabad, the Indian public will look for visible signs that Pakistan is actively working to punish those involved and eliminate its domestic terrorist organizations," Blair said. The implication of his identifying Pakistan's "domestic terrorist organizations" was unmistakable. The US intelligence chief said the Mumbai attack "has convinced many Indians that Pakistani military leaders, in an effort to undercut India's emerging international stature, now favor a strategy of allowing Pakistan-based groups to attack targets that symbolize New Delhi's growing prominence on the global stage or that could undermine India's prominence by provoking religious violence in the country."

### **Pakistan terror a direct threat: Pranab**

Foreign minister Pranab Mukherjee has said that terrorism in Pakistan poses a direct threat to India and global peace. Responding to Pakistan's admission about part of the Mumbai terror attacks conspiracy planned on its land, Mukherjee said that we will not rest until the terrorists behind Mumbai terror attacks are brought to justice. Welcoming Pakistan's response to the Mumbai dossier, he said India will monitor further actions by Islamabad with regard to ending cross-border terror and underlined that the neighbour has to choose what kind of ties it wants with New Delhi. We made it clear to Pakistan that terror from its soil is a direct threat to India, he said.

Foreign minister also said that the primary onus of 26/11 responsibility lies with Pakistan. Blaming Pakistan for displaying a sense of victimhood following the Mumbai attacks, Mukherjee said that Pakistan's initial response to 26/11 was inappropriate. The minister further said that much on the future of bilateral ties will depend on what actions Islamabad takes to take the Mumbai case to its logical end. He said the "substantial gains" in the process of normalisation achieved during the last five years are at "grave risk" as the dialogue process is premised on the commitments given by Pakistan that territories under its control would not be used for terrorism against India in any manner. "In their official response, the Pakistan authorities have admitted that elements in Pakistan were involved in the terrorist attacks on Mumbai... This is a positive development," Mukherjee told the House, a day after Islamabad conveyed its response. He noted that Pakistan is still in the process of investigating the attacks and have taken certain actions, including the arrest of some of those who were involved and filed FIRs in Pakistan. Mukherjee noted that Pakistan has sought further information and material relating to the investigation and said India will share whatever it can after examining the issues raised in Islamabad's response. Noting that the November 26, 2008 attack was not the first terror strike in India having emanated from Pakistan, he said "nonetheless, with Mumbai, a threshold was crossed and it was imperative that Pakistan act credibly against that infrastructure to prevent further attacks." He gave details about developments and India's approach in the aftermath of Mumbai attacks, including sharing of evidence with the world to build pressure on Pakistan.

"We are at a point in our relationship where the authorities in Pakistan itself have to choose the kind of relationship that they want with India in the future," he said, adding "much depends on actions in the Mumbai case reaching their logical conclusion". He said India "will continue to review the situation including Pakistan's responses and will take further steps that we deem necessary in order to protect our people." Mukherjee pointed out that India has been constantly guided by the two objectives of ensuring that those who planned, organised and trained the attackers of Mumbai are brought to justice and that the infrastructure of terrorism which exists in Pakistan is dismantled so that there is no recurrence of such attacks.

### **'Indian hand' in 26/11 causes furore**

On a day when Pakistan admitted the role of its nationals in the 26/11 terror attacks, the Mumbai police which is investigating the case created major confusion by initially saying that 16 persons, including a few Indians, had provided logistics support only to retract it a few minutes later.

Commissioner of police Hasan Gafoor, while speaking to the media on Thursday evening, said, "Sixteen persons are wanted in the terror attack which includes the Pakistan-based LeT handlers and Indians." Gafoor further said that most of the Indians wanted were from north India. "We have alerted the local police there. They have provided assistance in collecting information, carrying out a recce, and transfer of funds from abroad," he said. Gafoor refused to elaborate saying investigations were continuing. Gafoor said most of the Indian suspects were from north India who had gone to Pakistan to obtain training. They disappeared after 26/11. "The Mumbai police is on the lookout for them," he said. Gafoor said the list containing the names of wanted Pakistani nationals had been forwarded to Pakistani authorities. In addition to these 16 persons, Gafoor said two Indians Fahim Ansari and Sabauddin Ahmed, who helped in carrying out a survey of the targets attacked were also involved in the planning. Soon after Gafoor announced this in public, TOI contacted joint commissioner of police (crime) Rakesh Maria seeking details of the wanted persons. He said only two Indians were involved in the attack — Ansari and Sabauddin. Maria said he had spoken to Gafoor, who had never mentioned that 16 persons were wanted for the terror attack. Gafoor later retracted his statement and said, "What I said was that 16 people were involved in the attack, of which 14 were Pakistani nationals. Nine terrorists were shot dead and Ajmal Kasab is with us. Four are handlers based in Pakistan. Two Indians are already in our custody." Meanwhile, the Mumbai police on Thursday claimed that the 26/11 terror attack could not have been possible without the tacit support of the Pakistani army. A senior police officer, while reacting to Pakistan's claims that non-state actors were behind the attack, told TOI that Lashkar-e-Taiba was an offshoot of ISI, which is a Pakistan state agency. "The ISI is run by either retired or serving Pakistani army personnel. Does this happen without the knowledge of the government," the officer said. The officer refused to comment when asked whether this fact was mentioned in any of the investigation reports. "We have information but to prove it in a court of law is difficult," he said. He pointed out that Austria-

based Arges, which manufactured the pistols and grenades used in the attack, had given a franchise to Pakistan Ordnance Factory. "In fact, during the 1993 Mumbai bomb blasts, we had similar information. But to prove it in court will be difficult," he said. On the origin of AK-47 rifles used in the carnage, the officer said he was awaiting the reports.

### **Pakistan's partial admission on Mumbai attacks 'positive': India**

India on Thursday welcomed Pakistan's response to the 26/11 dossier, but kept the pressure on Islamabad for taking real action against the 26/11 perpetrators as well as for dismantling the terrorist infrastructure on its soil. In a well-calibrated reaction, foreign minister Pranab Mukherjee welcomed the actions taken against the accomplices of Mumbai attackers, but also stressed India's demand for effective steps to stop anti-India terror plotted and launched from within Pakistan. "Pakistani authorities have admitted that elements in Pakistan were responsible for terror attacks in Mumbai, foreign minister told reporters after emerging from a meeting with home minister P Chidambaram, defence minister A K Antony and national security advisor, M K Narayanan. "Pakistan has taken some steps and some persons have been arrested. This is a positive step," said Mukherjee. Sources said that the senior ministers favoured caution while reviewing the situation, still uncertain whether the "small" step would lead to a major departure from Pakistan's support for terror and denial." Proof of pudding lies in eating", one senior government functionary said while summing up government's stand. Mukherjee also promised to get back to Pakistan with whatever information it may ask for. Pakistan's foreign secretary Salman Bashir on Thursday also handed over to India's High Commissioner in Islamabad Satyabrata Pal a list of 30 questions on which it has sought answers from India to carry forward the investigations. Sources said that India would not shy away from sharing further information with Pakistan. However, the 'positive development' notwithstanding, Government's lingering suspicion about whether Pakistan is really keen to change tack has been strengthened by the fact that the two LeT commanders, whom it described as Mumbai masterminds, have not been named in the FIR registered by Pakistan. As former MEA secretary K C Singh put it, Pakistan seemed to be trying to limit the damage by restricting action to the very basic operational level. "They want to keep the big fish out. They have gone for the physical evidence which has resulted in tying the investigations into knots. However, what they have done will certainly earn them sympathy from the international community and India will have to structure that in its response," said Singh. On the face of it at least, most of the queries put up by Pakistan seem genuine. Most of the questions are related to the DNA sample of Ajmal Amir Kasab, his interrogation report, his digital diary, national identity card and the fingerprints and belongings of the remaining nine unidentified terrorists. These are crucial for investigations as these can ascertain their identity. India said in its response that it "will share whatever it can". Another query seeks information on the Indian SIM cards used by the terrorists. Pakistan has also sought access to the intercepts of phone conversations between the terrorists and their handlers. In yet another question, Pakistan seeks to know from India who facilitated the

refuelling of one of the boats used by the terrorists, as revealed by Pakistan's investigations, in Gujarat. Earlier, in a statement, MEA said "They are still in the process of investigating the attacks, and have taken certain actions including the arrest of some of those who were involved and filing a first information report. This is a positive development." On Pakistan's demand for more information and material, the MEA said "Pakistan has also sought further information and material relating to the investigation. The government of India will now examine the issues raised in the response by Pakistan. After that examination we will share whatever we can with Pakistan," it added. Union home minister P Chidambaram too said that India will examine the issues raised by Pakistan.

### **Global link in Mumbai attack, Pak gives details**

From Italy, Spain and an unnamed Middle East country to US and Russia, the plotters of the Mumbai terror attack tapped local resources including dollar payment transfers and registering internet domain names in a sinister global plan to numb India's financial capital that left 183 persons dead. As Pakistan gave the first readout on its probe into 26/11 which saw a cyber link coming to the fore, its interior minister Rehman Malik said leads also pointed to Europe and the United States for which he said FBI's help and international cooperation will be sought to crack the case. "It is not only Pakistan, but the system of the other countries has also been used," Malik said. Malik named other countries, where he said the plotters had made payment transfers or where equipment used in the attacks was registered. For example, he said, 238 dollars was transferred from Spain to acquire a domain name -- used for communication over the Internet -- that was registered in Houston, Texas in the US. A Pakistani man Javed Iqbal who was living in Barcelona was repatriated and arrested in connection with the payment, Malik said. Another domain name used by the attackers was registered in Russia, and a satellite phone registered in a Middle Eastern country, which he declined to name. Malik said "money was paid in Italy," but it was not immediately clear how much he was referring to or what the money was used for. Giving details of internet domains used by the Mumbai plotters, Malik said they were traced to Houston in the US and Russia. Suspects used a digital teleconferencing system whose service provider is based in Houston while a Thuraya phone was issued in a "Middle Eastern country", Malik said. He did not identify the Middle East nation. It was also revealed that the money for the attackers was paid in Italy and the amount came from Islamabad. Voice Over Internet Protocol (VOIP) was purchased from Barcelona by Javed Iqbal, who also operated three e-mail accounts from the Spanish city, Malik said. Payments for use of VOIP were made in Spain and Italy, it was stated. With cyber technology being tapped by the terror suspects to execute the plan, Malik also said that e-mail sent purportedly by Indian Mujahideen was traced to LeT operative Zarar Shah. Mumbai gunmen's handlers in Pakistan had kept in touch with them by phone during the three-day assault, according to Indian investigators, who also monitored the worldwide traffic of VOIP flow to find out that nearly 5,000 calls were made across the globe at the time of the Mumbai

siege.

## **Domestic Situation:**

### **Gujarat police officer held for massacre**

Causing panic in the Gujarat police ranks, the Special Investigation Team (SIT) appointed by the Supreme Court arrested the Bulsar District Deputy Superintendent of Police, Kirisitsinh Erda, in connection with the Gulberg Society massacre during the 2002 communal riots. Mr. Erda then was Senior Police Inspector In-Charge of the Meghaninagar police station which covered the Gulberg Society area in Chamanpura locality where more than 40 people, including the former Congress member of the Lok Sabha, Ehsan Jafri, were burnt to death during the mayhem on February 28, 2002. Besides other witnesses, Mr. Jafri's wife had complained to the SIT against Mr. Erda, claiming that the police officer did not turn up at the scene of the crime despite repeated pleas by the residents to protect them from mob attack. According to Ashish Bhatia, one of the members of the SIT from the Gujarat IPS cadre, Mr. Erda was arrested not only for the dereliction of duty but also because of his alleged complicity in preparing false documents to help out some of the accused in the massacre. "We have enough evidence against Mr. Erda of having committed many major mistakes during the massacre in Gulberg Society," Mr. Bhatia said. Not only that the police official did not respond to the pleas from the residents in time, when finally he turned up with the police team, he did not resort to "effective firing" to disperse the attacking mob. Even during the investigation into the incident later, he showed carelessness and was also found to have prepared some false documents that could benefit some of the accused in the Gulberg Society case, Mr. Bhatia said. Mr. Bhatia said investigation was on against several other police officers in connection with the nine other incidents of massacres being probed by the SIT at the instance of the apex court. "More arrests of police officials are likely if we find similar strong evidences against them also," he said. Mr. Erda's arrest has caused panic among the police officials in the State posted at key positions at the places that witnessed major massacres under fresh investigation by the SIT. Several other names of senior police officials are believed to be under scrutiny of the SIT.

### **Bangalore blast accused helped recruits train in Pakistan: police**

The ideological roots of the Keralites charged with triggering explosions in Bangalore, Surat and Hyderabad last year could be traced to the now defunct Islamic Seva Sangh (ISS), a cadre organisation formed in Kerala in the 1990s. Kerala police officials said they were yet to find any evidence linking the suspects "operationally" to the proscribed Students Islamic Movement of India (SIMI) or its suspected front organisations. The ex-ISS men had on their own attempted to link "Jihadist minded" Malayalam-speaking Muslim youth with the Lashkar-e-Taiba, the Pakistan-based terrorist organisation, for martial training and indoctrination. They said the suspects used the cover of a predominantly Sufi religious body based in Hyderabad, Nooreshah Thareeqat, to bring impressionable Muslim youth into their radical path. Nazir, 35, son of a rich businessman in Kannur, was one of the principal recruiters. The police said he was one of the "six central figures" responsible for "inspiring and helping" five Muslim men from Kerala to cross over to Pakistan from Kashmir last year to be trained by the LeT. The Indian Army killed four of them. The fifth, Jabbar, who survived the Army ambush, was arrested by the Joint Investigation Team (JIT) of the Kerala police from Hyderabad recently. The Karnataka police are now questioning him in connection with the Bangalore blast case. Jabbar told his interrogators that the

LeT operatives trained him for a week in Kashmir and later armed him with an AK-47 assault rifle for making the cross over to Pakistan. The LeT handlers, he said, ridiculed him about his dark complexion and South Indian origin. Abdul Sattar alias Sainudeen, the main suspect in the Bangalore blast case, harboured the five men in Hyderabad and his ISS associate, Abdul Hameed alias Amir Ali, helped them in New Delhi on their journey to Pakistan through the Kashmir valley. Abdul Hameed, a Karate instructor and ISS strong man, fled Kerala in 2000 after the police charged him with plotting the murder of the then Chief Minister E. K. Nayanar for arresting Peoples Democratic Party (PDP) leader Abdul Nassar Mahdhani. He assumed the name of Amir Ali in New Delhi, acquired a voter's identity card under that name. The JIT traced him in New Delhi. Its undercover members travelled with him on a train to Kerala and arrested him when they arrived at the Kasargode railway station. The Kerala police have arrested 12 persons, mostly former ISS men, in connection with the conspiracy to send men for training in Pakistan.

### **Arrested belonged to Muslim group**

The eight Keralites arrested in Bangalore on the charge of triggering serial bomb blasts in the city last year belonged to a Muslim fundamentalist group operating covertly in Kerala since the mid-1990s. The State police here know Abdul Sattar alias Sainudeen, the main suspect in the blasts case, as an expert in making "time bombs." They investigated in him in 1996 in connection with the seizure of "pipe bombs" (gelignite charges attached to timing devices and packed in iron tubes) from the Kadalundi river in Malappuram district in 1996. The 58-year-old "circuitry expert" from Malappuram was running a fan export business in Hyderabad when the Kerala police named him as one of the "six central figures" responsible for "helping and inspiring" five Muslim youth from Kerala to cross over to Pakistan for getting training from Lashkar-e-Taiba (LeT), a terrorist organisation suspected to be responsible for the Mumbai attacks. The Indian Army killed four of the youths. The Kerala police arrested Jabbar, the fifth man who managed to escape the Army. His interrogation and analysis of telephone calls "revealed" Sattar's role in the larger conspiracy to link "jihadist minded" Muslim youth in Kerala with LeT operatives in Pakistan and J & K. Jabbar and others are suspected to have contacted two LeT operatives in Kashmir. One of them, Abu Moosa, was later shot dead by the Army. Official sources said Sattar and his associates had used the cover of a Hyderabad-based religious organisation, 'Noorshah Thareeqat,' as a cover to recruit impressionable youth into their radical path. The group included activists of the banned Students Islamic Movement of India and top members of the now defunct Islamic Seva Sangh. A senior official said the group often chose not to identify themselves by any particular name. But they used different nomenclatures to claim responsibility for their terrorist activities (allegedly Hyderabad and Surat blasts) with the intention of maintaining their cover. The group is also suspected to be responsible for several violent crimes in Kerala, including the attack on the former Chief Minister, E. K. Nayanar. They had also resorted to murder in several cases where they perceived Muslim interests were at threat.

### **Pota not applicable in Godhra riots case: Gujarat HC**

In a blow to the Gujarat government, the Gujarat High Court on Thursday ruled that the seven-year-old Godhra train carnage was not an act of terror and hence Pota was not applicable to the case. The state government appointed special investigating team (SIT) had applied Pota after 59 persons, mostly kar sevaks, were killed when S-6 coach of Sabarmati Express was set ablaze on February 27, 2002, sparking off Gujarat-wide riots. The news would come as relief for 79 undertrials who allegedly formed the mob at Godhra railway station on that day, who, according to sources, have already started celebrating their prospective release. A division bench of the

High Court upheld the Pota Review Committee's conclusion that the Godhra train fire was not a result of terror conspiracy. Now, the accused will be tried under IPC where bail would be easier. "Our priority now is transfer of proceedings to Godhra sessions court and moving bail plea for prisoners who are in jail for quite a long time," said advocate Ilyaskhan Pathan, amicus curiae appointed by the Pota court. The High Court dismissed the petition by Sardarji Waghela, a relative of a Godhra carnage victim, which was supported by Gujarat government and VHP. The court also pulled up the state government for relying heavily on confessions by an accused, Jabir Binyamin Behera, to build a terror angle without any other supporting evidence. The HC's evaluation of the case, after the SC supported the review committee's recommendations for removal of Pota charges in this case, is in stark contrast with the state government-appointed Nanavati-Mehta judicial probe panel which concluded the burning of the coach was a part of "deep-rooted terrorist conspiracy".

### **'Urban poor not an overspill of rural poverty'**

Urban poverty in India is not an overflow of the poverty in villages but result of "poorly planned" urbanisation, according to the country's first-of-its-kind report on urban poverty. The United Nations Development Programme (UNDP) sponsored study said an estimated 23.7 per cent urban populace was living in slums amid squalor, crime, disease and tension, but not all slum dwellers exist below the poverty line. Poor city planning and poorer urban land management and laws are to be blamed for the rise in numbers of urban poor, revealed the India:Urban Poverty Report, 2009, released at a function here by the Union minister of housing and urban poverty alleviation, Ms Kumari Selja. Urban poverty, the report said, was not about only nutritional deficiency but deficiencies in the basic needs of housing, water, sanitation, medical care, education, and opportunity for income generation. "It is not a report on the poor in urban areas but a report on the process of urbanisation in India keeping poverty at the centre of analysis," said social scientist Prof. Amitabh Kundu, who has played a key role in bringing out the report.

The report revealed that urban workers were being increasingly pushed into the informal sector and the urban poor were a street vendor, a rickshaw puller, a rag picker, a cleaner, a washerman, a load carrier or a domestic servant. The report that deals in detail with the problem of small and medium cities, said while these workers contributed to the growth of cities, there was a growing trend to push them to the urban periphery. A near absence of rights to land and livelihood, and the higher cost that the poor have to incur on transportation and travel to workplace are some of the highlights of the study. Quoting latest data from National Sample Survey (NSS), it said it would be dangerous to let the process of urbanisation and migration be centred on a few mega cities, ignoring smaller towns. The NSS data suggests that poverty in large cities, particularly in metros, was rather low, at or below 10 per cent. Towns with less than 50,000 people, on the other hand, have much higher level of poverty and greater deprivation and the quality of their lives was almost similar to that in rural areas.

## **Economic Front:**

### **“20 lakh have lost jobs in four months”**

All-India Trade Union Congress general secretary Gurudas Dasgupta has alleged that the market slow down and “bad economic and industrial policies of the UPA government” have cost the livelihood of employees and workers across the country; as many as 20 lakh have lost their jobs in the last four months and another 10 lakh may lose them in the next few months. The CPI MP said the government seemed least bothered by the issue and was continuing its efforts to appease corporates with a slew of concessions and subsidies, tax cuts and reduction of interest rates. Mr. Dasgupta said the situation would become worse unless the government stepped in and took remedial measures. He disputed a report of the Labour and Employment Ministry that only 5 lakh people lost their jobs in the last three months. Most of those who lost their jobs were mainly casual labourers, temporary employees and contract workers and belonged to the export-oriented textile units, diamond polishing industries, real estate and construction, automobile sector, information technology, and media industry. As many as five lakh lost their jobs in the textile sector and three lakh in the diamond polishing units, Mr. Dasgupta said. “Global financial crisis – its effects viz., large scale downsizing, lay-offs, wage cut and job loses” was listed as no. 4, the last one, and it might or might not be taken up for discussions, he said. Trade unions, including the AITUC, would launch a country-wide protest on the issue on February 18. A joint rally would be taken out in Delhi on that day. Among the suggestions Mr. Dasgupta gave to tide over the crisis are: encouragement of domestic markets instead of export-oriented ones; making it clear to corporates/industries that there will be no concessions/assistance to them from the government unless they stopped retrenchment measures; stringent enforcement of laws; and payment of monthly allowance to those who had lost their jobs.

### **Domestic auto sales down 7% in January**

Continuing with the downhill drive, sales in the Indian automobile market reported an overall 7.4 per cent decline in January with passenger cars, two-wheelers and commercial vehicles failing to cash in on new year purchases and an imminent recovery still looking far-off. Total vehicle sales in the country stood at 768,622 units against 830,469 units, while domestic passenger car sales declined by 3.2 per cent in January 2009 to 110,212 units, from 113,894 units last year, according to the figures released by the Society of Indian Automobile Manufacturers (SIAM). Motorcycle sales in the country, during the month, was down by 5.8 per cent at 452,822 units, against 480,727 units in the year-ago period. Total two-wheeler sales in January also declined by 3.9 per cent to 581,742 units compared with 605,670 units in the same month last year. The biggest drag came from the commercial vehicles segment, which recorded 50.96 per cent drop during the month to 23,157 units, from 47,225 units in the year-ago period. “It is very early at this stage to talk of recovery. A lot depends on implementation of the stimulus packages that were announced and also on the proposed measures during and prior to the interim Budget,” SIAM secretary general Mr Dilip Chenoy said, adding the next few weeks would be crucial. The decline in passenger car sales was despite the market leader Maruti Suzuki India posting a healthy sales of 59,060 units against 54,336 units in the same month last year, a growth of 8.6 per cent. Hyundai Motor India Ltd reported 13.5 per cent decline in sales

to 21,015 against 24,296 units in January last year, while Tata Motors' sales were up marginally at 15,406 units compared with 15,261 units last year. In the motorcycles segment, Hero Honda Motors reported 5.1 per cent increase in sales to 295,241 units compared with 280,663 units in the year ago-period. Bajaj Auto's bike sales crashed by 50.8 per cent to 66,207 units against 134,704 units in the same month last year. TVS Motors' sales stood at 30,271 units compared with 27,697 units last year, up by 9.29 per cent. Total scooter sales during the month grew by 9.1 per cent to 96,017 units against 88,077 units in January last year with market leader Honda Motorcycle and Scooter India reporting 5.2 per cent growth to 54,119 units against 51,436 units in the same month last year. Hero Honda Motor posted 69 per cent increase in sales at 15,789 units against 9,342 units, while Bajaj Auto declined by 55.5 per cent to 489 units against 1,100 units in January last year. The three-wheeler segment also went on a slide in January with sales dropping by 12.2 per cent to 26,439 units compared with 30,145 units in the same month last year. In the commercial vehicles (CV) segment, medium and heavy CV segment declined by 67 per cent to 8,727 units against 26,577 units in January last year. Light commercial vehicles segment also reported a decline of 30.11 per cent to 14,430 units against 20,648 units in January last year.

#### **Infotech to buy aerospace firms**

Technology solutions provider Infotech Enterprises Limited may acquire two aerospace companies with an investment of \$30-50 million in line with company's expansion plans. Infotech Engineering vice president Mr Krishna Bodanapu told media here that aerospace was one of the key domain of Infotech Engineering services, contributing 70 per cent to its total revenues. Infotech was keen to expand in the aerospace sector by getting into the complete product life cycle management and transformation and play a key role in research and development of new features and services to the end-customer, he said.

#### **Nissan to slash 20,000 jobs**

Hit by declining sales and the surging yen, Japanese auto-maker Nissan reported a net loss of 83.2 billion yen (\$0.81 billion) for the third quarter ended 31 December 2008, compelling the firm to slash 20,000 jobs or about 8.5 per cent of its workforce. Further, the worsening state of the global economy and deterioration in global auto markets have led the company to forecast its first full year loss of 265 billion yen in nearly a decade for FY 08 and projects net revenue of 8.3 trillion yen in the year. The company had a net income of 132.2 billion yen for the December quarter of the financial year 2008-09, Nissan said in a statement. "The loss is driven by the severe downturn in the global economy in the second half of the calendar year 2008 and, in particular, the negative impact of the strong yen, the sharp decline in consumer confidence in all major markets and product mix deterioration," it added. During the quarter, net revenue stood at 1.81 trillion yen, down 34.4 per cent. Nissan has also announced recovery actions designed to enhance the company's performance during the current global economic and financial crisis. "Global headcount will be reduced by 20,000 through FY 2009, reducing Nissan's

headcount from 235,000 to 215,000”, the car-maker said in the statement. The company further said joint manufacturing projects with alliance partner Renault in Morocco and India would be revised. “In Chennai, the joint plant will proceed with a reduced ramp-up speed,” it said. Nissan sold 7,31,000 vehicles worldwide in the October to December 2008 period, down 18.6 per cent. Commenting on the quarterly results, Nissan president and chief executive officer Mr Carlos Ghosn said for every plan of the company, the worst assumptions on the state of the global economy had come true or turned out to be even worse, with the continuing credit shortage and declining consumer confidence being the most damaging factors. Further, the company stated that there would be no bonus payments to the board of directors for 2008-09. Salaries paid to board members and corporate officers would be reduced by 10 per cent and those for managers in Nissan Motor Co and affiliate companies in Japan would be cut by five per cent. Salary cuts would be starting next month and continue until the situation clearly improved, it added. For the nine months ended 31 December 2008, Nissan posted a net income of 43.2 billion yen, down 87.5 per cent compared with the previous year, while its net revenue fell 14.7 per cent to 6.68 trillion yen.

#### **Govt to borrow Rs 46,000 cr from market**

The government will borrow an additional Rs 46,000 crore from the market in four tranches from 20 February to 20 March to finance extra expenditure incurred to stimulate the slowing economy. The government, however, assured that the borrowings, to be carried out through dated securities, will not result in any liquidity crisis. “We had discussions with the Reserve Bank. Borrowing (extra) between 20 February and 20 March is going to be Rs 46,000 crore”, economic affairs secretary Mr Ashok Chawla told reporters after meeting RBI deputy governor Ms Shyamala Gopinath. The government would be borrowing Rs 46,000 crore through dated securities in four tranches, he added. Meanwhile at a separate function, Planning Commission deputy chairman Mr Montek Singh Ahluwalia said: “There will be no liquidity crisis (because of extra market borrowings).” Mr Ahluwalia said any deficit had to be met by borrowing and if stimulus was needed borrowing was a must. It had to be driven by borrowing, he said adding that there would be no difficulty in accommodating the government borrowings. “You can only have a next stimulus if you have a fiscal deficit. Our view in the Planning Commission is consistent that the best way of doing stimulus is well designed expansion in expenditure,” he said.

The RBI, Ms Gopinath said: “Will ensure that it (borrowings) is carried out in a non-disruptive manner”. The apex bank has already come out with an indicative calendar for government borrowing of Rs 70,000 crore more than what was given in the Budget. The government, Mr Chawla told reporters yesterday, had provided a stimulus of Rs 1,50,000 crore by way of excess expenditure and about Rs 50,000 crore through tax concessions to industry. “This year because of stimulus, because of downturn, the (borrowing) requirement has been more. Therefore, whatever is the requirement of the government ... will have to be met through borrowing,” he

had said.  
At a time when revenue collections are not buoyant, the government through two supplementary demands for grants has raised public expenditure 20 per cent over and above what had been earmarked in the Budget for 2008-09, and slashed excise duty by four per cent.

### **Industry output down by 2%; lowest fall in 14 yrs**

Despite the stimulus packages announced by the government in November, industrial production in December 2008 was 2% lower than in the same month of 2007 the steepest year-on-year drop for any month in more than 14 years. When the index of industrial production registered Y-o-Y decline of 0.3% in October, it was the first time since 1994 that there was negative growth in any month. The subsequent pick-up in November raised hopes that attempts by the RBI and government at reviving industry were bearing fruit. That hope has been belied by the December figures released on Thursday. The government, however, expressed confidence that the January numbers would show an improvement. Following the slump in December, growth in industrial output for the first nine months of the current financial year is a mere 3.2%, against 9% in the corresponding period last year. Economists felt that given the apparently limited impact of the stimulus packages, the government will have to revise its projection for industrial growth in 2008-09 currently pegged at 4.8% downward. This in turn would make the projected 7.1% growth in GDP for the year difficult to achieve. Crisil principal economist D K Joshi said the government must announce another stimulus package in the interim budget to improve the situation. At the same time, he said, RBI could also cut policy rates to bring down the effective interest rates in the market. Consumer durables' production was the worst hit in December, falling by 12.8%. Industry secretary Ajay Shankar said people were postponing spending because of the uncertain environment. He said the government had expected a difficult situation in December, which is why it had announced stimulus packages. In January, he asserted, the situation would be better. Output of the manufacturing sector, which constitutes 80% of the total industrial production, fell by 2.5% compared to December 2007. The other two segments mining and electricity generation also grew by just 1% and 1.6% respectively in December, against 5% and 3.8% respectively a year ago. Growth in the production of capital goods was at 4.2% in December and that in basic goods was pegged at 1.7%, while the output of intermediate goods fell 8.5% on a Y-oY basis.

## **Geo-strategic developments:**

### **India for convention on prohibition of nuclear arms**

India has proposed an international convention for “complete prohibition” of the use or threat of use of nuclear weapons to reduce dangers posed by the arsenal to the humanity. Addressing an

international security conference in Munich, National Security Adviser M.K. Narayanan underlined that India had been, and still remained, a strong and unwavering advocate of global verifiable and non-discriminatory nuclear disarmament, reflecting the passionate advocacy of nuclear disarmament of its first Prime Minister Jawaharlal Nehru. “Even today, India is perhaps the only nuclear weapons state to express its readiness to negotiate a Nuclear Weapons Convention leading to global, non-discriminatory and verifiable elimination of nuclear weapons,” he said speaking on ‘Non-Proliferation, Arms control and Future of Nuclear Weapons; Is Zero Possible?’ on Friday. Referring to the Action Plan proposed by India at the United Nations General Assembly in 1988 for complete elimination of all nuclear weapons in stages by 2010, Mr. Narayanan said “by far the most comprehensive initiative” was relevant even today. He made a number of proposals to reduce the risks posed by atomic weapons, which include negotiating a Convention on the complete prohibition of the use or threat of use of nuclear weapons. The other proposals included reaffirmation of unequivocal commitment by all nuclear weapon-states to the complete elimination of nuclear weapons; reduction of the salience of nuclear weapons in security doctrines; reduction of nuclear danger, including the risk of accidental nuclear war, by de-alerting nuclear weapons to prevent unintentional or accidental use of nuclear weapons. Mr. Narayanan also advocated the need for a global agreement among nuclear weapons states on ‘no-first-use’ of nuclear weapons and negotiating a universal and legally-binding agreement on non-use of nuclear weapons against non-nuclear weapon states. The proposals also included negotiating a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their time-bound destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons. Mr. Narayanan regretted that despite the end of Cold War, there had not been any appreciable change in the centrality of nuclear weapons in the security doctrines of the major nuclear weapon powers. “Commitments must be clear and unambiguous and convey some urgency for achieving this goal. This would apply to NPT states as well as non-NPT states,” he emphasised.

### **Shortage of Hawks hits pilots’ training**

An insufficient number of Hawk Advanced Jet Trainers (AJTs) has forced the Indian Air Force (IAF) to reduce by half the number of personnel who will train on these recently inducted aircraft. The IAF, which has started using the BAE Systems, designed and developed Hawk AJT at the Air Force Station at Bidar for the third and fourth semesters of its fighter pilot training programme. It was supposed to have 39 direct supply and licence assembled Hawks in its inventory by March 2009. Against this there are just 23 Hawks at Bidar, with some of these being grounded for want of spares, maintenance or quality control issues such as cockpit humidity. The shortage has meant that the IAF that had trained 18 trainees (out of a batch of 38) on the Hawk during their third semester (July–December 2008), and would have liked to train a further 18 (or more) from the current batch, has been forced to cut down the number to just nine (out of 35). This has resulted in more trainees flying the aging Hindustan Aeronautics Limited built, Kiran trainers, forcing the IAF to use an aircraft that is almost at the end of its service life. (A Kiran Mk2 used by the IAF’s aerobatic team crashed near Bidar on January 21 killing its pilot.) The shortage has arisen because of HAL’s inability to hand over 10-11 Hawks by December 2008 and 15 by March 2009, and also due to the non-availability of minor spares. HAL has delivered just one aircraft so far, prompting the Vice Chief of Air Staff, Air Marshal P.V. Naik, to write to the Ministry of Defence to say that the “delay in deliveries would seriously affect the training schedule on Hawk aircraft.” The letter also says that the delays would “in the long term adversely affect the number of pilots available to operational squadrons of the IAF.” A senior officer told that the IAF had managed to reduce aircraft downtime and the spares position was improving. “Though BAE Systems were aware of the tropical conditions the Hawks would operate in, neither

they nor the IAF were able to anticipate problems associated with maintenance, workmanship and spares. The IAF has written numerous letters to BAE Systems and they have ensured that these issues will be sorted out. But our biggest worry is numbers.” Officials from HAL admit that the “delivery schedules have slipped by at least six months.”

### **‘Bad economy not to affect military growth’**

Union defence minister, Mr AK Antony, asserted today that the current economic slowdown will not impact spending on modernisation of the defence forces, adding that his ministry will also continue to encourage investment in research and development. The minister who was addressing a seminar on the eve of the India Aero Show 2009, here, however, expressed his anguish over the fact that the country continued to meet 70 per cent of its defence needs through imports. He was not alone in this. Even Air Chief Marshal FH Major, did not hide his disappointment over the slow pace of modernisation in the Indian Air Force. The country was still very much behind its avowed goal of self reliance, something which was important for scientists and academicians from the private and public sector to realise. "I feel guilty about this," the minister added. In what appeared to be a wake up call for organizations like the Defence Research and Development Organisation and Hindustan Aeronautics Limited, for example, he said the scientific community must be quicker in providing the required designs besides making the deliveries on time. The minister's call to the scientists assumes importance particularly as the different agencies connected with the production and design of the Light Combat Aircraft ,for instance, have still not been able to produce an indigenous engine. The Kaveri engine on which the DRDO agencies have been working for over decades, spending several thousand crores, still remains a dream, going by the critics of the defence organisation. As a result the delivery of the much promised squadron of LCAs for the IAF has repeatedly been delayed. Now, the official talk is that at least two squadrons of LCAs would be given to the IAF in another two years with GE engines. Earlier, Air Chief Marshal, F H Major, echoed the ministers sentiments when he said that zones of know how must be identified for developing world class technology through joint ventures and partnerships, to focus on development activities. The time, he said, was ripe to approach the issue of development head-on, identify core technology aggressively and focus on self reliance. In this context, he said the present tendency was to seek to design and manufacture everything, which was not necessarily cost effective.

### **Kashmir:**

### **Social front:**

### **Executive taking over judicial work’**

Supreme Court judge S.B. Sinha has said that dispensation of justice which was the sole prerogative of the judiciary was taken away by those who did not have trained judicial minds. Justice Sinha expressed anguish that a large chunk of judicial work was going into the hands of the executive, which ensured 'tribunalisation' of not only civil but criminal cases. He advocated a multi-pronged approach to revamp the judicial system which, he felt, was mismanaged. "Not only outsiders but insiders in the system feel we are not able to manage ourselves. It is imperative we put our house in order for better judicial governance," he remarked. The judge of the apex court felt that judicial reform was a potent drug to cure many diseases that affected the system in the country. "A judiciary which should be healthy is suffering from many diseases." The solution was in enhancing the quality and responsiveness of judiciary to the needs of the litigant public. After all, the judiciary was the last repository of trust of common public. On the positive side, he said of 1.7 crore cases, 1.6 crore were disposed of by courts throughout the country in 2007. The rate of disposal was 1,400 cases a year by subordinate courts and 2,200 cases an year by High Court judges. Nowhere else in the world were so many cases instituted and disposed. Chief Justice of the Andhra Pradesh High Court Anil R. Dave stressed the need for strengthening of cases in subordinate courts which were the foundation for litigation where evidence and facts were recorded.

### **India's second humanoid robot unveiled at Quark**

India's second humanoid robot, which was formally unveiled during Quark 2009, the ongoing three-day technical festival, at BITS Pilani Goa campus on the first day of the festival on Saturday, was the cynosure of all eyes. With Acyut 2 expected to get more 'facelift' and learn more 'tricks of trade' in the next few months, a five-member team of the Centre for Robotics Intelligent Systems, BITS Pilani, Rajasthan, is all geared to participate in the RoboGames 2009 in San Francisco, U.S. Acyut in Sanskrit means "one that never falls down," said Samay Kohli, leader of the team, and exuded confidence that Acyut 2 would live up to that image in the RoboGames ahead and romp home with a medal! Mr. Kohli told that Acyut 2's predecessor, Acyut 1, India's first humanoid robot, was showcased at the RoboGames 2008 in San Francisco last year and it managed to get the sixth position among 30 to 32 countries that participate in the games. He said the project cost for the Acyut 2 was worked out to Rs.24 lakh, of which already Rs.12 lakh has been spent and they are confident that the balance funds, needed for adding more functions, to make it more automatic and give it more human-like structure, would be mobilised in the near future. The team of young engineers of the Robotics Centre has been gaining in confidence, which can be seen from the fact that Acyut 2 is much bigger, more professional in skills and much closer to a human being as compared to Acyut 1.

### **Ram Sene backs NCW member**

The Sri Ram Sene has come out in support of Nirmala Venkatesh, member of the National Commission for Women, whose report on the January 24 Managlore pub incident was rejected by the NCW. Talking to journalists here on Saturday, Vinay Singh, all-India general secretary of the Sene, said her report was an accurate assessment of what was happening in the pub. "Ms. Venkatesh visited the site and she is in a better position to present the facts. Someone sitting in Delhi would certainly not know. It seems that the commission wanted a 'pre-determined' report. Then what was the purpose of sending a team to conduct investigations?" On Friday, the NCW described Ms. Venkatesh's report as "inadequate and lacking" in addressing the terms of reference. Threatening that the Sene would resort to "direct action" if "social control" was not enforced in society, Mr. Singh said the organisation was not against Valentine's Day but wanted "seriousness and stability" in relationships whatever their nature. "In fact, we want people to

celebrate 'Valentine's Year' but that should not be voyeurism and without self-control," he said, citing increasing teenage pregnancies in the capital. Admitting that violence in any form was not justified, including what happened at the Amnesia pub in Mangalore, Mr. Singh, however, said it was "people's outburst" against social ills. Meanwhile, the All-India Democratic Women's Association (AIDWA) has condemned the kidnapping of a young student from Kerala, Shruthi, by "hooligans inspired by the Sri Ram Sene" in Mangalore on Friday. In a statement, the AIDWA said it was shocking but not surprising that organisations like the Sri Ram Sene acted with complete impunity. The Karnataka government, which "views their criminal acts with benign unconcern, is responsible for this state of affairs in which hooligans acting in the name of 'culture' and 'tradition' are allowed to not only trample upon the rights and dignity of young women but now also to abduct them at will." The Mangalore unit of the AIDWA organised a procession against the incident. The AIDWA demanded that the Centre do whatever was possible under the Constitution to ensure the safety of women and those belonging to the minority communities in Karnataka. The NCW has also condemned the incident and sought a report from the Karnataka government. Such incidents were unfortunate and should be stopped, it said.

### **Muslim Personal Law Board seeks property rights for women**

The All-India Muslim Personal Law Board (AIMPLB) has decided to oppose an amendment to the U.P. Zamindari Abolition and Land Reform Act, 1950, which entitles only unmarried daughters of property owners the right to inherit property. The amendment was made during the September 2008 monsoon session of the U.P. Assembly. Addressing the media after a meeting of the supreme body that monitors Shariat law in the country on Saturday, assistant general secretary of the AIMPLB Abdul Rahim Quereshi said: "As per the Islamic Shariat, women have the right to inherit their father's and husband's property. The AIMPLB has resolved to vehemently oppose the amendment of the U.P government that grants only unmarried daughters this privilege." The board is going to fight for the rights of all women, widows and married daughters included, he added. The board also resolved to oppose the compulsory registration of marriages as ordered by the Supreme Court in October 2007. It is of the opinion that the order will only inconvenience rural folk. "People from remote and rural areas will be put to great hardship because they will have to travel to the district and taluk-level headquarters to register their marriage. We oppose this order not in the name of Muslims alone but on behalf of the entire country," Mr. Quereshi said. The compulsory registration was seen as a move that would curtail child marriage. The board is demanding that the documentation provided by a local qazi (marriage officiator) be considered as a valid document at a par with a government marriage registration certificate. The AIMPLB has also taken exception to the Union government proposal to form a central madrasa board that will monitor the activities of all Islamic religious schools in the country. "We see this as interference into our religious affairs. "It is an infringement of our constitutional right to freely practise our faith," Mr. Quereshi said. The board has also expressed concern over what it described as an "inordinate delay" in the proceedings of the case pertaining to the December 1992 demolition of the Babri Masjid. It has alleged that the CBI is employing "delaying tactics" in presenting evidence connected to the case. "It is the belief within the board that the CBI is purposely holding back the witnesses in the case from being presented before the court," Mr. Quereshi said. The board has decided to submit a petition to the Central government demanding that the Justice Liberhan Commission submit its findings and place it in the public domain. It may be recalled that the commission, formed 17 years ago in the aftermath of the demolition of Babri Masjid, completed the process of hearing arguments and counter-arguments in 2004.

### **MLA's daughter kidnapped, freed**

A Hindu girl and a Muslim boy found talking to each other on a bus, were abducted allegedly by a Hindutva vigilante group and harassed before they were released here on Friday. The girl, Shruthi, a II PU student of St. Aloysius College, is the daughter of CPI(M) MLA from Manjeshwar, Kerala, C.K. Kunhambu. She was returning to her hostel in the city after visiting her parents in Kasaragod. Mr. Kunhambu said Shruthi and the boy, Shabeeb, a resident of Kasaragod, were forcibly dragged out of a private bus at Mahaveer Circle and were made to sit in an autorickshaw allegedly by the Hindutva activists. After an hour-long ride they were made to alight at a place where a few families were residing, according to Mr. Kunhambu. He told presspersons at the residence of one of his friends here that the activists allegedly questioned his daughter for speaking to a Muslim boy. He alleged that his daughter had to “beg” and “touch their feet” to secure her release. She was released only after she promised that she would not commit the “mistake” again. Mr. Kunhambu blamed the BJP government in the State for letting vigilante groups unleash a reign of terror. “If this can happen to the daughter of an MLA, what about the common man,” he asked. He said that he now regretted that he had admitted his daughter to a college in Mangalore. “I did a mistake,” he said. Shruthi was taken by the police to identify the locations to which she and Shabeeb had been taken. The police are yet to receive a written complaint. They threatened to take her life if she made the mistake again, he added.

### **‘Talibanisation is happening’**

Women and Child Development Minister Renuka Chowdhury said on Saturday there was a “breakdown” of law and order in the Karnataka where “Talibanisation” was happening. “All instruments of democracy” would be used to stop such incidents, she told journalists here, commenting on the abduction of an MLA’s daughter and her friend in Mangalore. “The State government is not in control of the law and order situation ... Talibanisation is happening,” the Minister asserted. Asked why the Centre was not intervening, Ms. Chowdhury said the government was “respecting the Centre-State ties” but nobody should think that it was “weak or cannot do anything ... We are repeatedly warning the State government that it should take cognisance. When it is necessary we will take a step.”

### **Rahman has no regrets about ‘Slumdog...’**

Oscar nominee A.R. Rahman has a polite suggestion for those in Bollywood who complain that *Slumdog Millionaire* casts India in a negative light with its depiction of poverty in Mumbai’s slums: don’t just criticise it but make your own film. “In my opinion if creative people want to comment on a film, and if I were a director and felt that way, I would make another film and prove my point and say this is what India is about,” Rahman said in an interview from Los Angeles. As for *Slumdog Millionaire*, the composer believes it is “a great statement of showing in a way the past reality and the growth of the economy in India, which all comes across beautifully.” The rags-to-riches saga of a Mumbai orphan who competes on India’s version of the ‘Who Wants to Be a Millionaire?’ quiz show has received a somewhat controversial reception in India. Rahman refused to comment on a defamation lawsuit filed against him and actor Anil Kapoor, who plays quizmaster in the film, by a Mumbai slum-dwellers’ rights group alleging its members found the term ‘slumdog’ insulting. But he said he had no qualms about working on the film with British director Danny Boyle and his crew, whom he described as “very sensitive people.” Rahman says the film is consistent with his humanitarian goals.

### **AIDWA sees grave threat to democratic polity**

The All-India Democratic Women's Association (AIDWA) has expressed outrage at Sri Ram Sene leader Pramod Muthalik's call to violence against couples dating on Valentine's Day. The threats couples found going out together would be forced to marry and women wearing a particular type of clothes would be assaulted were a gross violation of fundamental rights, and posed a grave threat to our democratic polity, said an AIDWA statement here on Friday. The Karnataka government must act immediately and make sure that the lives and rights of the citizens were safeguarded. The AIDWA demanded that the bail granted to the Ram Sene leader, in the case of his involvement in the January 24 Mangalore pub attack, be cancelled to prevent him from inciting violence. Stiff legal action should also be taken against the outfit. "We call on democratic forces to unite against this serious challenge being posed by fundamentalists, and pledge to strengthen the struggle against all forms of moral policing," the statement said.

### **Lahore attack on Indian journalists a "vicious act"**

The South Asia Media Commission and the South Asian Free Media Association have condemned the attack on two Indian journalists in Lahore. SAMC chairman N. Ram and secretary-general Najam Sethi, and SAFMA secretary-general Imtiaz Alam expressed shock at Thursday's incident, describing it as "unfortunate and sad." The SAMC and SAFMA officials said it was a "vicious act to harm all the efforts to bring both the countries back on the peace track." They called on the Pakistan government to investigate the incident and ensure that the journalists' belongings, including their equipment, were returned. Jujhar Singh, a correspondent with the NewsX channel, told SAMC that he and his cameraman Tilak Raj had stopped at Anarkali Bazar for shooting when nine men surrounded them and aggressively searched their pockets, bags and car. "Later, they took away our camera, mikes, four chips and mobile phones," Mr. Singh said. The journalists arrived in Pakistan on February 3 to work on a story related to Islamabad's reply to the Indian dossier on the Mumbai attacks. "Since Tuesday evening we have been sensing that we were being monitored by two men," Mr. Singh told SAMC. The correspondent added that the two men, he had seen sitting in the lobby of his hotel on Thursday morning, followed him on motorcycles and were joined by others in a van.

### **Police crackdown: Muthalik, 140 others held ahead of Valentine's Day**

Sri Ram Sene chief Pramod Muthalik has been taken into custody by the Gulbarga police. 140 of his supporters were also taken into preventive custody ahead of Valentine's Day on February 14. Bangalore police commissioner Shankar Bidari said, "We have so far arrested about 140 suspects who can cause disturbances tomorrow and remanded to judicial custody till February 16. Arrests are continuing", the group has threatened to disrupt Valentine's Day celebrations and marry off couples dating on the day in Karnataka.

