

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

Quarterly Report on Asia

July to September 2008

Volume: 3

Reports of September

Principal Investigator: Prof. Dr. Ijaz Shafi Gilani

Contributors

Nadia Tasleem: Snr Research Associate Asia Region

Ashia Rehman: Reports on Fertile Crescent

Madiha Kaukub: Reports on GCC

Tatheer Zehra: Reports on South East Asia

Ghashia Kayani: Reports on South Asia

Sadia Khanum: Reports on India

Uzma Siraj: Reports on Central Asia

**INTERNATIONAL ISLAMIC UNIVERSITY
ISLAMABAD**

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

Third Quarterly Report on Asia

July to September 2008

Volume: 3

Reports of September

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

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

Third Quarterly Report 2008

Volume: 3

Reports of **September 2008**

Table of contents

Reports for the month of September

Week-1 September 05, 2008	05
Week-2 September 12, 2008	120
Week-3 September 19, 2008	245
Week-4 September 26, 2008	356

Country profiles

Sources



BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

September 05, 2008

Nadia Tasleem:	Report on Asia	06
Ashia Rehman:	Report on Fertile Crescent	17
Madiha Kokub:	Report on GCC	38
Tatheer Zehra:	Report on South East Asia	43
Ghashia Kayani:	Report on South Asia	84
Sadia Khanum:	Report on India	107

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 22 August to 29 August 2008

Presentation: 5 September 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia and Fertile Crescent from 22 to 29 August as have been collected by interns.

Summary

South Asia

Political Front:

Bangladesh:

Recent announcement by EC regarding deadline for parties' registration has been strongly condemned by AL on the ground that EC should have set time frame by taking political parties into confidence. Meanwhile Khaleda Zia has refused to accept government's offer regarding her release. Her party's spokesman said that government has set certain conditions for former PM's release for instance; she would have to accept all government's policies and would have to participate in elections. Despite all this both key parties have unanimously stressed on the need of complete political participation in upcoming elections in order to bring real democracy.

Srilanka:

Amidst government-Tamils confrontation one positive development is successful Provincial Council Elections that have been held in various parts. The United Peoples Freedom Alliance led by President Mahinda Rajapakse has so far won the elections however UNP under the

leadership of Ranil Wickremasinghe has failed again putting Ranil's political future in uncertainty.

A Japanese Parliamentary delegation, after its four days visit to Srilanka, highly commended President Rajapakse for his efforts to bring stability in the country particularly Eastern region after getting it back from Tamils' control.

SriLanka's foreign minister highly appreciated Spanish recognition of government's efforts to counter Tamils in order to bring stability in the country.

Nepal:

The only development at political front is foreign Minister's statement condemning previous governments for sending non-professional but politically influential people at diplomatic missions abroad. He added that this practice has actually damaged Nepal's foreign policy hence it should be reverted back.

Bhutan:

The only potent development at political front has been explosion of two bombs inside Morang-based Sanischare camp. The security post within the camp confirmed the serial blasts, which caused no casualty.

Maldives:

In order to make election possible various political parties have nominated different people to make Election Commission that has to be established soon. Majlis has also started voting the EC bill after several amendments. Meanwhile Jamhoori party and People's alliance have submitted their nominations of Presidential candidate.

Myanmar:

UN special envoy Ibrahim Gambari ended his Burmese visit in sheer disappointment as he was unable to meet political cadres. Meanwhile a Cambodian Parliamentarian has asked the UN and ASEAN to find a mid way in order to resolve Burmese political crisis.

While discussing government's political plans Myanmar's Minister of Information stressed that the government will continue the implementation of its seven-step roadmap as a transitional government in accord with the mandate of the people.

India:

Political scene:

Congress led UPA government is passing through tough phase amidst strong condemnation by different political parties. Communist party of India has even started talks with UP Chief Minister Mayawati as an effort to form a new alternative coalition against Congress and BJP for the betterment of public. Communist party has also warned Man Mohan Singh to keep nine assurances in mind; that he gave to these parties while defending Indo-US nuclear deal, as developments at NSG meeting have proved validity of their concerns. Meanwhile uncertain position of Jharkand government has added more to the difficulties being faced by ruling regime.

Domestic unrest:

Killing of Vishwa Hindu Parishad leader Swami Lakshmanananda led to massive demonstrations in Orissa, killing and wounding a large number of people including Christians. Christian Bishop in protest asked his community to keep their educational institutes closed for at least a day all across India. Meanwhile Pope Benedict XVI also condemned the violence and appealed for peace. PM Man Mohan Singh strongly condemned acts of violence in the state. Meanwhile, food riots have erupted in the eastern Indian state of Bihar where flooding has left more than two million people homeless.

Kashmir:

Government's recent efforts to resolve Amarnath temple issue have further deteriorated situation in Kashmir. Kashmiri leaders' announcement to launch anti-centre demonstrations led government to impose curfew in all ten districts of Kashmir. Meanwhile two key leaders Ali Shah Geelani and Mir Wais Omer Farooq had also been arrested. As a result of curfew few journalists got seriously injured while three Kashmiris were killed and many others injured. Pak-India bus service through Rawalakot has also been suspended amidst curfew. Government has denied any chance