### **India clones world's first buffalo**

Samrupa, the world's first cloned buffalo calf, was to be India's answer to Dolly the sheep. But unlike Dolly, the first mammal cloned 13 years ago, who lived for seven years, Samrupa succumbed to a lung infection on Wednesday night, five days after it was born. Now, scientists at Karnal's National Dairy Research Institute, who in a major breakthrough on February 6 created Samrupa, say the next cloned buffalo offspring is expected in May. Samrupa's one-year-old surrogate mother belonged to the Murrah breed, Haryana's pride and the world's best-

known milking buffalo, capable of producing 35 kg of milk a day. Speaking to TOI from Karnal, scientist Dr S K Singla, who was part of the six-member team that created Samrupa, said, "We have been working on developing the calf for the past four years. However, we could not save her." Dr Singla added, "We are, however, happy that we gave birth to a cloned buffalo using an indigenous cloning mechanism. The next birth is expected in May and another in June." The breakthrough has put India among a select few countries capable of cloning mammals. Scientists from NDRI's Animal Biotechnology Centre developed a landmark technique Hand-guided Cloning Technique which the scientists said was much simpler and an advanced modification of the conventional cloning technique which was used to create Dolly. "This new technique is less demanding in terms of equipment, time and skill. We didn't need sophisticated tools like micromanipulators but conducted the surgery with a simple hand blade," Dr Singla said.

In this technique, the oocytes (female eggs involved in reproduction) isolated from abattoir ovaries were matured in-vitro (outside the womb and in a lab), was treated with enzymes to clear its outer coating and then isolated with the help of a handheld fine blade. Then, somatic cells from the ear of a donor buffalo was electro fused with the oocytes, grown in the laboratory for a week and the resultant embryos were transferred to recipient buffaloes for the production of the calf of desired gender. "One of the biggest advantages of this technique is that the calf of desired sex can be obtained. If we take cells from the ear of a female buffalo, the offspring will be a female. Each somatic cell isolated is capable of creating one new life. The surrogate mother gave birth to Samrupa in two months time," Dr Singla said.

### **Sena plans protest on Valentine's Day**

The Shiv Sena has told its shakha pramukhs in the city to launch a protest against Valentine's Day celebrations on Saturday. The public outburst against the Shriram Sene's recent mayhem in Mangalore has not dampened the party's enthusiasm for moral policing. "The Sena has, for long, been protesting the festivities. We will go ahead with our action plan on Saturday," Arun Dudhwadkar, `vibhag-pramukh' of south Mumbai said on Thursday. Pointing out that Sena chief Bal Thackeray and party executive president Uddhav Thackeray were "stridently opposed" to Valentine's Day celebrations, Dudhwadkar said, "The guidelines have been set by Balasaheb and Uddhav-ji. There is no change in the party's policy. So Shiv Sainiks will launch a series of protests against V-Day festivities," he added. However, the Sena official refused to reveal his "action plan" for south Mumbai. "I can only tell you that several leading departmental and book stores have been calling up my office throughout the day, wanting to find out about our plan. I told them that we would go ahead with our protest. Now, it is for them to draw up their course of action." Asked if the Sainiks would barge into city colleges, Dudhwadkar was non-committal. "Let's see how it works out," he said, adding, "While we don't wish to disrupt campus life, major celebrations will not be allowed anywhere." Talking to mediapersons on Wednesday, senior

Sena leader Manohar Joshi said Sainiks would stop Valentine's Day celebrations in keeping with the party policy. A report in 'Saamna,' the Sena mouthpiece, on Joshi's statement is being seen by the party rank and file as an 'aadesh' (directive) from Matoshree. "The day is against Indian culture and tradition. We were opposed to it in the past and there is no change in the party's stand on the issue," said Joshi. Asked about the police crackdown on Sainiks, the former Lok Sabha speaker added, "The Sena is wedded to its principles. We are not afraid of police action." Anil Parab, vibhag-pramukh of Mumbai north-west said that Valentine's Day festivities would pass off peacefully as shopping malls and departmental stores impose "self-regulation" following the Sena threat. "The usual practice is that we call on the leading stores, malls and brief them about our protest plan. They cancel celebrations on their own. This helps defuse the crisis," Parab said, adding, "This year too we will follow the same strategy."

## **Foreign Relations:**

### **Sri Lanka told of India's concern, says Pranab**

External Affairs Minister Pranab Mukherjee urged "friends" in Tamil Nadu to draw a distinction between the Liberation Tigers of Tamil Elam (LTTE) and the Tamil civilians of the island nation. The Minister was elaborating on the government's policy vis-à-vis the Sri Lankan Tamil issue at the one-day national convention of Block Congress Committee (BCC) and District Congress Committee (DCC) presidents here. Donning the mantle of a teacher on the government's policies in general and foreign policy initiatives in particular to prepare the party cadre for the upcoming Lok Sabha elections, Mr. Mukherjee said it was at India's request that Sri Lanka agreed to a near ceasefire for 48 hours to facilitate safe passage for Tamil civilians caught in the crossfire between the Sri Lankan Army and the LTTE. Referring to the concern expressed by "friends" from Tamil Nadu about the plight of Tamil civilians in Sri Lanka, the Minister said India had informed the Sri Lankan government about its concern while asserting that it had no sympathy for the LTTE. Not only was the LTTE a banned organisation in India, the country had also been consistently seeking the extradition of its head V. Prabhakaran. As for Pakistan, Mr. Mukherjee said it would have to fulfill all its commitments vis-à-vis terror. Stating that "all our options are open," he said the perpetrators of the terror attack must be brought to justice. "Nobody should think this country is helpless."

### **"Pakistan has deceived India again"**

Several countries, including India, have expressed unease over the decision by a Pakistani court to free nuclear scientist A.Q. Khan who has been under house arrest since 2004. Terming the ruling as yet another example of deception being practiced by Pakistan, Minister of State for Foreign Affairs Anand Sharma called upon the world community to take note of this development. "Pakistan has deceived India again by setting Khan free," Mr. Sharma said. Mr. Khan had confessed to clandestinely selling nuclear technology to some countries. However, he had later retracted the remarks.

### **Ansari prays at Bahadur Shah Zafar's Yangon tomb**

The tragic fate of the respective last kings of India and Myanmar has left the history of the two nations “intertwined,” Vice President Hamid Ansari indicated on Saturday as he paid homage to the last Mughal emperor Bahadur Shah Zafar here. He summed up his feelings with the Urdu couplet, *Marne waley marte hain lekin fanaa nahin hotey/Wo humsey kabhi juda nahin hotey*. Loosely translated, it means: those who die do not vanish into thin air and never separate from us. Penning the couplet in the visitors’ book after offering a prayer (*fateha*) at the tomb, he described the Mughal emperor as a “saintly figure who became a symbol of resistance to foreign rule.” He died here in 1862 five years after he was toppled and banished by the British colonial rulers. “The people of India cherish the memory of that moment in the First War of Independence whose rallying point was Bahadur Shah Zafar,” Mr. Ansari said at the mausoleum on Ziwaka Road. The Vice-President recalled how the last king of Myanmar Thebaw met a similar end in Ratnagiri, Maharashtra, after he was taken there by the British — who completed their conquest of the subcontinent in 1885. Mr. Ansari termed this “a tragic example of the intertwining of the history of India and Myanmar.” He added: “These shrines are part of our shared historical and cultural legacy.”

### **Will not allow anti-India activities: Bangladesh**

Responding to New Delhi's concerns, Bangladesh today gave a commitment of not allowing its territory to be used for anti-India activities as the two countries discussed a proposal for setting up a regional task force to tackle the menace. Reaching out to the new government in Dhaka, external affairs minister Mr Pranab Mukherjee held talks with Prime Minister Sheikh Hasina, foreign minister Ms Dipu Moni and home minister Sahara Katun and conveyed concerns with regard to North-East insurgents and other terrorist elements using Bangladesh for launching attacks in India. Describing extremism and terrorism as areas of concern for India as well as Bangladesh, Mr Mukherjee underlined the need for sincere cooperation for the benefit of both the nations. “Closer cooperation on security issues is the need of the hour. We should move to address such issues with the understanding that both our countries will benefit in the long run,” he said at a joint Press conference with Ms Moni. Ms Moni said the Hasina government had a firm stand against “letting anyone, whoever it is from whichever country, having whatever links with anyone to use our territory to harm any one in the region or anywhere else.” Mr Mukherjee and Ms Moni discussed a proposal of Bangladesh for setting up a regional task for fight against terrorism. However, Mr Mukherjee made it clear that any such mechanism would be futile until there is sincerity on part of the member countries in taking action against terrorism. Mr Mukherjee and Bangladesh industry minister Mr Dilip Barua inked A Bilateral Investment Promotion and Protection Agreement which is expected to help a large number of Indian firms working on various turnkey projects here. The Indian minister and Bangladesh commerce minister Mohammad Farukh Khan also signed a Trade Agreement to further boost bilateral commerce.

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

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February 25, 2009

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

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

Nadia Tasleem

Weekly Report from 14 February 2009 to 20 February 2009

Presentation: 25 February 2009

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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; India, East Asia, GCC and Fertile Crescent from 14 February 2009 to 20 February 2009 as have been collected by interns.

### ***Summary***

#### ***India:***

#### **Political Front:**

Elections campaigns by all parties dominated political scenario in **India**. In this regard BSP reiterated its commitment to give respect to Brahmins in order to get votes from them. Meanwhile Rahul Gandhi moved towards youth to win their support. BJP however focused on reconstruction of temple and Bangla infiltration as main issues. As far as Mumbai attacks and their aftermath is concerned despite Indo-Pak negotiations the only new development is a statement made by Bangladeshi official accepting Dhaka link to 26/11.

### **Social Front:**

Sharp increase in human rights violation against minorities has been observed and reported in **India**. Meanwhile Muslims inability to get jobs after getting education is yet another potent issue at social front. On positive side a massive plan to improve 'kutcha' houses and huts in eight of the 13 slums in Karur municipal limits into 'pucca' apartments at an estimated cost of Rs. 3.29 crore is on the way.

Muslim Ulemas have denounced conversion to Islam to escape legal complications of a second marriage. All the while growing number of hepatitis victims' poses grave threat to India.

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

Israel has emerged as **India's** largest defence supplier, overtaking Russia. It has signed defence deals worth \$9 billion with New Delhi in the last decade. Meanwhile Srilankan politicians have requested India to stop all sorts of military and defense aid to Srilankan government that has been used against Tamils civilians.

### **Economic Front:**

Inflation in **India** fell below 4% last week. It has been considered as the main advantage of slow economy. Meanwhile gold prices crossed Rs 15,500-level to an all-time intra-day high of Rs 15,545 in India.

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

### **Political Front:**

Legislative elections in **Indonesia** will take place in April while Presidential elections will be held in July this year. Political scenario in Indonesia therefore has been dominated by election

preparations, parties' efforts to form alliances and surveys regarding elections. Indonesian Ulemas have even asked common public to vote or get ready to go to hell. Meanwhile US Secretary of State Hillary Clinton's visit to East Asia including Indonesia also grabbed attention. Most of the people in Indonesia seem welcoming towards her visit yet some groups launched protests in front of US embassy by accusing it for its failure to stop Israeli aggression. National Front's take over of Perak without holding elections over there, after the death of opposition candidate was governing the region, has caused major political set back in **Malaysia**. Meanwhile various surveys indicate people's willingness to end race-based parties from Malaysia. Government of **Philippines** seems keen about growing rate of kidnapping in the country. **Thai** PM has declared economy to be at top priority inspite of 'national reconciliation Law'. Parliamentary elections in **Singapore** are also expected to be held between May to November 2009. Therefore government seems to be engaged in election preparations. Authorities in **Vietnam** have recommended closing a Web site owned by an American man of Vietnamese origin for violating copyright rules and publishing "misleading" information about government policies. Opposition parties in **Cambodia** have asked government to take effective measures to save Cambodian farmers. Meanwhile government has also announced to take strict measures to curb corruption.

#### **Social Front:**

Earthquakes in **Indonesia** seem to be a regular development at social front. **Malaysian** PM launched the Humanitarian fund to provide relief package for Gaza. Catholic Church in **Philippines** has launched anti mining campaign in their country though it is beneficial for UK. The Department of Disaster Prevention and Mitigation in **Thailand** has reported that the drought situation has now spread to a total of 19 provinces. Students in **Singapore** have got deeply involved in environmental studies in order to sort out ways to secure their environment.

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

China has accused **Philippines** for having claims over islands in south-China Sea. **Vietnam** has recently signed trade agreement with UAE to boost its economy. **Laotian** President welcomed tourist delegation from Japan. **Cambodia** has recently signed rice deal with Albania.

#### **Economic Front:**

In order to cope with economic crisis **Indonesia** has started focusing on boosting trade links with Australia and Japan. Economic meltdown in **Malaysia** has increased crimes in the country. The government of **Philippines** has highly appreciated the US stimulus bill having \$198 million compensation package for Filipino World War II veterans. Meanwhile Philippines has started putting efforts to boost economic ties with Syria, Taiwan and Japan. Though **Thai** exports have declined by more than 20% in January 2009 yet government seems optimistic about economic growth by next half of the year. Decline in stock exchange has been observed in **Singapore**. In order to cope up with current economic crisis, **Vietnam** asked Japan to resume government loans. **Cambodian** banks seem to be at solid footing despite ongoing economic recession.

### ***Fertile Crescent:***

#### **Political Front:**

Five candidates in **Iraq** submitted nomination papers in order to run the election for the position of parliamentary speaker. Later on, Iyad al-Samarraie, MP from the Sunni Iraqi Accord Front (IAF); won by acquiring 123 votes during the session. **Israeli** foreign minister Livini urged the need to hand over some land to **Palestine** in order to bring peace in the region. Meanwhile the idea of unity government has been hailed by EU. Despite ceasefire Israel has been launching frequent attacks against different parts of Palestine. In return Palestine has asked international court to punish Israel for its war crimes. Hamas asked Israel to liberate captured prisoners to bring peace in the region. Ayman Nour, an **Egyptian** opposition politician, has been released after more than three years of imprisonment on grounds of ill health.

#### **Social Front:**

UNSG condemned suicide attacks against Shiite pilgrims in **Iraq**. Meanwhile 81 Christian families returned back to Mosul in 2 months. **Israel** granted special approval for the export of 25,000 **Palestinian** flowers from the Gaza Strip to the Dutch market for Valentine's Day. Ali Al Jarrah has been arrested by **Lebanese** government over the accusation of spying for Israel. **Lebanese** Minister of interior has given the right to citizens to remove their religious affiliation from identification papers. Legal experts and lawmakers in **Jordan** called for drawing up a package of legislation to protect citizens and national institutions from e-crimes. According to a study recently released by Friedrich Ebert Stiftung, indicates rise in women's participation in Islamist

parties and organizations in Jordan. **Egypt** has been declared as one of Middle East's leading tourist destinations.

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

**Iraq** has signed a number of MoUs with Germany to boost ties with her. Russia has asked both **Israeli** parties to stay adhered to peace process. Meanwhile UAE declined visa to an **Israeli** athlete to participate in games being held in Dubai. Hezbollah leader Sayyed Hassan Nasrallah in **Lebanon** declared in a televised address from an undisclosed location on the first anniversary of the assassination of Imad Mughniyah that despite the fact that the Israelis killed him a year ago, today they are still more scared of him than ever before. Meanwhile **Egypt** has pledged full support to the Lebanese army and expressed readiness to manufacture the required arms. **Jordanian** King reviewed efforts to resume Palestinian-Israeli negotiations with Senator John Kerry. All the while Jordan and Canada signed a cooperation agreement in the field of nuclear energy for peaceful purposes in a complementary step to a memorandum of understanding (MoU) signed in June last year. **Syrian** President has asked American delegation to put effort to bring peace and stability in the Middle East. Meanwhile Syrian growing ties with Germany, Poland and EU remained significant. **Egypt** has started negotiations with Sudan over Darfur issue. US Secretary of State Hillary Rodham Clinton and Egyptian Foreign Minister Ahmed Ali Aboul Gheit have held talks in Washington on the crisis in the Gaza Strip.

#### **Economic Front:**

**Iraq** has started focusing on enhancing economic ties with Turkey, Iran, Syria, Ukraine, Jordan and Japan. Meanwhile Iraqi Minister of oil claimed that Iraq has got oil reserves for another 100 years. The Islamic Action Front (IAF) in **Jordan** has criticized the government's fuel pricing policy claiming that the amended rates fail to match international prices, while a government official rejected the accusations as "baseless". **Syria** has been focusing on boosting economic ties with Turkish as well as Slovak Republic.

#### **GCC:**

#### **Political Front:**

Seven Shia activists in **Bahrain** have begun a hunger strike to protest the government's plan to put a group of political detainees on trial.

#### **Social Front:**

**Qatar's** new Islamic art museum has become a great source of attraction for tourists and people living in the country. According to Al-Qabas daily **Kuwait** is second to the US in the rate of divorce cases in the whole world. Various surveys have declared **Bahrain** to be the highest salary payer in the region. **Saudi** Muslim scholars have warned that use of bio-fuels to run cars could be sinful. The number of Saudi Arabian female university graduates who are moving to neighboring countries in order to find employment is increasing every year due to the difficulties in finding jobs at home. Meanwhile Saudi Arabia has appointed first female minister for education.

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

**Qatar** has expressed regret to some Iranian comments against Bahrain's sovereignty. Meanwhile Qatar seems interested in enhancing ties with Japan and Montenegro. **Bahrainian growing ties** with Saudi Arabia, USA, Egypt, Philippines and Jordan remained significant. Meanwhile Bahrain also reiterated her support for Palestine. Bahrain has postponed its gas deal with Iran in reaction to recent comment made by Iranian official declaring Bahrain to be an Iranian province. **Saudi** King has announced to pursue conciliatory approach vis-à-vis Syria. **UAE** has recently signed security deal with Thailand.

#### **Economic Front:**

Inflationary pressures have been receding across the **Gulf region** as oil prices collapsed to less than USD 40 a barrel. Meanwhile **Kuwait's** real GDP is estimated to decline by 4 percent, battered by drastic drop in oil prices in past 7 months. Annual inflation in **Oman** fell to 11.78 percent in December as food price pressures eased, while growth in the sultanate's money supply rose at its slowest pace in two and a half years. Despite global economic crisis **Saudi banks remained unaffected**.

### **An Introduction to 'Asian Survey'**

Asian Survey (subtitled "A Bimonthly Review of Contemporary Asian Affairs") is an Asian studies journal published by University of California Press, in Berkeley, on behalf of the Institute of East Asian Studies at the University of California, Berkeley. Published six times a year, Asian Survey publishes articles by leading American and foreign scholars. Journal coverage ranges in scope from diplomacy, disarmament, missile defense, military, and modernization, to ethnicity, ethnic violence, economic nationalism, general elections, and global capitalism. It was first published in 1961.

Though it is not accessible online yet its table of contents has explicitly been defined. While reviewing content list of Volume: 48, Number: 6, Nov/December 2008 issue following list of articles has been found:

- "Burma vs. Myanmar: What's in a Name?" by *Lowell Dittmer* (Professor, Department of Political Science; University of California, Berkeley)
- "Ethnicity, Conflict, and History in Burma: The Myths of Pang long" by *Matthew J. Walton*
- "Burma and Asean: Estranged Bedfellows" by *Stephen McCarthy* (Research Fellow & Lecturer, Griffith University & Griffith Business School respectively)
- "India's Ambitions in Burma: More Frustration than Success?" by *Renaud Egretteau* (PhD in Political Science, spec. "Asian Studies", Institute of Political Science, Paris & then Part-time Lecturer, Institute of Political Sciences, Paris)
- "Burma's Insatiable State" by *Sean Turnell* (Associate Professor, Department of Economics, Macquarie University, Australia)
- "Myanmar's Foreign Trade and its Political Consequences" by *Jalal Alamgir* (Assistant Professor of Political Science at the University of Massachusetts, Boston, specializing on the inter-relationships between globalization and representational politics.)
- "The Impact of U.S. Sanctions on the Myanmar Garment Industry" by *Toshihiro Kudo* (Director, Southeast Asian Studies Group II , Area Studies Center, Japan)
- "Looking inside the Burmese Military" by *Win Min* (Lecturer on Contemporary Burma at Payap University, Thailand)
- "Voting and Violence in Myanmar: Nation Building for a Transition to Democracy" by *Ian Holliday* (Professor at University of Hong Kong)

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

### **Fertile Crescent**

Aisha Rehman

From 14<sup>th</sup> - 20<sup>th</sup> February, 2009

Presentation: February 25, 2009

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### **IRAQ**

#### Political front

- President, VP take up pending issues
- Kurdish lawmaker denies reports on describing Maliki as ‘new Saddam’
- IAF MP got 123 votes, not 117- legislator
- PM lauds Talabani’s role in resolving partisan crisis

- Parliament begins session to elect speaker
- UIA leaders hold meeting to discuss 2009 budget
- Fadhila MP gets 117 votes
- IAF MP got 123 votes, not 117- legislator
- Shoe-thrower's trial postponed until March 13
- VP calls for boosting ties with gulf countries
- PM lauds Talabani's role in resolving partisan crisis

#### Economic front

- German foreign minister meets Kurdish president, PM in Arbil
- Iraqi FM lauds Germany's stance toward Iraq
- Minister, WB official discuss station rehabilitation
- Trade minister, Jordan's PM confer economic relations
- Ukrainian commercial delegation to visit Sulaimaniya
- CBI to cut interest rate by 3%
- Agriculture Ministry receives 13,900 tons of Urea fertilizer
- Cabinet examines major amendments on investment law- source
- Anbar spends one billion dinars within agricultural initiative
- Oil ministry to announce service contracts by May
- Talabani promises Makhmour people to afford digging of 100 water wells
- Iraq's oil reserve enough for 100 years- minister
- 4 energy ministers of Iraq, Turkey, Iran, Syria meet in Baghdad
- Trade minister, Jordan's PM confer economic relations
- Iranian firm offers building \$1.2b residential section in Basra
- Turkey ready to host conf. on investments in Iraq
- Transport Ministry has surplus of 10,000 employees
- Iran wins \$1.5 billion Basra construction contract

#### Geo strategic front

- Iraqi signs MoUs with Germany
- Sweden toughens stance on Iraqi refugees

#### Social front

- UNSG condemns attack targeting pilgrims
- IHEC delays news conf. until vote count ends
- 81 Christian families return to Mosul in 2 months
- 5,000 residential units in marshlands – gov't

### PALESTINE AND ISRAEL

#### Political front

- Livni: Israel must give up land to remain Jewish and democratic
- Peres to start Israel coalition talks next week
- Solana: Unity govt in Israel good for peace talks
- Abbas rejects to renew peace with Israel before settlements' activities stop
- Livni: Give up half of 'Land of Israel'

#### Israel attacks on Palestine

- Israeli Air Force and Navy shell Gaza
- Dichter recommends further strikes against Rafah tunnels
- Israeli Army has no legal grounds for demolishing Gaza homes
- Palestinians urge war crimes case against Israel.
- Israel debates prisoner exchange
- The Israeli Army attacks Rafah Egypt borders
- Israeli warplanes attack Gaza-Egypt border
- Israel allows Gaza flowers out for Valentine's

#### Geo strategic front

- UK anti-Semitic attacks rise after Gaza conflict
- Russia: Israel election results must not harm peace process
- No end of Hamas-Fatah feud before long-term truce with Israel
- UAE declines visa request for Israel's Peer to compete in Dubai
- Obama calls leaders of Israel, Italy and Pakistan

### LEBANON

#### Political front

- Jumblatt: Some use Lebanon to fight Israel while their land is occupied
- Hassan: Any Druze who falls in defense of Lebanon is a martyr
- Geo strategic front
- Nasrallah: Israel still fears Mughniyah more than ever before
- Hariri : Egypt backs Lebanon and the Tribunal
- Murr: Egypt pledged unlimited support to Lebanon's army
- Assad tells Senator Cardin Syria wants better ties with U.S.
- UN: Iran refusing to co-operate with nuclear inspectors
- Israeli Spy? The Lebanese in shock over Jarrah's arrest
- Hezbollah-led attackers killed a PSP member
- US. fugitive arrested after fleeing to Ireland, Lebanon

### Social front

- HRW: Removal of sect from Lebanon IDs is good but not sufficient

## JORDAN

### Political front

- Conference to examine ramifications of Gaza offensive
- 'No worries about Jordan future'
- Experts call for forceful laws to fight e-crime
- King reviews peace efforts with US officials
- Experts advise against controls on e-newspapers
- Management to review cost of some surgical procedures
- Women's participation in Islamist parties on the rise - study

### Geo strategic front

- Regional experts explore ramifications of Gaza attacks
- International community owes a great debt to UNRWA'
- Jordan, Canada finalise deal
- Experts call for restructuring of PLO, recognition of Hamas

### Economic front

- Housing Bank generates JD142m pre-tax profit
- German delegation to explore business opportunities with Jordanian industrialists
- Industrialists seek German help in renewable energy projects
- Jordan Customs working for electronic network with Syria and Saudi Arabia
- Officials counter Islamic Action Front criticism of fuel pricing

### Social front

- Higher Education Council proposes amendments to Universities Law

## SYRIA

### Political front

- Syrian Cabinet discusses industrial situation and development
- Nasrallah: Israel met Arab concessions with more of crimes and destruction
- President al-Assad Reviews with Mousa the Current Arab Situation
- Syrian Secretariate for Development to hold press conference

- President al-Assad to the American Congress Delegation: Achieving peace is the key for stability in the region

### Economic front

- Otri Discusses Cooperation with Slovakian Minister of Economy
- Al-Dardari Discusses Syrian-Turkish Relations with Tuzmen, Syrian-Slovakian Relations with Jahantek
- Three Agreements for Financing Developmental Projects with the Arab Developmental Fund
- Syria will receive apples of Syrian farmers in Golan on Tuesday
- Syria keen to sign Association Agreement with EU, Minister of Economy says
- Otri Reviews with Tuzmen the Developing Cooperation Relations between Syria and Turkey and Means of Expanding.
- Cancellation of tax for Turkish vehicles carrying goods on the condition of reciprocity
- President al-Assad reviews with Tuzmen distinguished economic and trade cooperation between Syria and Turkey
- Syrian and Turkish businessmen discuss increasing trade volume
- Geo strategic front
- EU-Syrian Association Agreement important to develop bilateral relations, Waldner says
- A Polish Delegation signs a scientific agreement with al-Baath University
- President al-Assad to the American Congress Delegation: Achieving peace is the key for stability in the region
- Otri, German delegation discuss Syrian-German cooperation relations
- Al-Moallem discusses with al-Zahar developments of Palestinian situation
- Syria, Turkey discuss financial and housing cooperation
- Syria keen to sign Association Agreement with EU, Minister of Economy says
- Syrian-Turkish agreement to run train trips between Aleppo and Mersin and Ghaziantep
- Speaker of Turkish Grand Assembly says Syria is key to realize peace

### EGYPT

- Egypt FM meets Beshir amid reports of arrest warrant
- Egypt in talks with Sudan over Darfur
- Egypt frees opposition leader Nour
- PM's Schalit demand surprises Egypt
- Israel Pounds Gaza Smuggling Tunnels After More Rocket Attacks
- 'No way' Shalit linked to Gaza truce, says Mubarak
- MPs blame government for truck drivers' strike
- Egypt to send troops and police to Congo
- Israel's Gaza truce pointman lashes out at Olmert

- One On One: Ford's Waldo Galan on the Middle East auto industry
- BUSINESS BEAT: Uncertain future for used car market
- Egypt says it develops new anti-bird flu vaccine
- Egypt FM meets Beshir amid reports of arrest warrant
- Egypt becomes one of Middle East's leading tourist destinations
- Egyptian police pounce on tunnel smugglers
- *Clinton discusses Gaza ceasefire with Egyptian counterpart*
- 2nd Day of Trailers Strike's Ramifications: Increase in Prices of Building Materials, Recession in Food Market

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## **IRAQ**

### **Political front**

#### **President, VP take up pending issues**

Iraqi President Jalal al-Talabani discussed with his deputy Tareq al-Hashemi in Baghdad means of handling unresolved issues, according to a presidential statement. "The two officials discussed the political process and means of resolving pending issues," read the statement that was received. The meeting also tackled an assessment of the results of provincial council elections, the statement noted. Less than 55 days ago, Mahmoud al-Mashhadani stepped down as Parliament speaker following a heated argument with members of parliamentary committees, during which he allegedly used "offensive" language that prompted many parliamentarians to call for his resignation. Five candidates are currently running for the position of the speaker.

#### **Kurdish lawmaker denies reports on describing Maliki as 'new Saddam'**

Deputy speaker of the Kurdish parliament, Kamal Karkouki, denied what the Associated Press quoted on his criticisms of Iraqi Prime Minister Nouri al-Maliki, asserting that he had not held any interview with the AP regarding this issue. Karkouki told Aswat al-Iraq news agency that he

did not meet with any AP correspondent or hold an interview with any news agency regarding this issue. The Associated Press had quoted Karkouki on February 14 as saying “We are trying to stop al-Maliki through peaceful means. I think he is a dangerous man. He is dangerous to Iraq and to democracy. He is another Saddam in Iraq.” The statements flared up anger reactions among Iraqi political leaders.

### **IAF MP got 123 votes, not 117- legislator**

MP Iyad al-Samarraie from the Sunni Iraqi Accord Front (IAF) has won 123 votes, not 117 during today’s parliamentary session, according to a parliamentarian from the Fadhila party. “First Deputy Speaker Sheikh Khaled Atiya said that the Parliament’s presidential board has announced that Samarraie has won 123 votes, not 117 after re-sorting the votes,” Mohammed Ismail told. Ismail noted that a total of 45 parliamentarians have abstained from voting, adding that a second voting round will take place tomorrow. Five candidates are running for the Parliament’s speaker: Samarraie, Khalil Gaddou (The National Dialogue Council), Abd Motlak al-Jabouri (The Independent Arab Bloc), Withab Shakir (Independent) and Hussein al-Falluji (Independent). The voting process took place this afternoon in the presence of the speaker’s deputies Atiya and Aref Tayfoor. A total of 235 parliamentarians of the 275-member Parliament attended the session, according to Ismail.

### **PM lauds Talabani’s role in resolving partisan crisis**

Iraqi Prime Minister Nouri al-Maliki praised President Jalal al-Talabani for his efforts in resolving the crisis that erupted within the Patriotic Union of Kurdistan (PUK). During a lunch banquet held by the premier in honor of the president, the two officials discussed the current situation on the political scene. The banquet comes one day following meetings by PUK leaders that aimed to put an end to the crisis that erupted after five party leaders had submitted their resignations.

### **Parliament begins session to elect speaker**

The Iraqi parliament started its regular session under First Deputy Speaker Sheikh Khaled al-Attiya to elect the new speaker, according to a statement posted on its website. “The session will focus on electing a new speaker and the first reading of the federal budget of 2009 draft law,” the statement added. “Heads of Fadhila party, Sadrist bloc, al-Daawa party are meeting outside the session to unify their stance towards the candidates,” Sadrist MP Maha al-Douri told. Five candidates are vying over the speaker post: Iyad al-Samarraie of the Iraqi Islamic Party (IIP), independent lawmaker Wathab al-Dulaimi, NDC lawmaker Khalil Jaddou, Abad Motlak al-Juburi of the Independent Arab Bloc and independent legislator Hussein al-Falluji. The Iraqi parliament is still without a speaker since former speaker Mahmoud al-Mashhadani’s resignation was accepted in an extraordinary session held on December 23, 2008 after a squabble between him and members from the security & defense and legal committees and some words he said which were considered “insulting.”

### **UIA leaders hold meeting to discuss 2009 budget**

Leaders of the United Iraqi Alliance (UIA) held a meeting in Baghdad under Abdulaziz al-Hakim and discussed the 2009 budget, according to a statement released by the Supreme Iraqi Islamic Council (SIIC). "They called for speeding up discussing the budget in the parliament," said the statement. "The meeting asserted also the importance of electing a new speaker of the parliament to help the Iraqi parliament undertake its role as the highest legislative authority in the country," it added.

### **Fadhila MP gets 117 votes**

MP Iyad al-Samarraie from the Sunni Iraqi Accord Front (IAF) has won 117 votes during parliamentary session, dashing his hopes of becoming speaker, according to a parliamentarian from the Fadhila party. "The sorting process inside the Parliament has ended. Samarraie gained 117 votes, Khalil Gaddou (the National Dialogue Council) 43, Abd Motlak al-Jabouri (The Independent Arab Bloc) 18, Withab Shakir (Independent) eight and Hussein al-Falluji (Independent) three," Mohammed Ismail told Aswat al-Iraq news agency. MP Ahmed Anwar from the Kurdistan Alliance (KA) said that 50 parliamentarians have abstained from voting. The voting process took place this afternoon in the presence of the speaker's deputies Khalid Atiya and Aref Tayfoor. A total of 220 parliamentarians of the 275-member Parliament attended the session.

### **IAF MP got 123 votes, not 117- legislator**

MP Iyad al-Samarraie from the Sunni Iraqi Accord Front (IAF) has won 123 votes, not 117 during parliamentary session, according to a parliamentarian from the Fadhila party. "First Deputy Speaker Sheikh Khaled Atiya said that the Parliament's presidential board has announced that Samarraie has won 123 votes, not 117 after re-sorting the votes," Mohammed Ismail told Ismail noted that a total of 45 parliamentarians have abstained from voting, adding that a second voting round will take place tomorrow. Five candidates are running for the Parliament's speaker.

### **Shoe-thrower's trial postponed until March 13**

The trial of 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 last November, was postponed till March 13, his sister said. "The judge decided to adjourn the trial until March 13 as the central court decided to question the council of minister's secretariat general about the legality and officiality of Bush's visit to Iraq," Umm Hanaa told Aswat al-Iraq news agency. She expressed concern about the fate of her brother and the details of the trial as security forces prevented those who attended the trial, including some members of her family, from making any phone calls. Zaydi is considered one of the journalists outspokenly criticizing the presence of U.S. forces in Iraq. He had written several reports opposing the U.S. military presence in the country.

### **VP calls for boosting ties with gulf countries**

Iraqi Vice President Adel Abdul Mahdi asserted the importance of boosting Iraqi-Gulf relations, mainly with the Kingdom of Bahrain, a presidential statement said. "Abdul Mahdi on Wednesday (Feb. 18) received at his office in Baghdad an MP from the Bahraini parliament, Jameel Kazem Hassan, and his accompanying delegation," said the statement received by Aswat al-Iraq news agency. "The meeting discussed a number of issues of mutual interest in the Gulf and Arab and Islamic worlds," the statement added. "He called for boosting ties with gulf countries, mainly Bahrain, for the good of the two countries in investment, reconstruction and exchanging experiences fields," it said.

### **PM lauds Talabani's role in resolving partisan crisis**

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### **Economic front**

#### **German foreign minister meets Kurdish president, PM in Arbil**

German Foreign Minister Frank-Walter Steinmeier held a meeting in Arbil with President of Iraq's Kurdistan region Massoud Barzani and Prime Minister Nergwan Barzani. "Steinmeier held a meeting upon his arrival in Arbil with Kurdish President Massoud Barzani and Prime Minister Nergwan Barzani". "The meeting was attended by Iraqi Foreign Minister Hoshiyar Zebari," he added. The German minister will inaugurate a German school and a consulate in Arbil during his visit.

#### **Iraqi FM lauds Germany's stance toward Iraq**

Iraqi Foreign Minister Hoshiyar Zebari lauded the visit paid by his German counterpart Frank-Walter Steinmeier to Iraq and the German's role toward the country. Speaking at a press conference at the foreign ministry's building with his German counterpart, Zebari said "the Iraqi market is open for German companies to provide Iraqi citizens with services." "German's support to Iraq is very important," he added, calling for facilitating the economic transactions between the two sides and strengthening relations between Iraqi and German universities and institutes.

#### **Minister, WB official discuss station rehabilitation**

The Iraqi minister of electricity discussed with the head of the World Bank branch in Iraq a \$124 million project to rehabilitate Basra's al-Haritha station, which has been referred to a Russian company. The meeting tackled the reasons behind the company's delay in implementing the project, according to a statement released on the web site of the

Electricity Ministry. Also discussed during the meeting was a plan to provide a \$1 billion coverage for some of the contracts signed between the ministry and General Electric (G.E.). The company has agreed to supply Iraq with 56 units with a capacity of 125 MW each at a cost of \$3 billion U.S. dollars.

### **Trade minister, Jordan's PM confer economic relations**

Iraqi Minister of Trade Abdelfalah al-Sudani discussed with Jordanian Premier Nader al-Dahabi means of activating mutual economic and trade relations, according to a ministerial release. "Al-Sudani met al-Dahabi in Amman," said the release. The release pointed out that the two sides discussed horizons of mutual cooperation to serve the interests of both countries.

### **Ukrainian commercial delegation to visit Sulaimaniya**

Deputy chairman of the Sulaimaniya Chamber of Commerce said that a Ukrainian commercial delegation will arrive in Sulaimaniya on Tuesday to boost economic ties between the two sides. "The delegation will arrive in Sulaimaniya and consists of companies specialized in the oil, gas, electricity and transportation sectors," Sirwan Mohamed told. "The visit comes as a step to establish relations with Kurdish companies and to get more information about the economic situation in Sulaimaniya," Mohamed added. A delegation of Ukrainian businessmen had visited the city last January and signed a Memorandum of Understanding with a businessmen's association in the Kurdistan region.

### **CBI to cut interest rate by 3%**

The Central Bank of Iraq (CBI) on Monday decided to slash the interest rate by three percentage points in an attempt to sustain high growth rates in the Gross Domestic Product (GDP), according to a bank release. "As of March 1, 2009, the Central Bank will reduce the interest rate from 14 percent to 11 percent," read the statement that was received. The CBI cut interest rates from 16 percent down to 15 percent in early November 2008 and then to 14 percent in early January 2009.

### **Agriculture Ministry receives 13,900 tons of Urea fertilizer**

The Iraqi Ministry of Agriculture on Tuesday received 13,900 tons of urea fertilizer from the State Company for Producing Chemical Fertilizers in Basra, according to a release issued by the Ministry. "The received amount of urea fertilizer was distributed throughout 13 provinces," said the release. "The plan aims at providing farmers with subsidized fertilizers," it added.

### **Cabinet examines major amendments on investment law- source**

The Iraqi government is currently examining "serious amendments" on investment law, especially with respect to housing projects and commercial construction, the cabinet's

official spokesperson said. "The current law is unable to satisfy the required guarantees by foreign investors," Dr. Ali al-Dabbagh told Aswat al-Iraq news agency. "The government is interested in reconsidering this bill," he said.

### **Anbar spends one billion dinars within agricultural initiative**

Anbar agricultural directorate spent 1.368 billion Iraqi diners (ID) on activities related to the government's agricultural initiative, the Iraqi Ministry of agriculture said. On July 2007, the Iraqi premier Nouri al-Maliki launched his agricultural initiative, aiming at improving the agricultural sector in Iraq and achieving agricultural self-satisfaction in 10 years.

### **Oil ministry to announce service contracts by May**

The Iraqi Ministry of Oil on Saturday announced that it reached the final stages of the first leg of the competition related to service contracts, explaining that it will announce the winning companies next May. "The Ministry is moving ahead in its plan to contract with companies for service not partnership," Asim Jihad, the Ministry's official spokesperson, told. He pointed out that "Ministry's companies would get 51 percent of the profits coming out of each of those contracts, while 49 percent will go the winning companies."

### **Talabani promises Makhmour people to afford digging of 100 water wells**

Iraqi President Jalal Talabani pledged to afford from his presidential allocations works to dig 100 water wells in Makhmour to help lessen the water scarcity problem in the district. "Talabani urged stronger historical Arab-Kurdish relations as he pledged to order the digging of 100 wells in Makhmour at his own presidential expenses in response to requests by members of a delegation that comprised Arab and Kurdish notables in Makhmour," according to a presidential statement received by Aswat al-Iraq news agency on Friday.

### **Iraq's oil reserve enough for 100 years- minister**

Iraqi Minister of Oil Hussein al-Shahrestani on Saturday said that Iraq has an oil reserve that will suffice for the next 100 years. "Iraq has an estimated 400 geological compositions that have not yet been discovered," the minister told several reporters, including a correspondent for during his visit to Karbala city today. "Explored oil in Iraq reaches 115 billion barrels," the minister said, adding that oil excavation companies will even increase Iraq's reserve of crude oil.

### **4 energy ministers of Iraq, Turkey, Iran, Syria meet in Baghdad**

Iraqi Minister of Electricity Kareem Waheed invited Turkish Minister of Energy & Natural Resources Mehmet Hilmi Guler to attend a four-way meeting bringing together the energy

ministers of Iraq, Turkey, Syria, and Iran in Baghdad. "Waheed reviewed with Turkish ambassador in Baghdad Derya Kanbay and an economic and technical delegation the Turkish firms' active contribution to implementing the new gas-powered electricity-generating stations that Iraq signed a contract for with General Electric," according to a ministry release received. The statement quoted Waheed as saying that Turkey is "a neighboring country of Iraq and its gateway to Europe, hence why Turkish and European firms should be encouraged to work in Iraq."

### **Trade minister, Jordan's PM confer economic relations**

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### **Iranian firm offers building \$1.2b residential section in Basra**

The Iraq National Investment Commission is now considering a \$1.200 billion offer from an Iranian company to build an integrated residential section of 5,000 housing units in three years' time, the INIC chief in Basra said. "The residential city will stand over an area of 5,000 *donums* including apartment buildings of eight, 14 and 18 floors," Haydar Ali told. "The project also includes a large mall containing 2,000 stores in addition to other service utilities," he added.

### **Turkey ready to host conf. on investments in Iraq**

Turkey is willing to host an economic conference on investment opportunities in Iraq, according to the Turkish envoy to Iraq. The remark was made during Iraqi Vice President Adel Abdelmahdi's reception of Ozcelik on Wednesday (Feb. 18) evening. "Turkey is ready to cooperate with Iraq in construction fields. Turkish companies are willing to actively participate in construction and investment," a statement that was published on the official web site of the Iraqi presidency quoted Murat Ozcelik as saying.

### **Transport Ministry has surplus of 10,000 employees**

There are at least 10,000 employees in the Ministry of Transport who practically have nothing to do, the minister said. Amer Abduljabbar Ismael said the employees were highly skilled but the scaling down of public transport activities has made them redundant. However, Ismael did not say he would stop paying them or sack them. He said there were hundreds of drivers and technicians among the employees and asked other ministries if they could accommodate them.

But reports say almost all Iraqi ministries suffer from surplus labor and that the slash in their budgets due to oil price collapse has made covering payrolls rather difficult. In the aftermath of

2003-U.S. invasion, the fleet of trucks and buses as well as hundreds of tanker trucks that ferried crude oil and products to both Turkey and Jordan were looted or smuggled, mainly to Iran. Ismael said his 2009 budget was slashed due to the unexpected drop in oil prices.

### **Iran wins \$1.5 billion Basra construction contract**

An Iranian firm has won a \$1.5 billion contract to build a new town in the southern city of Basra, Hayder Ali, the head of Basra Investment Commission said. The town will include 5,000 housing units as well as modern amenities like schools, markets, parks and health facilities, he said. It is Iran's largest construction contract in Iraq since the 2003-U.S. invasion and signals Tehran's economic arm in a country that is practically still ruled by its nemesis, Washington. News of the massive contract comes only a few days after a landmark visit to the country by Iranian Foreign Minister Manouchehr Mottaki to Baghdad during which the countries were reported to have drawn a roadmap to boost trade exchange value to \$5 billion. Iran has expanded its diplomatic reach in Iraq. Besides its embassy in Baghdad, it now has diplomats offering consular services in at least four other cities. Iranian construction firms are active in several places in Iraq and currently dominate the country's building projects.

### **Geo strategic front**

#### **Iraqi signs MoUs with Germany**

Iraq signed a number of Memorandum of Understandings with the German side, the official spokesman for the Iraqi government said. "Prime Minister Nouri al-Maliki and a number of ministers met with the visiting German delegation led by Foreign Minister Frank-Walter Steinmeier, with whom they signed a Memorandum of Understanding for scientific and academic cooperation," Ali al-Dabbagh said in a statement "They also agreed to set up the Iraqi-German University in Iraq with financial and technical support from Germany," he added. "Another memo was signed between Iraq's electricity minister and Siemens to develop cooperation and training in the electricity sector," he added. Steinmeier had arrived in Baghdad earlier in the day.

#### **Sweden toughens stance on Iraqi refugees**

The Swedish government is tightening rules under which Iraqi refugees seeking asylum could stay in the country and is using force to have them deported. It recently mobilized its police forces to round up hundreds of Iraqis, among them babies born in Sweden, and force them back home. Flats were stormed at midnight in several cities amid the cries of children. There are reports of mothers fainting on seeing their children hauled into police cars to detention centers before deportation. The crackdown is in contrast to the tolerance the Swedish authorities have shown to the plight of Iraqis whose country has been devastated by U.S. invasion troops and sectarian strife. The police usually separate children from their parents on the pretext that they need to take better care of them while in detention prior to their deportation. The tough

measures have sent a wave of terror and fear among the nearly 5,000 Iraqi asylum seekers whose cases the Swedish Migration Board has turned down. Many blame the government of Prime Minister Nouri al-Maliki for striking a deal with the Swedish authorities which allows them to hunt down Iraqi refugees and dump them on the Baghdad International Airport. But still they cannot understand how come a tolerant and liberal country like Sweden is involved in such practices. Maliki has been harshly criticized in the local press for the agreement. The regional Kurdish government in the north, which has refused to accept the deal, has urged the central government not to welcome Iraqi refugees residing in Western countries so long as conditions in the country are not secure and safe.

## **Social front**

### **UNSG condemns attack targeting pilgrims**

United Nations Secretary General Ban Ki-moon condemned the suicide bombing that targeted Shiite pilgrims in Babel province and left 30 persons killed and 40 others wounded. "These acts cannot be justified by any political or religious cause and must be condemned in the strongest possible terms," Ban said in a statement published on the official web site of the UN New Centre. "The Secretary-General joins with the people of Iraq in rejecting these cruel and reprehensible attempts to reignite sectarian violence in the country," according to the statement. "Mr. Ban called on Iraqi leaders to work together in a spirit of national dialogue and mutual respect as demonstrated during the peaceful provincial elections held last month," it added.

### **IHEC delays news conf. until vote count ends**

Iraq's Independent High Electoral Commission said it will postpone the press conference it had announced pending the end of the vote count for the provincial council elections, according to a media source within the IHEC. "A press conference will be held on the day the final results will be officially announced," the source told. The IHEC had said it would hold a press conference on Sunday (Feb. 15) to shed light on the petitions and complaints over the local elections.

### **81 Christian families return to Mosul in 2 months**

Around 81 displaced Christian families have returned to their houses in Mosul in less than two months, a police source said. "81 displaced Christian families have returned to their house in Mosul during January and February 2009, after filling out the return applications," the source told. There are 10,000 displaced families in al-Hamadaniya district, according to the displaced and immigration office. Several Christian families have fled Mosul during the past months, while Iraqi security sources said that a few Christians were killed in separate incidents in the city, signaling an increase in the wave of attacks against religious communities in the northern volatile city.

## **5,000 residential units in marshlands – gov't**

The Iraqi council of ministers approved a contract to build 5,000 residential units in the marshlands of Missan (3,000), Missan (1,000), and Thi-Qar (1,000), to deal with the housing problem in the provinces, according to a release issued by the official spokesperson of the Iraqi government. "Five companies have been bidding on this contract that was awarded to one of them," Dr. Ali al-Dabbagh said in a release.

## **PALESTINE AND ISRAEL**

### **Political front**

#### **Livni: Israel must give up land to remain Jewish and democratic**

Foreign Minister Tzipi Livni told visiting American Jewish leaders on Monday that Israel must give up part of its land "in order to remain a Jewish and democratic state." "I do believe Israel is fighting for existence not only because it's the only democracy in the Middle East, but also because it's the only Jewish state in the world," Livni told a delegation of about 100 leaders from the Conference of Presidents of Major American Jewish Organizations, currently holding its annual leadership mission in Israel. "No refugee can enter Israel as part of the peace process," Livni said. "Their [Palestinian] national aspiration gets an answer in a different place," she added, reiterating comments she has made at least twice in the past few months. She also told the delegation that Israel must take the initiative and come forward with its own peace plan to head off international programs. "Any plan put on the table will not be in our interest," she said. During her address, Livni also appealed to the United States not to participate in the UN-sponsored Durban II anti-racism conference, set to be held in Geneva this April. "Israel expects the free world not to participate in Durban II," she said, repeating Jerusalem's concerns that the meeting will be used by Arab nations and others as a forum to criticize Israel. The U.S. State Department said it would send diplomats next week to participate in preparatory meetings for the conference, which some countries including Israel have already decided to boycott.

In a statement released late Saturday, the State Department said the U.S. delegation to the planning discussions would review current direction of conference preparations and whether U.S. participation in the conference itself is warranted.

The American Jewish delegation has already met with Prime Minister Ehud Olmert and Bank of Israel Governor Stanley Fisher during its visit, which began earlier this week. The delegates are also scheduled to speak with President Shimon Peres and Jerusalem Mayor Nir Barkat over the coming days.

### **Peres to start Israel coalition talks next week**

Israeli President Shimon Peres will start consultations with political parties next week before he decides who to task with forming a new government, his office said on Friday. "The president will start consultations on Wednesday night," said spokeswoman Ayelet Frish. "He will meet representatives of Kadima that evening and then Likud. "The following days he will meet representatives of the other parties and should conclude his meetings after two or three days." Kadima, the centrist party of Foreign Minister Tzipi Livni, won 28 parliamentary seats in Tuesday's election, one more than former prime minister Benjamin Netanyahu's right-wing Likud. Under Israeli law, the party regarded as the most likely to win majority support in the 120-seat parliament is asked to form a government, and pundits say Peres is certain to give the task to Netanyahu.

### **Solana: Unity govt in Israel good for peace talks**

The European Union's foreign policy chief says a new unity government of Israel's Kadima and Likud political parties would help Mideast peace talks. Kadima (kuh-DEE'-muh) is led by moderate Foreign Minister Tzipi Livni (TSIH'-pee LIHV'-nee). After final election results Thursday, the party had a slight lead over Benjamin Netanyahu's hawkish Likud. EU official Javier Solana (hah-vee-EHR' soh-LAHN'-ah) says an Israeli government led by Netanyahu would be more difficult for the peace process. In the most likely scenario for a unity government, Netanyahu would be prime minister while Kadima would hold ministries such as finance, defense or foreign affairs. Solana also said Friday in Washington that there could be a deal within 48 hours between Israel and Hamas on a long-term cease-fire in Gaza. Egypt is mediating the talks.

### **Abbas rejects to renew peace with Israel before settlements' activities stop**

Palestinian President Mahmoud Abbas reiterated on Monday that the Palestinian National Authority (PNA) won't resume the peace talks with Israel until the latter stops settlements' activities. Abbas told reporters as he met with Russian Foreign Minister Sergei Lavrov at his office in Ramallah that he rejects to start peace talks with Israel from the scratch as settlements activities in the West Bank continue. Abbas also conditioned the resumption of peace negotiations with Israel as that Israel should remove all roadblocks and redeploy the Israeli forces back to their positions before the Palestinian Intifada started in late September 2000. The peace talks between Israel and the PNA stopped last year following a series of Israeli military assaults on the Gaza Strip. The PNA expressed to Israel its rejection to resume talks while settlements' activities continue. Abbas also said the Palestinians won't resume any peace talks with Israel before Israel forms a new government. The PNA is concerned that the right-wing leader Benjamin Netanyahu will become Israel's new prime minister.

### **Livni: Give up half of 'Land of Israel'**

Tzipi Livni, who hopes to be appointed Israel's prime minister-designate, said Monday Israel must give up considerable territory in exchange for peace with the Palestinians,

drawing a clear distinction with her rival, Benjamin Netanyahu. She told a convention of the Conference of Presidents of Major American Organizations, "we need to give up half of the Land of Israel," using a term that refers to biblical borders that include today's Israel, the West Bank and Gaza. She explained that such a withdrawal would be for the good of Israel, to maintain it as a Jewish state. Livni told the U.S. Jewish leaders that Israel must take the initiative and come forward with its own peace plan to head off international programs. "Any plan put on the table will not be in our interest," she said. Livni's centrist Kadima Party won one more seat than the hawkish Likud, led by Netanyahu. He opposes large-scale territorial concessions in peace talks with the Palestinians. He believes negotiations should concentrate instead on building up the Palestinian economy. Netanyahu and Livni, the current foreign minister, both claimed victory in last week's election. Each hopes to be picked by President Shimon Peres to form the next government.

## **Israel attacks on Palestine**

### **Israeli Air Force and Navy shell Gaza**

The Israeli Air Force and the Israeli Navy late on Friday at night bombarded three areas in the northern part of the Gaza Strip, including Gaza city and Rafah, causing several injuries and excessive property damage. Local sources reported that four residents were wounded, and were moved to Kamal Adwan hospital, in the northern part of the Gaza Strip, after the Israeli Air Force fired at least one missile at a lumberyard near the Jabalia market. The lumberyard, which belongs to the Al Sharafy family, was destroyed due to the shelling. Furthermore, Israeli Navy gunships fired automatic rounds at open areas in the northern and western parts of Gaza city; no injuries were reported. The Israeli Air Force also carried out a series of strikes at areas along the border in Rafah, in the southern part of the Gaza Strip, several injuries were reported. The Israeli Army said that the shelling targeted the "tunnels area".

### **Dichter recommends further strikes against Rafah tunnels**

Israeli public security minister, Avi Dichter, urged a cabinet meeting Sunday that the Israeli Army should take further actions against Palestinian underground tunnels in the southern border city of Rafah, which Israel continues to strike. The security chief told the meeting that the Egyptian authorities' actions against the smuggling tunnels are slow, and that's why the Israeli Army should further strike such tunnels. Israel has always claimed that the tunnels are used to smuggle weapons into the Hamas-ruled Gaza. Tunnel trade has flourished since Israel closed Gaza's six commercial border crossings in the wake of Hamas' seizure of the coastal territory in June of 2007. Palestinians are said to be smuggling large amounts of Egyptian-made or Egyptian-imported commodities, which a debilitating Israeli blockade has made considerably scarce. In the last 22-week-long Israeli war on Gaza, hundreds of such tunnels were destroyed by Israeli warplanes, while the Israeli blockade remains in place while only one or two of Gaza's crossings are reopened temporarily to allow humanitarian assistance into the war-hit and impoverished Gaza Strip.

## **Israeli Army has no legal grounds for demolishing Gaza homes**

Recent Israeli Army probes into the demolition of hundreds of Palestinian-owned homes in Gaza during the last 22-week-long Israeli war on the region has revealed that many homes were demolished with no legal grounds. The investigations, reported today by Israeli online daily Haaretz, explained that the demolition occurred either because of weapons suspected being inside the homes, weapons smuggled through the homes, or even simply for disrupting the army's sight during attacks on the region. One of the army officers was quoted by Haaretz as saying, "the investigations conducted by the army faced a very serious problem for many of the demolished homes were destroyed for no legal reason". "It has become clear that many of the sites of those demolished homes were attacked illegally and that is why we find it difficult to bring legal justifications for the demolition, especially before international legal organizations", the officer who spoke in a condition of anonymity told Haaretz. According to Palestinian sources in Gaza.

Israeli warplanes, tanks and bulldozers left thousands of Palestinian-owned homes partially or completely destroyed. Sources estimate that a reconstruction process of Gaza needs at least 2.4 billion U.S dollars. The outgoing Israeli prime minister, Ehud Olmert, had assigned an Israeli minister to form a special panel for preparing the legal ground for Israel's war against Gaza, in light of international demands to bring to justice Israeli Army officers suspected guilty by the UN and much of the international community of war crimes in Gaza.

## **Palestinians urge war crimes case against Israel**

Palestinian leaders pressed prosecutors of the International Criminal Court on Friday to investigate alleged Israeli war crimes during the recent Gaza conflict. Justice Minister Ali Khashan said crimes against Palestinians should not go unpunished. Palestinians have been seeking "justice from the international community" since the day Israel was created in 1948, Khashan told reporters. "This is the moment" for them to act. Israel launched a three-week offensive in December with the aim of ending years of Hamas rocket fire at southern Israel. The fighting left nearly 1,300 Palestinians dead, more than half of them civilians, according to Gaza officials. Thirteen Israelis were killed, including three civilians. Whether a case can begin hinges on the validity of the Palestinian Authority's declaration last month recognizing the court's jurisdiction, since it does not represent a state. Israel does not accept the court's authority. Israeli officials could not be reached for comment on Friday night, the start of the Jewish sabbath, but the Israel Foreign Ministry has in the past cited the court's own rules, which state it has jurisdiction only over sovereign states which accept its authority. Foreign Minister Riad al-Malki said the Palestinians want to create a precedent by initiating legal action for crimes against them. Dozens of countries recognize a Palestinian state, he said. The Palestinians have

no seat at the United Nations, but have long been accorded observer status and maintain a permanent U.N. mission. Prosecutor Luis Moreno-Ocampo said last week that it will likely take months before a decision is reached on whether a case can begin.

### **Israel debates prisoner exchange**

Israel's security cabinet has debated the release of Palestinian prisoners in exchange for a captured soldier. The meeting on Wednesday came amid negotiations towards a long-term truce in Gaza following Israel's 22-day war on the Hamas-run territory. Ehud Olmert, the Israeli prime minister, had insisted that Sergeant Gilad Shalit be released by his captors. Shalit was captured in June 2006 in a cross-border raid by Palestinian fighters. Israel imposed an economic blockade on Gaza, a small coastal territory that is home to 1.5 million Palestinians, after Hamas seized de facto control of the territory from their Fatah rivals in June 2007.

### **Sensitive deal**

Hamas has demanded the release of 1,400 Palestinians held in Israeli jails. Jackie Rowland, Al Jazeera's correspondent in Jerusalem, said that the prisoner exchange deal was a sensitive issue for the security cabinet. "Most of those prisoners are people who Israel describes as having blood on their hands; people who have been convicted and imprisoned by Israeli courts for alleged murder or conspiring to murder. Tel Aviv is likely to call for the release of Shalit before a long-term ceasefire with Hamas can be agreed, Rowland said.

### **Truce conditions**

Khaled Meshaal, Hamas' exiled political leader, has said that Olmert's position on releasing Shalit was not conducive to a lasting truce between Hamas and Israel. "There can be no calm unless the [Gaza] blockade is lifted and the crossings are opened. The issue of calm should not be linked to the issue of prisoner Shalit," Meshaal said in Damascus. Olmert, whose term as prime minister is set to end soon, has suggested that a deal leading to Shalit's release could take time. Egyptian officials have in recent weeks tried to secure a long-term truce deal between Hamas and Israel, following Israel's war on Gaza. Hamas and Israel, which refuse to deal with each other directly, have each had ceasefire orders in place since January 18, but a bilateral truce has so far proved elusive.

### **Sporadic fighting**

More than 1,300 Palestinians, at least a third of them women and children, died during 22 days of attacks by Israeli ground and air forces. At least 13 Israelis were killed over the course of the war, which Tel Aviv says was aimed at preventing rockets from being fired from Gaza. Despite the unilateral ceasefire deals, Israeli aircraft have continued to launch raids on targets in Gaza, while there has been sporadic rocket fire from Palestinian fighters. The Israeli security council meeting comes just hours before Shimon Peres, the

country's president, is due to begin consultations with political parties on the formation of a new government, following an indecisive general election.

### **The Israeli Army attacks Rafah Egypt borders**

Israeli jet fighter raided areas at southern Gazan city of Rafah borders with Egypt. Palestinian sources said that the attack targeted open areas, and left no damage or injuries. The Israeli military said that the attack targeted underground tunnels claimed by Israel to be used for smuggling weapons inside of Gaza, adding that it was in response to two homemade shells fired from Gaza into nearby Israeli areas. The Palestinian resistance groups announced on Monday morning that it fired two homemade shells at the Negev region. Israeli sources said that both shells landed in open areas, causing no damage or injuries.

### **Israeli warplanes attack Gaza-Egypt border**

Early Wednesday, Israeli warplanes attacked the Gaza-Egypt border line in southern Gaza and shelled a police post in the nearby Khan Younis town. Medical sources reported that no injuries, but an elderly woman was pronounced dead of a heart attack, apparently due to severe bombings on the Gaza-Egypt border line, where the Israeli warplanes struck several underground tunnels. Dr. Mohammad Sobh, director of the local hospital of Abu Yousef Annajar, was quoted as saying that Huda Abu Tahla, age 70, died of a heart attack after hearing very loud explosions near her house on the Gaza-Egypt border line. Also, medics reported that a Palestinian farmer from the Faraheen neighborhood on the southeastern Israel-Gaza border line, was wounded by an Israeli gun fire while doing labor. Israeli Army sources reported today that Israeli air strikes destroyed seven underground tunnels. The Israeli Army says that Palestinians have used these tunnels to smuggle weapons into the Hamas-run territory. Meanwhile, Israeli media sources reported that a homemade shell fired from Gaza landed in an open area in southern Israel, with no casualties reported.

### **Israel allows Gaza flowers out for Valentine's**

Israel granted special approval for the export of 25,000 Palestinian flowers from the Gaza Strip to the Dutch market for Valentine's Day, the Israeli army said. For the first time in a year, a lorry load of carnations was allowed to cross from Gaza into Israel, military spokesman Peter Lerner said. "The flowers ... are scheduled to arrive in Europe by Valentines Day," he said in a statement. A request from the Netherlands prompted Israel to make a rare exception to the blockade it has imposed on Gaza since the Islamist movement Hamas seized control in 2007, Lerner said.

### **Geo strategic front**

### **UK anti-Semitic attacks rise after Gaza conflict**

The number of anti-Semitic attacks on British Jews rose sharply after the start of the conflict in Gaza, a Jewish charity said Friday. The London-based Community Security Trust, which monitors anti-Semitism and works to safeguard the Jewish community in Britain, said 250 anti-Semitic incidents were recorded in the four weeks after Dec. 27, when Israel launched attacks on Gaza to stop Hamas rocket attacks. That compares to 40 incidents from the same period the year before. Dave Rich, a spokesman for the trust, said Jews in Britain are unfairly seen as local representatives of Israel — a view that fuels some of the anti-Semitic attacks. The trust said crimes included assaults, damage to Jewish property, threats, hate mail, verbal abuse and anti-Semitic graffiti.

Police figures echo this rise. London police have recorded about three times the number of anti-Semitic incidents from Dec. 27 to Feb. 3 as compared to the same period last year. Though some of that increase came from a change in the way the statistics were kept, the data still reflected a surge in incidents in the capital. Around Europe, several attacks were reported against Jews and synagogues in France, Sweden and Belgium in the weeks after the Israeli offensive, Rich said. The figures were released before an international conference Monday in London on tackling anti-Semitism. Israel's three-week offensive left nearly 1,300 Palestinians in Gaza dead, according to Gaza officials. Thirteen Israelis were killed, including three civilians.

### **Russia: Israel election results must not harm peace process**

Russia's foreign minister yesterday asked Israel not to let last week's election results freeze the peace process, should a government dominated by the right-wing take over. Lavrov noted that Russia is planning a Middle East peace conference for the first half of this year, to which Arab nations and Israel will be invited. He said the conference will serve as a continuation of the U.S.-backed Israeli-Palestinian peace efforts restarted in 2007, and the Arab peace initiative. He added that Moscow communicates with Hamas and is pressuring the militant group to engage in talks with Israel, but its leaders are divided in their opinions. Lavrov met with President Shimon Peres, and told him he hopes the new Israeli government will renew peace talks. The president reportedly said in response: "Our hand will always be extended in peace, but we cannot accept a situation in which rockets are fired at our citizens."

### **No end of Hamas-Fatah feud before long-term truce with Israel**

It becomes obvious that rival Islamic Hamas movement and President Mahmoud Abbas' Fatah movement will not be able to launch a comprehensive dialogue in Cairo, before Hamas declares a long-term truce with Israel, analysts said. An official Hamas delegation is currently in Cairo negotiating an 18-month-truce with Israel and preparing for a

national reconciliation among all Palestinian political groups, mainly between rival Fatah and Hamas. Yet the third issue, the one concerning captive Israeli soldier Gilad Shalit, which Hamas officials said has not been discussed with Egyptian mediators, still blocks any progress in both issues -- the ceasefire and the inter-Palestinian reconciliation. Hamas government spokesman Taher al-Noono had earlier said an 18-month-truce with Israel might be declared soon, accusing Israel of blocking the truce declaration. Israel said on Saturday that there will be no truce with Hamas before the release of Shalit, while Hamas insists that any truce talks with Israel, mediated by Egypt, be separated from negotiations over the release of Shalit. The Gazans, who were worn down by a devastating Israeli air, sea and ground military assault last month, harbored mixed feelings of despair and optimism. They became optimistic following the good news of the upcoming truce deal of 18 months in Gaza, and reconciliation talks between Fatah and Hamas officials in Cairo.

### **UAE declines visa request for Israel's Peer to compete in Dubai**

Every time a team or athlete from a neighbouring Middle East state refuses to meet their Israeli counterparts on a playing field, the people who sanction the event — insert the name of just about any international sporting federation here - pretend to be shocked. Then they promise the next time it happens, they'll bite the hand that feeds them. Then they do what they always do: take the money and kick the Israelis down the road. The end game, apparently, turns on whether they run out of real estate or courage first. The latest refusal came when the United Arab Emirates declined a visa request from Israeli Shahar Peer on the eve of the Dubai Tennis Championships, a tournament for which she qualified as the 48th-ranked player in the world. The event is effectively sponsored and run by the Dubai government, and when he was there almost exactly a year ago, WTA Tour chairman Larry Scott insisted he "made it clear to the authorities, the representatives of the government" that if Shahar qualified, she must be allowed to play. "They had a year to work on it and solve it," he said Monday. "We've spent time through the year discussing it. We were given assurances that it had gone to the highest levels of government. I was optimistic they would solve it." A brief statement from the tournament organizer, Dubai Duty Free, confirmed the visa rejection, but offered no explanation beyond a reference to "events witnessed in the region" - presumably last month's war between Israel and Islamic militants in Gaza. Scott said fellow players were unanimous in supporting Peer's right to play, and that the decision to stage the event without her - as well as the Tennis Channel, which cancelled plans to televise the championships in protest - was made in consultation with the 21-year-old Israeli. Last month, an Israeli basketball team fled to the locker-room before a European Cup game in Ankara, Turkey, when hundreds of fist-pumping fans, some waving Palestinian flags and chanting "God is great!" advanced on the court and scuffled with police. After two hours in hiding, a shaken Bnei Hasharon team refused assurances the arena was safe and ducked out of the country at 3 a.m. under heavy security. Days later, host Turk Telecom was awarded a 20-0 win by forfeit.

## **Obama calls leaders of Israel, Italy and Pakistan**

President Barack Obama talked with the leaders of Israel, Italy and Pakistan. The White House says Obama congratulated Israeli President Shimon Peres on his country's elections a day earlier. Obama says the democratic elections are an example for the world. In another call, Obama stressed his commitment to a strong relationship with Italian Prime Minister Silvio Berlusconi. They discussed cooperating on the global financial crisis and the upcoming G-20 and G-8 summits. They also spoke about Middle East peace efforts and the situation in Afghanistan. Obama also spoke with Pakistani President Asif Ali Zardari about his country's democracy. The White House says the two agreed on the importance of having a strong relationship to work on counterterrorism and economic development.

## **LEBANON**

### **Political front**

#### **Jumblatt: Some use Lebanon to fight Israel while their land is occupied**

Democratic Gathering leader MP Walid Jumblatt addressed the crowd that filled Martyrs' Square, Saturday during the fourth anniversary of former Prime Minister Rafik Hariri's assassination and told them: "You are Lebanon." "You, the children of Rafik Hariri ... loyal to the patriarch ... you kicked the Syrian army out, you brought the tribunal to Lebanon with your faith, your insistence, and you stopped the chaos of trusteeship," he said to the massive crowd. Jumblatt stressed "we have no enemies at home." Jumblatt praised the attendees for standing by the people of the South during the 2006 July War and for continuing to call for dialogue despite the May events. Jumblatt stressed on the importance of preserving unity and dialogue.

He declared that there would be no compromises regarding the Special Tribunal, border demarcation, funds for the displaced, the army's weapons, the reconstruction of Nahr al-Bared, enhancing judicial authorities, the Taif Accord, the exclusive prerogative of the state to make war and peace decisions, or weapons smuggling. "We respect their martyrs and we hope they respect our martyrs.

#### **Hassan: Any Druze who falls in defense of Lebanon is a martyr**

Druze Spiritual Authority Sheikh el Akl Naim Hassan denounced the attacks against March 14 supporters on returning from a rally marking the fourth anniversary of the assassination of former Prime minister Rafik Hariri. However, Hassan said any Druze who falls in defense of

Lebanon is "a martyr of the national duty." Hassan made the remark upon taking part in the funeral of Lutfi Zeineddine who was stabbed to death by March 8 supporters on Saturday. The Druze Sheikh el Akl urged security forces to apprehend the culprits in the Saturday attacks of that resulted in the killing of Zeineddine and the wounding 30 people, including the son of Zeineddine

## **Geo strategic front**

### **Nasrallah: Israel still fears Mughniyah more than ever before**

Hezbollah leader Sayyed Hassan Nasrallah declared in a televised address from an undisclosed location Monday on the first anniversary of the assassination of Imad Mughniyah that despite the fact that the Israelis killed him a year ago, today they are still more scared of him than ever before." Imad Mughniyah was killed by a car bomb explosion in Damascus last February. His widow, an Iranian citizen has accused the Syrian government of being behind his murder but Hezbollah and Syria have blamed Israel for his assassination Nasrallah added : If the Israeli army ever thought of invading Lebanon "it would be destroyed on the hands of Mughniyah's students." Nasrallah also warned the Israeli leaders that his group has every right to possess anti-aircraft weapons in its struggle against Israel. Nasrallah said Hezbollah is faced with 3 options in dealing with Israel:

- 1- To cooperate
- 2- To settle
- 3- To resist

He concluded that the more concessions you give Israel the more arrogant it becomes. For this reason Nasrallah urged all the people of Lebanon and the Arab nation to support the resistance option. Nasrallah offered the March 14 alliance veto power in the forthcoming cabinet if his March 8 coalition wins the parliamentary elections. Nasrallah did not declare what he will do if March 14 wins the majority again and if it refuses to form a national unity government. March 14 leaders have been complaining that no decisions have been made at the cabinet because of the veto power given to the Hezbollah-led March 8 alliance Nasrallah denounced "violence that took place two days ago," in reference to the killing of Lutfi Zeineddine and wounding 30 others in attacks by March 8 partisans against March 14 supporters marking the 4th anniversary of the assassination of Lebanon's former prime minister Rafik Hariri.

### **Hariri : Egypt backs Lebanon and the Tribunal**

Lebanese parliament majority leader MP Saad Hariri said after meeting with Egyptian President Hosni Mubarak that he supports Lebanon, the Lebanese state and the Special Tribunal for trying the killers involved in the assassination of former Prime Minister Rafik Hariri. Hariri met with Mubarak in Cairo where they discussed the situation in Lebanon, the region, Gaza and

Palestinian reconciliation, as well as the Arab Peace Initiative introduced by Saudi King Abdullah Bin Abdel Aziz in Beirut in 2002, and which Hariri said "intends to create Arab unity." Speaking to reporters afterward, who asked him about Lebanon's political future, (if his parliamentary bloc) Future lost in the coming parliamentary elections, Hariri said, "If they ( the Hezbollah led opposition) win the elections, let them rule. We support true democracy and not the current democracy. Democracy states that the majority should rule, and there should be an opposition." Though Lebanon had a special sectarian case, sectarianism cannot be reinforced at the expense of democracy, he said. Asked if there have been any political deals on the Special Tribunal, which is scheduled to start on March 1, he said, "Had there been any intention for a deal, the tribunal would not have been established."

The opposition leaders had condemned Saturday's assaults on March 14 supporters after their participation in the commemoration of the fourth anniversary of the Hariri's assassination, he said. On Sunday Syrian President Bashar al-Assad met with Saudi Intelligence Chief Prince Meqrin Bin Abdul Aziz and Arab League Secretary General Amr Moussa in Syria. Asked about the meeting, Hariri replied that he supported Arab unity and the Arab League's work. The Palestinian and Lebanese causes were Arab causes, and non-Arabs have nothing to do with them, he concluded, in reference to Iran

#### **Murr: Egypt pledged unlimited support to Lebanon's army**

Egypt has pledged full support to the Lebanese army and expressed readiness to manufacture the required arms, Lebanese Defense Minister Elias Murr said after talks with the Egyptian president, the Kuwait News Agency report. Murr arrived in Cairo Tuesday for talks with Egyptian officials on possible military assistance to the Lebanese Army. Speaking to reporters, Murr said President Hosni Mubarak reaffirmed Egypt's support for the Lebanese government and pledged "unlimited support for the Lebanese army," Kuna said. Murr also added that Egypt "has expressed readiness to manufacture weapons for the Lebanese army should the need arise." Murr announced a trip to Egypt by President Michel Suleiman over the next three weeks. Suleiman will be heading a technical team to Egypt's plans to "provide the Le Murr's visit coincided with that of Mustaqbal Movement leader Saad Hariri, who also met with Mubarak on Tuesday. Hariri had set the stage for Russian military assistance that was declared during a visit by Murr to Moscow, which included 10 MIG29 jet fighters. In addition to military assistance, Murr and Mubarak discussed recent developments in the region including the Israeli-offensive on the Gaza Strip last month, the defense minister told reporters.

#### **Assad tells Senator Cardin Syria wants better ties with U.S.**

Syria's president told a visiting U.S. senator Wednesday his country wants to develop relations with the United States after several years of tensions. Bashar Assad's talks with Sen. Benjamin Cardin, a Maryland Democrat, focused on developing bilateral relations "through serious and positive dialogue based on mutual respect and joint interest in finding just solutions

to the region's problems," Syria's official news agency reported. His visit comes after President Barack Obama offered to engage countries that had been at odds with the U.S. He is to be followed by two more congressional delegations to Damascus this week, including one headed by Senate Foreign Relations Committee Chairman John Kerry. The Syrian news agency said talks also dealt with Middle East developments and "what could be done to boost peacemaking efforts in the Middle East, in addition to the need to combat terrorism." Cardin was quoted by SANA as emphasizing the importance of continuing dialogue between Damascus and Washington.

U.S.-Syrian relations have long been tense, particularly since the U.S. ambassador was pulled out by the Bush administration in 2005 to protest Syria's suspected role in the assassination of Lebanese former Prime Minister Rafik Hariri in neighboring Lebanon. Syria's army was in Lebanon at the time, but Damascus denied involvement and was forced to withdraw its troops. In an interview published Wednesday in Britain's Guardian newspaper, Assad said that he has been impressed by friendly gestures from Obama but is still waiting to see results. Assad was quoted in The Guardian newspaper as saying he is encouraged by the new U.S. president's promise to engage with nations that oppose Washington. Assad said he would welcome the return of the U.S. ambassador. "An ambassador is important," he was quoted as saying. "Sending these delegations is important. This number of congressmen coming to Syria is a good gesture. It shows that this administration wants to see dialogue with Syria."

In a related development United States Senator and Chairman of Foreign Relations Committee John Kerry, has arrived in Beirut and has met Lebanese Prime Minister Fouad Siniora , parliamentary majority leader Saad Hariri and president Michel Suleiman

#### **UN: Iran refusing to co-operate with nuclear inspectors**

The UN's nuclear watchdog will report that Iran is continuing to obstruct its investigation into allegations of past work on nuclear weapons, but the country's uranium enrichment programme was expanding more slowly than expected. The report, due to be released today or tomorrow, is likely to sharpen debate within the Obama administration, which is reviewing its Iran policy. Previewing the report, Mohamed ElBaradei, director general of the International Atomic Energy Agency (IAEA) gave a scathing assessment of Iran's co-operation with his inspectors' inquiries into the country's past nuclear experimentation, alleged by the US and its allies to be aimed at building weapons. "Iran right now is not providing any access or any clarification with regard to those studies or the whole possible military dimension," ElBaradei said in Paris. "No, I'm not obviously happy with the degree of co-operation, because there is a number of issues they still need to co-operate with us. Have they done studies in the past? Have they done weaponisation work in the past? They shut off any co-operation with the agency over the past few months." The report will also make clear that Iran is still defying demands by the UN security council to stop enriching uranium, despite three sets of sanctions. But ElBaradei said Iran had not significantly expanded its enrichment programme at its plant in Natanz in the last

few months. Western diplomats urged caution over ElBaradei's conclusions, saying that Iran's enrichment programme has varied in speed over the years but had relentlessly expanded in the face of UN sanctions and possible US and Israeli military action.

### **Israeli Spy? The Lebanese in shock over Jarrah's arrest**

For 25 years, Ali al-Jarrah managed to live on both sides of the bitterest divide running through this region. To friends and neighbors, he was an earnest supporter of the Palestinian cause, an affable, white-haired family man who worked as an administrator at a nearby school. To Israel, he appears to have been a valued spy, sending reports and taking clandestine photographs of Palestinian groups and Hezbollah since 1983. Now he sits in a Lebanese prison cell, accused by the authorities of betraying his country to an enemy state. Months after his arrest, his friends and former colleagues are still in shock over the extent of his deceptions: the carefully disguised trips abroad, the unexplained cash, the secret second wife. Lebanese investigators say he has confessed to a career of espionage spectacular in its scope and longevity, a real-life John le Carré novel. Many intelligence agents are said to operate in the civil chaos of Lebanon, but Mr. Jarrah's arrest has shed a rare light onto a world of spying and subversion that usually persists in secret. Mr. Jarrah's first wife maintains that he was tortured, and is innocent; requests to interview him were denied. From his home in this Bekaa Valley village, Mr. Jarrah, 50, traveled often to Syria and to south Lebanon, where he photographed roads and convoys that might have been used to transport weapons to Hezbollah, the Shiite militant group, investigators say. He spoke with his handlers by satellite phone, receiving "dead drops" of money, cameras and listening devices. Occasionally, on the pretext of a business trip, he traveled to Belgium and Italy, received an Israeli passport, and flew to Israel, where he was debriefed at length, investigators say.

### **Hezbollah-led attackers killed a PSP member**

Lutfi Abbas Zeineddine, a Lebanese citizen from the village of Chbaniye in the upper Metn district of Mt Lebanon and a member of the Progressive Socialist Party (PSP) who was severely wounded yesterday in the Hezbollah-led attacks died from his wounds. The PSP announced Sunday his death " due to severe injuries received during attacks in Ras al-Nabaa-Bechara al-Khoury by Hezbollah-led March 8 supporters, who stabbed him several times with a sharp knife as he was returning from the Hariri commemoration." He died at the Rizk hospital in Ashrafiyeh, few hours after he was attacked. His son, Shadi Zeineddine was taken to Hotel Dieu Hospital for treatment following his injury in the attacks. He is listed in critical condition, because he was hit several times with sticks on his head .

People who know Mr. Zeineddine said he is of the Druze faith . He will be buried tomorrow in Chbaniye.

### **US. fugitive arrested after fleeing to Ireland, Lebanon**

A suspect in a nationwide mortgage fraud scheme who fled the country was caught at the Canadian border with \$1 million in Swiss bank certificates and \$70,000 stuffed in his cowboy boots, authorities said. Christopher J. Warren, 27, also was carrying four ounces of platinum valued at more than \$1,000 an ounce when he was arrested early Wednesday while entering the United States at Buffalo, N.Y. After he disappeared Feb. 3, Warren was charged with conspiracy, fraud and conducting a continuing financial crime. If convicted, he faces life in prison. Warren is the second of three fugitives to be caught in the ongoing fraud investigation of Loomis Wealth Solutions, a Roseville, Calif.-based investment company, and several related companies. Court documents alleged they defrauded investors and mortgage companies of \$100 million since 2006. The fraudulent deals involved 500 homes and condominiums in California, Florida, Nevada, Illinois, Colorado and Arizona, according to Internal Revenue Service affidavits. Warren flew to Ireland on Feb. 3 on a chartered private jet, then traveled to Lebanon and Canada, acting U.S. Attorney Lawrence Brown said. Immigration officials were on the lookout for him when he took a taxi from Toronto to the border at Buffalo. Brown said he carrying two fake passports with an alias, and authorities previously said he had obtained a passport with another name and indicated he planned to go to Mexico.

## **Social front**

### **HRW: Removal of sect from Lebanon IDs is good but not sufficient**

The decision by Lebanon's Minister of Interior to give citizens the right to remove their religious affiliation from identification papers is an improvement, but further steps are needed for Lebanon to meet its international human rights obligations, Human Rights Watch said. The group urged the government to move urgently to adopt a civil personal status code which would be applicable to any Lebanese, irrespective of religious affiliation, and would ensure access to equal treatment under the law in personal status matters. Interior Minister Ziad Baroud issued a circular on February 11, 2009, allowing Lebanese the right to remove any reference to their religion on Civil Registry Records. Under the current system, all Lebanese must identify themselves by religion. The circular stated that the registrar will accept any request to remove a person's confession and replace it with a slash sign ( / ) on registry records. The circular cited the Lebanese constitution, as well as the Universal Declaration of Human Rights and international human rights treaties that Lebanon has ratified, as the basis for this initiative. Lebanon should also ensure that the laws it recognizes and enforces, including laws based on religious confessions, comply with human rights standards, including that they do not discriminate on gender or religious grounds, Human Rights Watch said. Lebanon recognizes 18 religions, most of them variants of Islam or Christianity. When it comes to personal status matters such as marriage, inheritance, and child custody, each Lebanese is subject to the laws and courts pertaining to their religious community, regardless of

whether they practice or adhere to the religion in question. Many of these laws do not treat men and women equally. Lebanese civil society groups have unsuccessfully campaigned in the past for a civil marriage law that will guarantee equality between men and women. The UN Committee on the Elimination of Discrimination against Women reiterated its recommendation in 2008 that Lebanon "urgently adopt a unified personal status code which is in line with the Convention [Convention on the Elimination of all Forms of Discrimination against Women] and would be applicable to all women in Lebanon, irrespective of their religion."

## **JORDAN**

### **Political front**

#### **Conference to examine ramifications of Gaza offensive**

Around 100 intellectuals from across the Arab world will meet in Amman today to offer their insight into the recent conflict in the Gaza Strip and the region's future in light of the 22-day Israeli military offensive. In the two-day seminar, political figures and analysts from Jordan, Egypt, Lebanon, Palestine and Syria will discuss the political, economic and media ramifications of the attacks in which around 1,300 Palestinians and some one-dozen Israelis were killed in addition to thousands injured. Organisers said speakers will discuss the consequence of the Gaza offensive from political, economic and security standpoints. In the seminar, experts will also take a look into the details of the war, the intensity of the Israeli offensive and the "military response by resistance movements", according to the seminar's agenda. Discussions will also focus on the political battle waged during the attack and prior to the ceasefire, including worldwide demonstrations, pressure on Arab governments and intensive diplomatic efforts to either stop the war or press ahead with the offensive, the agenda stated.

#### **'No worries about Jordan future'**

His Majesty King Abdullah on Monday reiterated that Jordan can protect its interests vis-à-vis the so-called "Jordan option", suggested as a solution to the Israeli-Palestinian conflict. He said Jordan will have no role in the Palestinian territories except supporting the Palestinians to build their independent state on their national soil. Extremists in Israel and their supporters in the US have advocated the option as an alternative to the two-state solution, which Jordan describes as the sole path towards Mideast peace. At a meeting yesterday with several community leaders from across the Kingdom, the King also asserted that the Kingdom is not a substitute homeland for Palestinians. His meeting with the local leaders was to discuss the domestic and regional challenges facing Jordan and policies the Kingdom is following to deal with them, a Royal Court statement said, adding that other such meetings would take place in the near future. King Abdullah said he was optimistic over Jordan's outlook. In fact, the King said, it is the Jewish state rather than the Hashemite state that is under pressure to end the conflict. He pointed to a

forecast that the Arab population in Israel will account for 50 per cent of Israel's population within years. At the meeting, King Abdullah stressed that the Palestinian issue is the central issue for Jordan, which will continue to provide all possible support to help the Palestinians and resolve the issue on the basis of the two-state solution. King Abdullah said realising Palestinian internal concord is a priority as far as Palestinian national interests are concerned.

#### **Experts call for forceful laws to fight e-crime**

Legal experts and lawmakers called for drawing up a package of legislation to protect citizens and national institutions from e-crimes. Speaking at the 1st Jordanian Forum for Electronic Legislation and Transactions, the experts underscored the need for laws that safeguard citizens and institutions from hacking, e-fraud, theft, blackmail, forgery and embezzlement, among other types of e-crimes. They also stressed the need for such laws to enhance citizens' confidence in e-transactions and e-commerce. Armouti noted the sole relevant law in effect is the e-transactions temporary law, which was issued in 2001 and authorities have failed to render it permanent. Former prime minister and current MP Abdur-Ra'uf S. Rawabdeh said as the government is going ahead with plans to provide e-services, a dire need develops to create a legislative environment that entails procedures to protect the state and citizens from any Internet-based damage. There is a need for a public policy that preserves the privacy of citizens and institutions, ensures customers' confidence and facilitates e-commerce, the MP said. Rawabdeh called for forming a committee of experts to identify points of strength and weakness in the existing e-legislation and propose amendments that ensure protection against e-crimes. Jurists at the forum reviewed challenges e-commerce faces, stressing the need for more public awareness efforts that should go in parallel with the enactment of new laws.

#### **King reviews peace efforts with US officials**

His Majesty King Abdullah reviewed efforts to resume Palestinian-Israeli negotiations with Senator John Kerry, head of the US Senate Foreign Relations Committee. During the meeting, attended by Her Majesty Queen Rania and Kerry's wife Teresa Heinz, the King said he was looking forward to working with US President Barack Obama to achieve a just and comprehensive peace in the region. Kerry is on a regional tour, the first since he assumed his post as head of the Senate's Foreign Relations Committee, which also includes Egypt, Israel, the Palestinian territories and Syria. Earlier on Monday, the Monarch met with the US congressional delegation, currently on a visit to the Kingdom. At yesterday's meeting, also attended by Queen Rania, the King urged the US administration to take swift measures to launch serious negotiations to resolve the Arab-Israeli conflict based on the two-state solution, which, he said, is the only way to bring about peace and stability in the region. Reaffirming that the Palestinian issue is the core issue in the region, King Abdullah said its just resolution is key to solving all regional problems. King Abdullah and the delegates reviewed regional developments, especially the Palestinian issue and efforts exerted to resolve the Palestinian-Israeli conflict based on the two-state solution. Discussions also covered means to enhance bilateral ties.

### **Experts advise against controls on e-newspapers**

Authorities are not advised to impose restrictions on the booming news websites in the Kingdom, media experts said. Since Jordanians have access to thousands of web-based news sources, there is no point in restricting the freedom of local sites, said participants in the 1st Jordanian Forum for Electronic Legislation and Transactions. The best that can be done is that these sites agree on a code of ethics that would ensure a content free of settlement of personal scores and character assassination among other rejected policies, the participants advised. Veteran journalists taking part in the forum noted there have been attempts to limit the freedom of emerging web-based news services, saying such attempts are totally rejected. Jordanians even have access to some websites that have anti-Jordan agendas, said Hiari, who asked: "So what good would tightening the loop for local e-newspapers do?" He expressed rejection of proposals to amend the Press and Publications Law "to impose additional controls on those news websites". The chief editor of Ad Dustour daily and former information minister, Nabil Sharif, echoed similar remarks. Columnist at Al Ghad daily Samih Maaitah said "responsible and professional" electronic media outlets enjoy a higher ceiling of freedom that should not be restrained, especially since these sites allow readers to share their opinions and comments. Meanwhile, the experts said incoherent government policies and lack of a systematic and clear approach in dealing with the media largely hamper freedom of the press in the Kingdom.

### **Management to review cost of some surgical procedures**

The Prince Hamzah Hospital management will review the cost of some surgical procedures in order to cover operational costs, a senior hospital official said. Surgery costs were reduced by 80 per cent two months ago after Prime Minister Nader Dahabi instructed concerned authorities to reconsider medical fees charged by Prince Hamzah Hospital. "Following the reduction, the management found that the fees they were charging were lower than in other public hospitals and did not cover the actual costs," Prince Hamzah Hospital Director General Sami Dlaimi told reporters yesterday. Under a special system, health insurance beneficiaries do not pay any fees to the hospital if they are referred by other public hospitals or comprehensive healthcare centres, but if patients go directly to the facility, they have to pay 20 per cent of the treatment cost. In an attempt to generate income for the hospital, the management proposed several investment options which await the board of directors' approval, according to the director general.

### **Women's participation in Islamist parties on the rise - study**

The Kingdom is witnessing a rise in women's participation in Islamist parties and organisations, according to a study recently released by Friedrich Ebert Stiftung (FES). Titled, "Women and Politics", the study reveals that Islamist parties are increasingly relying on women to expand their membership base, and in turn are attempting to address certain issues of concern to women such as education and the right to work. The party that boasts the highest number of women members among Islamist parties is the Islamic Action Front, the political arm of the Muslim Brotherhood movement, the study said.

Women represent some 10 per cent of the party's general assembly and in recent IAF shura council elections they won nine seats in the 120-member body, the highest ever, the study noted. The proposed Islamist feminism would define women's liberation within Islam, rejecting Western versions of feminism for "undermining family values". The Muslim Brotherhood is not the only Islamist group targeting and gaining the support of women, the study noted. The Islamist Centrist Party, whose 750 members include 12 women, has five females in its 50-member shura council, but no woman has yet been elected to the party's political bureau, the study said. The party's platform for women is based on eradicating illiteracy among Jordanian women, particularly in rural areas, securing women's rights as outlined in sharia and ensuring their legitimate right to work. The 850-strong Duaa Party, meanwhile, boasts 350 female members, according to the study, while its "board of trustees", or governing council, hosts seven women. The party has yet to field a female member for Parliament, which Duaa Secretary General Mohammad Abu Bakr is quoted as attributing to a lack of confidence in women being elected under the current one-person, one-vote electoral system. Also highlighted in the study is growing female membership in professional associations, which tend to be predominately Islamist. The number of women in the associations has risen to 21,000, over 20 per cent of the 100,000 members. But all Islamist groups, including the IAF, are still struggling to form positions on controversial issues such as khuloe, the right for women to file for divorce, and so-called honour crimes, spurring internal debate on women's future in Islamist movements, the study said. Despite disagreements within Islamist groups on how best to incorporate women into activities, Jordanian women are increasingly moving towards political Islam to assert their rights, according to researcher and study author Hassan Abu Hani.

### **Geo strategic front**

#### **Regional experts explore ramifications of Gaza attacks**

Intellectuals from the region concluded a two-day seminar during which they explored the strategic ramifications of the war on Gaza. They highlighted the historic changes the war has caused in the regional conflict with Israel, US and EU involvement in the region in addition to what is required of Arab countries in the aftermath of the offensive. Antoine Shalhat from the Palestinian Centre for Israeli Studies noted that the Jewish state's influence in the region was based on the use of "brute power, with the war proving that this influence is something of the past". He said Israel failed in the war and the consequences will be evident in the future, but warned that Arab countries must "water the seed of change" that was planted by the war on Gaza in order to harvest political gains. Academics and experts offered analyses on the political situation in the region following the 22-day offensive with the majority agreeing the attack on Gaza "created a new political reality in the region". Ahmad Noufal, professor of political science at Yarmouk University said the war is a landmark change in the history of the conflict between Arabs and Israel.

#### **International community owes a great debt to UNRWA'**

Her Majesty Queen Rania highlighted the gravity of UNRWA's financial crisis and appealed to the international community to increase their funding. "It's unthinkable for UNRWA to cease to exist and work. All of us have witnessed the crisis that took place in Gaza since December; we couldn't believe the extent of suffering, violence and disregard for international humanitarian law. But the one thing that was the little glimmer of light during this crisis was UNRWA. The civilian population wouldn't have stood a chance if UNRWA didn't exist," she said at an emergency session of the agency's advisory commission yesterday. "Over the past 60 years, UNRWA has been a lifeline for Palestinian refugees; it's been their teacher, doctor, providing them with food, clean water, medical supplies and assistance, without which the Palestinian people would have suffered tremendously," Queen Rania added. She also paid tribute to the agency staff.

#### **Jordan, Canada finalise deal**

Jordan and Canada signed a cooperation agreement in the field of nuclear energy for peaceful purposes in a complementary step to a memorandum of understanding (MoU) signed in June last year. According to the agreement, Canada will provide Jordan with technology to build a nuclear reactor for energy-generating purposes as well as water desalination, the Jordan News Agency, Petra, reported. Jordan Atomic Energy Commission (JAEC) Chairman Khaled Toukan said that the agreement will enable the Kingdom to maintain nuclear safety by planning for nuclear radiation and natural protection. Under the agreement, which was signed by Toukan and Canadian Ambassador to Jordan Margaret Huber, the two countries will carry out research and development projects, including the use of nuclear energy in agriculture, industry and medicine. He added that the Canadian side will provide training for Jordanian human resources who will be working in the nuclear sector, in addition to know-how and assistance in uranium exploration. In June last year, the JAEC signed an MoU with Atomic Energy of Canada Limited and SNC-Lavalin International to start bilateral nuclear-related technology cooperation between the two countries. The JAEC chairman expected that the first nuclear plant will start generating electricity in 2016. The Kingdom has been conducting talks with several countries on cooperation in nuclear energy and the transfer of nuclear technology to Jordan. Jordan has so far signed nuclear cooperation deals with the US, the UK, South Korea, China and France, in addition to Canada.

#### **Experts call for restructuring of PLO, recognition of Hamas**

Experts and politicians from across the region on Tuesday called on Palestinian factions to unite in order to strengthen Palestinians' political position with Israel. Following a two-day conference held at the Professional Associations Complex, 100 intellectuals from the region also called for "restructuring" the Palestinian Liberation Organisation (PLO) through elections, according to an official statement released. Experts also called for "rebuilding" the Palestinian National Authority based on the principles of the Palestinian constitution. Earlier this week, experts and politicians gathered to examine challenges facing the Palestinians in their struggle with Israel before and after the conflict in Gaza. In the statement, Adnan Abu Odeh, former chief of the Royal Court under His Majesty the late King Hussein, said that rather than acting, Arab countries often "call for

the establishment a Palestinian state in a peaceful manner”, and depend on the international community. The former politician also called on the international community to "listen to Hamas and deal with it as the main player in the Palestinian Participants included the deputy head of Hamas’ political bureau, Musa Abu Marzouq, head of the Middle East Studies Centre Jawad Al Hamad, Jordan Engineers Association President Wael Saqqa, Organisation of the Islamic Conference Coordinator Munir Safiq and second deputy to the speaker of the Palestinian parliament, Hassan Khreisheh.

## **Economic front**

### **Housing Bank generates JD142m pre-tax profit**

Michel Marto, chairman of the Housing Bank for Trade and Finance (HBTF), announced Saturday that the bank generated JD142 million in net pre-tax profit last year. At the end of 2007, the net pre-tax profit stood at JD154.5, HBTF said in a press release. “Initial results have shown that the Housing Bank for Trade and Finance has been able to continue good performance in the year 2008,” the press statement added. The bank’s after-tax profit amounted to JD101.3 million last year compared to JD111.5 million in the year 2007. According to Marto, the decline in profit was as a result of the international financial crisis, fluctuations in the capital markets, and their impact on some assets of the investment portfolio, as certain extraordinary allocations have been used due to this crisis. Marto pointed out that total assets rose by 8 per cent to JD5.4 billion at the end of 2008 and that deposits of customers increased also by 8 per cent to JD3.8 billion. Net direct credit facilities portfolio increased by 21 per cent to JD2.3 billion and total equity rights grew to JD911 million. The press statement put the bank’s share of the local banking market at 15.3 per cent when considering assets indicators: 16.4 per cent of total customers deposits and 13.5 per cent of the total direct credit facilities. Shukry Bishara, chief executive officer, said the bank proved its capability to achieve sustainable profitability, increase pre-tax operational profits and allocations, accompanied by intensive communications with customers.

### **German delegation to explore business opportunities with Jordanian industrialists**

A German delegation met with His Majesty King Abdullah and will discuss Tuesday with Jordanian industrialists the opportunities to improve the sector and increase the Kingdom’s exports to German markets. Hatem Halawani, the president of the Amman Chamber of Industry (ACI), told The Jordan Times that the economic delegation, from the German state of Saxony-Anhalt, comprises heads and representatives of 12 companies in chemical industries, food processing, energy and transportation among others. The ACI chief said the two parties will explore opportunities to carry out joint projects in both countries. According to ACI figures, exports from Jordan and Arab countries to the German federal state of Saxony-Anhalt stood at JD3.5 million in 2008.

Halawani added that this visit will be the start for more business-matching with German companies, expressing hope for future cooperation with other regions in Germany. During his meeting with the German delegates, chaired by Wolfgang Boehmer, minister-president of the German federal state of Saxony-Anhalt, the King highlighted the important role of the German Jordanian University in boosting bilateral cultural and scientific cooperation. Also, Prime Minister Nader Dahabi held talks with the delegation on ways to increase bilateral cooperation particularly in the fields of trade, culture and agriculture. Dahabi briefed the Germans on the government's 2009 agricultural strategies and Boehmer expressed the German state's keenness to exchange agricultural expertise with Jordan. The two parties also discussed means to enhance cooperation in the field of renewable energy technology to reduce the cost of power generation in the Kingdom.

### **Industrialists seek German help in renewable energy projects**

Jordanian industrialists discussed with their counterparts from the German province of Saxony-Anhalt opportunities to carry out joint projects in the Kingdom. According to Hatem Halawani, president of the Jordan Chamber of Industry (JCI), the industrial sector seeks to implement ventures in the fields of renewable energy, agriculture and food processing. During a meeting with a 20-member trade delegation, chaired by Wolfgang Boehmer, minister-president of Saxony-Anhalt, Halawani said the private sector in Jordan is interested in carrying out joint renewable energy projects with the province and to exchange technologies in this field. Industry and Trade Minister Amer Hadidi stressed that the importance of boosting trade and investment cooperation between Jordan and Germany, noting that since 1996 only 18 investment projects, worth \$30 million, were established in Jordan. Boehmer told The Jordan Times that the visit will help increase German investment in the Kingdom, pointing out possibilities to establish wind energy, solar, thermal and energy conservation projects. He indicated that the Jordan exports to the province and Germany are expected to increase this year, particularly pharmaceutical products and phosphate. Later in the day, Boehmer and the accompanying delegation visited Petra Engineering Industries Company and observed the production process of air-conditioning units as well as the company's research and development centre, the Jordan News Agency, Petra, reported.

### **Jordan Customs working for electronic network with Syria and Saudi Arabia**

Jordan Customs Department (JCD) is negotiating with its counterparts in Syria and Saudi Arabia to implement an electronic network in order to enhance trade and information. Speaking during a meeting with Jordanian Exporters Association on Tuesday, JCD Director General Ghaleb Sarayreh said the electronic network aims at boosting Jordanian exports to other markets and facilitate trade to neighbouring countries. "The department is determined to implement latest technologies and upgrade its services and legislations in order to increase local exports and encourage more investments in the Kingdom," he added. Noting that the department's procedures meet international standards, he indicated that JCD has signed several cooperation agreements with Arab and other countries. During the meeting, organised by Naouri Group, representatives from various industrial and trade sectors raised some questions that were of concern to their businesses.

Issam Shamma, from a freight company, asked if the JCD will resume issuing licences to customs clearance companies and if the department will open customs training centres in other cities. Sarayreh indicated that there are around 200 companies at custom centres and most of those firms do not practice any activities. JCD will open customs training centres in other cities soon, Sarayreh said, pointing out a visit to Bulgaria by a delegation from the department to look at their experiences in this field. Khaled Kasih, from the food manufacturing sector, said that some neighbouring countries forge certificates of origin to take advantage of the Kingdom's free trade agreements. The JCD chief indicated that the department was aware of forgeries and has barred imports of some food products despite persistent demands from foodstuff traders to allow more food products into the Kingdom. Haider Janabi, an Iraqi businessman, wanted the JCD to exempt transit shipment from inspection at the Aqaba Port, claiming that the check costs Iraqi investors extra money and time. He alleged that some businesspeople are thinking of moving to other ports in Kuwait and Iran. In a related issue, Industry and Trade Secretary General Muntaser Oqla said Wednesday that Jordan and Egypt have formed technical committees to study the establishment of a customs union between the two countries.

#### **Officials counter Islamic Action Front criticism of fuel pricing**

The Islamic Action Front (IAF) has criticised the government's fuel pricing policy claiming that the amended rates fail to match international prices, while a government official on Wednesday rejected the accusations as "baseless". Rheil Gharaybeh, spokesperson for the IAF, the political wing of the Muslim Brotherhood, said the government's monthly fuel price update "lacks transparency" and called for a change in the pricing mechanism. But officials at the Ministry of Energy and Mineral Resources dismissed the IAF criticism, stressing that the government has consistently reduced prices in accordance with drops on the international market. Mahmoud Eiss, director of planning and spokesperson of the Energy Ministry, said the pricing mechanism "is linked to the price of oil derivatives on the international market". Between August and December last year, the government reduced petrol prices eight times in a row. This year, petrol prices remained unchanged but the prices of diesel and kerosene were lowered twice.

### **Social front**

#### **Higher Education Council proposes amendments to Universities Law**

The Higher Education Council (HEC) recommended amendments to the Universities Law giving university trustees greater authority. Under the amendments, university boards of trustees will be given the authority to appoint vice presidents and faculty deans, accept grants and approve annual budgets and tenders. The appointment of university presidents will remain under the auspices of the HEC, Mahmoud Khalaileh, the Higher Education and Scientific Research Ministry spokesperson told. According to Khalaileh, the move seeks to give universities greater influence in developments in the sector, in line with the directives given by His Majesty King Abdullah during a meeting with university

presidents last year. In a meeting yesterday, the council also approved a decision to rotate public university presidents. Meanwhile, the ministry closed four commercial offices providing services for university students.

## **SYRIA**

### **Political front**

#### **Syrian Cabinet discusses industrial situation and development**

Syrian Cabinet held on Tuesday a session headed by Prime Minister Muhammad Naji al-Ottri to discuss current situation and development of the industrial public sector. In this regard, the cabinet has discussed a memo by the Ministry of Industry that included reviewing current situation of the industrial public sector and the challenges confronting it ,along with the ministry's proposals to address them with the aim of upgrading the sector's performance , increasing its productivity and enhancing its competitive capability. Later, the cabinet has discussed the draft laws and decrees on its agenda, ratifying the one related to merging the General Establishment of Drinking Water and Drainage in the governorate of Damascus countryside with its counterpart in the governorate of Damascus, in order to address the water problem in Damascus countryside in the framework of the water resources management and governing demand on them.

#### **Nasrallah: Israel met Arab concessions with more of crimes and destruction**

Secretary General of Lebanese Hizbollah Party Sayyed Hasan Nasrallah said Monday that the resistance has the full right to possess all kinds of weapons, including anti-aircraft weapons, emphasizing that the resistance has the courage to use such weapons and it will not forgive any aggression on its people and country. "We have the right to acquire any kind of weaponry, including the anti-aircraft weapons, and we have the right to use it...It is our right to possess any weapons, including air defense, to defend our land," Nasrallah said speaking through a large screen during a ceremony organized by Hezbollah in the Sayyed al-Shouhadaa complex at the southern suburb of Beirut to mark the day of loyalty to martyrs. He went on to say that time, in which we were behaving as if we are weak, had gone away, noting that our Arab nation wasn't weak, but requires a political decision on the level of responsibility. The Secretary General pointed out that the more concessions the Arabs give, the more arrogant Israel becomes. "As long as the Arabs grant Israel more concessions, then the enemy will become even fiercer and will not honor its past commitments." He emphasized that there was no difference between Labor, Likud and Kadima regarding their attitudes towards Palestinians and Arabs, stressing that all Zionist parties were the same and shared in killing children and committing massacres and all of them were defeated in Lebanon.

#### **President al-Assad Reviews with Mousa the Current Arab Situation**

President Bashar al-Assad reviewed this morning with Arab League Secretary General , Amre Mousa , the current Arab situation and the role of the Arab League in boosting Arab joint action. The dangerous and tragic situation in which the Palestinian people are living in Gaza due to the unjust siege imposed on Gaza , was discussed , and stress was made on the necessity for lifting the siege promptly and opening all the crossings. In this regard, president al-Assad underlined that unification of the Palestinian stances through Palestinian-Palestinian reconciliation is the basis for making any progress in favor of the Palestinian people. The president considered that the only beneficiary of the Palestinian division is the Israeli enemy , stressing that Syria will not save any effort for bringing the Arab Palestinians together. The meeting was attended by Foreign Minister , Walid Moallem, Presidential Political and Media Advisor, Boutheina Shaaban, and Deputy Foreign Minister , Fayssal Mikdad. In a statement to reporters , Mousa indicated that his talks with President al-Assad and Minister , Moallem were focused on the Arab situation and on preparing it on an understanding and reconciliatory ground , underlining the importance of Syria's role in this sphere since she is the President of the Arab Summit. Mousa said that the talks also dealt with the necessity of the Palestinian reconciliation , and laying down An Arab policy that enjoys the consensus of all , and that President al-Assad showed his opinion regarding a number of the points discussed .

He added that the view points were exchanged and completed with Minister Moallem.

He said that his visit to Damascus came in the framework of an Arab tour that aims at restoring the Arab position that needs a very big restoration work , indicating that he forwarded proposals in this connection for finding solutions to all pending issues on the Arab arena in all the political, security and economic domains.

In reply to a question on the possibility of holding Arab summits, the Arab League Secretary General did not rule out such a possibility, pointing out to the beginning of détente in the Arab situation which is facing a difficult position , stressing the necessity for speeding up dealing with the reasons of the retreat that engulfs the Arab situation , with the Arabs giving attention to dealing with their causes , having accord on them , and succeeding in restoring their rights.

With regard to the Israeli rejection of what was agreed upon in Cairo in connection with the truce, Mousa said that such rejection was expected because meddling is part of the Israeli policy , stressing the necessity to clarify such games to the whole world.

Mousa pointing out to Israeli procrastination that has been going on for twenty years with regard to the peace process, and said : " We have to be aware of this lesson , and I think we have become aware of it , and we will have a position with regard to this issue.

Regarding the Arab Peace Initiative , the Arab League Secretary General , said that this initiative will not remain on the table for long time , and it is no justice and no good policy for the initiative to remain as such with no one dealing with it , stressing the necessity for selecting the proper time and correct expression on how to deal with this initiative.

Concerning the current negotiations in Doha on the situation in Sudan, Mousa said that any agreement reached in this regard would be important and that Qatar is playing such a role alongside the Arab League and the African Union.

### **Syrian Secretariate for Development to hold press conference**

Syrian Secretariate for Development (SSD) will hold on Wednesday afternoon a press conference, launching Eastern areas of the International Music Forum East at Dar al-Assad for Culture and Arts in Damascus. In a statement, Syrian Secretariate for Development said that the Forum includes many East states and an elite of lecturers, musician, and writers participating from Syria, Lebanon, India, Iran, Turkey, Iraq, Uzbekistan, France and Tunisia. SSD added that the Forum asserts the Syrian role in gathering East cultures and preserving the non- material heritage in the age of globalization.

### **President al-Assad to the American Congress Delegation: Achieving peace is the key for stability in the region**

The meeting between President Bashar al-Assad on Wednesday morning and an American Congress delegation headed by Senator Benjamin Cardin, Member of the Foreign Relations Committee at the Senate concentrated on the bilateral relations between Syria and the United States and the importance of developing them through serious and positive dialogue based on mutual respect and joint interest in order to find just solutions for the problems of the region. Talks during the meeting dealt with the latest development in the region and with what can be done to enhance efforts for realizing peace in the Middle East, as well as combating terrorism, where President al-Assad reiterated that achieving peace is the key for achieving stability in the region. For his part, the American delegation stressed the importance of continuing dialogue between Damascus and Washington, particularly under the new American administration which has a new policy and wants to work with the world. The meeting was attended by Foreign Minister Walid al-Mouallem and Presidential Political and Media Advisor Bouthina Shabaan and Syria's Ambassador to the USA Imad Mustafa. This is the second US Congress delegation to visit Damascus after President Barack Obama assumed office, with President al-Assad meeting a Congress delegation headed by Congressman Adam Smith on January 31st and discussing with them bilateral relations between Syria and the United States and means for developing them. The two sides had underlined the importance of establishing positive and constructive dialogue between the two countries based on common interests and mutual respect. The delegation had stressed Syria's important regional role and expressed the new US administration's eagerness for developing Syrian-US relations in service of stability in the Middle East. "The meeting with President al-Assad constituted an opportunity to talk about the peace process, the Iraqi refugees issue in Syria and discuss combating terrorism, President al-Assad was very decisive regarding this issue," Senator Cardin said in a statement to reporters before leaving Damascus. On the future of bilateral relations between Syria and the US, Mr. Cardin said there is a desire to find good relations, adding

that realizing peace in the region will be a very important fulfillment for its stability. Answering a question on whether the US is ready to play a role in the peace process under the new administration or not, Cardin said "we believe that it is important for the Syrian and Israeli sides to take important steps to move forwards in the peace talks."

## **Economic front**

### **Otri Discusses Cooperation with Slovakian Minister of Economy**

Prime Minister Mohammad Naji Otri discussed on Wednesday with Minister of Economy of the Slovak Republic Lubomir Jahnatek cooperation between Syria and Slovakia and the need for developing it. Talks focused on cooperation in economic and commercial fields, protection and encouragement of investments, holding industrial expos, and activating the role of businessmen in both countries in order to identify investment and development capabilities and opportunities in Syria and Slovakia. The meeting was attended by Minister of Economy and Trade Amer Housni Lutfi.

### **Al-Dardari Discusses Syrian-Turkish Relations with Tuzmen, Syrian-Slovakian Relations with Jahantek**

Deputy Prime Minister for Economic Affairs Abdullah al-Dardari discussed on Wednesday with Turkish State Minister for Foreign Trade Affairs Kursad Tuzmen the growing economic, commercial and industrial relations between the two countries and means for bolstering them. Tuzmen briefed al-Dardari on the activities of the Syrian-Turkish Economic Forum and the results of his talks with Syrian officials. Talks dealt with the venues of cooperation and the steps taken by the two countries' governments to boost cooperation, with the two sides agreeing to hold a meeting for the Syrian-Turkish Partnership Technical Committee to discuss means for confronting the global financial crisis and turn it into an opportunity to bolster relations. They also discussed the possibility of Turkish companies participating in the process of building and construction in Syria, establishing joint national companies, and the participation of Turkish businessmen in economic, commercial, industrial, tourist and banking activities in Syria. For his part, Tuzmen expressed satisfaction over the state of cooperation, affirming the desire of the Turkish government and Turkish companies to contribute to Syria's development process in all fields. Later, al-Dardari discussed with Minister of Economy of the Slovak Republic Lubomir Jahnatek the importance of activating and boosting cooperation between the two countries. During the meeting, al-Dardari reviewed strategic developmental and economic plans and the diverse investment opportunities in Syria, expressing Syria's desire to develop relations with Slovakia. Talks also dealt with cooperation opportunities and practical steps for developing relations.

### **Three Agreements for Financing Developmental Projects with the Arab Developmental Fund**

Syria and the Arab Socio-Economic Developmental Fund signed today three loan agreements in spheres of energy, electricity ,and roads with total amount of USD 257.4

millions. The agreements were signed by Finance Minister , Mohammed Hussein on behalf of the Syrian government , and Director General of the Socio-Economic Fund, Abdul-Lateef Hamad. The loan of the first agreement amounts to USD 36.3 millions for contributing to the financing of the Arab Gas Pipe Project( third stage), while the value of the loan of the second agreement amounts to USD 163.1 millions for contributing to the financing of Deir Ali Electric Generating Station expansion , and the 3rd agreement loan mounts to USD 58 millions for contributing to the financing of Deir-Ezzor –Bu-Kamal Road Project. The Finance Minister, told reporters that the signing of the three agreements was another step of the standing strong cooperation between Syria and the fund. He said that financing the three projects reflected the care and commitment of the fund to standing by Syria. For his part, Hamad stressed the attention of the fund given to the drawing of Euphrates and Tigris' waters, expressing his fund's readiness to finance future projects in Syria.

### **Syria will receive apples of Syrian farmers in Golan on Tuesday**

Three trucks loaded with apples will reach al-Qunaitera governorate on Tuesday coming from the occupied Syrian Golan. The apples are products of the Syrian farmers in Golan, and represent the first batch of the Golan's apples to be transferred to the homeland through the International Commission for the Red Cross. The total quantity that will enter Syria through a number of shipments reach 8000 ton. The national authorities have decided to receive the Golan's apples after the Israeli occupation forces prevented the Syrian farmers from marketing their products inside the occupied lands. "The move comes as a support to our families in the occupied Syrian Golan who struggle the Israeli occupation, reject their laws and adhere to the Syrian national identity, Al-Qunaitera Governor Riyadh Hijab said in a statement to SANA

### **Syria keen to sign Association Agreement with EU, Minister of Economy says**

Minister of Economy and Trade Amer Hosni Lutfi underlined that Syria is interested in signing the Syrian-European Association Agreement and joining the World Trade Organization because this will help accelerate the economic reform program in the country. The Minister, meeting his Slovak counterpart Lubomir Jahnotek , said Syria is advancing in the economic reform program and has made good progress in this regard. He expressed desire to boost trade, economic and investment ties with Slovakia, referring to the need for signing new bilateral agreements and establishing a council for businessmen in both countries. For his part, the Slovak Minister expressed his country's interest in developing economic relations with Syria and consolidating bases of cooperation, showing Slovakia's readiness to offer expertise in all fields with the Syrian side.

### **Otri Reviews with Tuzmen the Developing Cooperation Relations between Syria and Turkey and Means of Expanding.**

Prime Minister, Mohammad Naji Otri, and the Turkish State Minister for Foreign Trade Affairs, Kursad Tuzmen reviewed the developing cooperation relations between Syria and Turkey and expressed the joint will for broadening their future prospects. They also discussed the aspects of bilateral cooperation in the fields of economy, investment, and tourism in addition to the transportation, housing, and energy sectors and means of increasing the volume of trade and commodity exchange in a way that enhances the economic integration and the resources for the both countries in various fields. Minister of Economy and Trade, Dr. Amer Hosni Lutfi and the Turkish businessmen delegation participating in the Syrian-Turkish Business forum held currently in Damascus, attended the meeting.

### **Cancellation of tax for Turkish vehicles carrying goods on the condition of reciprocity**

Minister of Transportation , Ya'rub Badr , said Wednesday the Ministries of Transportation and Finance decided to cancel the fee for empty and loaded Turkish vehicles coming in and out across the Syrian lands on the condition of reciprocity . During his meeting with Turkish Minister of State for Foreign Trade Affairs Kursad Tuzmen, Badr expressed the Ministry of Transportation's interest to deepen the standing cooperation with the Turkish counterpart concerning different transportation fields to contribute in boosting trade exchange between the two countries . He expressed his hope for Turkish companies and investors' participation in the Ministry's investment enterprises, especially the north- south highway from Turkish borders to Jordanian ones scheduled to be implemented according to B.O.T system . For his part , Tuzmen praised the two Ministries' decision to exempt the Turkish lorries from passage fee, indicating the importance of such facilities in boosting and freeing trade exchange between the two countries and attracting other countries to transport through the two countries' lands due to their special geographic position. The Turkish Minister pointed out that the volume of trade exchange between the two countries has witnessed big development since signing the Free Trade Protocol and its application especially after it exceeded \$ 1 billion and 3 million last year expecting this exchange to be raised by the end of the current year to reach \$ 2.5 billion and to \$ 5 billion in the next three years . Tuzmen revealed Turkish airline companies' willingness to increase its flights to Syrian Airports , to study the re-running of flights to al-Basel Airport in Lattakia and to promote the cooperation in railway transportation between the two countries.

### **President al-Assad reviews with Tuzmen distinguished economic and trade cooperation between Syria and Turkey**

President Bashar al-Assad on Wednesday reviewed with Turkish Minister of State for Foreign Trade Affairs Kursad Tuzmen the distinguished economic and trade cooperation between Syria and Turkey and means of developing them through increasing the volume of trade and expertise exchange and eliminating the obstacles which face the businessmen and companies in the two countries in a way that contributes in expanding mutual investments. Minister of Economy and Trade Amer Hosni Lutfi attended the meeting. In this regard, Prime Minister Mohammad Naji Ottri discussed in a meeting with Tuzmen

bilateral cooperation between the two countries in the fields of economy, investment, tourism, transport, housing and energy. Minister of Economy and members of the Turkish delegation attended the meeting. Minister of Industry Fouad Issa al-Joni also discussed in a similar meeting with Tuzmen and the accompanying delegation means of enhancing industrial cooperation and establishing joint companies to invest in different industrial domains.

In a statement to SANA, the Turkish Minister expressed appreciation over the efforts exerted by President al-Assad to develop the Syrian-Turkish relations in all domains. The visit of President Bashar al-Assad to Turkey in 2004 and the following mutual visits between officials of the two countries have pushed bilateral relations forwards and were crowned with the signing of a number of agreements that increased the volume of investments and raised trade exchange to reach to \$ 2 billions at the end of the current year. The two countries have the desire to increase trade exchange volume between them to reach at \$ 2.5 billions next year and to \$ 5 billions during the coming 5 years.

### **Syrian and Turkish businessmen discuss increasing trade volume**

Syrian and Turkish businessmen on Tuesday held a business Forum on the economic cooperation between Syria and Turkey at Dedeman Hotel in Damascus. Talks during the Economic Forum dealt with aspects of trade, economic and investment cooperation between the two countries and means of enhancing them in all domains. Minister of Economy and Trade Amer Hosni Lutfi underlined that the good Will of the two sides enabled them to push the agreement of free trade zone, put into effect since 2007, forwards and overcome obstacles that hindered progress, in addition to the economic reform process and liberating the external trade, and guiding customs tariffs in Syria. "Growth rates in Syria reached at 6.6 in 2006 compared to 4.5 in 2005... the Syrian exports volume mounted to \$ 14 billions while the imports reached at \$ 15 billions... trade exchange volume with the world countries reached at \$ 29 billions compared to \$ 9 billions in 2000," Minister Lutfi said. For his part, Turkish Minister of State for Foreign Trade Kursad Tuzmen hailed development of the economic and trade relations between Syria and Turkey, particularly during the latest years. "The visit of President Bashar al-Assad to Turkey in 2004 and the following mutual visits between officials of the two countries have pushed bilateral relations forwards and were crowned with the signing of a number of agreements that increased the volume of investments and raised trade exchange to reach to \$ 2 billions at the end of the current year," Tuzmen added. He expressed hope trade exchange volume between Syria and Turkey reach at \$ 2.5 billions next year and to \$ 5 billions during the coming 5 years. Syrian and Turkish businessmen called for enhancing economic and trade cooperation to include other fields such as transport, Customs, oil and gas in the interest of both countries and people.

### **Geo strategic front**

### **EU-Syrian Association Agreement important to develop bilateral relations, Waldner says**

European Commissioner for External Relations and Neighborhood Policy Benita Ferrero-Waldner on Monday praised Syria's pivotal role in the region, saying "peace won't be achieved without Syria." Waldner, during a press conference held at the HQ of the European Commission in Damascus, described her visit to Syria as very important, particularly regarding bilateral relations between the two sides, underlining that re-launching the Association agreement last year was an indication to the Syrian-EU desire to develop common ties. She expressed satisfaction over the efforts exerted by the two sides to sign the Association agreement, hoping for boosting it in the near future in light of its importance in developing ties between Syria and the EU. "The EU has the desire, after signing the Association agreement, to conduct an open, regular and comprehensive dialogue with Syria regarding social and economic reforms and dealing with regional and international issues," Waldner said. She referred to the important role played by Syria to help stabilize situation in Iraq and hosting the Iraqi refugees, underlining the EU's continuous support and readiness to help Syria bear this burden. She hailed "the positive developments" on the level of establishing diplomatic ties between Syria and Lebanon, considering this step as useful for the two countries. Answering a question on the nature of the European move to provide stability in the region, the EU official expressed regret over "the losses of spirits of the Palestinians in Gaza", underlining the importance of "reaching a lasting cease fire and finding a peaceful solution to the Palestinian-Israeli conflict"

### **A Polish Delegation signs a scientific agreement with al-Baath University**

Dean of Education Faculty at al-Baath University, Dr. Mohammad Ismail discussed today with prof. Ryszard Gerlach, Dean of Education and Psychology faculties at Kazimierz Wielki University, means of scientific and research cooperation in the educational fields. The scientific cooperation agreement, to be signed today, includes the cooperation among the departments, faculties, and institutes, as well as the common scientific research. Dr. Ismail made to the guest delegation a synopsis of the work of the faculty and its departments, study duration, courses and curricula, as well as the higher studies pointing out the availability of learning laboratories. Dr. Ismail also mentioned that the faculty holds symposia and workshops to upgrade the level of scientific work. The faculty trains the participants in those workshops and symposia for practical life applications. About 10 multi-specialty symposia and workshops were held, Dr. Ismail said. Dr. Ismail made a rapid review of the university and its educational and scientific departments specialized in sociology, psychology, physics, ecology, music, and social service including 3000 students.

### **President al-Assad to the American Congress Delegation: Achieving peace is the key for stability in the region**

The meeting between President Bashar al-Assad on Wednesday morning and an American Congress delegation headed by Senator Benjamin Cardin, Member of the Foreign Relations Committee at the Senate concentrated on the bilateral relations

between Syria and the United States and the importance of developing them through serious and positive dialogue based on mutual respect and joint interest in order to find just solutions for the problems of the region. Talks during the meeting dealt with the latest development in the region and with what can be done to enhance efforts for realizing peace in the Middle East, as well as combating terrorism, where President al-Assad reiterated that achieving peace is the key for achieving stability in the region. For his part, the American delegation stressed the importance of continuing dialogue between Damascus and Washington, particularly under the new American administration which has a new policy and wants to work with the world. The meeting was attended by Foreign Minister Walid al-Mouallem and Presidential Political and Media Advisor Bouthina Shabaan and Syria's Ambassador to the USA Imad Mustafa.

This is the second US Congress delegation to visit Damascus after President Barack Obama assumed office, with President al-Assad meeting a Congress delegation headed by Congressman Adam Smith on January 31st and discussing with them bilateral relations between Syria and the United States and means for developing them. The two sides had underlined the importance of establishing positive and constructive dialogue between the two countries based on common interests and mutual respect. The delegation had stressed Syria's important regional role and expressed the new US administration's eagerness for developing Syrian-US relations in service of stability in the Middle East.

"The meeting with President al-Assad constituted an opportunity to talk about the peace process, the Iraqi refugees issue in Syria and discuss combating terrorism, President al-Assad was very decisive regarding this issue," Senator Cardin said in a statement to reporters before leaving Damascus.

"We conducted a candid dialogue with the Syrian officials and we will convey what we heard to the US Congress, this information is very important regarding the future vision of the US Administration and President Barack Obama who showed big interest towards this region," Cardin added.

On the future of bilateral relations between Syria and the US, Mr. Cardin said there is a desire to find good relations, adding that realizing peace in the region will be a very important fulfillment for its stability.

Answering a question on whether the US is ready to play a role in the peace process under the new administration or not, Cardin said "we believe that it is important for the Syrian and Israeli sides to take important steps to move forwards in the peace talks."

### **Otri, German delegation discuss Syrian-German cooperation relations**

Prime Minister, Mohammad Naji Otri, reviewed today with German delegation from Communications and Network Consulting (CNC), the Syrian – German relations and means of developing them in investment, development and economy fields.

During the meeting, Otri reviewed what has been achieved in Syria regarding the economic, financial and administrative reform and constituents of tourist and investment attraction represented by security and stability, the geographic site of Syria, the diversity

of the natural sources and the development of the infrastructure projects and utilities.

### **Al-Moallem discusses with al-Zahar developments of Palestinian situation**

Foreign Minister Walid al-Moallem on Wednesday discussed with member of HAMAS Politburo Mahmoud al-Zahar the latest developments in the occupied Palestinian lands in light of the painful and disastrous repercussions of the Israeli aggression on Gaza. Viewpoints were identical on the necessity of realizing the Palestinian national unity and unifying the Palestinian ranks to restore the national legitimate rights and establish a Palestinian independent state with Jerusalem as its capital. The two sides called for lifting the siege imposed on Gaza and opening crossing points to allow the entering of the humanitarian aid to the Strip. Al-Zahar, for his part, expressed high appreciation over Syria as leadership and people for its support to the Palestinian people and their legitimate resistance in defense of the just cause.

### **Syria, Turkey discuss financial and housing cooperation**

Finance Minister Mohammed al-Hussein discussed with Minister of State for Foreign Trade Affairs Kursad Tuzmen means of developing the economic and trade cooperation between Syria and Turkey. Talks during the meeting concentrated on the border centers which link the two countries, customs tariffs on the movements of trucks, cooperation in the banking field, increasing the volume of trade exchange and the free trade zone between the two countries. Al-Hussein pointed out to the good performance of the border centers after rehabilitating them and ending all technical measures for the establishment of Tel Ziwan center, asserting its importance for trade movement among Syria, Turkey and Iraq. He underlined that the average of taxes in Syria is lower than that in Turkey and the free trade zone agreement is being carried out in good way since Syria has amended the customs tariffs in serving this agreement. He expressed Syria's desire to establish a joint Syrian-Turkish bank in a way that contributes in enhancing economic cooperation and trade exchange between the two countries and a joint Syrian, Turkish and Iraqi bank. For his part, Tuzmen expressed his country's desire to increase the volume of trade exchange with Syria, hailing the measures which Syria has adopted in boosting the economic relations between the two countries. The Turkish official welcomed the decision stipulates for exemption of the Turkish trucks of customs tariffs, noting that the Turkish banks are studying the possibility of establishing branches for them in Syria. Earlier Minister of Housing and Construction Omar Galawangi discussed with the Turkish delegation prospects of cooperation between Syria and Turkey in the housing, construction and draining fields. Both sides discussed the possibility of the Turkish companies to enter the Syrian market in a way that contributes in the construction rise in Syria. Galawangi pointed out to the promising investment options in Syria, particularly in the housing, constructions and infrastructures domains.

### **Syria keen to sign Association Agreement with EU, Minister of Economy says**

Minister of Economy and Trade Amer Hosni Lutfi underlined Tuesday that Syria is interested in signing the Syrian-European Association Agreement and joining the World Trade Organization because this will help accelerate the economic reform program in the country. The Minister, meeting his Slovak counterpart Lubomir Jahnatek , said Syria is advancing in the economic reform program and has made good progress in this regard. He expressed desire to boost trade, economic and investment ties with Slovakia, referring to the need for signing new bilateral agreements and establishing a council for businessmen in both countries. For his part, the Slovak Minister expressed his country's interest in developing economic relations with Syria and consolidating bases of cooperation, showing Slovakia's readiness to offer expertise in all fields with the Syrian side.

### **Syrian-Turkish agreement to run train trips between Aleppo and Mersin and Ghaziantep**

Syria and Turkey agreed Tuesday in Adana to run train trips,train sit, between Aleppo and Mersin and Ghaziantep to transport passengers and merchandises. Director General of Turkish State Railways, Erol Enal, said that the Turkish State Railways and General Establishment of Syrian Railways agreed on running trains between Aleppo and Mersin and between Aleppo and Ghaziantep at a rate of two trips per week. He indicated that the Syrian Railways will provide the railroad cars demonstrating the great importance Turkey attaches to rail transport between the two countries. For his part, Director and of General Establishment of Syrian Railways, George al-Mokabary, said that running trains on the mentioned lines will support trade and tourism between Turkey and Syria. The two countries agreed last year on establishing a joint factory to build railways locomotives and trailers in Aleppo.

### **Speaker of Turkish Grand Assembly says Syria is key to realize peace**

Speaker of the Turkish Grand National Assembly Koksan Toptan on Monday said that Syria is a key to realize peace and stability in the region, underlining the importance of its contribution to solving regional issues. "Syria is a neighboring country and has strong human, cultural and historic ties with Turkey in addition to the standing neighborhood relations between Syria and Turkey," Toptan said in a speech at the People's Assembly during a session headed by Speaker Mahmoud al-Abrash. He referred to the importance of the memo of cooperation signed between Syria and Turkey during the visit of President Bashar al-Assad in 2007 as it formed a road map for the Syrian-Turkish ties and an important document that reflects the advanced level of cooperation. "Trade volume between Syria and Turkey has reached to \$ 1,8 billion due to the agreement of the free trade zone signed between Syria and Turkey in 2007," Toptan said, adding the Turkish investments in Syria rose to \$ 250 millions.

## **EGYPT**

### **Egypt FM meets Beshir amid reports of arrest warrant**

Egyptian Foreign Minister Ahmed Abul Gheit held talks with Sudanese President Omar al-Beshir on Saturday amid reports that the International Criminal Court has decided to issue a warrant for his arrest. The heads of the two countries' powerful intelligence services -- Omar Suleiman for Egypt and Salah Gosh for Sudan -- also joined the two-hour meeting about the six-year-old war in Darfur where Khartoum's scorched-earth policy has prompted the arrest warrant request from ICC prosecutors. Beshir's spokesman Mahjub Fadl Bakri spoke out strongly against any move by the court to issue an unprecedented arrest warrant against a sitting head of state, asking how the world could continue to have normal diplomatic relations with Khartoum after any such step. The New York Times reported on Wednesday that ICC judges in The Hague had decided to issue an arrest warrant for Beshir but a spokesman for the court later insisted that "At this moment, there is no arrest warrant." A Sudanese foreign ministry spokesman dismissed the report as a baseless attempt to undermine renewed Darfur peace talks. But the Sudanese president's spokesman said that all efforts to bring an end to the Darfur conflict so far, whether by the Arab League or the African Union, had failed even if they were still continuing. Arab League member Qatar is currently hosting talks between a Sudanese government delegation led by top Beshir aide Nafie Ali Nafie and the most heavily armed Darfur rebel group -- the Justice and Equality Movement.

### **Egypt in talks with Sudan over Darfur**

**Egyptian Foreign Minister Ahmed Abul Gheit has met Sudanese President Omar al Beshir amid reports of a pending arrest over Darfur 'crimes'.** "We came here to support President Beshir and his government... in all of their efforts aimed at bringing peace and stability," AFP quoted the Egyptian foreign minister as saying on Saturday. The chiefs of both countries' intelligence services also attended the two-hour meeting aimed at finding a solution to the six-year conflict in Darfur. The government in Khartoum has slammed the unprecedented move by the International Criminal Court to file for the leader's arrest over policies in the Darfur region, saying it was an effort to damage the ongoing peace talks. Qatar is currently hosting the talks between the Sudanese government and the Darfur Justice and Equality Movement in a bid to end a civil war that has claimed more than 300,000 lives and displaced more than 2.5 million people.

### **Egypt frees opposition leader Nour**

Ayman Nour, an Egyptian opposition politician, has been released after more than three years of imprisonment on grounds of ill health, his wife and prosecutors have said. Nour, a liberal who came a distant second to Hosni Mubarak, the president, in Egypt's first multi-candidate presidential elections in 2005, was sentenced to five years in prison on forgery charges following the poll. Nour said at the time the charges were politically motivated and designed to

undermine his political rise. Egyptian authorities said they decided to release Nour, who is diabetic and has had heart problems, as his health was deteriorating. His health conditions require extra care that cannot be provided behind bars, Gameela Ismail, his wife, said. Nour told The Associated Press news agency from his Cairo home that he had not been notified of his release until a car came to pick him up at his prison and brought him home. Nour said that he planned to continue his work in politics through the opposition al-Ghad party, though Egyptian law prohibits him from seeking public office barring a presidential pardon. Nour's jailing has been a sticking point in Egyptian-US relations for more than three years, and his sudden release may be a gesture to improve ties with President Barack Obama's new administration. In August, Nour wrote a letter to then-Presidential candidate Obama, urging him to help Arab reformers push for democracy in the Middle East.

### **PM's Schalit demand surprises Egypt**

Prime Minister Ehud Olmert's declaration that there would be no cease-fire agreement without the release of kidnapped IDF soldier Gilad Schalit stymied negotiations that had practically been completed, an Arab source told. PM Olmert: Schalit release is Israel's top priority Olmert's declaration about Schalit came as somewhat of a surprise to the Egyptians, who had been working steadily to broker a long-term truce between the two sides, the source said, and came after a weekend of speculation in the media over an imminent truce deal. A spokesman for the Egyptian Foreign Ministry declined to comment on Egypt's reaction to Israel's demand concerning Schalit, saying that he did not want to interfere with the "delicate, ongoing process" of negotiations.

### **Israel Pounds Gaza Smuggling Tunnels After More Rocket Attacks**

Israeli warplanes have attacked smuggling tunnels between the Gaza Strip and Egypt, after militants in Gaza fired at least two rockets into southern Israel. The tit-for-tat violence is further complicating prospects to draft a truce between Israel and the militant Islamic group Hamas. Palestinian woman walks past house destroyed during Israel's 22-day offensive in Jabalia in northern Gaza Strip, 15 Feb 2009 The rocket attacks have again become an almost everyday occurrence in the four weeks since Israel called off its 22-day offensive on militants in Gaza. Nearly a month after both sides declared separate cease-fires, efforts by Egypt to mediate a durable truce are deadlocked. Hamas wants Israel to open all of its border crossings, including one to Egypt. Israel wants Hamas to stop militants from firing rockets into its territory and the

smuggling of weapons into the seaside enclave. Hamas legislator Mushir al-Masri, a spokesman for the militant Islamist group, rejected any attempt by Israel to link the release of Schalit to a longer-term cease-fire. Al-Masri says Hamas' position is obvious. He says Hamas wants a cease-fire and is not backing away on that issue. But he says the Israeli attempt to connect the Schalit case with a cease-fire agreement is going to destroy the process and he says Hamas considers that "a stab in the face" of the Egyptian efforts to mediate peace.

### **'No way' Shalit linked to Gaza truce, says Mubarak**

The fate of an Israeli soldier captured in 2006 should not be linked to Cairo-mediated talks on a long-term truce with Hamas in Gaza, Egyptian President Hosni Mubarak was quoted as saying. "Egypt will not change its position on the truce, the matter of the Israeli soldier Gilad Shalit is a separate issue which can in no way be linked to the truce negotiations," the state-owned Al-Ahram daily quoted Mubarak as saying. Israel has linked a truce agreement to the release of Shalit, who has been held in Gaza since he was seized in a cross-border raid by Palestinian insurgents, including Hamas, in June 2006. Israeli Prime Minister Ehud Olmert said that Shalit's release took priority over any other consideration in the negotiations for a lasting ceasefire. Olmert reiterated that the blockade of Gaza would only be lifted after the captured soldier is released. Speaking during a visit to the Western, or Wailing, Wall in Jerusalem, Olmert said he was "not aware of any Egyptian criticism against us."

### **MPs blame government for truck drivers' strike**

The People's Assembly (PA) approved a request filed by several MPs blaming the government for inciting the nationwide strike staged by truck drivers. In the request, several MPs blame the government for "escalating the situation with truck drivers," Hassanein El-Shoura, member of the PA's transport and communications committee, told Daily News Egypt. Truck drivers around Egypt went on strike Friday, protesting a governmental decree that bans the use of large trailers. They vowed to continue with the strike until the government cancels said decree. The ban is due to take effect in January 2011. "The government has yet to respond to this strike," El-Shoura said. El-Shoura blames the government for the dilemma, saying it shouldn't have allowed large trailers in the first place. "Why did the government provide them with licenses to begin with?"

### **Egypt to send troops and police to Congo**

Egypt announced that it plans to send troops and police to join the UN peacekeeping mission in the Democratic Republic of Congo. Egypt will send 1,325 soldiers and a police unit to reinforce the UN force, foreign ministry spokesman Hossam Zaki said in a statement. The country's participation in the UN operation, known by its French acronym MONUC, is in response to the UN Security Council's resolution 1834 of December 2008 which called on members to help strengthen its force in Congo, he said. MONUC is the UN's largest current peace mission, comprising 17,000 soldiers, of whom about 5,000 are in the eastern province of Nord-Kivu.

### **Israel's Gaza truce pointman lashes out at Olmert**

Israel's pointman in talks with Egypt on a Gaza truce has lashed out at Prime Minister Ehud Olmert for linking the issue to the release of captive Israeli soldier, a report said

Amos Gilad, the senior defense ministry official who has been shuttling between Israel and Egypt for weeks, said requiring the freeing of Gilad Shalit for a Gaza ceasefire at the last moment risked alienating key ally Cairo. "I don't understand what it is that they're trying to do," the Maariv daily quoted Gilad as telling a close associate. "To insult the Egyptians? We've already insulted them. It's madness. It's simply madness. Egypt has remained almost our last ally here." Egyptian President Hosni Mubarak said in statements published that the fate of an Israeli soldier captured in 2006 should not be linked to Cairo-mediated talks on a long-term truce with Hamas in Gaza. The quotes were published on the day that Israel's powerful security cabinet met to decide whether to back Olmert's position, first stated at the weekend, that without the freeing of the soldier seized by Gaza militants in June 2006 Israel would not agree to a lasting ceasefire with the enclave's Hamas rulers. "Until now the prime minister hasn't involved himself at all. Suddenly, the order of things has been changed. Suddenly, first we have to get Gilad. I don't understand that. Where does that lead, to insult the Egyptians? To make them want to drop the whole thing? What do we stand to gain from that?"

### **One On One: Ford's Waldo Galan on the Middle East auto industry**

With the effects of the global financial crisis on the regional auto market still unclear, it's hard to say what 2009 will bring for multinational automakers. While sales have not dropped drastically to date, dealers across the region have begun introducing deep discounts in advance of worsening financial conditions that may cause a slowdown in the market. What the future will bring is anyone's guess, but with expatriate workers fleeing a hard-hit Dubai in droves, things

don't look good. Waldo Galan, managing director of Ford Middle East, is staying optimistic about his company's prospects for 2009. Relying on brand loyalty, a good cost to quality ratio and the young regional market, Ford seems ready to tackle the financial crisis head-on. Daily News Egypt caught up with Galan to get an insider's view into the current situation of regional auto markets and prospects for the future.

### **BUSINESS BEAT: Uncertain future for used car market**

When Egypt's economy began to head south in the second half of last year, the auto industry went with it. But just as, in many ways, the Egyptian economy escaped the brunt of the crisis that hit many of the more developed markets, so too has the auto industry here avoided a calamitous hit. Even though car sales were down for the final quarter of 2008, economists predict that certain market conditions will prevent major growth from occurring in the secondary, or used car market. It took some time for broader macroeconomic troubles Egypt was facing to trickle down to the auto industry. For one, explained Menatalla Sadek, a senior analyst at investment bank Beltone Financial, commercial vehicle sales, which make up a significant portion of the market, traditionally react slowly to changes in the market condition.

Up until the mid-fall, passenger vehicle sales had been experiencing 40 percent growth, but consumers reacted quickly to deteriorating economic conditions. The problem lay with the auto manufacturing companies who were not able to readjust prices to meet new expectations. In top of that, Original Equipment Manufacturers (OEMs) who produce auto inputs found themselves unable to reduce prices enough to impact retail prices. All of this may add up to one reason the Egyptian consumers have not flooded the secondary car markets yet. Simply put, consumers still expect the prices of new autos to come down in the short-term given declining commodity prices across the board.

### **Egypt says it develops new anti-bird flu vaccine**

An Egyptian professor said Friday that a new vaccine developed by the country's National Research Center (NRC) was confirmed effective against the H5N1 bird flu virus, the state MENA news agency reported. Mohamed Ahmed Ali, professor of virology at the NRC, was quoted as saying tests confirmed that the new vaccine is effective to develop immunity against the deadly virus. "A production line for the new vaccine will be contracted within two weeks," added the professor. Egypt reported its first H5N1 virus in dead poultry in February 2006 and the first human case in March of the same year. The death toll of the human cases of bird flu in the populous country is 23. Egypt is the most affected country by the deadly avian influenza outside Asia.

### **Egypt FM meets Beshir amid reports of arrest warrant**

Egyptian Foreign Minister Ahmed Abul Gheit held talks with Sudanese President Omar al-Beshir amid reports that the International Criminal Court has decided to issue a warrant for his arrest. The heads of the two countries' powerful intelligence services -- Omar Suleiman for Egypt and Salah Gosh for Sudan -- also joined the two-hour meeting about the six-year-old war in Darfur where Khartoum's scorched-earth policy has prompted the arrest warrant request from ICC prosecutors. Beshir's spokesman Mahjub Fadl Bakri spoke out strongly against any move by the court to issue an unprecedented arrest warrant against a sitting head of state, asking how the world could continue to have normal diplomatic relations with Khartoum after any such step. The New York Times reported on Wednesday that ICC judges in The Hague had decided to issue an arrest warrant for Beshir but a spokesman for the court later insisted that "At this moment, there is no arrest warrant." A Sudanese foreign ministry spokesman dismissed the report as a baseless attempt to undermine renewed Darfur peace talks. The Egyptian foreign minister said: "We came here to support President Beshir and his government... in all of their efforts aimed at bringing peace and stability." But the Sudanese president's spokesman said that all efforts to bring an end to the Darfur conflict so far, whether by the Arab League or the African Union, had failed even if they were still continuing. Arab League member Qatar is currently hosting talks between a Sudanese government delegation led by top Beshir aide Nafie Ali Nafie and the most heavily armed Darfur rebel group -- the Justice and Equality Movement.

### **Egypt becomes one of Middle East's leading tourist destinations**

Nicosia, Feb 13 : Egypt continues to rank high in the preference of tourists all over the world and has become one of Middle East's leading tourist destinations. Currently, about one in five tourists travelling in the Middle East is visiting Egypt, according to Egypt's State Information Service. Riham Wahid of the Egyptian Tourist Authority said that the number of tourists in 2008 reached 12.8 million, while total revenue stood at 10.98 billion dollars, representing an increase by 15.9 per cent. The Authority is taking part in ten major tourist exhibitions and some 200 regional events, something which has helped the country attract tourists from U.K, France, Germany, Spain as well as Russia, Poland and Ukraine. The aim is to increase the number of tourists to 14 million by 2011.

### **Egypt's top archaeologist unveils ancient mummy**

Egypt's chief archaeologist has unveiled a completely preserved mummy inside a limestone sarcophagus sealed 2,600 years ago during pharaonic times. The mummy was exposed for the first time Wednesday. It lies in a narrow shaft 36 feet below ground at the ancient necropolis of Saqqara outside of Cairo. It's part of a burial chamber discovered three weeks ago that holds eight wooden and limestone sarcophagi, along with 22 other mummies from the 26th Dynasty — Egypt's last independent kingdom. Laborers used crowbars to lift the sarcophagus' lid and exposed the linen-wrapped mummy inside.

### **Egyptian police pounce on tunnel smugglers**

Egyptian police have arrested 40 suspected smugglers who were attempting to shift contraband into the Gaza Strip. Egyptian security officials said the smuggled goods are worth approximately \$1 million and include mostly utensils and foodstuffs. Hundreds of security forces have been deployed in and around the town of Rafah, which is on the sensitive border with the Palestinian Hamas-run coastal area. Rafah has been the main artery for weapons being shifted into the Gaza Strip via underground tunnels. Israel destroyed many of the underground tunnels in bombing raids during its offensive on Gaza last month.

### **Clinton discusses Gaza ceasefire with Egyptian counterpart**

US Secretary of State Hillary Rodham Clinton and Egyptian Foreign Minister Ahmed Ali Aboul Gheit have held talks in Washington on the crisis in the Gaza Strip. Clinton and Gheit addressed the need to maintain the ceasefire implemented last month after three weeks of fighting between the Israeli military and Hamas militants. The two diplomats also discussed Egypt's plans to host an international donor conference next month to raise money to help Palestinians in Gaza. Meanwhile Egyptian negotiators and representatives from the Islamist Hamas movement said they have made progress during ceasefire talks in Cairo.

### **2nd Day of Trailers Strike's Ramifications: Increase in Prices of Building Materials, Recession in Food Market**

The strike of thousands of owners and drivers of heavy trucks spread to most parts of the country. In the second day of the strike yesterday, the prices of building materials increased and the recession hit the food commodities markets. Drivers told Al-Masry Al-Youm that they had been threatened to have their vehicles burnt if they broke up the strike. The Traffic Investigation organized campaigns to stop the trailers and force the drivers to resume their work. There have been conflicting reports about the date of the end of the strike. In Qena, an official at the Heavy Trucks Association said the drivers would resume their work tomorrow. However, the Chairman of the Transport Committee at the Federation of Egyptian Industries Ahmed al-Zini said the strike would continue till the government met the demands of trailer owners and drivers. Drivers from Matrouh governorate said they had received threats to have their vehicles burnt if they broke up the strike and drove on the Hamam-Alexandria International Road. In Gharbia governorate, the drivers threatened to stage a sit in before the headquarters of the People's Assembly if the government did not respond to their demands and backtracked on its decision banning trailers as of 2011. The prices of transport have doubled in Dakahlia, as the drivers had to transport goods on two phases. In Port Said, some 30 vehicles loaded with equipment for General Motors Company stopped at Port Said-Ismailia Road. The equipment was ready to be exported.

**BUSINESS AND POLITICS IN THE MISLIM WORLD**

**GULF COOPERATION COUNCLI (GCC)**

MADIHA KAUKAB

**WEEKLY NEWS MONITORING REPORT**

14<sup>TH</sup> FEB 2009 TO 22<sup>ND</sup> FEB 2009

PRESENTATION DATE: 25<sup>TH</sup> FEB 2009

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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.

**OUTLINE**

**QATAR**

**Social Desk**

Museum of Islamic Art embraces Middle Eastern culture

**IR Desk**

Qatar Emir to visit Sudan on Saturday

Qatar regrets Iranians' remarks against Bahrain

Abbas to Qatar at start of foreign tour

Qatar and Montenegro sign several pacts to boost ties

Darfur Rivals Sign Deal in Doha

Qatar, Japan experts discuss energy

**KUWAIT**

### IR Desk

KBR to operate US Army fuel farm in Kuwait

Dow put-off litigation in Kuwaiti dispute-source

RP, Kuwait agree on more flights

Jordan ends freeze on Kuwait's Global unit ops

Nebraska troops leaving, many again, for Iraq and Kuwait

Kuwait ICT Security forum 2009 to be held in May

### Economic Desk

Kuwait's divorce rate highest in the world after US, say experts

Macroeconomic indicators – Kuwait inflation eases to 10.4%

Kuwait's real GDP estimated to decline by 4 percent

### Nuclear Energy Desk

Kuwait considering nuclear energy program

### Social Desk

Kuwait education too far off pace

## OMAN

### Political Desk

Parliament speaker meets Omani State Council Chairman

### Social Desk

Oman Ministry of Higher Education partners with Edutech

### Economic Desk

Oman inflation, money supply growth ease

## BAHRAIN

### Social Desk

Bahraini activists go on hunger strike

'Bahraini rulers importing extremism'

Bahrain salaries highest in region

Bahrain protesters demand release of Shiite activists

Raucous protests rock Bahrain capital

### IR Desk

Bahrain-Egypt ties hailed

Monarch to visit Bahrain, S. Arabia

Philippines, Bahrain Signs Deal For Joint Agro-Fisheries Projects

Iran says ties with Bahrain will not be affected by minor issues

Bahrain halts gas talks with Iran as row deepens

Bahrain-US trade booming

Bahrain vows support for Palestine

Jordan King hails ties with Bahrain

Bahrain slams Iran's claims, suspends gas deal talks

Bahrain bans Iranian ships from its waters

### SAUDI ARABIA

#### Social Desk

Saudi Muslim cleric warns that biofuels could be sinful

Saudi heir 'has US medical tests'

Saudi Women Move Abroad to Find Work

Reform Rumbles in Saudi Arabia

Saudi Arabia: Change We Can Believe In?

Saudi Arabia: Guantánamo Ex-Inmate Is in Custody

Saudi Arabia appoints first female minister

Red roses banned in Saudi but reform is on the cards

Welcome to Saudi reforms

Saudi King Dismisses 2 Officials in a Shuffle

Saudi suspects seeking to revive al-Qaida

### IR Desk

Israel critic is reported appointment to top intelligence post

Anti-pirates success story: Saudis chase off attackers of cargo ship

SOMALIA: SAUDI FRIGATE SAVES TURKISH SHIP FROM PIRATES

Saudi Frigate Provides Protection For Turkish Ship

Saudi King Makes Overtures To Syria

### Economic Desk

Saudi Arabia agrees to reopen its market to Canadian beef: Ritz

Global crisis still in full swing-Saudi c.bank head

Traders buy Saudi fish

ENERGY MATTERS: Eyes On Saudis As OPEC Weighs Output Cuts

Saudi diesel imports to rise on power demand

### UAE

Our leadership turns UAE into regional, world hub for exhibitions: Lubna

Dubai Economic Council releases a Study on Business Cycles in the UAE

UAE firms lead pharma expo

Mohammed Reviews Educational Research Project for UAE

UAE curbs state access to banks' equity –paper

UAE, Thailand ink security deal

U.A.E. Preparing Plan to Help Banks, Dubai World Says

Prime Minister Nguyen Tan Dung arrives in UAE

UAE ambassador meets Jordanian Labour Minister

## **DETAILED REPORT**

### **QATAR**

#### **Social Desk**

##### **Museum of Islamic Art embraces Middle Eastern culture**

Qatar's new Islamic art museum, designed by famous American architect I.M. Pei, is the latest effort by this tiny, oil-rich nation to compete with rival Gulf countries for international attention and investment.

Qatar's Museum of Islamic Art is the first of ambitious cultural project in the Gulf to be realized. The five-story stone building sits atop an artificial island like an imposing fortress half a mile off the Qatari capital of Doha. "The Museum of Islamic Art will be the starting place for the Qatari cultural experience," Abdulla al-Najjar, head of the Qatar Museums Authority, said in a statement.

#### **IR Desk**

##### **Qatar Emir to visit Sudan on Saturday**

The Qatari Emir, Sheikh Hamad bin Khalifa Al-Thani, is expected to arrive in the Sudanese capital on Saturday on a one day visit for talks with the Omer Hassan Al-Bashir.

The visiting Emir is expected to discuss with the President Bashir the implementation of confidence building measures included in the Doha agreement particularly the release of JEM members sentenced to death by the Sudanese courts after an attack on Khartoum last May.

##### **Qatar regrets Iranians' remarks against Bahrain**

Qatar on Thursday expressed a regret to some Iranian officials' "infringement" against Bahrain's sovereignty and independence, reported the Qatar News Agency.

"Such negative statements constitute an infringement on the sovereignty" of a member state of the Gulf Cooperation Council (GCC), an official source at the Qatari Foreign Ministry was quoted as saying.

### **Abbas to Qatar at start of foreign tour**

Palestinian president Mahmud Abbas was due to travel to Qatar on Wednesday at the start of a foreign trip that will also take him to several European countries, his spokesman said. Abbas goes to Qatar following acerbic criticism of the emirate by Palestinian Authority officials that he heads for its support of rival Hamas movement that controls the Gaza Strip.

In mid-January, Qatar invited Hamas's exiled political supremo Khaled Meshaal to an Arab meeting devoted to Israel's Gaza war. Abbas boycotted the meeting.

Sudan 'bombs rebels' after talks Rebels in Sudan say government planes have bombed them just a day after the two sides held confidence-building talks in the Gulf state of Qatar.

### **Qatar and Montenegro sign several pacts to boost ties**

QATAR and Montenegro held a round of official talks yesterday and signed several agreements aimed at strengthening relations in the fields of finance, trade, economy, tourism and sports.

The official talks, held at the Emiri Diwan, were led by HE Sheikh Hamad bin Jassim bin Jabor al-Thani, Prime Minister and Foreign Minister, and Montenegro's Prime Minister Milo Djukanovic. The two sides reviewed aspects of bilateral co-operation and discussed ways to strengthening relations, especially in the economic and trade sectors.

### **Darfur Rivals Sign Deal in Doha**

Sudan and Darfur's most active rebel group, the Justice and Equality Movement, has signed a declaration of good intentions in Doha. Qatar has been mediating talks between Khartoum and

the rebel group since last Tuesday. The deal mediated in Qatar has laid the foundation for a second round of talks that will aim to address core issues in the six-year conflict. One of the Qatari mediators, Ahmad bin Abdullah al-Mahmoud, says the agreement includes measures to aid and protect refugees in Darfur.

### **Qatar, Japan experts discuss energy**

Qatar Petroleum and delegates from Japan held yesterday the first Qatar-Japan Joint Seminar where issues on techniques and economics of energy were discussed. "This event was organised so both Japan and Qatar can discuss energy together as well as other energy-related issues in both countries. In the seminar, Japan provided Qataris with information and ideas about the energy market and technology in Japan, like the Gas-fired Cooling System, new gas carriers and refining technology," said Naji Abi-Aad, Qatar Petroleum media and research strategist.

## **KUWAIT**

### **IR Desk**

#### **KBR to operate US Army fuel farm in Kuwait**

KBR Inc, Houston TX, has been awarded a contract by the US Army Contracting Command to execute bulk fuel farm operations at specific military sites near Shuiba Port and at Camp Buehring in Kuwait, according to KBR information.

The one-year contract offers four one-year options for renewal and has an anticipated value of up to \$19.2 million.

#### **Dow put-off litigation in Kuwaiti dispute-source**

Dow Chemical Co (DOW.N) said on Friday it had entered into arbitration proceedings to settle a dispute with a Kuwaiti firm that bailed out of a \$17.4 billion joint-venture deal, and a person familiar with the matter said the U.S. company had put off a lawsuit for now.

Dow CEO Andrew Liveris said last month that Dow was simultaneously pursuing both litigation and arbitration against Kuwait's Petrochemical Industries Co, which backed out of a deal to buy 50 percent of Dow's plastics business.

### **RP, Kuwait agree on more flights**

LOCAL CARRIERS can now mount more flights to Kuwait with the conclusion of air talks between the Philippines and the oil-rich Arab emirate.

From only six, the Philippines is now entitled to 29 weekly flights to Kuwait.

The additional 23 entitlements were approved yesterday afternoon, said Porvenir P. Porciuncula, deputy executive director of the Civil Aeronautics Board.

### **Jordan ends freeze on Kuwait's Global unit ops**

The Securities Commission said on Monday it had cancelled the suspension of the activities of the Jordan unit of Kuwait's Global Investment House (GLOB.KW) after a court ruling lifted a freeze on its assets over a loan dispute.

A statement by the regulator said the move came after a Jordanian court on Sunday lifted a ruling it issued last week to seize the assets of the Kuwaiti investment firm after Jordan's Housing Bank for Trade and Finance THBK.AM resorted to the courts following a default on a \$13 million loan.

### **Nebraska troops leaving, many again, for Iraq and Kuwait**

A ceremony held this morning honored Army Reserve troops who are soon deploying for war in Iraq.

The soldiers of the 443rd Transportation Company, many of them Nebraskans, will leave for Indiana this week and then fly to Kuwait to complete a yearlong deployment in Kuwait and Iraq.

## **Kuwait ICT Security forum 2009 to be held in May**

Kuwait Information and Communication Technologies Security forum will be held here next May under the patronage of Minister of Electricity and Water Nabil Bin Salama, with support from the Kuwait Information Technology Society.

Jamal Omran, Executive Director for Media and Marketing of Promedia Company, said the planned event aims to spreading information security awareness in society, allowing the information technology and communication sectors to exchange opinions on the matter.

## **Economic Desk**

### **Kuwait's divorce rate highest in the world after US, say experts**

Kuwait is second to the US in the rate of divorce cases in the whole world, reports Al-Qabas daily quoting participants at a seminar organized by the Family Security Society recently under the slogan "Divorce Cases." No details were provided. Dr Khadija Al-Mahmed explained the society is focusing on maintaining family stability in the country. She said the society has compiled comprehensive files on regulating the rights of workers and sponsors to protect maintain family security, which were presented to the Council of Ministers.

### **Macroeconomic indicators - Kuwait inflation eases to 10.4%**

Reuters reported that annual inflation in Kuwait eased slightly to 10.4% in October as food cost pressure declined.

Inflationary pressures have been receding across the Gulf region as oil prices collapsed to less than USD 40 a barrel, virtually a quarter of record levels last July and the global financial crisis brought to an end a regional economic boom.

Australian woman still detained in Kuwait

An Australian woman detained in Kuwait for allegedly insulting the country's ruler will remain behind bars pending investigation. A misunderstanding between family members and an airport

official turned into a melee during which the 43-year-old woman screamed obscenities at the official including insults of the emir.

### **Kuwait's real GDP estimated to decline by 4 percent**

The diagnosis was dire and the prognosis is even direr, says Dr Waheed Ahmad. He was delivering a lecture on "Global Financial Crisis and its Impact on the Lifestyles of Kuwaitis" at AWARE Center, Tuesday. The crisis has forced the citizens and expatriates alike to tighten their spending and people are trying to cut expenses in every possible way, he said. Kuwait's real GDP is estimated to decline by 4 percent, battered by drastic drop in oil prices in past 7 months.

### **Nuclear Energy Desk**

#### **Kuwait considering nuclear energy program**

Kuwait's emir says his oil-rich nation is seriously considering a peaceful nuclear program.

The Al-Watan daily quotes Sheik Sabah Al Ahmed Al Sabah in its Wednesday edition as saying a French company he did not name is undertaking a study on the use of nuclear energy to generate power in Kuwait. He did not elaborate but said Kuwait has no ambitions to acquire nuclear weapons.

Sheik Sabah says by acquiring nuclear reactors to generate power Kuwait will save on the fuel it "wastes" on producing power and desalinating water.

S and P downgrades outlook for top Kuwait bank Standard and Poor's rating agency has lowered its outlook for National Bank of Kuwait (NBK) to negative, but has affirmed its credit ratings for the country's largest lender.

### **Social Desk**

#### **Kuwait education too far off pace**

We communicate to create better minds, humans and a society, says Dr Kholoud Al-Najjar. In her interview to the Arab Times she explained how communication nowadays has become a lifestyle without which “you can’t do business or attain proper education.” She decried the corrupt governmental system in Kuwait “which has made our state lag way behind many countries in the world. My wish is to be given enough authority to design a new and healthy Kuwaiti generation.” Al Najjar also touched upon a host of issues including education, media, social development, women in politics and her ambitions.

## **OMAN**

### **Political Desk**

#### **Parliament speaker meets Omani State Council Chairman**

Speaker of Parliament Yahya al-Raei met here on Tuesday with Chairman of Oman State Council Yahya bin Mahfoudh al-Manthri and his accompanying delegation.

During the meeting, al-Raei confirmed the significance of strengthening the brotherly and neighboring ties and the common cooperation between Yemen and Sultanate of Oman.

India's Jet to lease 2 aircraft to Oman Air

India's Jet Airways (JET.BO) said on Monday it had entered into agreements with Oman Air to lease out two aircraft for six months from May.

Under the terms of the lease, the operational control and maintenance responsibility of the aircraft remain with Jet, it said in a statement.

### **Social Desk**

#### **Oman Ministry of Higher Education partners with Edutech**

The Oman Ministry of Higher Education (MoHE) has partnered with Edutech Middle East, a leading provider of technology-enabled information and learning solutions, to provide eLearning opportunities to six colleges across the Sultanate.

The initiative has provided a centralised learning platform that is now facilitating information sharing and dissemination among 10,000 students enrolled across the geographically-spread colleges in the regions of Sur, Ibra, Sohar, Rustaq, Nizwa and Salalah.

### **Economic Desk**

#### **Oman inflation, money supply growth ease**

Annual inflation in Oman fell to 11.78 percent in December as food price pressures eased, while growth in the sultanate's money supply rose at its slowest pace in two and a half years, official data showed on Monday.

## **BAHRAIN**

### **Social Desk**

#### **Bahraini activists go on hunger strike**

Seven Shia activists have begun a hunger strike to protest the government's plan to put a group of political detainees on trial.

The political prisoners have been accused of hatching a plot to stage a coup against the Bahraini government. The hunger strike began at an activist's house on Friday evening in a bid to highlight "the deteriorating situation in Bahrain" and "call for the release of political prisoners," in particular Hassan Mesheima and Mohammed al-Moqdad, a statement by the activists say.

### **'Bahraini rulers importing extremism'**

Bahraini political activist Dr. Saeed Shahabi has talked to Press TV about the row between Bahrain's government and opposition groups, which has recently sparked protests across the country.

### **Bahrain salaries highest in region**

BAHRAIN is one of the highest earning countries in the Middle East, according to a new study.

The GCC Salary Survey and Cost of Living Analysis questioned more than 13,500 people from 20 employment sectors in 13 countries.

It showed that 22 per cent of workers in Bahrain earn between \$5,000 (BD1,890) and \$10,000 (BD3,780) per month, compared to 20pc in the UAE and 19pc in Kuwait.

### **Bahrain protesters demand release of Shiite activists**

More than 1,500 Bahrainis took to the streets on Friday demanding the release of Shiite opposition activists who are due to stand trial next week for plotting to overthrow the Sunni government.

Protesters who gathered in west Manama chanted slogans calling for the release of Hassan Mesheima, the general secretary of the Shiite-dominated opposition Haq (right) movement and Shiite cleric Mohammed al-Moqdad, an AFP correspondent reported.

### **Raucous protests rock Bahrain capital**

Bahrainis continue their protests over the imprisonment of 35 people for an 'attempted coup' with the latest demo attracting a police response.

On Friday, the protesters took to the outskirts of the capital, Manama calling for the release of the political prisoners who include three Shia Muslims. Police later used tear gas against the protesters but there have been no casualties reported.

## **IR Desk**

### **Bahrain-Egypt ties hailed**

Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa yesterday welcomed the positive outcome of Egyptian President Hosni Mubarak's visit to Bahrain, that aimed to reinforce bilateral relations.

He praised Egypt's outstanding role in defending Arab causes and in seeking to achieve Palestinian reconciliation to start national dialogue in Cairo on February 22, paving the way for maintaining security and stability in the Gaza Strip.

### **Monarch to visit Bahrain, S. Arabia**

AMMAN (JT) - His Majesty King Abdullah is scheduled to visit Bahrain and Saudi Arabia this week, a Royal Court statement said.

He will discuss on Wednesday with King Hamad Ben Isa Al Khalifa means to boost cooperation between the two countries and regional issues.

### **Philippines, Bahrain Signs Deal For Joint Agro-Fisheries Projects**

The governments of Bahrain and the Philippines on Monday signed a deal to establish cooperation in the fields of agriculture and fisheries. Representatives of the two countries also formed a joint committee to oversee the implementation of the agreement.

Philippine Agriculture Secretary Arthur Yap signed the memorandum of understanding on behalf of the Philippines, and Minister Hassan A. Fakhro of Bahrain's Ministry of Industry and Commerce signed in behalf of Bahrain.

### **Iran says ties with Bahrain will not be affected by minor issues**

TEHRAN (IRNA) – Foreign Ministry Spokesman said that Iran-Bahrain relations have always been upon mutual respect to their sovereignty and in direction of deepening and expanding and would never be affected by insignificant issues.

According to the report of Foreign Ministry Media Department on Monday, Hassan Qashqavi was commenting on Iran-Bahrain relations in reply to a question concerning reactions of a number of Arab countries officials to a recent statement by Hojjatoleslam Ali Akbar Nateq Noori.

### **Bahrain halts gas talks with Iran as row deepens**

Bahrain said on Wednesday it has halted negotiations with Iran over a major gas import deal in a deepening row over comments that touch on the sovereignty of the tiny Gulf kingdom.

The protest action came as regional Arab heavyweights weighed into the dispute with an outpouring of support for the US-allied island nation over the alleged remarks by an Iranian official last week.

"The kingdom of Bahrain has stopped negotiations with Iran concerning importing natural gas," a senior official told AFP on condition of anonymity.

### **Bahrain-US trade booming**

In spite of the global downturn, international trade between the US and Bahrain continues to boom.

Last year bilateral trade between the two countries reached \$2.19 billion, an increase of more than 12 per cent on the previous year, US Chamber of Commerce senior vice-president, international affairs, Daniel A Christman said yesterday.

## **Bahrain vows support for Palestine**

MANAMA: His Majesty King Hamad yesterday reiterated Bahrain's support to the Palestinian people.

He stressed the need for Palestinian unity as he received President Mahmoud Abbas in the presence of Crown Prince and Deputy Supreme Commander Shaikh Salman bin Hamad Al Khalifa.

## **Jordan King hails ties with Bahrain**

Visiting Jordanian King Abdullah II on Wednesday lauded brotherly relations between Bahrain and Jordan.

Addressing an economic meeting in Bahrain, attended by Crown Prince Sheikh Salman bin Hamad Al Khalifa, he said he was keen on further deepening and developing bilateral relations in all fields.

## **Bahrain slams Iran's claims, suspends gas deal talks**

Bahrain's Foreign Minister Khalid bin Ahmed al-Khalifa Thursday confirmed that his country has suspended negotiations with Iran on a natural gas import deal, due to Iranian officials' recent claims of Bahrain as a province of Iran.

Such remarks were an "infringement of sovereignty," al-Khalifa told reporters in Bahrain's capital after meeting with his counterparts of Turkey and Russia. "We will never accept distortion of historical facts about the history of the Kingdom of Bahrain," he said, adding the Gulf Arab kingdom was hurt by such remarks. He confirmed that Bahrain has halted its current talks with Iran on the gas imports deal.

## **Bahrain bans Iranian ships from its waters**

Bahrain bans Iranian ships from entering its territorial waters, as comments on Iran's past sovereignty over the island have upset Manama.

An unnamed Bahraini official told the dpa on Friday that, "Iranian shipping vessels had been asked to avoid Bahraini territorial waters and no Iranian vessel will be allowed in until further notice," adding that the Civil Aviation Affairs (CAA) were not affected by the decision.

## **SAUDI ARABIA**

### **Social Desk**

#### **Saudi Muslim cleric warns that biofuels could be sinful**

A prominent Muslim scholar in Saudi Arabia has warned that those using alcohol-based biofuels in their cars could be committing a sin.

Al Arabiya notes that Najimi stressed that this warning was not an official fatwa, or religious edict, just his personal opinion. Najimi added that the issue "needs to be studied by the relevant religious bodies."

Ethanol, a common type of biofuel, is made of the same type of alcohol found in alcoholic beverages, and its production is similar to that of hard liquor. Plant matter is fermented using yeast, and the result is distilled to increase the concentration of alcohol.

#### **Saudi heir 'has US medical tests'**

Crown Prince Sultan bin Abdul-Aziz, the heir to the Saudi throne, has flown to New York for medical tests, according to the Saudi press agency.

There are no details about the prince's condition.

### **Saudi Women Move Abroad to Find Work**

The number of Saudi Arabian female university graduates who are moving to neighboring countries in order to find employment is increasing every year due to the difficulties in finding jobs at home.

“There is a program for hiring Saudi teachers in Kuwait, which is relatively similar to Saudi Arabia when it comes to the education system. It has been arranged between the two governments and that is why many Saudi graduates have moved to Kuwait to teach there,” Sabria Jawhar, the former editor-in-chief of the daily Saudi Gazette, told The Media Line.

### **Reform Rumbles in Saudi Arabia**

The Kingdom of Saudi Arabia was shaken up on Feb. 14 when King Abdullah Bin Abdul Aziz appointed a female to the Cabinet for the first time, in the same stroke dismissing major religious leaders.

Saudi Arabia is known for its strict and conservative Islamic rule; King Abdullah’s recent changes are an apparent attempt to precipitate reform.

### **Saudi Arabia: Change We Can Believe In?**

On Saturday in Saudi Arabia, King Abdullah announced several new appointments to his government, his first major cabinet reshuffle since ascending to the throne in 2005. The changes included the appointment of Noura al-Fayez as Deputy Minister of Girls’ Education, the first woman ever to sit in the Saudi cabinet.

### **Saudi Arabia: Guantánamo Ex-Inmate Is in Custody**

A former detainee at Guantánamo Bay, Cuba, who subsequently joined the Yemeni branch of Al Qaeda returned to Saudi Arabia on Tuesday and was in the custody of the authorities. The Yemeni government said it had returned the former detainee, Muhammad al-Awfi, to Saudi Arabia. But Saudi officials said Mr. Awfi, also known as Abu Hareth, had traveled to the Saudi-

Yemeni border and turned himself in. Mr. Awfi was one of 11 Saudis who were believed to have returned to terrorist groups after being released from Guantánamo and passing through a Saudi rehabilitation program for former jihadists.

### **Saudi Arabia appoints first female minister**

An expert on girls' education became Saudi Arabia's first woman minister on Saturday as part of a wide-ranging cabinet reshuffle by King Abdullah that swept aside several bastions of ultra-conservatism.

Nora bint Abdullah al-Fayez, a US-educated former teacher, was made deputy education minister in charge of a new department for female students, a significant breakthrough in a country "This is an honour not only for me but for all Saudi women. In the presence of a comprehensive operational team, I believe I'll be able to face challenges and create positive change," she told Arab News. where women are not allowed to drive.

### **Red roses banned in Saudi but reform is on the cards**

Religious police outlaw Valentine's Day but the king has raised hopes of reform, writes MARY FITZGERALD in Riyadh.

THE OFFICIAL letter arrived well in advance of St Valentine's Day, warning of the consequences of selling anything red or decorated with cupids or hearts.

"It's the same every year," sighed the 30-something Saudi florist who knows only too well what will happen if the ban on Valentine's Day is flouted.

### **Welcome to Saudia reforms**

On Saturday, King Abdullah of Saudi Arabia dismissed the head of the powerful – and hated – religious police force, as well as appointing his country's first female minister. The announcement of widespread reforms was made on Valentine's Day, which is a coincidence, but an interesting one, for the cane-wielding religious police had spent the day ruthlessly stamping out any celebration of this "Christian" and "degenerate" festival. No wonder they are disliked – and mocked.

## **Saudi King Dismisses 2 Officials in a Shuffle**

BEIRUT, Lebanon — The king of Saudi Arabia dismissed two powerful religious figures Saturday, as part of a government shuffle that appeared aimed at reforming the kingdom's hard-line religious establishment.

King Abdullah removed the chief of the feared religious police and a conservative cleric who declared last fall that it was permissible to kill the owners of television stations that broadcast immoral content, the Saudi Press Agency reported.

## **Saudi suspects seeking to revive al-Qaida**

One of the men on the Saudi Arabia's new most-wanted list is married to Osama bin Laden's daughter while another was involved in a plot to kill the U.S. ambassador in Yemen. A third smuggled militants into Iraq from Syria.

Documents profiling the 85 wanted men — 83 Saudis and two Yemenis — reveal that many of them either took part in planning attacks targeting oil, security and other installations in the kingdom or provided al-Qaida members with weapons, safe haven, false documents and money.

## **IR Desk**

### **Israel critic is reported appointment to top intelligence post**

A former ambassador to Saudi Arabia with a history as a critic of Israel will reportedly be named to a top intelligence post in the Obama administration.

ForeignPolicy.com reported Thursday that Chas W Freeman Jr., who served as U.S. ambassador to the Saudi kingdom from 1989-1992 and is currently the president of the Middle East Policy Council, will be the chairman of the National Intelligence Council, which plays the leading role in producing national intelligence estimates.

### **Anti-pirates success story: Saudis chase off attackers of cargo ship**

Saudi Arabia has reported its first naval operation against pirates in the Gulf of Aden. The Royal Saudi Navy said its French-origin frigate blocked unidentified pirates from intercepting a Turkish

cargo ship near the Gulf of Aden. The navy said the Al Riyadh frigate had responded to a distress call from Turkey's Yasa Seyhan, attacked by three small vessels

### **SOMALIA: SAUDI FRIGATE SAVES TURKISH SHIP FROM PIRATES**

A frigate of the Saudi Navy prevented an attack by Somali pirates against a Turkish cargo ship in waters close to the Gulf of Aden, as reported by daily paper 'Arab News' which in turn cited the 'Spa' press agency. The operation, the first of this sort ever reported by Saudi authorities, was carried out yesterday by the frigate 'al-Riyadh', which answered a plea for help by Turkish cargo ship 'Yasa Seyhan' that was being attacked by three small pirate vessels.

#### **Saudi Frigate Provides Protection For Turkish Ship**

A Saudi Arabian ship provided protection on Monday for a commercial Turkish ship after receiving a distress call from the Turkish ship.

According to Saudi Arabian state news agency SPA, the King Ship "AlRiyadh", located in the Gulf of Aden as a participant in the international force to combat piracy, provided protection today for a commercial Turkish ship after receiving a distress call from the ship early this morning after three small boats tried to hijack it in the international waters near the Gulf of Aden.

#### **Saudi King Makes Overtures To Syria**

Saudi King Abdullah kept up his conciliatory approach to Syria on Sunday and sent his son to Damascus to discuss with Syrian President Bashar Al-Assad the best ways to improve their bilateral ties, which reached a low ebb over Lebanon, Iraq and to a lesser extent, Palestine.

Syrian officials said the overture came as Assad received earlier in the day Prince Muqrان who conveyed a verbal message from the Saudi King to the Syrian leader.

#### **Economic Desk**

### **Saudi Arabia agrees to reopen its market to Canadian beef: Ritz**

Canadian beef exporters are regaining access to the Saudi Arabian market for the first time since 2003.

Federal Agriculture Minister Gerry Ritz announced a multimillion-dollar beef export deal with the Middle East kingdom today. The agreement reopens the Saudi Arabian market to Canadian boneless beef exports from animals under 30 months of age.

### **Global crisis still in full swing-Saudi c.bank head**

The global financial crisis is still in full swing but it will not impact Saudi banks' solvency or ability to generate profits, the new head of Saudi Arabia's central bank said on Tuesday.

"The financial fallout from the global economic crisis is still in full swing and has not reached an end yet," Muhammad al-Jasser told CNBC Arabiya TV, according to a statement released by the broadcaster.

### **Traders buy Saudi fish**

SOME of Bahrain's hypermarkets are importing fish from Saudi Arabia to cope with the unavailability of local fish following a nation-wide strike by fishermen.

More than 1,700 fishermen have been holding an indefinite strike since Sunday to urge authorities to meet their demands.

It is spearheaded by the Bahrain Fishermen Society in collaboration with the Bahraini Fishermen Trade Union and the local fish importers.

### **ENERGY MATTERS: Eyes On Saudis As OPEC Weighs Output Cuts**

Crude oil prices have plunged to near five-year lows, fueling speculation that OPEC may again slash production levels when it meets in a month.

Saudi Arabia, OPEC's kingpin and the world's biggest oil exporter, already has cut output by up to 2 million barrels a day from a 25-year high hit last summer when crude prices were soaring to near \$150 a barrel.

But despite the Saudi-led cut backs, global inventories have swelled as the oil demand is shrinking worldwide, battered by the deepening economic crisis.

### **Saudi diesel imports to rise on power demand**

Saudi Arabia will import a third more diesel this year, stoked by robust power and transport demand in the world's top oil exporter.

This will offer some relief to an oversupplied market, industry sources said yesterday.

Around 2.3 million tonnes of diesel are expected to be imported this year, compared with 1.68m tonnes bought last year, they said.

## **UAE**

### **Our leadership turns UAE into regional, world hub for exhibitions: Lubna**

Foreign Trade Minister Lubna Al Qasimi, said the wise vision of the UAE leadership and sound government strategy, have both succeeded in making the UAE regional and international hub for exhibitions and conferences in line with strong economic position occupied by the UAE in the region.

She told Dira' Al Watan Magazine in a statement that the success of the International Defence Exhibition and Conference (IDEX), is a complementary effort and creative strategic planning of the UAE based on the leadership and government conceptions about importance of the exhibition industry.

### **Dubai Economic Council releases a Study on Business Cycles in the UAE**

The economic activity always witnesses business cycles characterized by booming followed by recession represented by negative GDP growth rate or slowdown. This cycle might be short or long depending on the economic policies crafted by the government to tackle these situations, said a study prepared by Dubai Economic Policy Research Institute (EPRI).

In an effort to assess the impacts of the global financial crisis on the UAE economy, the EPRI-the operational arm of the General Secretariat of Dubai Economic Council- prepared series of studies that deal with various aspects of the global financial crunch, the latest being about the economic slowdown and recession situations as felt in the UAE over the last three decades.

### **UAE firms lead pharma expo**

Dubai International Pharmaceuticals & Technologies Conference & Exhibition (Duphat) 2009 will be held at the Dubai International Exhibition and Convention Centre from March 29 to 31.

“It is an opportunity for Serum Indo Gulf to be recognized and to reach globally through the UAE market. It is indeed a privilege for us to contribute and be part of an industry that caters million of people for a better health – better life.” said Mohie Al Din Binhendy, president of Serum Indo Gulf, manufacturers of vaccines and anti-serum.

### **Mohammed Reviews Educational Research Project for UAE**

His Highness Shaikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai, reviewed the elements and objectives of the international project for educational research launched by the UAE Ministry of Education (MoE).

The project is part of an ambitious programme rolled out by the ministry in pursuit of the development of the educational system in the country.

UAE Education Minister Dr Hanif Hassan said the project, introduces the practice of research in the country’s schools.

### **UAE curbs state access to banks' equity –paper**

The United Arab Emirates Ministry of Finance has amended the terms of its liquidity facility for banks, curbing the state's ability to convert the debt into equity.

Under the amendment, the government is now able to convert the funds it made available to banks in the form of loans into equity only under certain conditions, al-Khaleej said, citing a ministry circular to banks outlining the change.

### **UAE, Thailand ink security deal**

The UAE and Thailand inked today a draft security agreement at the end of the second two-day of bilateral security negotiations.

The tentative document will be raised to interior ministers in the two countries for final sealing. Abdullah Rashid Al Bedaiwi, Deputy Director of Criminal Security, UAE Ministry of Interior, who signed the agreement with Deputy Director of Legal Affairs at the Thai Ministry of Interior Rachanant Thananant, said the agreement would contribute to boosting joint security cooperation in various fields including fighting of organised crime, corruption, money laundering, terrorism, human trafficking and drugs.

### **U.A.E. Preparing Plan to Help Banks, Dubai World Says**

The United Arab Emirates is preparing a plan to help banks resume lending as the "unprecedented" credit crisis ends a five-year real-estate boom in the Gulf nation, the chairman of state-owned Dubai World said.

"If we want the banks to lend again to real estate, then obviously governments will have to put a plan," said Sultan Ahmed bin Sulayem, who also sits on a committee studying the effects of the global credit crisis on Dubai's economy.

### **Prime Minister Nguyen Tan Dung arrives in UAE**

Prime Minister Nguyen Tan Dung, his wife, and a delegation of the Vietnamese Government arrived in the Abu Dhabi International Airport at 13:00 on February 15 (local time), beginning a three-day official visit to the United Arab Emirates (UAE).

This is the first official visit to the UAE of a Vietnamese Prime Minister since 1993 when the two countries established their diplomatic ties. The visit is made at the invitation of the UAE Vice President and Prime Minister, Mohammed Bin Rashid Al-Maktoum.

#### **UAE ambassador meets Jordanian Labour Minister**

UAE ambassador in Amman Ali Mohammed Al Shamisi met here today the Jordanian Labour Minister Bassem Khalil Al Salem.

During the meeting they discussed UAE-Jordanian economic cooperation that witnessed enormous progress as per the aspirations of the leaders of both countries.

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

### **SOUTH EAST ASIA**

Tatheer Zahra Sherazi

Monitoring Report

From 13 February 20 February

Presentation: February 25, 2009

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- Indonesia

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- More coalitions eyed at Indonesia polls
- Clinton hammers home Obama message in Indonesia

- Indonesia shows Islam, modernity coexist: Clinton
- Clinton to talk peace and progress in Indonesia
- Indonesian ulema tell Muslims to vote or go to hell
- Malaysian commandos arrest Indonesian pirates
- 45 percent of the country's population is at risk of contracting malaria.
- Protest against Clinton visit

#### Strategic Front

- US called to freeze help for Indonesia military

#### Economic Front

- Six Indonesian state firms eye public offerings
- Australia, Indonesia discuss free trade Sandra O'Malley
- Indonesia sees container volumes down 20-30% in '09
- Australia, Indonesia talk trade, illegal migrants
- US to lead fight against climate change
- 'Conversion for second marriage un-Islamic'.
- Indonesia, Japan agree on gas sales extension

#### Social Front

- Aftershock jolts Talaud, Indonesia
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#### Political Front

- Pakatan will stick to status quo
- PM to brief rulers on Perak's political situation
- Victim of naked politics or...?
- Najib: GDP growth may be revised if other nations fail
- No more race-based parties: Poll respondents
- Malaysian legislator quits over nude cell photos

#### Strategic Front

#### Economic Front

- GCC, Malaysia focal points of Islamic bond market - Global
- Cuts in tariff and gas price insufficient
- Survey: Malaysians not saving enough
- More crime in Sarawak due to economic meltdown

#### Social Front

- Malaysian PM launches fund for Gaza children
- Ethnic Indian speaker suspends entire Malaysian state ministry
- Philippine

#### Political Front

- Philippine concern over surge in kidnappings Shirley Escalante
- Manila halts rescue of hostages
- Beijing protests Philippines' island claim
- Al-Assad, Filipino FM discuss bilateral relations

#### Strategic Front

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- IMF: RP economy to grow 2.25% in 2009
- Taiwan and the Philippines signed four memorandums of understanding (MOU)
- RP, Japan set talks for new loan package
- Philippine president grateful for US stimulus bill
- Manila Water profits grow 16% in 2008
- ADB sanctions 41 firms, 38 individuals for corruption (eco,social)
- Philippine Peso Weakens Further Against Dollar
- Philippines raises power rates first time since 2004
- Special Report: Global Financial Crisis

#### Social Front

- RP military gets \$6M for humanitarian projects in Sulu
- Catholic campaign in Philippines undermined by Church of England
- Running in place in Mindanao - New Crisis Group briefing
- Thailand

#### Political Front

- Thai PM: Coalition parties may consider `reconciliation` act in Cabinet
- Thai PM admits to pushing migrants into sea
- Thai opposition party preparing censure debate against gov't

#### Strategic Front

#### Economic Front

- Thailand's exports down more than 20 per cent in January
- Thailand: Gov't revenue in fiscal 2010 to fall below this year; more economic stimulus measures urged
- Thai exports looking up for Australian produce
- PM sees rebound in second half Economy needs to be pumped for recovery

#### Social Front

- Rohingya are Muslim outcasts, not welcome anywhere
- Bangladesh first country to offer Rohingya a home
- Monks with bottle make a Buddha-wiser temple
- Thailand: Drought situation reported in 19 provinces

#### Singapore

#### Political Front

- Govt gazette publishes boundaries of altered polling districts
- Intelligence, info sharing help tackle security challenges facing world

#### Strategic Front

#### Economic Front

- Singapore to host meeting of APEC Finance Ministers' Process next week
- Over 570 people caught with duty-unpaid cigarettes within 1st month of new law(social,political,eco)
- Empire Investment director gets permission to leave country
- Singapore shares closed 1.31 per cent lower on Monday with little buying incentive, dealers said.

#### Social Front

- MPs say MOH review should include overseas Singaporeans
- 100 jobs will be available for the disabled

#### Environmental Front

- Experts stress importance of hydration in sports especially in tropical S'pore
- Students delving deeper into environmental issues(environmental)
- Even pre-schoolers are getting a peek into the world of Mother Earth. (Enviromental)
- Vietnam

#### Political Front

- UAE and Vietnam sign trade agreements (pol,social)
- Vietnam may shut down Vietnamese-American Web site (pol,social)
- Aaimed to 'teach Vietnam a lesson'(AFP)
- Afghanistan is Barack Obama's Iraq - or Vietnam
- Communist Vietnam refuses to play the US blame game.
- Vatican, Vietnamese officials cite progress after talks

#### Strategic Front

#### Economic Front

- Government to 'tax' products from Vietnam's first refinery .
- Vietnam feels the pain of global economic crisis
- Vietnam expects to earn \$3.2 bln from wood exports this year
- Vietnam issues new rules for importers, foreign publishers
- Government, foreign businesses to confer on economy next month

- Vietnam to ask Japan to resume government loans
- Vietnam Direct Trade Urged

#### Social Front

- Laos

#### Political Front

#### Strategic Front

#### Economic Front

- Standing Deputy PM receives Governor of Luxembourg Central Bank
- Trade fair to promote silk production held in Sapai

#### Social Front

- Laos is drafting urban planning manual
- Laos, Vietnam sign MOU on public works
- ASEAN is drafting report on human rights
- EC calls for proposals on human rights and poverty reduction
- ADB Water Project to Ease the Strain on Women in Lao PDR
- Vientiane to welcome 900,000 tourists in 2009
- Education minister visits Saravane province to promote education
- Prime Minister welcomes Japanese tourism delegation
- Cambodia

#### Political Front

- Cambodian opposition sounds the alarm on rural crisis
- CPP leaders call for reform
- Prime minister says anti-corruption law not a 'magic pill'

#### Strategic Front

#### Economic Front

- Banking sector still stable: govt
- Cambodia, Albania negotiate rice deal

#### Social Front

- Cambodia's first Khmer Rouge trial opens
- Lawyers for civil parties request new preliminary investigations in Duch case

## **Summary**

This week situation again there is similarity and continuity in news on of this region.

**At political Front** US Secretary of State Hillary Clinton is visiting China, Japan, Korea and Indonesia starting Feb. 15 and the country with the world's biggest Muslim population will be looking at President Barrack Obama's opening positions to the Muslim world. In a statement released shortly after her arrival in Tokyo, she said:

I have chosen Asia on my first trip as secretary of state to convey that America's relationships across the Pacific are indispensable to addressing the challenges and seizing the opportunities of the 21st century. While Members an Islamic group held a protest outside the US embassy in the Indonesian capital due to its poor role in Israel-Palestine Conflict.

Elections in different states of Indonesia are going on and there is different situation of opinions. An edict has been issued from a religious party to vote to Islamic parties otherwise they will go to hell. The edict does not state which parties or candidates voters should choose. But it could encourage Muslims to choose Islamist candidates at the polls, pushing the country away from secularism toward a more socially rigid government.

More or less same situation is existing in Malaysia where Politicians are using different strategies to get the vote some are politicizing the racial issues, other religious. Public on this situation has a difference of opinion that can be shown in a survey in which Respondents to an online opinion poll have voted overwhelmingly for the abolition of race-based political parties in the country. Some 90% of about 500 respondents believe that the abolition would result in greater social harmony and understanding among the various communities. About 92% of the respondents agreed that “Malaysians are a colorful example of racial, cultural and religious tolerance, living peacefully in a social mosaic rich in diversity, and we should proactively preserve and treasure our common destiny.”

In Philippine there is emphasis that Philippines government and the Moro Islamic Liberation Front (MILF) should focus on reaching a ceasefire in central Mindanao, especially as a broader settlement of the conflict seems out of reach during the remaining tenure of the Arroyo administration.

**At economies front** all countries are facing the economic problems due to economic crisis and ultimate increase in pricises. The recent moves to reduce electricity tariffs and natural gas prices by 5% and 32% respectively are insufficient and do not address the issue of the high cost of doing business in Malaysia, according to manufacturers. According to survey Malaysians are not saving enough and as a result of eco meltdown they can lose their job also. While in Thailand's exports contracted more than 20 per cent year-on-year in January as the global economic crisis began to take its toll .The Thai government expects that its revenue during fiscal 2010, starting this October 1, would decline from the current fiscal year due to economic recession. Vietnam feels the pain of global economic crisis on the other hand Vietnam plans to earn revenue of 3.2 billion U.S. dollars from wood products exports this year, up from 2.8 billion U.S. dollars over

2008 despite difficulties fueled by the global economic crisis. According to analysis Cambodian banks are suffering but government has claimed that Cambodia's banking is on a solid footing despite the economic crisis and reports of high risk.

**At Social Front** in this region there is also a poor situation of Rohingya who are Muslims and facing a lot of problems. Thai officials pushed back 49 boatpeople into SEA considering them the people who have come there to gain some job. No nation has accepted them except Bangladesh. Bangladesh has become the first nation to agree to accept Rohingya boatpeople who were abandoned at sea by the Thai military, with 49 boatpeople due to arrive soon after being deported from India's.

Summary of news items is as below:

## ● **Indonesia**

### **Political Front**

- **More coalitions eyed at Indonesia polls**

Indonesia's Golkar Party is eyeing alternative coalitions with other key major political groups, in case the current President Susilo Bambang Yudhoyono-Vice president Yusuf Kalla pairing turns sour.

- **Clinton hammers home Obama message in Indonesia**

Secretary of State Hillary Rodham on Thursday relentlessly hammered home the Obama administration's message that America is under new management and ready to listen and engage the world.

- **Indonesia shows Islam, modernity coexist: Clinton**

U.S. Secretary of State Hillary Clinton held up Indonesia on Wednesday as proof that modernity and Islam can coexist as she visited the country where U.S. President Barack Obama spent four years as a boy.

- **Clinton to talk peace and progress in Indonesia**

US Secretary of State Hillary Clinton is visiting China, Japan, Korea and Indonesia starting Feb. 15 and the country with the world's biggest Muslim population will be looking at President Barack Obama's opening positions to the Muslim world.

- **Indonesian ulema tell Muslims to vote or go to hell**

Parliamentary and presidential elections in Indonesia this year may hinge on how the public reacts to a directive from the country's top Islamic council –all Muslims must vote or risk going to hell.

- **Malaysian commandos arrest Indonesian pirates**

Malaysian marine commandos arrested seven suspected Indonesian pirates Monday after a pre-dawn high-drama sea chase in the Straits of Malacca.

- **45 percent of the country's population is at risk of contracting malaria.**

Indonesian Health Minister Siti Fadilah Supari said on Monday that about 45 percent of the country's population is at risk of contracting malaria.

- **Protest against Clinton visit**

MEMBERS of an Islamic group held a protest outside the US embassy in the Indonesian capital on Monday.

The protestors held placards in a demonstration against the upcoming visit by Secretary of State Hilary Rodham Clinton, who is on her first mission overseas as President Barack Obama's chief diplomat. Mrs Clinton arrived in Japan, the first leg of the Asian tour, at 5.30pm Singapore time. She will also be visiting Indonesia, South Korea, and China.

## **Strategic Front**

- **US called to freeze help for Indonesia military**

US Secretary of State Hillary Clinton should use her visit to Indonesia to call on the country's military to stop human rights abuses or risk losing US military assistance, activists said Wednesday.

## **Economic Front**

- **Six Indonesian state firms eye public offerings**

Indonesian state firms, including steel maker PT Krakatau Steel and national airline PT Garuda Indonesia, are considering public offerings either this year or next year, the state enterprises minister said on Monday.

- **Australia, Indonesia discuss free trade****Sandra O'Malley**

Australia and Indonesia are tipped to give the green light to talks on a free trade deal as ministers from both countries gather in Sydney to consider ways to enhance already strong ties.

- **Indonesia sees container volumes down 20-30% in '09**

Indonesia's trade minister said on Saturday export volumes for non-oil and gas are set to fall 20-30 percent this year from 2008 as global trade slows, dealing a blow to Southeast Asia's biggest economy in an election year.

- **Australia, Indonesia talk trade, illegal migrants**

Foreign ministers of Australia and Indonesia stressed the importance Thursday of cooperating to halt the flow of illegal immigrants throughout their region, and expressed concern about the plight of boat people from Myanmar.

- **US to lead fight against climate change**

Indonesian President Susilo Bambang Yudhoyono says the United States should take the lead in the fight against climate change. The president made his remark in a meeting with US Secretary of State Hillary Clinton.

- **'Conversion for second marriage un-Islamic'**

Muslim clerics have termed as "un-Islamic" and "unacceptable" conversion to Islam to escape legal complications of a second marriage, citing the example of Chander Mohan alias Chand Mohammed and Anuradha Bali alias Fiza whose apparent wedding of convenience is now showing signs of strain.

- **Indonesia, Japan agree on gas sales extension**

Indonesia and Japan have agreed on the gas sales extension for 10 years, the Jakarta Post reported on Saturday.

## **Social Front**

- **Aftershock jolts Talaud, Indonesia**

An aftershock measuring 5.1 on the Richter Scale jolted Talaud District, Indonesia's North Sulawesi Province, on Saturday, but there was no reports of casualty and material losses.

- **Malaysia**

## **Political Front**

- **Pakatan will stick to status quo**

Pakatan Rakyat will stick to the general election status quo when choosing candidates for the Bukit Gantang and Bukit Selambau by-elections in Perak and Kedah. Pas vice-president Datuk Husam Musa said PR had agreed to put up a Pas candidate for Bukit Gantang parliamentary seat and a Parti Keadilan Rakyat (PKR) candidate for the Bukit Selambau state seat. "The candidates will be announced at a suitable time," he said after opening a PR workshop here yesterday.

- **PM to brief rulers on Perak's political situation**

Prime Minister Datuk Seri Abdullah Ahmad Badawi will brief the rulers at their next conference on developments related to the political situation in Perak. Abdullah said the

rulers' conference was held thrice a year but he could brief them earlier if necessary. The last conference was held in October.

- **Victim of naked politics or...?**

THERE has been an outpouring of sympathy for Selangor executive councillor Elizabeth Wong over the nude pictures scandal. Wong offered her resignation yesterday, a decision many feel was the honorable thing to do. Is she a victim of naked politics, a vengeful boyfriend or her own folly? A woman defiled or a woman exploited?

- **Najib: GDP growth may be revised if other nations fail**

THE success of stimulus packages in advanced nations will determine the health of the Malaysian economy, says Finance Minister Datuk Seri Najib Tun Razak.

- **No more race-based parties: Poll respondents**

Respondents to an online opinion poll have voted overwhelmingly for the abolition of race-based political parties in the country. Some 90% of about 500 respondents believe that the abolition would result in greater social harmony and understanding among the various communities.

- **Malaysian legislator quits over nude cell photos**

A prominent Malaysian opposition legislator resigned Tuesday after photographs of her sleeping naked were circulated to the public by cell phone, an embarrassing disclosure that she slammed as a plot to discredit her party.

## **Strategic Front**

### **Economic Front**

- **GCC, Malaysia focal points of Islamic bond market - Global**

The Gulf Cooperation Council member states and Malaysia maintained their positions as the main focal points of the Islamic bond market which retreated remarkably on the global level in 2008, an economic report says.

- **Cuts in tariff and gas price insufficient**

The recent moves to reduce electricity tariffs and natural gas prices by 5% and 32% respectively are insufficient and do not address the issue of the high cost of doing business in Malaysia, according to manufacturers.

- **Survey: Malaysians not saving enough**

Malaysians are not saving enough and they are not prepared to face a financial meltdown should they lose their job or be retrenched.

According to the latest findings from Citi's Financial Quotient (Fin-Q) 2008 survey, only two in five (39%) Malaysians actually save and less than one-in-three (28%) make and stick to a monthly budget.

- **More crime in Sarawak due to economic meltdown**

Sarawak police expect rising crime in the state as the current economic meltdown worsens said its commissioner Datuk Mohmad Salleh who gave an assurance that the force would do their best to bring the situation under control.

Mohmad said security was still very much under control although the state contingent operated at only 75 per cent of its total establishment of 8,000 personnel.

He said they were still in the process of recruiting the balance of 25 per cent, adding that they had now more new stations as well.

## **Social Front**

- **Malaysian PM launches fund for Gaza children**

Malaysian Prime Minister Abdullah Ahmad Badawi Thursday launched the Humanitarian Fund for Gaza Children to provide relief to children who are suffering due to the Israeli military attacks on Gaza in Palestine.

- **Ethnic Indian speaker suspends entire Malaysian state ministry**

V. Sivakumar, Malaysia's first ethnic Indian presiding officer, used his "unfettered powers", New Straits Times said of the unprecedented development that follows a political crisis triggered by a change of guard.

## **Philippine**

### **Political Front**

- **Philippine concern over surge in kidnappings Shirley Escalante**

The Philippine congress wants to investigate the recent rise in kidnapping in the southern Philippines. Sixteen people have been abducted in the region since December.

- **Manila halts rescue of hostages**

A Philippines official said yesterday he has ordered the military against attempts to rescue three Red Cross workers being held hostage by Islamic militants that might endanger their lives.

- **Beijing protests Philippines' island claim**

Beijing: China yesterday summoned the Philippine ambassador to Beijing to lodge a “stern protest” against the adoption of a bill claiming Philippine sovereignty over disputed South China Sea islands.

- **Al-Assad, Filipino FM discuss bilateral relations**

President Bashar Al-Assad on Wednesday discussed with Philippines Foreign Minister Alberto Romulo bilateral relations between Syria and the Philippines and ways to boost them in various domains, particularly in the economic field.

## **Strategic Front**

### **Economic Front**

- **IMF: RP economy to grow 2.25% in 2009**

The Philippines is relatively insulated from the global economic crisis but growth in the Southeast Asian nation should still slow sharply to 2.25 percent this year, the International Monetary Fund said on Wednesday.

- **Taiwan and the Philippines signed four memorandums of understanding (MOU)**

Taiwan and the Philippines signed four memorandums of understanding (MOU) at the conclusion of the 16th ministerial-level economic cooperation meeting between the two countries aimed at bolstering bilateral cooperation, the Ministry of Economic Affairs (MOEA) said yesterday.

- **RP, Japan set talks for new loan package**

THE Philippines and Japan will start negotiations for a bilateral yen loan package by March, the National Economic and Development Authority (NEDA) said.

- **Philippine president grateful for US stimulus bill**

A \$198 million compensation package for Filipino World War II veterans included in the U.S. stimulus bill is a long-overdue victory for the former soldiers, Philippine President Gloria Macapagal Arroyo said Saturday.

- **Manila Water profits grow 16% in 2008**

Manila Water Co. Inc., registered a double-digit growth in profits last year compared with 2007 that was credited to higher sales.

- **ADB sanctions 41 firms, 38 individuals for corruption (eco,social)**

The Asian Development Bank (ADB) sanctioned 41 firms and 38 individuals for corruption last year, according to a report released on Monday by the Manila-based lender.

- **Philippine Peso Weakens Further Against Dollar**

During early European deals on Monday, the Philippine peso extended its Asian session's downtrend against the US dollar. The dollar-peso pair that closed Friday's trading at 47.11 reached 47.51 by about 3:00 am ET. If the Philippine currency weakens further, next target is seen around the 47.7 level.

- **Philippines raises power rates first time since 2004**

Philippines regulators on Thursday raised basic electricity rates as much as 40 percent, the first increase since September 2004, to allow the state-run power generation company to offset higher costs.

- **Special Report: Global Financial Crisis**

The Philippine Long Distance Telephone Co. (PLDT), the country's most valuable listed firm, said Thursday that it had raised 5 billion pesos (105 million U.S. dollars) from a notes issue to finance its capital expenditures.

## **Social Front**

- **RP military gets \$6M for humanitarian projects in Sulu**

Some \$6 million are set to be poured into Sulu province this year as the Joint Special Operations Task Force-Philippines implements more than 60 infrastructure projects as part of a goodwill campaign for Muslims in the area.

- **Catholic campaign in Philippines undermined by Church of England**

The Catholic Church in the Philippines is having significant success in its campaign against mining in its country, reports the Wall Street Journal, although the Church of England is seeking to profit from the companies who operate there.

- **Running in place in Mindanao - New Crisis Group briefing**

The Philippines government and the Moro Islamic Liberation Front (MILF) should focus on reaching a ceasefire in central Mindanao, especially as a broader settlement of the conflict seems out of reach during the remaining tenure of the Arroyo administration.

- **Thailand**

## **Political Front**

- **Thai PM: Coalition parties may consider `reconciliation` act in Cabinet**

Parties in the coalition government headed by Democrat party leader Abhisit Vejjajiva can put the so-called 'national reconciliation law' to grant amnesty to banned politicians

before the Cabinet if they wish, the prime minister said on Sunday, but he is reluctant to focus on that issue instead of the economy as it would be a loss for the country.Mr.

- **Thai PM admits to pushing migrants into sea**

Thai Prime Minister Abhisit Vejjajiva acknowledged in an interview with CNN yesterday that there had been instances of authorities pushing Rohingya boat people back to sea, contradicting earlier denials by the Thai military that abuses had been committed.

- **Thai opposition party preparing censure debate against gov't**

Thailand's opposition Puea Thai Party will propose a censure debate, which is planned on March 11 against the Democrat Party-led government to the Parliament, Danuporn Punnakun, Puea Thai Party's MP said Wednesday.

## **Strategic Front**

### **Economic Front**

- **Thailand's exports down more than 20 per cent in January**

Thailand's exports contracted more than 20 per cent year-on-year in January as the global economic crisis began to take its toll, Finance Minister Korn Chatikavanij said Wednesday.

- **Thailand: Gov`t revenue in fiscal 2010 to fall below this year; more economic stimulus measures urged**

The Thai government expects that its revenue during fiscal 2010, starting this October 1, would decline from the current fiscal year due to economic recession while a senior executive of a securities firm urges the government to issue more economic stimulus measures to jump-start the economy.

- **Thai exports looking up for Australian produce**

There might be more Australian fruit on supermarkets shelves in Thailand soon. Three representatives from the major supermarket chains in Thailand have visited northern Victoria to take a first hand look at stone fruit, table grapes and citrus crops. But Brian Balmer, from the Department of Primary Industries, says that getting produce recognised as Australian is a big ask.

- **PM sees rebound in second half Economy needs to be pumped for recovery**

Economic growth is expected to turn positive in the second half of the year, as the global environment improves and government stimulus measures take effect, according to Prime Minister Abhisit Vejjajiva.

## **Social Front**

- **Rohingya are Muslim outcasts, not welcome anywhere**

For generations, the ethnic Muslim Rohingya have endured persecution by the ruling junta of Myanmar, a predominantly Buddhist country.

- **Bangladesh first country to offer Rohingya a home**

49 boatpeople have legitimate claims to residency or citizenship Bangladesh has become the first nation to agree to accept Rohingya boatpeople who were abandoned at sea by the Thai military, with 49 boatpeople due to arrive soon after being deported from India's Andaman and Nicobar islands

- **Monks with bottle make a Buddha-wiser temple**

Buddhist teachings warn followers to avoid alcohol as it intoxicates the mind - but the monks who built this beer bottle temple clearly have all their faculties.

- **Thailand: Drought situation reported in 19 provinces**

The Department of Disaster Prevention and Mitigation has reported that the drought situation has now spread to a total of 19 provinces throughout the nation. A report issued

today (February 16) by the Department of Disaster Prevention and Mitigation cited that drought conditions have been declared in areas of 19 provinces, totaling 101 districts, 618 sub-districts, and 4,643 villages.

## **Singapore**

### **Political Front**

- **Govt gazette publishes boundaries of altered polling districts**

A day after the announcement by the Elections Department that the Register of Voters is being revised, the government gazette published the boundaries of altered polling districts on Wednesday.

- **Intelligence, info sharing help tackle security challenges facing world**

Defence Minister Teo Chee Hean has said intelligence and information sharing are important aspects of international cooperation as they contribute to addressing the security challenges facing nations today.

### **Strategic Front**

### **Economic Front**

- **Singapore to host meeting of APEC Finance Ministers' Process next week**

Singapore's Finance Ministry will be hosting the APEC 2009 Finance Ministers' Process meeting next week as part of the Republic's hosting of APEC 2009.

- **Over 570 people caught with duty-unpaid cigarettes within 1st month of new law(social,political,eco)**

Over 570 people were caught with duty-unpaid cigarettes within the first month of a new law that requires all legal cigarettes to have a special SDPC (Singapore Duty-Paid Cigarettes) marking. The law came into effect on January 1.

- **Empire Investment director gets permission to leave country**

Yong Wai Hong was one of four people charged with being involved in a fraudulent investment scheme in connection with the controversial multi-level marketing firm Sunshine Empire, and could face jail time for alleged criminal breach of trust and falsifying accounts, among other offences.

- **Singapore shares closed 1.31 per cent lower on Monday with little buying incentive, dealers said.**

The blue-chip Straits Times Index fell 22.33 points to 1,683.31 on a volume of 701 million shares worth S\$683 million. Losers led gainers 230 to 133, while 883 issues were unchanged.

## **Social Front**

- **MPs say MOH review should include overseas Singaporeans**

It would help the lower-income to stretch their health dollar. But is there another group — expatriate Singaporeans — who would benefit if Medisave is allowed to be used overseas?

- **100 jobs will be available for the disabled**

Jobs may be scarce during the economic downturn but Singapore companies are still hiring the disabled. One hundred job openings for the disabled will be publicised in recruitment pages on Saturday.

## **Environmental Front**

- **Experts stress importance of hydration in sports especially in tropical S'pore**

With Singapore hosting more international sporting events, more athletes and officials from around the world will converge on this island state. But the tropical climate and humidity mean sportsmen will have to take extra care to ensure they are properly hydrated.

- **Students delving deeper into environmental issues(environmental)**

They are no longer only learning about how to save electricity or the importance of plants in nature. Primary school children are now delving deeper into environmental issues and studying topics such as climate change and renewable energy.

- **Even pre-schoolers are getting a peek into the world of Mother Earth. (Enviromental)**

Last November, the National Environment Agency announced that it would be distributing a Pre-school Environmental Education Kit (PEEK) to 500 PAP kindergartens. The kit is in the form of a 35-page story book that weaves in environmental topics like environmental degradation, pollution, wastage of resources and deforestation. Still, more can be done to teach young children about the environment, said educators at primary schools.

- **Vietnam**

## **Political Front**

- **UAE and Vietnam sign trade agreements (pol,social)**

His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, on Monday held talks with Nguyen Tan Dung, Prime Minister of Vietnam, at Zabeel Palace.

- **Vietnam may shut down Vietnamese-American Web site (pol,social)**

Authorities have recommended closing a Web site owned by an American man of Vietnamese origin for violating copyright rules and publishing "misleading" information about government policies, police said Monday.

- **Aimed to 'teach Vietnam a lesson'(AFP)**

On February 17, 1979, after months of verbal and armed clashes, China launched a massive offensive against Vietnam to teach its communist ally 'a lesson' for becoming too independent for Beijing's liking. Known as the Third Indochina War, the roots of the brief but bloody conflict lay in the ideological rivalries between China and the Soviet Union.

- **Afghanistan is Barack Obama's Iraq - or Vietnam**

Barack Obama has taken the fatal step: he has made himself a war president, like George W Bush before him. Farewell, Prince of Peace. He has been even more injudicious than Dubya in the fight he has picked, choosing Afghanistan, the unwinnable war that will destroy his reputation.

- **Communist Vietnam refuses to play the US blame game**

Tags:View More capitalism, Communism, economy, Gordon Brown, slowdown , vietnam, Wen Jiabao

Given Vietnam's communist government and its not-too-distant war with America, you might expect that the country's politicians would have succumbed to the temptation to blame the economic slowdown on Yankee running dog capitalists.

- **Vatican, Vietnamese officials cite progress after talks**

Vietnamese government leaders reported progress in talks with a visiting Vatican officials on February 19, and confirmed that their ultimate goal for the talks was the resumption of diplomatic ties. Msgr. Pietro Parolin, the head of the Vatican's diplomatic delegation, voiced the hope that Pope Benedict might soon visit the Asian country-- a hope that must be viewed as extremely optimistic in light of current tensions.

## **Strategic Front**

### **Economic Front**

- **Government to 'tax' products from Vietnam's first refinery**

Since the Dung Quat Oil Refinery's products will not attract the 25 percent tariff payable on imported fuels, an equivalent amount of money will have to be transferred to the state budget, the government has ruled.

- **Vietnam feels the pain of global economic crisis**

Tags:View More global financial crisis, Hanoi, Ho Chi Minh City, politics, recession, southeast asia , vietnam

- **Vietnam expects to earn \$3.2 bln from wood exports this year**

Vietnam plans to earn revenue of 3.2 billion U.S. dollars from wood products exports this year, up from 2.8 billion U.S. dollars over 2008 despite difficulties fueled by the global economic crisis, the local newspaper New Hanoi reported Monday.

- **Vietnam issues new rules for importers, foreign publishers**

The government has introduced several changes to the publication laws that tighten control over the import of foreign publications and the operations of foreign publishers in Vietnam. Foreign publishers' representative offices in Vietnam have to apply for new licenses if theirs had been issued before January 1 this year.

- **Government, foreign businesses to confer on economy next month**

Government leaders and executives from 150 multinational companies will attend an international conference to discuss the development of Vietnamese business and economy in Hanoi next month.

- **Vietnam to ask Japan to resume government loans**

Vietnam's Planning and Investment Minister Vo Hong Phuc plans to visit Japan later this month to urge the Japanese government to resume government loans to Vietnam, a Vietnamese government official said Monday. Japan has frozen its yen loan program to Vietnam since a Japanese business consultancy firm was found to have paid bribes to Ho Chi Minh City officials in connection with a Japanese official development assistance project

- **Vietnam Direct Trade Urged**

To mark the 30th anniversary of the Islamic Revolution, Vietnam News spoke with Iran's Ambassador to Vietnam Seyyed Javad Qavam-Shahidi.

## **Social Front**

- **Laos**

## **Political Front**

## **Strategic Front**

## **Economic Front**

- **Standing Deputy PM receives Governor of Luxembourg Central Bank**

Standing Deputy Prime Minister Somsavat Lengsavad, received at his office in Vientiane on 16 February a courtesy visit of Mr. Yves Mersch, Governor of Luxembourg Central Bank.

Mr. Yves Mersch and his delegation arrived here on 15 February for a three day working visit to Laos as a guest of the Lao Central Bank.

- **Trade fair to promote silk production held in Sapai**

Ban Sapai, Sanasomboun district held last week a trade fair to promote silk production. This was a part of activities of Sapai village to promote tourism and trade production.

## **Social Front**

- **Laos is drafting urban planning manual**

An urban planning manual for usage in Laos had been published and its purpose is to ensure common standards for the country said Dr Bounleuam Sisoulath in Vientiane last Tuesday. During a meeting on feedback on the manual, Professor Bounleuam Sisoulath, the President of Science and Technology of the Ministry of Public Works and Transport, said the manual would build capacity among urban planning officials and it would raise the standard of urban planning.

- **Laos, Vietnam sign MOU on public works**

The Ministry of Public Works and Transport of Laos and the Ministry of Communication and Transport of Vietnam signed a MOU on public works and transport in Vientiane Capital on 13 February 2009.

- **ASEAN is drafting report on human rights**

A high level task force has drawn up a report on ASEAN human rights programme it will be presented at the 14th ASEAN Summit, in Thailand next month. Its aim is to act to fulfill the principles of the ASEAN chapter on human rights protection.

- **EC calls for proposals on human rights and poverty reduction**

European Union (EU) is calling on state, private and non-government organisations to write proposals on human rights and poverty reduction and those that are approved will be given funding for their research. Last week, officials from the Delegation of the European Commission in Laos, state bodies and NGOs met at Novotel Orchid to consider proposals on human development in Laos.

- **ADB Water Project to Ease the Strain on Women in Lao PDR**

Women who spend up to two hours a day on the backbreaking task of water collection and storage will be key beneficiaries of a new water supply and sanitation project in the Lao People's Democratic Republic. Manila, Philippines.

- **Vientiane to welcome 900,000 tourists in 2009**

Vientiane Capital will welcome 900,000 tourists this year, the latest prediction of the Vientiane Tourism Division and in the course of making such a computation it has taken into consideration the impact of the global financial crisis on Laos.

- **Education minister visits Saravane province to promote education**

Last week, Mr. Somkiot Mangnormek, Minister of Education visited Ta-oy and Samuoy districts, Saravane province to promote the educational development.

- **Prime Minister welcomes Japanese tourism delegation**

Prime Minister Bouasone Bouphavanh, received a courtesy visit of a Japanese tourism delegation, led by a member of the Lower House of the Japanese Parliament in Vientiane on 12 February.

- **Cambodia**

### **Political Front**

- **Cambodian opposition sounds the alarm on rural crisis**

It is time to take urgent measures to save Cambodian farmers. That was the leitmotiv hammered on Wednesday February 18th during the press conference organised jointly by the two opposition parties in Cambodia, the Sam Rainsy Party (SRP) and the Human Rights Party (HRP), who recently established an alliance with the Democratic Movement for Change, at the SRP headquarters.

- **CPP leaders call for reform**

Prime Minister Hun Sen speaks during a conference on Wednesday at the InterContinental Hotel. THE government has no option but to continue to implement reforms that will foster economic growth, lower corruption and improve the quality of services available in the Kingdom, Deputy Prime Minister Sok An said Tuesday while kicking off a two-day seminar on reform strategies.

- **Prime minister says anti-corruption law not a 'magic pill'**

Speaking at the Business Roundtable in Siem Reap, Hun Sen says the law will only be introduced once the penal code is in place.

### **Strategic Front**

### **Economic Front**

- **Banking sector still stable: govt**

CAMBODIA'S banking is on a solid footing despite the economic crisis and reports of high risk, according to officials.

- **Cambodia, Albania negotiate rice deal**

CAMBODIA'S efforts to diversify rice exports have taken a small step forward with a planned deal that would see 5,000 tonnes of rice sold every month to Albania, starting with a 300-tonne shipment.

## **Social Front**

- **Cambodia's first Khmer Rouge trial opens**

Three decades after the fall of the Khmer Rouge, the first trial of one of the regime's top leaders, Tuol Sleng prison chief Duch, gets under way

- **Lawyers for civil parties request new preliminary investigations in Duch case**

Lawyers for the victims who registered as civil parties to the first trial due to open at the Khmer Rouge tribunal – that of the former chief of interrogation centre S-21, Duch – have requested the launch of “immediate and serious” supplementary investigations to document the crime of forced marriage organised under the control of Duch.

# **Detailed Monitoring Report**

- **Indonesia**

## **Political Front**

- **More coalitions eyed at Indonesia polls**

Indonesia's Golkar Party is eyeing alternative coalitions with other key major political groups, in case the current President Susilo Bambang Yudhoyono-Vice president Yusuf Kalla pairing turns sour.

Coalitions with the Indonesian Democratic Party of Struggle (PDI-P) or the Prosperous Justice Party (PKS) would be possible options, senior Golkar executive Priyo Budi Santoso told a discussion in Jakarta on Friday (February 13).

He was of the opinion that Golkar would have several options if President Susilo Bambang Yudhoyono were to choose another running mate. Speculations about new allegiances is only one consequence of the current political tensions between Yudhoyono's Democratic Party and Golkar, which Vice President Kalla chairs.

PDI-P's secretary-general Pramono Anung Wibowo did not rule out a Golkar link up with the PDI-P as long as Kalla would be willing to run as vice president. He said Golkar has a good relationship with the PDI-P and they could work together to win the legislative and presidential elections.

Tides may have turned. In the 1990s the PDI-P and Golkar became locked in a massive power struggle. Priyo, however, also mentioned if Golkar were to win more than 20 percent of the votes, the vice presidential candidate would be chosen from within the party.

Political expert J Kristiadi from the Centre for Strategic and International Studies (CSIS) said Golkar would form a better coalition with the PDI-P, if the SBY-JK duo splits. Today's national leadership of Yudhoyono and Kalla came about when the Democratic Party and Golkar formed a coalition going into the 2004 elections. discussion. Golkar will wait for April legislative election results before announcing their presidential candidates.

Kristiadi expressed surprise at the parties' strategy of keeping a close hold on their presidential candidates until after the general elections.

In the 2004 elections, Golkar took more than 25 per cent of the vote. However, Kristiadi warned, if Golkar loses in the elections the party might find it difficult to actively oppose the new government.

- **Clinton hammers home Obama message in Indonesia**

Matthew Lee , The Associated Press , Jakarta | Thu, 02/19/2009 4:24 PM | National

Secretary of State Hillary Rodham on Thursday relentlessly hammered home the Obama administration's message that America is under new management and ready to listen and engage the world.

Earlier, she took to the airwaves, appearing on a popular youth show in the world's most populous Muslim nation to deliver her message and bring greetings from President Barack Obama, who spent part of his childhood in Indonesia.

Much of her appearance was lighthearted banter about her favorite music - the Beatles and Rolling Stones - and her poor singing abilities, but she also made clear that Washington wants to address Muslim concerns about U.S. policy in the Middle East and elsewhere. Asked about the topic, which has deeply troubled Indonesians, Clinton took a shot at the Bush administration when explaining why she and Obama had appointed a special envoy to deal with the Israeli-Palestinian conflict immediately after taking office.

Clinton, who later left for South Korea and China, said she would attend a March 2 donors' conference in Egypt for rebuilding Gaza. The first stop on her four-nation Asia tour was Japan.

Though most of Indonesia's 190 million Muslims practice a moderate form of the faith, public anger ran high over U.S. policy in the Middle East and the invasions of Iraq and Afghanistan during the Bush years, fueling a small but increasingly vocal fundamentalist fringe. The country has been hit by a string of suicide bombings targeting Western interests in recent years, but experts say an effective police crackdown has sharply reduced the terror threat.

During her two-day visit, Clinton praised the government for its efforts to fight terrorism while respecting human rights and for its hard-won multiethnic democracy. She also visited a poor neighborhood in central Jakarta that has received American assistance for maternal health and childcare, sanitation and water purification. Hundreds of people lined the narrow roads to greet her. Earlier, Clinton announced plans to restart Peace Corps programs in Indonesia that were suspended in 1965 after volunteers were accused of espionage and expelled. She also promised to cooperate on climate change, trade, education and regional security.

She was warmly received, although small and scattered protests were held in several cities, with some Islamic hard-liners setting tires on fire and others are throwing shoes at caricatures of the top U.S. diplomat.

After talks with Indonesian officials on Wednesday, Clinton said her choice of Asia for her first overseas trip as secretary of state was "no accident" and a sign of a desire for broader and deeper relations with Indonesia and the rest of the continent on regional and global issues.

Clinton stressed the growing importance of Southeast Asia in particular, a region that often felt slighted by the Bush administration.

Indonesia, a secular nation of 235 million people, is often held up as a beacon of Islamic democracy and modernity.

It also has personal ties for Obama, who spent four years here as a child. In her television appearance on Thursday, Clinton pointed out that she had met some children from Obama's former elementary school, who she said "were adorable" as they sang and waved Indonesian and U.S. flags on her arrival. She made no official comment following her 45-minute talk with President Susilo Bambang Yudhoyono on Thursday, but presidential spokesman Dino Pati Djalal said a formal invitation had been extended for Obama to visit, hopefully before the year's end.

- **Indonesia shows Islam, modernity coexist: Clinton**

U.S. Secretary of State Hillary Clinton held up Indonesia on Wednesday as proof that modernity and Islam can coexist as she visited the country where U.S. President Barack Obama spent four years as a boy.

Clinton's 24-hour stay in the world's most populous Muslim nation underlined Obama's desire to forge a better relationship with the Islamic world, where his predecessor George W. Bush's policies were deeply unpopular, notably the invasion of Iraq.

Clinton, on her first trip as secretary of state, said she wanted to deepen cooperation between the two countries on counterterrorism, climate change and security. Clinton basked in Obama's popularity in Indonesia at every stop during her day, which included talks with the Indonesian foreign minister and a visit to the Jakarta headquarters of the 10-member Association of Southeast Asian Nations (ASEAN). Obama spent four years in Indonesia after his American mother, Ann Dunham, married Indonesian Lolo Soetoro following the end of her marriage to Obama's Kenyan father. Foreign Minister Hassan Wirajuda said Indonesia shared the United States' "joy" at Obama's election and he wanted Clinton to go back and tell the U.S. president "we cannot wait too long" for a visit. Playing on Obama's Indonesian ties, about 50 schoolchildren from the U.S. president's old school waved U.S. and Indonesian flags and sang folk songs to Clinton on the tarmac after she landed at an airport in the suburbs of Jakarta.

### "DIPLOMATIC ABSENTEEISM"

Although Clinton got a generally warm welcome, about 100 Muslim students, some chanting "Allahu Akbar" (God is greatest), held a protest rally at Jakarta's presidential palace, some throwing shoes at a picture of Clinton.

While most Indonesian Muslims are moderate, the country has a radical fringe and has suffered from sporadic bombings in recent years. More than 200 people, many of them foreigners, were killed when Islamist militants bombed tourist areas of the island of Bali in 2002. Police have deployed 2,800 officers in the capital for Clinton's visit, part of a

week-long trip that began in Tokyo and will include stops in Seoul and Beijing. On Thursday Clinton will meet Indonesian President Susilo Bambang Yudhoyono, who is seeking a second term this year and is keen to showcase Indonesia's stability since its transformation from an autocracy under former President Suharto -- who was forced to resign in 1998 -- to a vibrant democracy.

At ASEAN, which critics often dismiss as a toothless talk shop, Clinton said Washington would study whether to join its Treaty of Amity and Cooperation, a step short of membership but that could signal stronger U.S. ties with Southeast Asia.

- **Clinton to talk peace and progress in Indonesia**

US Secretary of State Hillary Clinton is visiting China, Japan, Korea and Indonesia starting Feb. 15 and the country with the world's biggest Muslim population will be looking at President Barack Obama's opening positions to the Muslim world.

Hillary's first overseas tour to Asia takes in US relations with China and the need for the US to recognize the rising economic power of the G-30 states if it is to mobilize Asian help to fight the US recession and global economic crisis.

But the US position on the Middle East will also loom large, along with concerns on how the US will handle global Muslim hot spots in Iraq, Afghanistan and Pakistan.

The Quartet attempted to enforce three conditions for talking to Hamas — recognition of Israel's right to exist, accepting all agreements that were previously signed between the PLO and Israel, and renouncing violence.

Many doubt that the Quartet was tactically or morally right to try to enforce these conditions, in support of "moderation" and the twin state solution, by shunning the elected Palestinian government, boycotting Hamas and blockading Gaza. These steps allegedly toward peace, led instead to war. A war that strengthened Hamas politically and weakened Fatah in the West Bank where Hamas could easily win elections again, while Hamas still rules Gaza and can still fire rockets. Israel has moved right in the Israeli elections and Netanyahu's Likud opposes progress to a Palestinian state. Last time in power he froze the interim peace deals of Yitzhak Rabin and blocked the Oslo 1 talks toward the twin state solution.

Ex-President Jimmy Carter has called for talks with Hamas and Ex-President Bill Clinton has talked with them and condemned the blockade of Gaza as a crime and an atrocity.

Obama's appointment of George Mitchell as Middle East peace mediator brings practical experience in defusing the issue of terrorism, alongside political talks, with an understanding of Irish politics and the wisdom of his Lebanese mother. In an interview on the Dubai-based Al-Arabiya news channel, Obama said he supported a Palestinian

state that is contiguous (i.e. with adjacent touching territories) and with internal freedom of movement, that can trade with neighboring countries. This is a good start.

The Clinton visit to Jakarta may confirm a tiny hint that the tide of history is turning. Israel must note changing attitudes in the US, as well as in demographics and attitudes in Israel and Palestine. The twin state solution may not survive, or may become an optional route towards a wider Middle East settlement based on economic and political cooperation.

The twin state solution must not become a false trail, forced upon Israelis and Palestinians from outside. If both sides reject it, it is not the end of the world, so long as we get a modus operandi. There are plenty of options that can eventually work, with support from both sides, preferably expressed through the ballot box. But if the US can lift the roadblock, can the Israelis and Palestinians walk down the road?

- **Indonesian ulema tell Muslims to vote or go to hell**

Parliamentary and presidential elections in Indonesia this year may hinge on how the public reacts to a directive from the country's top Islamic council –all Muslims must vote or risk going to hell.

The fatwa from the Indonesian Council of Ulema (MUI) is not legally binding. But it does carry weight in the world's most populous Muslim country, where Islamic conservatism has been growing since the fall of the country's former autocratic president, Suharto, more than a decade ago. Suharto kept a lid on politicised Islam with the same ruthless approach he took to eradicating leftist influences after coming to power following a 1965 coup blamed on communists.

The MUI has evolved from being a pliant arm of Suharto's regime to becoming an independent body that aims to influence public policy. The edict does not state which parties or candidates voters should choose. But it could encourage Muslims to choose Islamist candidates at the polls, pushing the country away from secularism toward a more socially rigid government.

Indonesia's plethora of political parties mean relatively small shifts among voters could potentially determine which groups form alliances in the April 9 general election and which field candidates in the presidential election in July.

- **Malaysian commandos arrest Indonesian pirates**

Malaysian marine commandos arrested seven suspected Indonesian pirates Monday after a pre-dawn high-drama sea chase in the Straits of Malacca.

The pirates hurled grenades at the Malaysian police's marine operation force and tried to ram their boat during the 40-minute chase through the narrow stretch of waters between West Malaysia and the Indonesian island of Sumatra.

A bullet fired by a commando wounded a suspect. He was hospitalized, while six men were taken into custody. Three pirates escaped. Reports said the commando unit chased the pirates who were in a powerful boat. The pirates had unsuccessfully tried to board a cargo ship, which fired a red flare to deter the attackers. The pirates reportedly sped off in the direction of Indonesia.

Unlike the pirates operating in the waters off Somalia, those active in the Straits of Malacca usually only steal cash and the crewmembers' possessions once they seize a vessel.

- **45 percent of the country's population is at risk of contracting malaria.**

Indonesian Health Minister Siti Fadilah Supari said on Monday that about 45 percent of the country's population is at risk of contracting malaria.

Speaking to a hearing with the House of Representatives (DPR), the minister said 424 of Indonesia's 495 districts and cities were malaria endemic regions. She said high endemic regions with an annual parasite incidence (API) rate of more than five per one thousand people were scattered in the provinces of Maluku, North Maluku, Papua, West Papua, North Sumatra and East Nusa Tenggara.

Medium endemic regions with an API rate of one to five per one thousand people were to be found in the provinces of Nanggroe Aceh Darussalam (NAD), Bangka Belitung, Riau Islands, Jambi, Central Kalimantan, Central Sulawesi, Southeast Sulawesi, West Nusa Tenggara, Central Java and West Java. Only small parts of Java, Kalimantan and Sulawesi were low endemic regions with an API rate of less than one per 1,000 while non-endemic regions were Jakarta, Bali and Riau Islands. The minister said that her ministry had been carrying out continued efforts to eliminate malaria in the country.

- **Protest against Clinton visit**

MEMBERS of an Islamic group held a protest outside the US embassy in the Indonesian capital on Monday.

The protestors held placards in a demonstration against the upcoming visit by Secretary of State Hilary Rodham Clinton, who is on her first mission overseas as President Barack Obama's chief diplomat. Mrs Clinton arrived in Japan, the first leg of the Asian tour, at 5.30pm Singapore time. She will also be visiting Indonesia, South Korea, and China.

She is expected to focus on the global economic crisis and hot-button security issues including North Korea. Mrs Clinton will be in Jakarta for a two-day visit, from Feb 18-19. Foreign minister Hassan Wirayuda said she is likely to touch on bilateral relations and the Middle East peace process. Mrs Clinton broke with a decades-old tradition of new US secretaries of state travelling first to Europe or the Middle East after taking office. In a statement released shortly after her arrival in Tokyo, she said:

I have chosen Asia on my first trip as secretary of state to convey that America's relationships across the Pacific are indispensable to addressing the challenges and seizing the opportunities of the 21st century. 'By strengthening our historic Asia alliances, starting right here in Japan, and forging new partnerships with emerging nations, we can begin together to build networks around the world to help us solve problems that none of us can solve alone.

## **Strategic Front**

- **US called to freeze help for Indonesia military**

US Secretary of State Hillary Clinton should use her visit to Indonesia to call on the country's military to stop human rights abuses or risk losing US military assistance, activists said Wednesday.

Clinton should abandon the "all-carrot, no stick approach" of former president George W Bush in engaging the Indonesian armed forces (TNI) and make assistance conditional on reform, US-based rights activists said in a letter.

"The TNI looks at US government actions. Statements promoting rights and reforms will be dismissed by the TNI unless US assistance is suspended until genuine progress has been made," said the letter, signed by the heads of almost 40 rights and civil society groups, mostly from the United States.

Senior officers allegedly behind gross human rights abuses during the 32-year regime of former dictator Suharto and the 24-year occupation of East Timor have gone unpunished and continue to have successful careers, it said. The military also remains involved in illegal businesses such as logging, prostitution rings and protection rackets for foreign and local businesses, the letter said. President Bush resumed military ties and arms sales to Indonesia in 2005 after a six-year embargo, arguing the Muslim-majority nation was an essential partner in the "war on terror".

## **Economic Front**

- **Six Indonesian state firms eye public offerings**

Indonesian state firms, including steel maker PT Krakatau Steel and national airline PT Garuda Indonesia, are considering public offerings either this year or next year, the state enterprises minister said on Monday.

Indonesia had planned to privatise a number of state firms last year, either through initial public offerings (IPO) or sales to strategic investors, to raise funds to plug a budget deficit and to improve the firms' performance. But, the plans were dropped last year amid turbulent financial markets and after the country's main stock index .JKSE lost about half

its value in 2009. The minister said the timings of the offerings would depend on market conditions, but they could be in the second half of 2009 or in 2010.

Another construction firm, PT Adhi Karya Tbk (ADHIJK), is targeting a secondary offering for a maximum 30 percent stake.

- **Australia, Indonesia discuss free trade** Sandra O'Malley

Australia and Indonesia are tipped to give the green light to talks on a free trade deal as ministers from both countries gather in Sydney to consider ways to enhance already strong ties.

Prime Minister Kevin Rudd will officially open the Australia and Indonesia: Partners in a New Era conference on Thursday night.

The conference will bring together members of government, business, the media, universities and think-tanks, community organizations, faith and youth groups to discuss Australian-Indonesian relations. Mr Crean and his Indonesian counterpart Mari Pangestu are expected to receive on Thursday the findings of a feasibility study into a free trade agreement (FTA) between the two countries. The feasibility study was commissioned in August 2007 to consider the costs and benefits of an FTA for both countries. If it gives the green light to a deal, the two countries will move ahead with full-scale negotiations.

It comes as Australia and New Zealand get ready for the final sign-off for a free trade pact with the Association of South East Asian Nations, which includes Indonesia, at the end of the month. Mr Smith and his Indonesian counterpart Hassan Wirajuda will address the conference on Friday

- **Indonesia sees container volumes down 20-30% in '09**

Indonesia's trade minister said on Saturday export volumes for non-oil and gas are set to fall 20-30 percent this year from 2008 as global trade slows, dealing a blow to Southeast Asia's biggest economy in an election year.

Earlier this month, Trade Minister Mari Pangestu said Indonesia's non-oil and gas export growth target had been revised to below 4.3 percent for 2009. On Saturday she told reporters the outlook was worse.

She added that exports of automotive products and electronics would be worst hit. Car exports through the Jakarta International Container Terminal, the country's largest shipping terminal, fell to 9,391 units in January, from 13,000 units in December 2008, Pangestu said, representing a decline of about 27 percent. Earlier this week, Pangestu said that growth in total exports would slow to just 1-2.5 percent this year, from about 20 percent in 2008. The government had previously forecast total exports would grow five

percent in 2009. The government has proposed a 71.3 trillion rupiah (\$6.1 billion) fiscal stimulus package to counter the effects of a global economic slowdown, and expects economic growth to slow to between four and five percent, from an estimated 6.2 percent in 2008. While Indonesia's economy is less dependent on exports than some other Asian countries, millions of Indonesians are employed in export-related sectors and the prospect of big job losses is a concern for the government ahead of the April 9 general election and July 8 presidential election.

Indonesian exports include palm oil, tin, coal, copper, and rubber, and prices for many of these commodities have slumped. Earlier this month, Indonesia reported that exports fell 20.6 percent to \$8.69 billion in December from a year ago, the biggest drop in seven years. Economists expect the central bank, Bank Indonesia, to continue its monetary easing cycle this year to try to boost economic growth. Indonesia's central bank cut its key interest rate by 50 basis points to 8.25 percent in February, the third cut in three months, and indicated it may cut rates again to support growth.

- **Australia, Indonesia talk trade, illegal migrants**

Foreign ministers of Australia and Indonesia stressed the importance Thursday of cooperating to halt the flow of illegal immigrants throughout their region, and expressed concern about the plight of boat people from Myanmar.

The ministers said the issues will be addressed at an upcoming meeting of the Bali Process, an Asia-Pacific body against people-trafficking. Illegal migrants from Iraq, Iran and Afghanistan regularly use Indonesia as a springboard to Australia, cramming into tiny boats that are often detained or turned back to sea by authorities. Under a bilateral agreement, Indonesia has agreed to extradite suspected people-smugglers to Australia .

- **US to lead fight against climate change**

Indonesian President Susilo Bambang Yudhoyono says the United States should take the lead in the fight against climate change. The president made his remark in a meeting with US Secretary of State Hillary Clinton.

As a guest on a television programme, she promised the US would do more to achieve peace in the Middle East. Many Indonesians are deeply concerned about the Israeli-Palestinian conflict. Earlier, Ms Clinton expressed her admiration for the level of democracy and tolerance in Indonesia, the world's largest Muslim nation. After Indonesia, the US secretary of state will visit South Korea to discuss a number of issues including relations.

- **'Conversion for second marriage un-Islamic'**

Muslim clerics have termed as "un-Islamic" and "unacceptable" conversion to Islam to escape legal complications of a second marriage, citing the example of Chander Mohan

alias Chand Mohammed and Anuradha Bali alias Fiza whose apparent wedding of convenience is now showing signs of strain.

The debate about religious conversion was triggered after then Haryana deputy chief minister Chander Mohan announced his second marriage to former law officer Anuradha Bali and their conversion to Islam Dec 17 last year. Chander Mohan is the father of three teenagers from his first marriage.

The much-hyped love affair soured sooner than expected after the rechristened couple of Chand Mohammad and Fiza fell apart. Chand suddenly left Fiza's home in Punjab's Mohali town Jan 28 and has been elusive since then. Quoting from a hadith, Prophet Mohammed's saying, Khan said such conversion is "unacceptable" and "childish". The author of around 200 books and a known authority on interpretation of the holy Quran said that embracing Islam "in its true spirit should be for the sake of truth".

To prevent such conversions, Khan laid emphasis on educating people about the sanctity of the institution of marriage and "not to take it as fun". A senior cleric of Darul Uloom, a highly revered seminary in Deoband town of Uttar Pradesh, also denounced the conversions with the objective of marrying again.

About the Chand-Fiza marriage and conversion, Usman said: "Although he (Chand) became a Muslim, the whole chain of events has come out in a way that has sent a wrong message about the religion in society. People should not use religion for such motives." Usman has also been pro-vice chancellor of the seminary that attracts thousands of students from India and other countries.

- **Indonesia, Japan agree on gas sales extension**

Indonesia and Japan have agreed on the gas sales extension for 10 years, the Jakarta Post reported on Saturday.

The signing of the initial agreement was conducted Friday in Osaka, Japan, which could soon be followed up by the signing of the final contract, said upstream oil and gas regulator BPMigas Chairman Raden Priyono in a statement. The chairman said that, under the agreement, six Japanese firms will get an extension of Liquefied Natural Gas (LNG) sales from 2011 to 2020. The six Japanese companies are Chubu EPC, Kansai EPC, Kyushu EPC, Nippon Steel Co, Ltd, Osaka Gas Co, Ltd, and Toho Gas Co, Ltd.

Total sales commitment under the contract is 25 million tons with 10-year term, which will be supplied from the Bontang plant in East Kalimantan. The Bontang plant will get its supply from the Mahakam block, which is operated by Total Indonesia, the Jakarta Post quoted him as reporting. Indonesian state oil and gas firm PT Pertamina and Japanese Inpex Corporation also took part in the signing.

For the first five years, three million tons of LNG will be shipped to Japan per year with two million tons being transported under CIF (Cost Insurance Freight) and another one million tons under FOB (Free on Board).

For the second five years, two million tons of LNG will be delivered per year with one million tons being transported under CIF and the other one million under FOB. Friday's initial agreement will soon become a final contract. The new contract will then replace the existing 25-year-contract when it expires in 2010. Under the existing contract, Indonesia supplies 12 million tons of LNG to Japan per year.

## **Social Front**

- **Aftershock jolts Talaud, Indonesia**

An aftershock measuring 5.1 on the Richter Scale jolted Talaud District, Indonesia's North Sulawesi Province, on Saturday, but there was no reports of casualty and material losses.

The quake's epicenter was located at 4.02 degrees northern latitude and 126.86 degrees eastern longitude, 132 km northeast of Melonguane, Talaud District, at a depth of 10 km below sea level, the Antara news agency quoted the information of the Manado meteorological, geophysics, and climatology office, as saying. This was the second aftershock in the area. At 5.26 am local time, a 5.7-magnitude aftershock shook Talaud. Talaud District has been shaken by more than 160 aftershocks following a 7.4-magnitude earthquake that hit the region early Thursday morning. At least 264 people were injured and more than 500 buildings, including schools and churches, were damaged by the strong tremor.

- **Malaysia**

## **Political Front**

- **Pakatan will stick to status quo**

Pakatan Rakyat will stick to the general election status quo when choosing candidates for the Bukit Gantang and Bukit Selambau by-elections in Perak and Kedah. Pas vice-president Datuk Husam Musa said PR had agreed to put up a Pas candidate for Bukit Gantang parliamentary seat and a Parti Keadilan Rakyat (PKR) candidate for the Bukit Selambau state seat. "The candidates will be announced at a suitable time," he said after opening a PR workshop here yesterday.

- **PM to brief rulers on Perak's political situation**

Prime Minister Datuk Seri Abdullah Ahmad Badawi will brief the rulers at their next conference on developments related to the political situation in Perak.

Abdullah said the rulers conference was held thrice a year but he could brief them earlier if necessary. The last conference was held in October.

Among other events, Pakatan Rakyat has refused to accept Sultan of Perak Sultan Azlan Shah's decision to call on Barisan Nasional to form the state government, after three state assemblymen quit to become independents "friendly" to the BN.

Last Friday, Datuk Seri Mohammad Nizar Jamaluddin of Pas filed an application in the Kuala Lumpur High Court to seek a declaration that he was still the rightful menteri besar and to bar Datuk Dr Zambry Abdul Kadir, who was appointed on Feb 6 by Sultan Azlan Shah, from discharging his duties. Perak state assembly Speaker V. Sivakumar also served notice on Zambry and six Barisan Nasional executive councillors to answer charges that they had contravened the Perak state constitution by assuming office. The seven have been summoned to appear before the inquiry panel at the State Secretariat building on Wednesday. DAP national chairman Karpal Singh also wants to take legal action against Sultan Azlan Shah over the appointment of Zambry.

Abdullah was speaking to newsmen after launching the "Hutan Kita-Kiara" (Our Forest-Kiara) programme at Taman Bukit Kiara in Taman Tun Dr Ismail, yesterday.

Present was Abdullah's wife Datin Seri Jeanne Abdullah, who is Malaysian Landscape Advisory Panel chairman. Abdullah hoped more local authorities, such as those in Putrajaya, Iskandar Development Region and South Johor Economic Region, would emulate Taman Bukit Kiara in making it a national endeavour to green the country.

Abdullah said sustainably managed forests promoted multiple environmental and socio-economic functions, regulated rainfall, provided recreational, aesthetic and spiritual benefits, and were crucial sources for food, medicine, drinking water and genetic research. Abdullah later joined Jeanne, corporate sponsors and the public in planting trees, adopted at RM60 each, in Taman Bukit Kiara. The programme, a reforestation initiative to rejuvenate deteriorating forests, expe

- **Victim of naked politics or...?**

THERE has been an outpouring of sympathy for Selangor executive councillor Elizabeth Wong over the nude pictures scandal. Wong offered her resignation yesterday, a decision many feel was the honourable thing to do. Is she a victim of naked politics, a vengeful boyfriend or her own folly? A woman defiled or a woman exploited?

Dozens of flowers at Elizabeth Wong's office at the State Secretariat building in Shah Alam yesterday after news of her offer to resign spread. Most had messages offering her support and their sympathies.

Is peeking through keyholes into the private lives of politicians going to become the norm? Do the people really care? Is Wong the one laid bare or is it Malaysian politics

that has been stripped naked? The consensus is that Malaysian politics has become a huge game of distractions played by people who are essentially all like each other.

There was no turning back for Wong whose political life went into free fall after pictures of her in her bedroom surfaced late last week.

The news of her offer to resign from both positions was already in the air when the 37-year-old Wong, who is single, turned up at Parti Keadilan Rakyat headquarters in Tropicana. Accompanied by PKR vice-president Sivarasa Rasiah and DAP national secretary Teresa Kok, Wong initially appeared calm, but broke down as soon as she announced her offer to resign.

She then, in a stern voice, boomed: "I have done no wrong. I wish to state that I am not ashamed of my sexuality as a woman and as a single person.."

She said the events of the past few days had shown an insidious and underhanded method by certain quarters to smear her reputation.

To date, only two pictures, both showing her partially covered in a sarung, asleep in her bedroom, have surfaced. There have been reports that there are more photographs with even a video recording. Party insiders said: "In the end, Wong paid more attention on the issue of morality rather than on her argument of gross intrusion of her privacy."

- **Najib: GDP growth may be revised if other nations fail**

THE success of stimulus packages in advanced nations will determine the health of the Malaysian economy, says Finance Minister Datuk Seri Najib Tun Razak.

He said there is every possibility of Malaysian exports being affected if stimulus packages in those nations did not have a positive impact.

If the economies of advanced nations do not recover, the Government will revise the projected 3.5% gross domestic product growth for this year. "However, the revision will consider the strength of our economy in addressing the unpredictable outside influence," Najib, who is also Deputy Prime Minister, said.

He noted that the country's international reserves on Jan 30 totalled US\$91.3bil (RM237.3bil), equivalent to 7.5 months of deferred imports.

Inflation is expected to increase at a stable low rate, he said in reply to Alexander Nanta Linggi (BN – Kapit), Lim Guan Eng (DAP – Bagan) and 12 other MPs who had asked what steps the Government had taken and would take to minimise the negative impact of the global financial meltdown.

Najib said that since the stimulus package was introduced in November, the world's economic situation had continued to worsen. Hence the need for a bigger and more comprehensive stimulus package, which he would announce on March 10.

The prospects of economic growth in advanced countries too are not encouraging: -1.6% for the United States, -2.8% for Britain, -2.6% for Japan, -4% for Taiwan, -2% for South Korea and -4.9% for Singapore. Lower growth was also expected for China and India, at 6.7% and 5.1% respectively, Najib said.

- **No more race-based parties: Poll respondents**

Respondents to an online opinion poll have voted overwhelmingly for the abolition of race-based political parties in the country. Some 90% of about 500 respondents believe that the abolition would result in greater social harmony and understanding among the various communities.

Dewan Rakyat Deputy Speaker Datuk Dr Wan Junaidi Tuanku Jaafar launched the poll on "Racial harmony in a balanced society" conducted by Kuching-based malaysiapollster recently.

Respondents were asked to answer seven related questions. Poll analyst Goh Leng Chua said 7% of the respondents disagreed that doing away with race-based political parties could help enhance social harmony and racial understanding, while the remaining 3% were unsure. He said about 44% felt that racial harmony could best be achieved by getting rid of politicians who play the race card.

Another 30% believe that education and inter-racial social activities, such as festivals, sports and inter-marriages, were the best way to promote racial harmony. The remaining 27% favoured equal opportunity to all those in need, particularly the poor. Goh said half of the respondents also felt that there was no need for a Race Relations Act in Malaysia.

About 92% of the respondents agreed that "Malaysians are a colourful example of racial, cultural and religious tolerance, living peacefully in a social mosaic rich in diversity, and we should proactively preserve and treasure our common destiny."

- **Malaysian legislator quits over nude cell photos**

A prominent Malaysian opposition legislator resigned Tuesday after photographs of her sleeping naked were circulated to the public by cell phone, an embarrassing disclosure that she slammed as a plot to discredit her party.

The People's Justice Party, however, told 37-year-old Elizabeth Wong to go on extended leave, and said it will decide later whether to accept her resignation from the central Selangor state assembly. It is the latest incident in Malaysian politics to intrude into the private lives of politicians, most of whom have been opposition figures. Among them

was People's Justice Party leader Anwar Ibrahim who has been accused of sodomy twice. The government has denied a role in the scandals, including Wong's pictures.

## **Strategic Front**

### **Economic Front**

- **GCC, Malaysia focal points of Islamic bond market - Global**

The Gulf Cooperation Council member states and Malaysia maintained their positions as the main focal points of the Islamic bond market which retreated remarkably on the global level in 2008, an economic report says.

The total value of bonds issued in 2008 nosedived by 54.5 percent to USD 15.

1 billion, compared with USD 33.1 billion in the previous year, according to the report of the Global Investment House (Global). The six GCC members accounted for 55.5 percent of the total USD bonds in 2008 which Malaysia accounted for 36.3 percent.

The report attributed the retreat of the Islamic bonds, after years of boom, to the credit strains which prompted investors to avoid markets with fixed returns such as Islamic bonds. The bonds issued in Q4 of 2008 retreated to 92 issuances from 97 in the corresponding period of the previous year while sovereign bonds rose from 32 to 73 issuances or by more than two times in the same period, the report pointed out.

In 2008 ten countries including five GCC members issued Islamic bonds. The ten bond issuing countries were the same as in the previous year except for Gambia which replaced Sudan. All such countries saw retreat in the value of issued bonds except for Qatar and Indonesia. Malaysia accounted for the largest number of bond issuances, 54 issuances valued at USD 5.5 billion with an average USD 101.3 per issuance. The United Arab Emirates ranked second with 10 issuances valued at USD 5.3 billion by an average USD 530 million per issuance.

The value of the issued bonds in Saudi Arabia amounted to USD one billion, Bahrain, USD 700 million, Indonesia, USD 663 million, Pakistan, USD 476 million, Qatar USD 300.9 million, Kuwait, USD 190 million, Brunei, USD 95 mill.

- **Cuts in tariff and gas price insufficient**

The recent moves to reduce electricity tariffs and natural gas prices by 5% and 32% respectively are insufficient and do not address the issue of the high cost of doing business in Malaysia, according to manufacturers.

Effective March 1, industries using natural gas pay RM15 per million British Thermal unit (mmBtu), a 32% reduction from RM22.06 per mmBtu previously. The Government is also reallocating 100 million Standard Cubic Feet per Day (mmscfd) of natural gas from

the power sector to manufacturing. The 5% cut in electricity tariffs translates to 1.5 sen, bringing the average industrial tariffs to 28.6 sen per kWh from 30.1 sen per kWh previously.

According to Supermax Corp Bhd group managing director Datuk Seri Stanley Thai, the reductions are “not good enough and unconvincing” to lure new investments to Malaysia.

The shortage of natural gas supply had caused a number of manufacturers to postpone expansion plans, he added. The quantum of electricity tariff cut was “disappointing” since it would not spur investments and consumptions, Thai said, adding that improved demand could help Tenaga Nasional Bhd (TNB) reduce the current 40% excess electricity.

The textile sector in China, seen as the country’s traditional pillar, has seen the export tax rebate rate raised three times since last August. Malaysia raised gas price by some 71% last year when crude oil was between US\$130 and US\$140 per barrel. While oil price is currently hovering at about US\$30 to US\$40 per barrel, gas price had only been reduced by 32%.

- **Survey: Malaysians not saving enough**

Malaysians are not saving enough and they are not prepared to face a financial meltdown should they lose their job or be retrenched.

According to the latest findings from Citi’s Financial Quotient (Fin-Q) 2008 survey, only two in five (39%) Malaysians actually save and less than one-in-three (28%) make and stick to a monthly budget.

Citibank Bhd head of segment and marketing, retail bank Timothy Johnson said the results from Malaysia show an average Fin-Q score of 51 points out of a possible 100 points, with 54% of Malaysians scoring 50 points and below.

A majority of Malaysians reported in the survey saved up to 20% of their monthly income - excluding the 11% in the Employees’ Provident Fund - and 12% said they do not save anything at all. In the event of a job loss but with continued regular expenses, one-in-five indicated their savings would last for only four weeks. On average, Malaysians reported having 11 weeks of savings in reserve,

He said although the Fin-Q scores in seven of the 11 subject areas have shown improvement, it was not. The Citi Fin-Q survey comprised 500 online interviews of 40 questions each, rolled out to determine the level of understanding among Malaysians about their personal finances and financial practices. The survey was conducted from Oct 15 -30. Johnson said more Malaysians were taking an interest in their finances and the recent economic crisis had made saving for emergencies an important element for them. According to the survey, 56% are somewhat better off now than they were a year ago. Nevertheless, 37% were worried about their financial future. While 86% of

Malaysians attempt to follow a budget, less than one-in-three (28) actually stick to the budget. Asked how much would be needed for retirement, Johnson said it was very subjective. He said the answer required thorough thinking and planing as the amount of money you need in retirement had a direct correlation to the style of living you wish to have. Johnson also pointed out a fascinating finding in the survey. He said 35% Malaysians believed that money can buy happiness. He said the Fin-Q was a snapshot of our current level of financial literacy and what we all need to do to better control our finances. Malaysians needed to be disciplined and have good financial management to ensure enough savings, he said.

- **More crime in Sarawak due to economic meltdown**

Sarawak police expect rising crime in the state as the current economic meltdown worsens said its commissioner Datuk Mohmad Salleh who gave an assurance that the force would do their best to bring the situation under control.

Mohmad said security was still very much under control although the state contingent operated at only 75 per cent of its total establishment of 8,000 personnel.

He said they were still in the process of recruiting the balance of 25 per cent, adding that they had now more new stations as well.

## **Social Front**

- **Malaysian PM launches fund for Gaza children**

Malaysian Prime Minister Abdullah Ahmad Badawi Thursday launched the Humanitarian Fund for Gaza Children to provide relief to children who are suffering due to the Israeli military attacks on Gaza in Palestine.

The fund was set up through the joint efforts of women's organizations and received the support of the United Nations Children's Fund (UNICEF) in Malaysia.

Contributions to the fund would be collected beginning Thursday until the end of December. Badawi, who is also patron for the fund, said the contribution, no matter how small, would be most meaningful to the children who were becoming the target of the Israeli aggression.

More than 50,000 children of Gaza were out of school and many of them experienced traumatic moments, UNICEF representative in Malaysia Youssouf Omar said at a media conference after the launch. The relief aid would accelerate the return of the children back to normal life, he said.

- **Ethnic Indian speaker suspends entire Malaysian state ministry**

V. Sivakumar, Malaysia's first ethnic Indian presiding officer, used his "unfettered powers", New Straits Times said of the unprecedented development that follows a political crisis triggered by a change of guard.

V. Sivakumar, speaker of Perak's state assembly, has triggered a constitutional crisis by suspending Menteri Besar (chief minister) Zambry Abdul Kadir and his six executive councillors (ministers) from the assembly. Sivakumar, Malaysia's first ethnic Indian presiding officer, used his "unfettered powers", the newspaper said of the unprecedented development that follows a political crisis triggered by a change of guard.

Sivakumar said Kadir and his six members had failed to provide any explanation to the Committee of Privileges on the charge of having committed contempt of the state legislative assembly when they declared themselves as the chief minister and ministers. The suspended chief minister and ministers told the New Straits Times they believed that Sivakumar had acted beyond his jurisdiction. Kadir took over as the state's chief executive after legislators crossed over to the Barisan Nasional (BN) alliance earlier this month, bringing down the earlier government of Pakatan Rakyat (PR), the alliance that is in the opposition at the federal level. In a four-paragraph statement issued on Wednesday evening, Sivakumar ordered Kadir to be suspended from the assembly for 18 months and the others for 12 months, with immediate effect. Kadir and his ministers have been asked to appear before a legislative committee headed by a member who belongs to the Democratic Action Party (DAP), a PR constituent.

## ● **Philippine**

### **Political Front**

- **Philippine concern over surge in kidnappings Shirley Escalante**

The Philippine congress wants to investigate the recent rise in kidnapping in the southern Philippines. Sixteen people have been abducted in the region since December.

Ten, including three members of the International Red Cross and a Sri Lankan peace advocate, remain in the hands of the kidnapers. Mindanao congressman Mujiv Hataman is seeking a review of the government's policy to stop kidnapping and the creation of a national anti-kidnapping task force.

The lawmaker also wants to look into the possible involvement of the police and politicians in abductions. A police officer and a lawyer were arrested following the release of a local businessman in the Mindanao region. Congressman Hataman notes that abductions occur almost everyday in Basilan, Sulu, Zamboanga and Tawi-Tawi

provinces, and these happen, not in the mountains, but in the cities. Thirty-three kidnap-for-ransom cases have been recorded last year, with a total of more than \$US1m ransom paid.

- **Manila halts rescue of hostages**

A Philippines official said yesterday he has ordered the military against attempts to rescue three Red Cross workers being held hostage by Islamic militants that might endanger their lives.

Abdusakur Tan, who heads a task force trying to obtain the release of the hostages, said he told security forces the safety of the trio was paramount.

“There should be no rescue because the safety of the hostages is the top concern,” said Tan in Jolo city, capital of the Sulu island chain of which he is governor. Tan said military and police forces would continue to block all escape routes for the gang holding Andreas Notter of Switzerland, Italian Eugenio Vagni and Mary-Jean Lacaba from the Philippines.

The gang has been isolated within a four-square-kilometre area of dense jungle on Jolo island. The rebels, believed to be members of the Abu Sayyaf Islamic militant group, on Monday clashed with government security forces maintaining a safety cordon around the area, wounding 11 soldiers. The troops have been tightening the cordon and civilians have been evacuated, raising expectations a military assault is imminent. The hostages, seized on January 15 while on a humanitarian mission in Jolo, are not believed to have been harmed in the fighting. Meanwhile about a thousand residents of Jolo held a rally to denounce a spate of kidnappings in the southern Philippines, largely blamed on various Muslim extremist groups. The protesters, including many local Muslim leaders, waved banners saying “We denounce the Abu Sayyaf” and “Enough is enough, no more kidnappings”.

The Abu Sayyaf, which has been linked to the Al Qaeda terror network, is known for kidnappings and bomb attacks on Christians and foreigners. The latest kidnapping saw a Sri Lankan Muslim peace activist seized in the nearby island of Basilan on Friday .

- **Beijing protests Philippines’ island claim**

Beijing: China yesterday summoned the Philippine ambassador to Beijing to lodge a “stern protest” against the adoption of a bill claiming Philippine sovereignty over disputed South China Sea islands.

The ratification yesterday of the Philippines’ Baselines Bill on maritime boundaries infringes China’s sovereignty over islands in two groups, the foreign ministry said in a statement. State media said Vice Foreign Minister Wang Guangya “urgently summoned” the Philippine ambassador lodge a “stern protest” over the approval of the bill.

The bill claims Philippine sovereignty over part of the Spratly islands, known as the Nansha group in China, and over Scarborough Shoal, or the Huangyan islands. The People's Republic of China has "indisputable sovereignty" over the two island groups and claims by any other nations are "illegal," it said. The move by the Philippines also risks potential conflict with other claimants to the two groups, including Taiwan, Vietnam, Malaysia and Brunei

- **Al-Assad, Filipino FM discuss bilateral relations**

President Bashar Al-Assad on Wednesday discussed with Philippines Foreign Minister Alberto Romulo bilateral relations between Syria and the Philippines and ways to boost them in various domains, particularly in the economic field.

A Syrian Presidential statement said that Al-Assad and Romulo's views were identical regarding the importance of enhancing cooperation and coordination between the two countries, on issues concerning the Middle East and South-East Asia area.

The meeting was attended by Foreign Minister Walid al-Moallem, Presidential Political and Media Advisor Bouthina Shabaan, Assitant Foreign Minister Ahmad Arnous, the Ambassador of the Philippines in Damascus, and the delegation accompanying Minister Romulo.

## **Strategic Front**

### **Economic Front**

- **IMF: RP economy to grow 2.25% in 2009**

The Philippines is relatively insulated from the global economic crisis but growth in the Southeast Asian nation should still slow sharply to 2.25 percent this year, the International Monetary Fund said on Wednesday.

The forecast, announced by IMF Country Director Dennis Botman in Manila, was lower than a projected 2.9 percent growth for 2009 given by the Fund in Washington on Tuesday. It also saw inflation averaging at 4.8 percent over 2009, compared to a government target of 2.5-4.5 percent. The country was expected to post a balance of payments (BOP) deficit of \$500 million this year, the Fund said, a reversal of last year's \$89 million surplus, a four-year low. The government has forecast a BOP surplus of more than \$500 million this year. It said the Philippines' banking sector was relatively strong because "non-performing loans have declined, direct exposure to toxic assets was limited and the capital adequacy ratio of the banking system as a whole is high by international standards." The IMF also said the Philippines should consider doubling the deposit insurance limit to 500,000 pesos (\$10,475) as a precautionary measure capping the fiscal deficit at 2 percent of GDP to entrench investor confidence while supporting growth approving legislation to reform sin taxes, rationalise fiscal incentives and

streamline optional deductions for the self-employed and professionals streamlining the operations of the National Food Authority aimed at fully recovering the cost of its operations and limiting its role to providing food security

- **Taiwan and the Philippines signed four memorandums of understanding (MOU)**

Taiwan and the Philippines signed four memorandums of understanding (MOU) at the conclusion of the 16th ministerial-level economic cooperation meeting between the two countries aimed at bolstering bilateral cooperation, the Ministry of Economic Affairs (MOEA) said yesterday.

The MOUs were forged on cooperation in the fields of standardization and conformity assessment, cooperation on small and medium-sized enterprises, cross-border information technology exchanges and cooperation in the semiconductor manufacturing industry. During the two-day meeting, the Philippines agreed to give priority consideration to lowering import tariffs on polyester fiber from Taiwan. There is no polyester fiber processing industry in the Philippines, MOEA officials said. The Philippines agreed to simplify customs procedures for imports of Taiwanese goods at the Subic Bay Freeport Zone, which houses several Taiwanese companies, and at the Clark Freeport Zone north of Manila, the officials said.

It was announced during the meeting that Spirit of Manila Airlines would offer direct flight services between the Clark Freeport Zone and Taipei starting on March 15. It was also announced during the meeting that ATA carnet systems, an internationally accepted customs document, would be activated on June 15 between Taiwan and the Philippines to facilitate temporary imports to each other's country. The ATA carnet operations will be implemented only for cooperation in the intellectual property area, MOEA officials said.

The Philippines is Taiwan's 14th largest trade partner, while Taiwan is the eighth largest trade partner of the Philippines. Bilateral trade totaled US\$7.03 billion last year.

Tallies compiled by the MOEA's Investment Commission showed a combined US\$1.17 billion in Philippine investment projects in Taiwan as of last December, while Taiwanese investment in the Philippines amounted to 974 cases, worth a combined US\$1.84 billion as of last June. About 75,000 Filipinos are currently working in Taiwan, mostly as laborers or household helpers.

- **RP, Japan set talks for new loan package**

THE Philippines and Japan will start negotiations for a bilateral yen loan package by March, the National Economic and Development Authority (NEDA) said.

The agency said five projects amounting to P71.63 billion will be discussed during the Philippine-Japan bilateral consultation scheduled on March 5. Of the total, P52.6 billion

would come from the Japan International Cooperation Agency (JICA), with about P19.07 billion representing the government's counterpart.

These projects are the Infrastructure Logistics Assistance Facility or the Logistics and Infrastructure Assistance Facility of the Development Bank of the Philippines (DBP) amounting to P20.1 billion; the Project on Forestland Management of the Department of Environment and Natural Resources, P4.5 billion; and Support Program for Agri-Enterprise Development of the Land Bank of the Philippines, P9.6 billion.

Also included in the list are the Road Enhancement and Asset Preservation Management Program of the Department of Public Works and Highways (DPWH) amounting to P24.89 billion; and the Development Policy Loan of the Department of Finance, P12.5 billion. Last year, P26.2-billion worth of projects were included in the 27th Yen Loan Package. The yen loan packages are concessional official development assistance loans, having long-term payment periods of 30 years with a grace period of 10 years, and with interest rates ranging from 0.75 percent to 2.2 percent a year.

Projects included in the 27th package were the Agrarian Reform Infrastructure Support Project Phase III of the Department of Agrarian Reform amounting to P5.93 billion; Pinatubo Hazard Urgent Mitigation Project Phase III of DPWH, P4.69 billion; Environmental Development Program of DBP, P10.05 billion; and the Supplemental Loan for SCTEP of the Bases Conversion and Development Authority.

- **Philippine president grateful for US stimulus bill**

A \$198 million compensation package for Filipino World War II veterans included in the U.S. stimulus bill is a long-overdue victory for the former soldiers, Philippine President Gloria Macapagal Arroyo said Saturday.

The \$787 billion stimulus package approved by Congress on Friday contains provisions recognizing and compensating Filipino veterans who fought under the American flag when the Philippines was still an American colony.

Hawaii Sen. Daniel Inouye, a longtime supporter of Filipino veterans, has said the stimulus measure will provide \$198 million for one-time payments to Filipino veterans. More than 250,000 Filipinos served alongside U.S. soldiers to defend the Philippines from the 1941 Japanese invasion and resist subsequent Japanese occupation.

The U.S. government had assured Filipinos they could qualify for full U.S. veterans' benefits if they served. After the war, however, Congress passed the Rescission Act of 1946, stripping Filipino veterans of their status as U.S. veterans. This denied Filipinos the benefits they were promised. Since then, Filipino veterans have campaigned for recognition as U.S. veterans to receive benefits.

The U.S. estimates about 18,000 Filipino veterans are still alive, but the Philippine Veterans Affairs Office puts the number at more than 36,000, plus nearly 80,000 surviving spouses.

- **Manila Water profits grow 16% in 2008**

Manila Water Co. Inc., registered a double-digit growth in profits last year compared with 2007 that was credited to higher sales.

In a disclosure to the Philippine Stock Exchange, Manila Water reported a net income of P2.79 billion in 2008, a 15.77-percent increase from its earnings the previous year.

Manila Water, which operates the East Zone concession of the Metropolitan Waterworks and Sewerage System (MWSS), services the water and wastewater needs of the eastern part of Quezon City, Mandaluyong City, San Juan City, Marikina City, Pasig City, Pateros, parts of Manila and Makati City as well as Rizal and Bulacan provinces. Consumers are unlikely to benefit directly from the profit increase, though, given that the regulator—MWSS—sets the water rates. The Manila Water had increased rates in January, owing to fluctuations in the foreign exchange.

The Ayala-led water utility attributed the increase in its profits last year to higher billed volume or water sales, which rose 4 percent to 387 million cubic meters year-on-year. The company said this was the result of investments it spent on expansion projects that added 46,765 new household connections to its customer base.

Manila Water's total revenues for 2008 rose by 16.96 percent to P9.15 billion while its operating costs and expenses went down by half to P2.52 billion.

Currently, 99 percent of the company's customers enjoy 24-hours water availability at sufficient pressure. Manila Water's shares closed lower on Monday at P11.50 from its previous day's close of P11.75.

- **ADB sanctions 41 firms, 38 individuals for corruption (eco,social)**

The Asian Development Bank (ADB) sanctioned 41 firms and 38 individuals for corruption last year, according to a report released on Monday by the Manila-based lender.

This makes a total of 552 firms and individuals banned from working for the ADB since it began investigating corruption allegations in 1998, the bank said. ADB's Office of the Auditor General, Integrity Division, as the focal point of the bank's anti-corruption drive, received 186 complaints in 2008, which resulted in 89 investigations, said the bank. It investigated matters ranging from a medical-benefit fraud case by a former staff member involving less than 100 U.S. dollars to alleged collusion in bidding for a road construction project worth more than 10 million dollars.

According to the report, 74 percent of the cases investigated involved ADB-financed activities, while 18 percent involved ADB staff members. The remainder involved sanction violations and conflicts of interest.

The firms that were sanctioned are prohibited from doing business with the ADB for up to seven years, while sanctions against individuals range from one year to an indefinite period. The bank does not publish the list of firms and individuals that have been investigated or sanctioned from doing business with the institution, but it shares the list with the ADB staff, other international organizations, and others with a need to know. The process through which the ADB imposes sanctions is administrative, not a legal or juridical assessment of fraudulent or corrupt practices.

- **Philippine Peso Weakens Further Against Dollar**

During early European deals on Monday, the Philippine peso extended its Asian session's downtrend against the US dollar. The dollar-peso pair that closed Friday's trading at 47.11 reached 47.51 by about 3:00 am ET. If the Philippine currency weakens further, next target is seen around the 47.7 level.

Bangko Sentral ng Pilipinas Governor Amando Tetangco said today that the Monetary Board, at its meeting last week, approved changes that would further liberalize banks' access to the BSP's rediscounting facility. The monetary board further increased the peso-rediscounting budget to P60 billion. In November last year, the board had doubled the BSP rediscounting budget to P40 billion for the purpose of preemptively providing ample liquidity to the system against any possible credit tightness that may develop from the ongoing global financial turmoil. Changes would be effective from March 2.

The board also increased the loan value of all eligible rediscounting papers from 80% to 90% of the outstanding balance of a borrowing bank's credit instrument, but not to exceed 70% of the appraised value of the underlying collateral.

- **Philippines raises power rates first time since 2004**

Philippines regulators on Thursday raised basic electricity rates as much as 40 percent, the first increase since September 2004, to allow the state-run power generation company to offset higher costs.

The increase in the base tariff takes effect on Feb. 26 and should help state firm National Power Corp (Napocor) improve its finances, the Energy Regulatory Commission (ERC) said. The increase will be temporary though, pending the results of public consultations by the regulators. The central bank said the rise was already factored in to its inflation forecast of 6-8 percent this year. Inflation hit a 10-year high of 9.3 percent in 2008.

"We already recognised that it is one of the upside risks," Diwa Guinigundo, central bank deputy governor, told reporters on Thursday.

ERC executive director Francis Saturnino Juan said in a statement the commission's mandate was to set rates that allow power firms to reasonably recover operating costs.

Philippines power rates are among the highest in Asia and a politically sensitive issue because of their impact on the poor, who make up about a third of the 90 million population. Napocor is expected to post a net loss in 2008 after three years of profitability, reflecting foreign exchange losses and higher fuel costs.

The regulator said the base tariff for the power grid in the main Luzon region was increased by 12 percent while rates for the Visayas and Mindanao grids were raised by 39.7 percent and 34 percent, respectively

- **Special Report: Global Financial Crisis**

The Philippine Long Distance Telephone Co. (PLDT), the country's most valuable listed firm, said Thursday that it had raised 5 billion pesos (105 million U.S. dollars) from a notes issue to finance its capital expenditures.

In a statement to the Philippine Stock Exchange, the telecommunications giant said that it executed a Notes Facility Agreement on Wednesday for 5-year, 7-year and 10-year fixed rate notes arranged by First Metro Investment Corporation, investment banking arm of the local Metrobank Group. Originally, PLDT planned to raise 3 billion pesos (63 million dollars). The company decided to raise the issue amount "due to strong demand from investors," according to the statement. The 17 participating lenders were a mix of leading insurance companies, large banks, and retirement and provident funds, it said.

"We are pleased that there was an enthusiastic response to our fixed rate notes issue, despite the global credit tightening and an increased demand for local funds to serve the requirements of other Philippine corporates," PLDT Chairman Manuel Pangilinan was quoted in the statement. PLDT is the leading telecommunications service provider in the Philippines, offering the largest and most diversified range of telecommunications services across the country's most extensive fiber optic backbone and wireless, fixed line and satellite networks, according to the company's profile.

## **Social Front**

- **RP military gets \$6M for humanitarian projects in Sulu**

Some \$6 million are set to be poured into Sulu province this year as the Joint Special Operations Task Force-Philippines implements more than 60 infrastructure projects as part of a goodwill campaign for Muslims in the area.

He said that the US funds will be used for road constructions, water distributions, well projects, and other infrastructure like markets, piers, and health centers. The rest of the projects, he explained, would be thought up by troops.

Meanwhile, the Armed Forces' National Development Support Command allocated almost P40 million to school projects, from which P5 million will be funneled to water systems, school and mosque renovations, and livelihood programs.

Although some of the projects are already complete, Sabban said, others are still underway, and will be implemented by the Marine Battalion Landing Teams in their respective areas of responsibility. Sabban said that the military will continue its humanitarian operations with or without tactical operations by terrorists like Abu Sayyaf Group, who have been in conflict with the military and police since the early 1990s. Members of the bandit group Abu Sayyaf has admitted abducting three International Red Cross workers in Sulu. Negotiations by military and government officials for the release of the workers are still ongoing.

- **Catholic campaign in Philippines undermined by Church of England**

The Catholic Church in the Philippines is having significant success in its campaign against mining in its country, reports the Wall Street Journal, although the Church of England is seeking to profit from the companies who operate there.

The Journal reports that mining in the Philippines is being hamstrung by the Roman Catholic Church. When the Church began campaigning against mining in the 1980s, more than 50 mines operated in the Philippines, contributing a fifth of the country's exports. The number of mines declined to 12 in 2003 as opposition increased. Environmentalists and activists such as Jaybee Garganera, of the Philippines' Anti-Mining Alliance, credit Bishop Bastes and other Church leaders for turning mining into a mainstream issue. "It's debatable whether we would have gained the same traction without the Church," Ms. Garganera says.

But this brings it into conflict with the Church of England, which has a £80 million combined investment in Xstrata and another company operating in the Philippines, BHP Billiton. Both companies were criticized in a report which was launched at the House of Commons last week. The report which called for a moratorium on new mining in the Philippines, and disinvestment in the companies, was supported by UK Bishops and the Catholic Bishops' Conference of the Philippine.

- **Running in place in Mindanao - New Crisis Group briefing**

The Philippines government and the Moro Islamic Liberation Front (MILF) should focus on reaching a ceasefire in central Mindanao, especially as a broader settlement of the conflict seems out of reach during the remaining tenure of the Arroyo administration.

The Philippines: Running in Place in Mindanao,\* the latest briefing from the International Crisis Group, argues that the government's effort to resume talks will be futile unless the factors that led to the collapse of negotiations last August are addressed.

In August 2008, the Supreme Court stopped the two sides from signing a Memorandum of Agreement (MOA) on Ancestral Domain, setting out the territory to be included in an autonomous Moro homeland, the Bangsamoro Juridical Entity (BJE). It later ruled the agreement unconstitutional. In anger, three MILF commanders launched attacks, killing several dozen civilians. The government dissolved its negotiating team, disavowed the agreement, and mounted "punitive operations" against the three commanders.

Those operations are continuing and have led to the displacement of hundreds of thousands in central Mindanao. The government says they will end only when the MILF turns over the commanders, which it is not prepared to do. But it might be possible to find a way out that would involve acknowledging the commanders' responsibility for attacks and restricting their movements without formally arresting them.

It will be much harder to move forward on the substantive issues that killed the MOA. Any agreement that gives the Moros the degree of autonomy they want will require a politically difficult constitutional change, and opposition to the BJE's proposed territory on the part of key constituents – politically influential leaders, Christian and indigenous non-Muslim communities – remains implacable. Consultations and dialogues to solicit feedback from these groups have been planned, but they will be useful only if they translate into concrete policy recommendations.

## ● **Thailand**

### **Political Front**

- **Thai PM: Coalition parties may consider `reconciliation` act in Cabinet**

Parties in the coalition government headed by Democrat party leader Abhisit Vejjajiva can put the so-called 'national reconciliation law' to grant amnesty to banned politicians before the Cabinet if they wish, the prime minister said on Sunday, but he is reluctant to focus on that issue instead of the economy as it would be a loss for the country. Mr. Abhisit told journalists that the proposed law, raised as a concern by the leading opposition Puea Thai Party, could be brought up for consideration by partners in the coalition government. The Democrat-led government can move forward on political reform, aimed at building national reconciliation after the country's fragile unity was ruptured by the coup d'etat in September 2006 against the government of then prime minister Thaksin Shinawatra, Mr. Abhisit said, but reform will be closer to reality if the amnesty issue is not brought up for discussion so soon, Mr. Abhisit said. Reassuring the

public that relations between his Democrat Party and partners in the coalition government, formed two months ago, are still cordial, Mr. Abhisit said he considered the national reconciliation bill as not being an urgent issue. His government is focused of meeting the country's employment needs, as unemployment and other economic problems must be addressed, to re-establish confidence in Thailand in the eyes of the international community.

Mr. Abhisit said he remained strong and determined to work for the well-being of the country, but is willing to resign from his post if he is unable to solve Thailand's national problems.

Puea Thai Party members plan to propose the bill in Parliament on Wednesday. If approved and enacted, it would grant amnesty to 111 former executives of the court-ruled defunct Thai Rak Thai Party, including former prime minister Thaksin, convicted of corruption by the courts.

It would also offer amnesty to 109 former executives of the three other parties the court dissolved and banned from politics for five years for electoral fraud last December. A spokesman for the Puea Thai Party said Sunday that members of parliament have every right to propose the bill and that the party may discuss it during a meeting Monday.

- **Thai PM admits to pushing migrants into sea**

Thai Prime Minister Abhisit Vejjajiva acknowledged in an interview with CNN yesterday that there had been instances of authorities pushing Rohingya boat people back to sea, contradicting earlier denials by the Thai military that abuses had been committed.

“It’s not exactly clear whose work it is,” Abhisit told the television news channel. Thai authorities have acknowledged that Rohingya boat people were towed out to sea, but denied that they were physically abused or left to die. The Thai prime minister last month ordered an investigation into accusations that almost 1,000 Rohingya refugees had been beaten, tied up and pushed out to sea in boats without engines and sufficient food supplies in December, 2008. Tales of abuse by Thai Navy personnel emerged after hundreds of the Rohingya boat people were rescued in the territorial waters of Indonesia

and India. As estimated 300 of the boat people pushed out to sea last December are still deemed missing and feared drowned, said Chris Lewa, coordinator of the Arakan Project, a non-government organization that has monitored the persecution of the Rohingya minority group for years.

The Rohingya, from Myanmar's Arakan State, have been denied citizenship in Myanmar and Bangladesh. Myanmar's junta claims the Muslim minority originated from Bangladesh. Persecuted and denied job opportunities and the right to own land in Myanmar, hundreds of thousands of Rohingya have fled to Bangladesh where they live in refugee camps. Thousands of Rohingya men have paid smugglers to take them to Thailand and Malaysia in search of work. Thailand's military regards the Rohingyas as a security threat, fearing they will join the separatist movement in the majority Muslim deep South, where almost 3,300 people have died in clashes and revenge killings over the past five years. The Thai government has proposed talks between the concerned countries to find a long-term solution to the refugee problem.

- **Thai opposition party preparing censure debate against gov't**

Thailand's opposition Puea Thai Party will propose a censure debate, which is planned on March 11 against the Democrat Party-led government to the Parliament, Danuporn Punnakun, Puea Thai Party's MP said Wednesday.

The debate is aimed to impeach Prime Minister Abhisit Vejjajiva and to deliver a no-confidence debate against Foreign Minister Kasit Piromya, said Danuporn, who is also a spokesperson of a committee, which is preparing information for the censure debate, Thai radio INN reported. Next week, the Puea Thai Party will announce names of other ministers from the coalition government, who will also be the target of the censure motion, said Danuporn. It has remained unclear who will be proposed by the opposition to replace Abhisit, he said, adding that the party's executive committee will make a final decision concerning this later. The opposition party's censure debate will focus on the government's knowledge and ability in administering the country, mistake in policy making, corruption, morality, and reconciliation, Danuporn said.

## **Strategic Front**

### **Economic Front**

- **Thailand's exports down more than 20 per cent in January**

Thailand's exports contracted more than 20 per cent year-on-year in January as the global economic crisis began to take its toll, Finance Minister Korn Chatikavanij said Wednesday. The Ministry of Commerce will reveal January's official export figures on Friday, Korn told reporters. It has been estimated that January's exports fell by about 25 per cent, year-on-year. Thailand is an export-driven economy, with imports/exports accounting for about 70 per cent of gross domestic product (GDP). The financial crisis and resulting economic slowdowns in Thailand's main markets, such as the US, EU and Japan, have inevitably led to declining demand for Thailand's chief exports which include electronics, electrical appliances, automobiles, textiles, garments, agricultural commodities and processed foods. Korn acknowledged that the GDP growth in the first quarter of 2009 will likely fall compared with the previous quarter, as the global economic crisis had not yet hit rock bottom, the Bangkok Post online news service reported.

- **Thailand: Gov't revenue in fiscal 2010 to fall below this year; more economic stimulus measures urged**

The Thai government expects that its revenue during fiscal 2010, starting this October 1, would decline from the current fiscal year due to economic recession while a senior executive of a securities firm urges the government to issue more economic stimulus measures to jump-start the economy. Finance Minister Korn Chatikavanij said government revenue during fiscal 2010 is projected to fall below this fiscal which is estimated at Bt1.58 trillion. Government's budget during the next fiscal year would remain in deficit as the government opted for borrowing from financial institutions instead of raising taxes as it would put more burden to the people, said Mr. Korn. In proposing solutions to national economic problem, Kongkiat Opaswongkarn, chief executive of Asia Plus Securities Public Co., Ltd., said the government must stimulate domestic consumption to increase to 59 per cent, up private investment to 22 per cent and

the public sector by about five per cent as he felt that government economic stimulus measures issued earlier are still insufficient. Mr. Kongkiat said the government should also encourage those with enough savings to spend more as Thais now have a total of 75 million savings accounts with combined deposits of Bt7 trillion. Of the total, wealthy people with deposits of over Bt10 million account 40 per cent. Suggesting that the government ought to issue more economic stimulus measures, Mr. Kongkiat said decision by economic ministers last week to raise capital with a combined Bt8 billion to two government agencies including the Export-Import Bank of Thailand and the Small Business Credit Guarantee Corporation would facilitate more lending. Meanwhile, Prime Minister Abhisit Vejjajiva said during a special speech attended by private businessmen and the general public that although Thailand has a strong economic fundamental, solid financial institutions and sufficient funds to enlarge business, Thailand's economy could "not escape from global economic recession especially on its exports and tourism." Economic ministers have been appointed to find ways in solving economic problem and they are informed of economic data every Wednesday so that they could map out solutions and inform to a Cabinet meeting the following week, said Mr. Abhisit.

- **Thai exports looking up for Australian produce**

There might be more Australian fruit on supermarkets shelves in Thailand soon. Three representatives from the major supermarket chains in Thailand have visited northern Victoria to take a first hand look at stone fruit, table grapes and citrus crops. But Brian Balmer, from the Department of Primary Industries, says that getting produce recognised as Australian is a big ask.

- **PM sees rebound in second half Economy needs to be pumped for recovery**

Economic growth is expected to turn positive in the second half of the year, as the global environment improves and government stimulus measures take effect, according to Prime Minister Abhisit Vejjajiva.

We aren't worried about criticism that we are copying TRT policies. The global economic crisis has hit worldwide demand sharply, and we need to push money into the system. Abhisit Vejjajiva, Prime Minister

But he said while the government was optimistic of a turnaround, contingency measures were in place to further pump funds into the economy if needed in the second half, with financing provided by loans from international financial agencies.

Mr Abhisit, speaking at an economics conference organised by the Krungthep Turakij daily, brushed aside criticism that the government's strategy smacked of populist measures previously used by Thaksin Shinawatra's disbanded Thai Rak Thai party.

The Democrat-led coalition has announced a 117-billion-baht supplementary budget to help finance subsidies for public utilities, job training programmes, a 2,000-baht handout to workers earning less than 15,000 baht per month and free education to students nationwide. A 40-billion-baht tax programme has also been launched to spur new home purchases this year and benefit small businesses, while state-owned financial institutions have been directed to increase lending to provide liquidity to households and companies. Local administrations and state enterprises are also gearing up to spend hundreds of billions of baht in already-budgeted funds to help boost domestic demand and investment. Mr Abhisit, whose government is targeting economic growth of at least 2% this year, vowed that state spending would be transparent and open.

Mr Abhisit said the government would hold talks with private retailers on the 2,000-baht handout programme, expected to begin in March. Authorities hope that department stores and retailers offer discounts and promotions to entice recipients to spend their handout cheques. The midyear budget meanwhile will go to the Senate next week for final approval. Mr Abhisit said even with the higher spending and projected budget deficit this year, Thailand's fiscal position remained sound. He played down calls for the government to intervene in foreign exchange policies to boost exports, saying that the global crisis had resulted in a global decline in demand. But the government continued to support policies positioning Thailand as a food production hub and agricultural exporter. Mr Abhisit said the current crisis differed significantly from past crises, such as the 1997 Asian economic crisis that started with the crash of the Thai baht.

Thailand was monitoring the stimulus programmes being launched by other countries, and its implications on Thai trade and investment. But Mr Abhisit said the priority for the

government was to build up domestic consumption and investment, revive confidence and ensure liquidity remained plentiful within the system.

## **Social Front**

- **Rohingya are Muslim outcasts, not welcome anywhere**

For generations, the ethnic Muslim Rohingya have endured persecution by the ruling junta of Myanmar, a predominantly Buddhist country. The plight of the Rohingya, descendants of Arab traders from the 7th century, gained international attention over the past month after five boatloads of haggard migrants were found in the waters around Indonesia and the Andaman Islands. But unlike the Kurds or the Palestinians, no one has championed the cause of the Rohingya. Most countries, from Saudi Arabia to Malaysia, see them as little more than a source of cheap labor for the dirtiest and most dangerous jobs. There are an estimated 750,000 Rohingya living in Myanmar's mountainous northern state of Rakhine, which borders Bangladesh. Thousands flee every year, trying to escape a life of abuse that was codified in 1982 with a law that virtually bars them from becoming citizens. A spokesman for Myanmar's military government did not respond to an e-mailed request for comment. It has repeatedly denied abusing the Rohingya, though Amnesty International said the junta has described them as less than human. Rights groups have documented widespread abuses, including forced labor, land seizures and rape. "We have no rights," said Muhamad Shafirullah, who was among 200 migrants rescued by the Indonesian navy last week. He recalled how he was jailed in Myanmar, his family's land stolen and a cousin dragged into the jungle and shot dead. "They rape and kill our women. We can't practice our religion. We aren't allowed to travel from village to village ... It's almost impossible, even, to get married or go to school."

Twice since the 1970s, waves of attacks by the military and Buddhist villagers forced hundred of thousands of Rohingya to flee over the border to Bangladesh, a Muslim country whose people speak a similar language. Many have since been repatriated, but 200,000 still work there as illegal migrants and another 28,000 live in squalid refugee camps. Violence against Rohingya women is common, and they face the threat of prison because of their illegal status, said Chris Lewa, coordinator of the Bangkok-based Arakan Project, an advocacy group for the Rohingya. Thousands of Rohingya have taken to the seas from Bangladesh in search of better jobs, but ended up drowning or at the mercy of traffickers. For years, the Rohingya traveled to the Middle East for work, with nearly a

half million ending up in Saudi Arabia. But in recent years — partly because of bureaucratic hurdles faced by Muslims following 9/11 — many now try to go instead by boat to Thailand and then overland to Malaysia, another Islamic nation. But even those who make it to Malaysia then struggle find good jobs and quickly discover that, there too, intolerance is growing. Many of the 14,300 Rohingya in Malaysia live in cramped, rundown apartments in the capital, Kuala Lumpur, and face the constant threat of deportation, community leaders said. If caught, the migrants can be caned and imprisoned for up to five years. Yet most refugee advocates expect Rohingya migrants will keep coming.

- **Bangladesh first country to offer Rohingya a home**

49 boatpeople have legitimate claims to residency or citizenship Bangladesh has become the first nation to agree to accept Rohingya boatpeople who were abandoned at sea by the Thai military, with 49 boatpeople due to arrive soon after being deported from India's Andaman and Nicobar islands

- **Monks with bottle make a Buddha-wiser temple**

Buddhist teachings warn followers to avoid alcohol as it intoxicates the mind - but the monks who built this beer bottle temple clearly have all their faculties.

Smashing: There's definitely more than 99 green bottles in the temple They use the discarded bottles - about 1.5million of them - to make every structure at the complex in Thailand, from the crematorium to the toilets. And the monks are planning to build even more, urging local authorities to bring their unwanted glass for some serious recycling. The more bottles we get, the more buildings we make,' said Abbot San Kataboonyo. The monks began collecting bottles in 1984 and kept on until they had close to 1million. They then began building the complex in Khun Han - known, unsurprisingly, as the Temple of a Million Bottles. But the recycling drive doesn't stop at the buildings - the mosaics are made out of bottle caps. Besides being eco-friendly, the disused bottles don't fade, provide good light and are easy to clean. The temple is now on an approved list of eco-friendly attractions in south-east Asia. 'Even though drinking is a sin in Buddhism, this still seems like a positive use of beer and lager bottles,' said a tourist at the site, about

645km (400 miles) from the capital Bangkok. Another observant visitor added: 'One of the funniest things about being here is that you can see that the green bottles are Heineken and the brown ones are the Thai beer, Chang.'

- **Thailand: Drought situation reported in 19 provinces**

The Department of Disaster Prevention and Mitigation has reported that the drought situation has now spread to a total of 19 provinces throughout the nation. A report issued today (February 16) by the Department of Disaster Prevention and Mitigation cited that drought conditions have been declared in areas of 19 provinces, totaling 101 districts, 618 sub-districts, and 4,643 villages. Most of the drought-hit provinces are located in the northern region, and a total of 502,762 households or 1,777,911 people have been affected. Over 58,000 Rai of agricultural land is projected to be damaged by the situation, prompting emergency centers to be set up in every province. Water trucks have been prepared to distribute 19,615,170 liters of water to citizens in need.

- **Singapore**

### **Political Front**

- **Govt gazette publishes boundaries of altered polling districts**

A day after the announcement by the Elections Department that the Register of Voters is being revised, the government gazette published the boundaries of altered polling districts on Wednesday.

This is for the 14 group representation constituencies (GRCs) and nine single-member constituencies (SMCs). The announcement in the gazette states that the subdivision of every electoral division into polling districts has been altered and details of the new polling districts have been published.

It is believed to be the precursor of the Electoral Boundaries Report, which is normally released before an election. The last general election was held on May 6, 2006. According to the Elections Department's website, the current largest single-member division is Nee Soon East with 32,586 voters, while the biggest GRC is Sembawang GRC with 184,804 electors. Healthy competition will also lead to more transparent pricing and higher standards of clinical, service and operational outcomes, said Parkway Holdings' spokeswoman.

- **Intelligence, info sharing help tackle security challenges facing world**

Defence Minister Teo Chee Hean has said intelligence and information sharing are important aspects of international cooperation as they contribute to addressing the security challenges facing nations today.

He was speaking at the Asia-Pacific Intelligence Chiefs conference held in Singapore on Wednesday. Mr Teo added that such international cooperation can be guided by three broad principles. Firstly, regional security is the collective responsibility of all stakeholder countries. Next, the cooperative approach should be open and inclusive, engaging responsible international organisations and extra-regional stakeholders that can play a constructive role.

Mr Teo said: "Singapore is now preparing to deploy a naval vessel to the Gulf of Aden later this year. The ship will work with the newly-formed Combined Task Force 151 to conduct escort and surveillance operations in the Gulf of Aden. "An important aspect of our preparations and operations there is to exchange intelligence and information with our partners who are operating there. Without that, they will just be one isolated ship operating in the large sea, and not be effective.

## **Strategic Front**

### **Economic Front**

- **Singapore to host meeting of APEC Finance Ministers' Process next week**

Singapore's Finance Ministry will be hosting the APEC 2009 Finance Ministers' Process meeting next week as part of the Republic's hosting of APEC 2009.

The meeting amongst senior finance officials from the 21 Asia-Pacific Economic Cooperation (APEC) nations will be held on Monday and Tuesday at the Grand Copthorne Waterfront Hotel.

A statement from the Finance Ministry on Saturday said officials will be discussing issues such as the global and regional economic outlook, fiscal responses to address the economic situation and public-private partnership (PPP) models to finance infrastructure projects in the region. Senior finance and trade officials will also meet on Monday for a Joint Dialogue. Collective responses to address the financial crisis and issues of common concerns like trade financing will be discussed.

- **Over 570 people caught with duty-unpaid cigarettes within 1st month of new law(social,political,eco)**

Over 570 people were caught with duty-unpaid cigarettes within the first month of a new law that requires all legal cigarettes to have a special SDPC (Singapore Duty-Paid Cigarettes) marking. The law came into effect on January 1.

In its annual enforcement report, Singapore Customs said the number of cigarette offenders has gone down for the first time since 2005. Last year, over 20,300 people were caught with contraband cigarettes, down 13 per cent from 2007. Singapore Customs said the drop is due to its enforcement and public outreach efforts.

But more illegal cigarettes were seized - 4.6 million packets, involving S\$35.5 million in evaded taxes. That was 5 per cent more than the quantity seized in 2007.

More people have also been charged for dealing in contraband cigarettes - 1,382 in 2008, compared to 1,314 in 2007 and 1,186 in 2006. Over 6,300 people were caught last year for buying and smoking contraband cigarettes - up 6 per cent from 2007.

- **Empire Investment director gets permission to leave country**

Yong Wai Hong was one of four people charged with being involved in a fraudulent investment scheme in connection with the controversial multi-level marketing firm Sunshine Empire, and could face jail time for alleged criminal breach of trust and falsifying accounts, among other offences.

On Monday, Mr Yong was allowed to travel overseas for business after his original bail was raised by another S\$200,000 to S\$800,000. The 27-year-old leaves on Tuesday for Hong Kong and China and is expected back on March 31. His lawyer, Noor Mohamed Marican, said: "He needs to travel because of work, so the prosecutor asked for an increase in bail, and we had no objection because our client can afford it." A director of Empire Investment Group, Mr Yong is also the chairman and chief executive of Hong Kong-listed firm Emcom International, which was acquired using Sunshine's sale proceeds. They will return to court on March 5 for a pre-trial conference.

Mr Yong's lawyer said there is no need for his client's presence on that day. It is understood that the prosecution did not object to Mr Yong leaving Singapore and that he has done so on several occasions while investigations into the affairs of the company were underway.

- **Singapore shares closed 1.31 per cent lower on Monday with little buying incentive, dealers said.**

The blue-chip Straits Times Index fell 22.33 points to 1,683.31 on a volume of 701 million shares worth S\$683 million. Losers led gainers 230 to 133, while 883 issues were unchanged.

DBS Vickers Securities said the market is in a consolidation phase that should stretch into the second quarter before a recovery develops. Singapore Airlines closed down 16 cents at S\$10.44 after announcing it will decommission 17 passenger aircraft over the financial year from April as travel and cargo demand declines during the global economic crisis. Offshore and marine stocks were lower. COSCO Corp fell three cents to 85 cents, and Sembcorp Marine dropped five cents to S\$2.17. DBS Bank ended 19 cents lower at S\$8.20, UOB eased 28 cents to S\$11.08 and OCBC, which is to release fourth-quarter earnings on Wednesday, closed down five cents at S\$4.96.

## **Social Front**

- **MPs say MOH review should include overseas Singaporeans**

It would help the lower-income to stretch their health dollar. But is there another group — expatriate Singaporeans — who would benefit if Medisave is allowed to be used overseas?

While many in this group are likely to have their medical costs borne by employers' insurance, some Members of Parliament believe this group should, in principle, also benefit if the Ministry of Health (MOH) accepts proposals to allow Medisave for treatments such as hip replacement and eye cataract operations.

There are about 150,000 overseas Singaporeans and MP Halimah Yacob, chairwoman of the Government Parliamentary Committee for Health, told TODAY there should not be a "line between who should and should not be able to (use Medisave)". Taiwan-based business development manager Jaycee Lim, 30, who has been working overseas for a year and is not currently contributing to her Central Provident Fund, agreed: "It's our money and our health. If we buy insurance from private companies, we can claim against those policies when we get hospitalised overseas. So why not for Medisave?"

Healthcare provider Parkway Holdings is on her side, especially since some Singapore-based healthcare groups such as itself have extensive regional networks. When asked if the Health Ministry would consider overseas Singaporeans in its Medisave review, a spokeswoman said details were still being worked out.

Last week, Mr Khaw said in Parliament that "good competent care for routine treatment" was now available in neighbouring countries, "at cheaper cost, given their lower cost structure". His concern, though, is how to ensure adequate standards and guard against fraudulent claims when patients go overseas for treatment. Suggestions by MPs include having some level of government-to-government cooperation and, eventually, a list of hospitals in the region approved by MOH.

Parkway Holdings said patients should review overseas hospitals' and doctors' credentials, as well as consult their insurance providers before seeking treatment.

But Mdm Halimah believes MOH should take the lead in short-listing hospitals that meet the mark. "Patients just don't fully understand, or do not have all the information to be the best judge of what is the best quality of care," she said. Right now, the prospect of more Singaporeans going overseas for treatment does not faze local operators. "Currently, Singaporeans who travel overseas go for minor elective surgeries or aesthetic services," said Ms Mega Shuen, chief operating officer of Thomson Medical Centre. She believes they will continue to visit local hospitals for major surgeries.

- **100 jobs will be available for the disabled**

Jobs may be scarce during the economic downturn but Singapore companies are still hiring the disabled. One hundred job openings for the disabled will be publicised in recruitment pages on Saturday.

These jobs are committed by employers who have signed up under the Open Door Fund to redesign jobs for the disabled. This fund was set up as an incentive programme to help employers defray costs associated with hiring disabled persons. It is an initiative by the Ministry of Community Development, Youth and Sports and administered by the Singapore National Employers Federation.

The Enabling Employers Network (EE Network), which made the announcement, has urged potential applicants to seize the opportunity to apply for jobs, as they will stand to gain training opportunities. Employers are expected to tap on the various training schemes launched by the Workforce Development Agency.

EE Network, which started two years ago, is an alliance of employers who champion employment opportunities for the disabled. Thirdly, such cooperation must take place in a framework of respect for international law, regional norms and national sovereignty, recognising the diversity of the Asia-Pacific region.

Mr Teo reminded the conference participants that no state is immune from transnational security threats like terrorism, piracy or natural disasters. Neither is any state able to tackle such complex challenges on its own. Collaboration at the policy-making level must be complemented by operational-level dialogues and exchanges. The Asia-Pacific Intelligence Chiefs conference is co-hosted by the Singapore Armed Forces (SAF) and the United States Pacific Command (US PACOM).

## **Environmental Front**

- **Experts stress importance of hydration in sports especially in tropical S'pore**

With Singapore hosting more international sporting events, more athletes and officials from around the world will converge on this island state. But the tropical climate and humidity mean sportsmen will have to take extra care to ensure they are properly hydrated.

It is such a major issue that Asia's first Hydration and Sports Nutrition Seminar has been held to put the message across. A consultant at the Sports Medicine Division at Changi General Hospital, Kelvin Chew, said: "Let's say at a marathon event, there is always the real problem with heat injuries that we see, anything from heat exhaustion to heat strokes. These are very real problems." While the number of such injuries is still relatively low in Singapore, raising awareness is critical as sports participation rates have been rising steadily.

Experts say that education is important to get the message across to both elite and amateur athletes. Singapore may see more of such seminars ahead of the Youth Olympic Games and also more research on the topic in this part of the world. Studies have shown that despite access to top-notch sports medicine and science, elite athletes still suffer hydration problems.

A hydration expert at Loughborough University, UK, Ron Maughan, said: "We have made measurements of professional football players and top athletes at other

competitions, and we see a significant number of athletes coming up already dehydrated, and that is inexcusable for a professional athlete."

With athletes from cold countries heading to Singapore for events like the 2010 Youth Olympic Games, coaches need to ensure their charges can take the heat.

It is an informal forum for military intelligence chiefs from the Asia-Pacific region to discuss and exchange perspectives on common intelligence challenges and opportunities, as well as other issues of mutual interest.

- **Students delving deeper into environmental issues(environmental)**

They are no longer only learning about how to save electricity or the importance of plants in nature. Primary school children are now delving deeper into environmental issues and studying topics such as climate change and renewable energy.

At Nanyang Primary School, for instance, Primary 1 students learn about global warming through using recycled materials to create art during their art lessons.

Their upper primary counterparts learn about the recycling of water and ways of energy conservation, said the school's principal, Madam Heng Boey Hong. Primary school principals interviewed by Today said they see more attention being spent on teaching students about these issues because of the growing importance of caring for our environment.

Dr Irene Ho, principal of Balestier Hill Primary School, said: "The general awareness of climate change has been widely discussed and promoted through the media. Many schools, through encouragement by the Ministry of Education (MOE), have been actively implementing their own environment programme."

A MOE spokeswoman said: "At the primary and secondary level, students are taught topics like various types of energy and alternative sources of renewable energy through subjects like Social Studies, Science, Geography and English.

- **Even pre-schoolers are getting a peek into the world of Mother Earth. (Enviromental)**

Last November, the National Environment Agency announced that it would be distributing a Pre-school Environmental Education Kit (PEEK) to 500 PAP kindergartens. The kit is in the form of a 35-page story book that weaves in environmental topics like environmental degradation, pollution, wastage of resources and deforestation. Still, more can be done to teach young children about the environment, said educators at primary schools.

The Head of Department (Science) at Henry Park Primary School, Mrs Sia Song Ling, suggested: "Other than areas like Social Studies and National Education, materials published and used in schools like textbooks can be enhanced to include more local context.

Military intelligence representatives from more than 20 countries are attending the conference this year, which focuses on the theme "Sharing Expertise in Managing Transnational Security Issues".

## ● **Vietnam**

### **Political Front**

- **UAE and Vietnam sign trade agreements (pol,social)**

His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, on Monday held talks with Nguyen Tan Dung, Prime Minister of Vietnam, at Zabeel Palace.

The reception was also attended by Shaikh Hamdan Bin Mohammad Bin Rashid Al Maktoum, Crown Prince of Dubai, and Shaikh Majid Bin Mohammad Bin Rashid Al Maktoum, Chairman of the Dubai Culture and Arts Authority. The two leaders conducted talks about various fields of cooperation between the UAE and Vietnam and ways of expanding the collaboration in the best interest of both countries.

During the talks, the international economic situation was discussed, where both Shaikh Mohammad and his guest emphasised the importance of overcoming the current phase through joint international efforts and the positive intervention of governments through the coordination with the private sector and international monetary establishments. The Vietnamese prime minister lauded the UAE's economic achievements, and various development programmes in the sectors of technology, education, tourism and infrastructure. Dung also said that the standards used in the UAE's different projects were international. The visiting prime minister also expressed his hope that his first UAE visit will be fruitful, with results that will reflect positively on the bilateral relations between the two countries. After the expanded talks held between the two leaders, both Shaikh Mohammad and the Vietnamese prime minister attended the signing of five agreements and memorandum of understandings between the UAE and Vietnam. The signing ceremony was also attended by Shaikh Hamdan, Shaikh Majid, Mohammad Bin Abdullah Al Gargawi, Minister of Cabinet Affairs, Reem Al Hashemi, Minister of State, the Vietnamese Ambassador in the UAE and a number of senior officials. Dr Anwar

Mohammad Gargash, Minister of State for Foreign Affairs and Vu Huy Hoang, Minister of Industry and Trade signed a joint committee agreement to meet periodically and alternately at the respective capitals of the two countries

- **Vietnam may shut down Vietnamese-American Web site (pol,social)**

Authorities have recommended closing a Web site owned by an American man of Vietnamese origin for violating copyright rules and publishing "misleading" information about government policies, police said Monday. Hanoi police recently discovered that timnhanh.com, a Web site owned by Paul Nguyen Hung, posted pornography and "misleading" information about the communist government's policies, a Hanoi police official said on condition of anonymity, citing policy. He did not elaborate. The site apparently ran afoul of Vietnam's strict media laws, which prohibit publishing information the government deems politically sensitive. The Web site was also found to have reprinted stories from other local media outlets and allowed its clients to download songs and movies without paying royalties, he said.

Authorities have fined the Vietnam Online Network, or VON, which runs timnhanh.com, 10 million dong (\$570) for its violation, he said. Hanoi police have recommended that the Ministry of Information and Communications shut down the site, he said. Officials at the ministry were not available for comment. VON was licensed two years ago to operate 13 commercial Web sites in Vietnam. The police official said the company's 12 other Web sites, which include job search and car sales, are still operating normally. Company executives did not immediately respond to requests for comment Monday.

- **Aimed to 'teach Vietnam a lesson'(AFP)**

On February 17, 1979, after months of verbal and armed clashes, China launched a massive offensive against Vietnam to teach its communist ally 'a lesson' for becoming too independent for Beijing's liking. Known as the Third Indochina War, the roots of the brief but bloody conflict lay in the ideological rivalries between China and the Soviet Union. During the war against the United States, Moscow supplied Vietnam with vital military aid. After the end of that conflict, Sino-Vietnamese relations were further strengthened when Hanoi rejoined the Council for Mutual Economic Assistance

(Comecon), created by Moscow in 1949. Conversely, relations with China, which was establishing contacts with the United States, deteriorated further. Initially, the Chinese said their offensive was 'limited' and not a claim on Vietnamese territory. Beijing's declared objective was to punish Vietnam, whose troops had six weeks earlier invaded Cambodia to topple the Khmer Rouge regime of Pol Pot, who was supported by China. The invasion of Cambodia was the final straw for Beijing, which decided it was time to put back in its place a Vietnam which was increasingly defying China's authority in the region and had repressed its ethnic Chinese Hoa community, analysts said. Beijing also believed Vietnam had shown a lack of gratitude for valuable Chinese support during the war against the French and at the start of the conflict with the Americans. Chinese leader Deng Xiaoping launched the Vietnam offensive 'to teach them a 'lesson',' recalled Jean-Claude Pomonti, long-time regional correspondent for the French newspaper Le Monde. For China it was 'a semi-success or semi-failure-the Vietnamese resisted well,' he said, but 'it was no disgrace: Deng, who detested the Vietnamese, (meant to) put them on the right path.' The Chinese operation was preceded by an intense artillery bombardment against several locations along the 1,400-kilometre (900-mile) frontier between the two countries.

Chinese troops then penetrated dozens of kilometres into northern Vietnam to take control of several towns, notably Lang Son, Cao Bang and Lao Cai, before withdrawing a month later on March 16. There is no reliable figure for the number of casualties, which varies according to source and country, but the war did claim tens of thousands of lives. Both sides said they had won, but the Chinese People's Liberation Army failed to deal a decisive blow in its attack against a much smaller adversary. For the Vietnamese military, Beijing made a fatal tactical error in launching a massive assault-with hundreds of thousands of troops-which was not adapted to the geography or the guerrilla tactics which the Vietnamese had employed so successfully against the French and American forces. The 1979 conflict is often seen as the last border war between China and Vietnam. Nevertheless, sporadic clashes continued into the 1980s. Territorial tensions continue between the two countries, in particular over the sovereignty of the Spratley and Paracel archipelagos in the South China Sea. But relations between the two sides have improved.

Hanoi and Beijing finished the demarcation of their frontier at the end of 2008 and intend to celebrate the event soon

- **Afghanistan is Barack Obama's Iraq - or Vietnam**

Barack Obama has taken the fatal step: he has made himself a war president, like George W Bush before him. Farewell, Prince of Peace. He has been even more injudicious than Dubya in the fight he has picked, choosing Afghanistan, the unwinnable war that will destroy his reputation. Trying to occupy Afghanistan - like invading Russia - is one of those bad career moves that politicians should regard as strictly off-limits if they have any survival instinct.

Obama has ordered a further 17,000 US troops into Afghanistan, to bring the American presence there up to 50,000. The ultimate objective is said to be a deployment of 60,000 - enough to provide the Taliban with lots of targets, but hopelessly inadequate to garrison that inhospitable country. To put these figures in perspective it is worth recalling that the Soviet Union, in the decade 1979-89, lost 469,685 men in Afghanistan.

America and its allies, like the Soviets before them, are being defeated in Afghanistan. The countryside is completely in the hands either of the Taliban or of warlords. Even the cities are now beleaguered: within the past 10 days suicide bombers have killed 27 people in Kabul and insurgents temporarily occupied the Ministry of Justice. The government of Hamid Karzai, whose younger brother Ahmed Wali is accused by Western security agencies of being a major drug baron, is corrupt and impotent. In 2005 opinion polls showed 83 per cent of Afghans favourably disposed towards America; today it is 47 per cent. Why are the allies in Afghanistan? To stamp out the drugs trade, we are told, and to prevent the country becoming a base for attacks on the West. But the Taliban extinguished the heroin industry: only since the allied occupation has the trade flourished again. And what kind of terrorist attack can be planned against New York or London in Helmand Province that cannot as effectively be plotted in Waziristan, just over the border, which the Taliban now rules? Or in mainstream Pakistan? Barack Obama has not commented on the recent surrender by the Pakistani government to Taliban allies in the Swat Valley, allowing the imposition of Sharia law there. The Taliban is winning. If it

encounters superior US forces it will retire, then resume the offensive when suitable. It can play this game for years or decades, ratcheting up the American body count. Obama is committed to this futile conflict because he made a campaigning point during the election of offsetting his opposition to the Iraq war with his support for the Afghan debacle. Now Afghanistan is Obama's Iraq - and threatens to become his Vietnam.

- **Communist Vietnam refuses to play the US blame game**

Tags:View More capitalism, Communism, economy, Gordon Brown, slowdown , vietnam, Wen Jiabao

Given Vietnam's communist government and its not-too-distant war with America, you might expect that the country's politicians would have succumbed to the temptation to blame the economic slowdown on Yankee running dog capitalists. After all, Chinese premier Wen Jiabao gleefully hectored the West over its "blind" pursuit of profit at Davos and even our own Gordon Brown has regularly blamed American excesses for the global financial crisis. But the Vietnamese government has shown itself to be rather less adversarial in its public comments about the economic contraction. That's not so much because the Vietnamese government is keen to move away from its dogmatic communist heritage - a quick look at this article on the state news wire (Public needs to follow Ho Chi Minh's example) will put paid to that idea. The Vietnamese government is simply a lot more pragmatic and recognises the importance of its trading relationships with America and Europe, as well as the value of opening its markets. This sober attitude was echoed by many people I spoke to in Hanoi and Ho Chi Minh City, who seemed surprisingly unfazed by the deteriorating outlook. "This is a global financial crisis, so of course it's going to hit Vietnam," one young advertising executive told me, with a rather bemused look on her face.

- **Vatican, Vietnamese officials cite progress after talks**

Vietnamese government leaders reported progress in talks with a visiting Vatican officials on February 19, and confirmed that their ultimate goal for the talks was the resumption of diplomatic ties. Msgr. Pietro Parolin, the head of the Vatican's diplomatic

delegation, voiced the hope that Pope Benedict might soon visit the Asian country-- a hope that must be viewed as extremely optimistic in light of current tensions.

## **Strategic Front**

### **Economic Front**

- **Government to 'tax' products from Vietnam's first refinery**

Since the Dung Quat Oil Refinery's products will not attract the 25 percent tariff payable on imported fuels, an equivalent amount of money will have to be transferred to the state budget, the government has ruled. Prime Minister Nguyen Tan Dung has told the Ministry of Finance to formally draft a regulation for this and ordered PetroVietnam, the refinery owner, to submit the input costs and prices of its products, the Government Office said. Nguyen Viet Thang, deputy general director of Binh Son Oil Refining-Petrochemical Co. Ltd, a PetroVietnam unit in charge of managing the refinery, said Dung Quat's prices would be equivalent to that of imported products. PetroVietnam Oil Corporation would distribute the products during the refinery's test run, he said. Dung Quat, which produced its first batch of refined products on February 14, is expected to release its first products on February 22. It is expected to produce around 2.7 million tons of oil products this year, rising to 5.7 million tons in 2010.

- **Vietnam feels the pain of global economic crisis**

Tags: View More global financial crisis, Hanoi, Ho Chi Minh City, politics, recession, southeast asia , vietnam

I've just returned from Vietnam, where I spent 10 days looking into how one of the world's fastest growing economies over the last five years is faring amid the global slowdown. Vietnam's well-flagged entry into the World Trade Organization in 2007 heralded a classic emerging market bubble with tardy investors (both domestic and

foreign) paying massive premiums to buy any assets they could get their hands on from shares in newly-listed banks to off-plan apartments. As riots erupted in Ho Chi Minh City (formerly Saigon) every time a new condo development came onto the market and inflation soared way above 20pc, it was evident that the bubble was set to burst. Sure enough, Vietnam's nascent stock market, which was one of the world's top performers in 2007, proved to be one of the worst in 2008, losing nearly 70pc of its value. Ironically, the financial crisis has actually helped Vietnam bring its inflation problem under control (as well as the government's decision to increase interest rates, which has since been reversed). But the country's export-dependent economy is now in trouble.

The main front-page story in the Viet Nam News, the state-owned English language newspaper, last Monday warned rather belatedly that the economy was showing "the first signs of strain". In reality, export-oriented manufacturers began cutting thousands of jobs in the fourth quarter last year and the Vietnamese language press, which has a comparatively freer hand in its reporting, has been full of stories of retrenchments and deepening economic gloom for some time. I have a long-held interest in Vietnam, having spent seven months in Hanoi in 2001 teaching English to university students and subsequently having studied Vietnamese language, politics and history at SOAS. This was my first trip back since 2003 and it was remarkable to see how much the country has changed in the intervening period.

- **Vietnam expects to earn \$3.2 bln from wood exports this year**

Vietnam plans to earn revenue of 3.2 billion U.S. dollars from wood products exports this year, up from 2.8 billion U.S. dollars over 2008 despite difficulties fueled by the global economic crisis, the local newspaper New Hanoi reported Monday.

To slash difficulties for the country's wood exporters, Vietnam's Ministry of Industry and Trade urged local wood processing and exporters to ensure a stable supply of raw materials instead of the imported ones to reduce production costs. At present, Vietnam's major wood sources are in Malaysia, Laos, Cambodia and Indonesia, whose governments are narrowing wood materials exports. Simultaneously, the domestic wood industry needs to raise competitiveness by stepping up investment in technologies and equipment, said

the ministry. Vietnam's biggest importers for wood products are the United States, European countries and Japan.

- **Vietnam issues new rules for importers, foreign publishers**

The government has introduced several changes to the publication laws that tighten control over the import of foreign publications and the operations of foreign publishers in Vietnam. Foreign publishers' representative offices in Vietnam have to apply for new licenses if theirs had been issued before January 1 this year. The offices can continue operating while waiting for the new licenses, which will valid for five years from the date of issuance and must be extended every five years. The same rule will apply to importers of foreign publications. Also, they have to submit a list of the items they plan to import for approval from the Ministry of Information and Communications (MIC). The approval will be effective only until December 31 of the year in which the application has been made. Under the new regulation, the ministry has the power to issue or revoke licenses for foreign publishing agencies' offices in Vietnam and the importation of non-commercial publications. The ministry's Directorate of Publishing will issue such licenses to central, foreign and international organizations based in Hanoi. The ministry's permission will not be required for importing private documents and those used at international seminars or conferences organized with permission from Vietnamese authorities. The latest changes also deal with publication on the Internet and the content of book covers. Publications that are copies of laws or Vietnam Communist Party documents, regulations of the National Assembly, holy books and regulations of recognized religions in Vietnam will not be allowed to print on the cover the names of authors, translators or publishing partners.

These names cannot be placed on the images of Vietnam's political leaders, the national flag, the Communist Party flag or the maps of Vietnam that are carried on front covers. Those who want to publish an item on the Internet have to register with the ministry's Directorate of Publishing their publication plans, including the website address and publication date. They also need written approval from the directorate that should be granted within a maximum of 10 days after application. To publish on the Internet the items that have already been published on other media, the publishers must have written approval from the authors or copyright owners.

- **Government, foreign businesses to confer on economy next month**

Government leaders and executives from 150 multinational companies will attend an international conference to discuss the development of Vietnamese business and economy in Hanoi next month. The second business roundtable with the Vietnamese government, titled “Positioning Vietnam for the future,” will explore 20 topics related to policy reform, economic prospects, and the business environment as the global economic shocks have flagged some new challenges for the government. To be organized by the Ministry of Foreign Affairs' The World and Vietnam Report newspaper and the UK-based Economist publication group's Economist Conferences, the conference will also include “The 58 Elite Vietnamese Brands” exhibition. The event is scheduled for March 17-18 at the Melia Hotel. Last year, Vietnam attracted record foreign direct investment (FDI) of US\$64 billion, with an average capital of around \$60 million per project.

- **Vietnam to ask Japan to resume government loans**

Vietnam's Planning and Investment Minister Vo Hong Phuc plans to visit Japan later this month to urge the Japanese government to resume government loans to Vietnam, a Vietnamese government official said Monday. Japan has frozen its yen loan program to Vietnam since a Japanese business consultancy firm was found to have paid bribes to Ho Chi Minh City officials in connection with a Japanese official development assistance project

- **Vietnam Direct Trade Urged**

To mark the 30th anniversary of the Islamic Revolution, Vietnam News spoke with Iran's Ambassador to Vietnam Seyyed Javad Qavam-Shahidi.

Vietnam News: How have Vietnam and Iran celebrated the 35th anniversary of the establishment of their diplomatic relations and 30th anniversary of Iran's Islamic Revolution? Javad Qavam-Shahidi: In commemoration of the anniversaries, we have organized many significant events this year. Two business meetings were also held by Vietnam and Iran's Chamber of Commerce and Industry in Hanoi and HCM City to provide a rare opportunity for businessmen of both countries to meet each other and

explore potential co-operation in trade and business. Over 50 percent of Vietnamese and Iranian products exported to each other is made through third countries. Ceremonies to mark the 35th anniversary of mutual diplomatic relations were concurrently organized in the capitals of the two countries with attendance of high-ranking leaders and officials of different ministries and sectors. We are now entering a new stage of relationship development in politics, business, culture, science and technology. I am proud to say that restless efforts of the two countries have been acknowledged in different fields, particularly in terms of trade and economic cooperation.

VNS: Dozens of leading enterprises from Iran came to Vietnam last year to seek opportunities in trade and investment here. What feedback from them did you receive? What are potentials for trade and investment from each country that you want to introduce? JQ: Many Iranian and Vietnamese businesses have become better acquainted with each other's potentials. Those who come from Iran to do business in Vietnam, find Vietnam has a lot of opportunities in different areas such as agriculture, oil, gas and petrochemicals. Vietnamese enterprises can invest in Iran in different fields such as producing equipment, textile-garment and footwear. Vietnam can produce domestically and assemble final products in Iran to bring commodities to the Iranian market and then export these products to countries in the Middle East.

## **Social Front**

- **Laos**

## **Political Front**

## **Strategic Front**

## **Economic Front**

- **Standing Deputy PM receives Governor of Luxembourg Central Bank**

Standing Deputy Prime Minister Somsavat Lengsavad, received at his office in Vientiane on 16 February a courtesy visit of Mr. Yves Mersch, Governor of Luxembourg Central Bank.

Mr. Yves Mersch and his delegation arrived here on 15 February for a three day working visit to Laos as a guest of the Lao Central Bank. The main objective of the visit was to

strengthen the relation of friendship and co-operation between the Luxembourg central bank and Lao counterpart. At the talks, Mr. Somsavat Lengsavad praised and highly valued the visit to Laos of the delegation as part of contribution to enhance the relation of friendship and co-operation between Laos and Luxembourg, particularly in the field of finance and banking. On this occasion, Mr. Yves Mersch expressed thanks to Mr. Somsavat Lengsavad for his warm welcome and informed him all delegation activities during stay in Laos, especially the results of the working session between his delegation and Lao counterpart.

- **Trade fair to promote silk production held in Sapai**

Ban Sapai, Sanasomboun district held last week a trade fair to promote silk production. This was a part of activities of Sapai village to promote tourism and trade production.

Mr. Thounsavanh Saimany, Head of Sapai village disclosed that this was the fourth trade fair held to promote tourism and to show the hand made product of the villagers.

Ban Sapai, one of the cultural villages in the province, has a total population of 3,947 people, 2,105 of which are female and 716 households. The main work of people here are silk weaving and handicraft production for market.

## **Social Front**

- **Laos is drafting urban planning manual**

An urban planning manual for usage in Laos had been published and its purpose is to ensure common standards for the country said Dr Bounleuam Sisoulath in Vientiane last Tuesday. During a meeting on feedback on the manual, Professor Bounleuam Sisoulath, the President of Science and Technology of the Ministry of Public Works and Transport, said the manual would build capacity among urban planning officials and it would raise the standard of urban planning.

The nation has 120 city districts and 120 of the cities have urban planning schemes. Dr Bounleuam also said that this is the first time that that this ministry had published a manual of such a kind and that it is the result of the work of a joint Lao-German team and given financial support by German Agency for Technical Cooperation (GTZ).

- **Laos, Vietnam sign MOU on public works**

The Ministry of Public Works and Transport of Laos and the Ministry of Communication and Transport of Vietnam signed a MOU on public works and transport in Vientiane Capital on 13 February 2009.

The two signatories of the MOU were the Deputy Minister of Public Works and Transport of Laos, Mr. Sythong Thongkeo and Deputy Minister of Ministry of

Communication and Transport of Vietnam, Mr. Manh Huns and an important witness to this event was the Minister of Public Works and Transport of Laos, Mr. Sommath Pholsena. Under this MOU the two countries agreed to work cooperatively on projects of upgrading 2E which is part of the national road, logistics, a railway construction from Thakhek-Muda, a road stability study on Cham district-Nam-on stretch and Thanh Thuy, Laos-Vietnam agreement on Laos using the Vung Ang port in Vietnam.

- **ASEAN is drafting report on human rights**

A high level task force has drawn up a report on ASEAN human rights programme it will be presented at the 14th ASEAN Summit, in Thailand next month. Its aim is to act to fulfill the principles of the ASEAN chapter on human rights protection.

The meeting on this report was hosted by Laos and held in Luang Prabang province from 12 to 14 February but it was chaired by Thailand on behalf of the President of ASEAN and ASEAN Secretariat Unit.

The ASEAN Foreign Affairs Ministers will comment on the first draft and revisions will be made. The draft of ASEAN role on human rights is expected to be completed by July 2009 and after that it will be presented and endorsed at the 42nd ASEAN Foreign Affairs Ministerial meeting.

- **EC calls for proposals on human rights and poverty reduction**

European Union (EU) is calling on state, private and non-government organisations to write proposals on human rights and poverty reduction and those that are approved will be given funding for their research. Last week, officials from the Delegation of the European Commission in Laos, state bodies and NGOs met at Novotel Orchid to consider proposals on human development in Laos.

On the same day, European Union announced that it would offer 300,000 Euro to support human rights and 2.5 million Euro to finance civil society and local authority projects that would contribute to poverty reduction in Laos.

The two programmes, human rights and poverty reductions are given priority by the Lao government and it is determined to eradicate poverty in the country.

The funding is part of the European initiative for Democracy and Human Rights (EIDHR). The objectives of this programme for Laos are to strengthen the role and capacity of civil society organisations; enhancing participation, representation and legal empowerment of vulnerable groups and promotion of civil society organization activities at the grassroots level.

For the programme on poverty reduction, the Charge'd'Affairs said the European Commission has allocated some money to support non-state actors in development. The overarching objective of this programme is to facilitate Lao non-state actors and local

authorities to contribute to poverty alleviation in the context of sustainable development, including the pursuit of the Millennium Development Goals (MDG) and other internationally agreed targets in Laos, said Mr Henry.

Eligible applicants for funding must be European or Lao non-state actors, such as NGOs, civil society organisations, local authorities, organisations representing indigenous peoples or ethnic minorities, Trade Unions, Youth Organisations, media, consumer organisations and academic institutions. This funding is made available under the European Initiative for Democracy and Human Rights (EIDHR).

- **ADB Water Project to Ease the Strain on Women in Lao PDR**

Women who spend up to two hours a day on the backbreaking task of water collection and storage will be key beneficiaries of a new water supply and sanitation project in the Lao People's Democratic Republic. Manila, Philippines.

The Asian Development Bank (ADB) Board of Directors approved a \$23 million grant from its Asian Development Fund for the Small Towns Water Supply and Sanitation Sector Project, according to news release of ADB bases in Manila, the Philippines this week. The project will provide piped water and sanitation services for about 137,000 residents in over 120 villages in Lao PDR. Co-financing of US\$5.3 million will be provided by the Government of Australia and \$500,000 from the Gender and Development Cooperation Fund, which is administered by ADB with contributions from Norway, Canada and Denmark.

The project supports the Government's push to expand access to safe piped water to 80% of the urban population by 2020. In 2006, piped water coverage in small towns was just 21%, with sanitation coverage at 69%. At present many people rely on shallow wells, ponds and streams for water, which is often contaminated, causing ill health, lost income, increased child mortality rates and school absenteeism.

Together with the health and income benefits for the poor, the project will also build capacity of water supply utilities and oversight agencies. In 2006, water supply utilities posted losses estimated at over KN30 billion (\$3.53 million) - more than the total amount spent by the government on health in the same period.

The project will seek to help the utilities become self-sustaining corporate entities by setting tariffs that allow them to recover their overheads, and at the same time keep supplies affordable through a three-tier charging system that spreads the cost of piped water over the entire customer base.

The project also offers scholarships for women to train and work in water supply and environmental engineering. "The pool of qualified women engineers in the country is very limited and the project has a number of incentives for women, including 20

scholarships for female high school graduates to pursue higher education in water supply and environmental engineering,” said Ms. Jain.

Other gender initiatives include setting a minimum target for female representatives in the project implementation unit and in village committees, who will help oversee the project.

Lao PDR is one of the world’s least developed countries but in recent years it has become increasingly connected to the Greater Mekong Subregion through cross border highways, interregional trade and increased tourism. Many of the project towns are in key transport corridors, and improving water and sanitation will boost their role as market and service centers for surrounding rural areas. In turn this will result in more economic opportunities, jobs and reduced poverty levels. The project will also give tourism a push by making towns more attractive to visitors.

- **Vientiane to welcome 900,000 tourists in 2009**

Vientiane Capital will welcome 900,000 tourists this year, the latest prediction of the Vientiane Tourism Division and in the course of making such a computation it has taken into consideration the impact of the global financial crisis on Laos. The tourism industry sector is considered by both the Party and government as an important sector of the national economy so much so that the National Tourism Administration has drawn up a tourism development plan for the years 2006-2020. Vientiane is concerned about sustainable tourism and so it is trying to get all the tourism organizations in the country to abide by such a policy.

Last year, Vientiane welcomed 800,000 tourists and with the projected increase this year to 900,000 they will spend as much as US\$86 million in Vientiane.

- **Education minister visits Saravane province to promote education**

Last week, Mr. Somkiot Mangnormek, Minister of Education visited Ta-oy and Samuoy districts, Saravane province to promote the educational development.

Mr. Somkiot and his delegation were briefed about the educational situation in both districts by its head of educational office. Ta-oy and Samuoy districts, one of 47 poorest districts in Laos, is still high illiteracy rate, which some children who aged from 6-10 years have not attended the school yet and some of children living in remote areas who finished primary school can not further their education.

During the visits, Mr. Somkiot has talked and urged all educational workers in the both districts to further their traditional work and pay more attention to improve the educational quality.

- **Prime Minister welcomes Japanese tourism delegation**

Prime Minister Bouasone Bouphavanh, received a courtesy visit of a Japanese tourism delegation, led by a member of the Lower House of the Japanese Parliament in Vientiane on 12 February.

Mr Bouasone welcomed the tourism delegation, saying that it has historical importance, it fosters friendship and promotes understanding between the two countries. The Prime Minister congratulated the Japanese delegation for their working visit to Laos and he added that he is hoping they will get more Japanese to visit Laos. Lao government regarded tourism to be a priority area of its economic system and part of its tourism development plan is to get more Japanese to visit Laos. According to available figures, 23,147 Japanese visitors came to Laos in 2006 but a year later the number increased to 29,770. At present, the Japanese invested in 41 projects in Laos, and the total sum of money involved is US\$29 million.

Laos and Japan recently negotiated on a draft agreement on investment protection and promotion and the Lao governments agreed on visa free entry for Japanese visitors.

In the past, the Japanese government assisted the Lao tourism sector by offering scholarships in tourism, Japanese language and tourism management.

## • **Cambodia**

### **Political Front**

- **Cambodian opposition sounds the alarm on rural crisis**

It is time to take urgent measures to save Cambodian farmers. That was the leitmotiv hammered on Wednesday February 18th during the press conference organised jointly by the two opposition parties in Cambodia, the Sam Rainsy Party (SRP) and the Human Rights Party (HRP), who recently established an alliance with the Democratic Movement for Change, at the SRP headquarters.

Crippled with debts following the slump in produce prices and unable to pay them back, farmers have increasingly been taken their property by banks. Kem Sokha, president of HRP, claims he has observed this trend himself during his visits to provinces in Cambodia.

The two opposition parties have also sent a letter, in the name of their alliance, to the government in January 2009, to recommend that 500 million dollars be made available to allow the sectors faced with difficulties in the Kingdom to overcome the international financial crisis. Prime Minister Hun Sen responded that his government was already prepared to allocate a much higher sum to face the crisis. The head of government recalled among others that a contract of 18 million dollars – against 12 million dollars in

2008 – was signed with the Rural Development Bank (RDB) of Cambodia to assist rice cooperatives and maintain a purchase price that is stable and satisfactory for producers.

Also, Sam Rainsy explained during the press conference that he had sent a letter to the governments of various countries, including donor countries, to request that they condemn Cambodian high officials mentioned in the reports of non-governmental organisation Global Witness of June 2007. The Cambodian opposition leader also asked them to deny visas to the persons incriminated or their families if they intend to travel to their country. In addition, he recommended that any property or account they might own in those countries be seized or frozen, and he called to an end to any business transaction with those having any involvement in the cases denounced by the environmentalist NGO.

- **CPP leaders call for reform**

Prime Minister Hun Sen speaks during a conference on Wednesday at the InterContinental Hotel. THE government has no option but to continue to implement reforms that will foster economic growth, lower corruption and improve the quality of services available in the Kingdom, Deputy Prime Minister Sok An said Tuesday while kicking off a two-day seminar on reform strategies.

Sok An, who is also secretary-general of the Council for Administrative Reform, pointed to reform initiatives already in place, including increasing the average salary of civil servants. He said these salaries have more than quadrupled since 1998, climbing from approximately \$17 per month to \$75 in January 2009. The government also provides a pension contribution equivalent to 16.3 percent of employees' salaries, he said.

This and other reforms "are not dreams but the result of our common effort", he added. The two-day seminar concluded Wednesday with remarks from Prime Minister Hun Sen, who said reform efforts would reduce poverty and increase accountability on the part of all ministries and civil servants.

Thun Saray, president of the rights group Adhoc, said in response to Sok An's comments that government salaries were still too small, prompting qualified civil servants to leave the public sector to work for private companies or NGOs.

- **Prime minister says anti-corruption law not a 'magic pill'**

Speaking at the Business Roundtable in Siem Reap, Hun Sen says the law will only be introduced once the penal code is in place.

PRIME Minister Hun Sen told an international conference in Siem Reap on Monday that the long-delayed anti-corruption law would not be introduced before the penal code was in place. He said the penal code had been approved by the Council of Ministers and would next be presented to the National Assembly for approval. He said the law would follow soon after but gave no concrete timeline as to when it might be introduced.

Speaking at the Business Roundtable - a gathering of government officials, business leaders and investors - Hun Sen told delegates that the anti-corruption law would not solve the problem of graft on its own.

The introduction of the law has long been a priority for NGOs and donors to the Kingdom. A recent report by the umbrella group NGO Forum on Cambodia complained that there had been even less of an effort to combat corruption in 2008 than there had been the previous year.

#### Benefits of the law

Sek Borisoth, director of the anti-corruption program at the NGO Pact, said the law would only be meaningful if it was enforced. Heang Rithy, president of the Cambodian National Research Organisation, said transparency and accountability were essential in democratic countries. Proper enforcement of an anti-corruption law, he said, is necessary for combating graft.

## **Strategic Front**

### **Economic Front**

- **Banking sector still stable: govt**

CAMBODIA'S banking is on a solid footing despite the economic crisis and reports of high risk, according to officials.

The National Bank of Cambodia (NBC) and the Ministry of Economy and Finance said Wednesday that limited exposure to real estate, low nonperforming loans and rising deposits show that the sector is in good shape. Hang Chuon Naron, secretary general of the ministry, said Wednesday at a Trade and Investment Cambodia conference in Phnom Penh that bank deposits increased 36 percent last year and nonperforming loans are stable.

He added that Cambodia's nonperforming loans were a low 2.6 percent in 2008, down from 3.4 percent in 2007 and 9.5 percent in 2006. The country's international reserves increased to \$2 billion in 2008, up from \$1 billion in 2007, said Hang

- **Cambodia, Albania negotiate rice deal**

CAMBODIA'S efforts to diversify rice exports have taken a small step forward with a planned deal that would see 5,000 tonnes of rice sold every month to Albania, starting with a 300-tonne shipment.

Negotiations are continuing with the Albanians having offered US\$475 per tonne and Cambodia asking \$490, down from its previous offer of \$500, Outh Renne said. The deal could also see 4,000 tonnes of corn sold per month to Albania. The move to tap the Albanian market follows government efforts to diversify Cambodia's rice exports and increase production of milled rice. Late last year, Cambodia announced it was in talks with Senegal to sell 10,000 tonnes of rice per month. Discussions are ongoing, and authorities say they are arranging transport and waiting for the UN Development Program to reconvene the talks. "Negotiations will resume with Senegal after a two-month delay," said Mao Thora. "Our main obstacle is the price and transportation."

Trade officials say they are also in talks with Congo-Brazzaville to sell low-grade rice. Tes Ethda, president of the national Rice Millers Association of Cambodia, said that the country is making headway tapping markets for low and medium-grade rice. Cambodia exports about two million tonnes of rice per year, but yields remain low at only 2.6 tonnes per hectare compared with 3.5 tonnes in Thailand and about six tonnes in China. Poor irrigation, a lack of fertilisers and inadequate dissemination of market information are among the challenges the sector faces. Government spending on agriculture is a low three percent of agricultural GDP, versus 10 percent in China and Thailand, say World Bank figures

## **Social Front**

- **Cambodia's first Khmer Rouge trial opens**

Three decades after the fall of the Khmer Rouge, the first trial of one of the regime's top leaders, Tuol Sleng prison chief Duch, gets under way

Former Tuol Sleng prison chief Kaing Guek Eav sits during the first day of his trial at Cambodia's Khmer Rouge tribunal on Tuesday. Tuol Sleng prison chief Kaing Guek Eav stood before Cambodia's UN-backed Khmer Rouge tribunal today in the first of at least five expected trials of former regime leaders that are hoped to bring closure to one of the 20th century's darkest chapters.

Three decades after the ultra-communist movement was driven from power, Kaing Guek Eav - who is better known by his revolutionary name Duch - is facing charges of war crimes and crimes against humanity for his role in Khmer Rouge atrocities. The 66-year-old maths teacher ran a number of Khmer Rouge prisons, but is most infamous as commandant of the regime's main detention centre, Tuol Sleng, where as more than 16,000 men, women and children were brutally tortured before being executed in the nearby Choeung Ek killing fields. Scores of Khmer Rouge victims were among the hundreds of people attending Tuesday's opening hearing, including Vann Nath, one of only a handful of people to survive Tuol Sleng.

Duch, a frail man wearing a blue shirt and eyeglasses, sat calmly behind his lawyers taking notes during Tuesday's largely procedural hearing, during which the structure of the upcoming trial proper would be determined.

Duch's lawyers said they intended to appeal his detention, saying that his imprisonment since 1999 - Duch was first held in military prison before being transferred to the tribunal's custody in July 2007 - is a violation of his basic human rights. International co-prosecutor Robert Petit told court judges that his team would again push for the concept of joint criminal enterprise to be applied to Duch's case, a legal move with potentially far-reaching implications on other cases before the tribunal.

Joint criminal enterprise, which was rejected by tribunal judges in December, opens the possibility of several defendants who had acted as a group facing a single charge.

The move has sent a shudder of alarm through the defence teams of the four other Khmer Rouge leaders in detention, who say that their clients could be unfairly prosecuted for crimes committed by Duch. Duch, a born-again Christian, is the only suspect to have confessed to his crimes, and his testimony is expected to shed light on the regime's inner workings, including the acts committed by other senior members arrested by the tribunal.

- **Lawyers for civil parties request new preliminary investigations in Duch case**

Lawyers for the victims who registered as civil parties to the first trial due to open at the Khmer Rouge tribunal – that of the former chief of interrogation centre S-21, Duch – have requested the launch of “immediate and serious” supplementary investigations to document the crime of forced marriage organised under the control of Duch. They filed this request last week with the Extraordinary Chambers in the Courts of Cambodia (ECCC), after collecting evidence that at least one mass wedding was organised in a re-education camp that was directly subordinated to Duch. Their submission was made public in a press release on Saturday February 14th.

Such mass weddings took place in the entire country under the Khmer Rouge leadership. The lawyers recalled an estimated 400,000 men and women were married in group weddings. They also claimed that their request for new preliminary investigations “[would] not delay the trial” of Duch. They argued that the crime of forced marriage “has been recognized as a new, separate crime against humanity for the first time in an international(ized) tribunal by the Special Court of Sierra Leone in a landmark decision in February 2008.”

Asked for his reaction to this new request, co-Prosecutor Robert Petit explained on Monday February 16th that he was unable to make any comment, as the office of the co-Prosecutors had not received any copy of the submission. For his part, François Roux, co-lawyer for Duch, specified that the civil party lawyers had not notified them of their request and wondered about this way of “bringing suit by press release.

The French lawyer recalled that there has already been one year of inquiry by the co-Prosecutors, followed by a year and a half of pre-trial investigation period, and stated that time-frames must be respected and his client has waited the start of his trial for ten years.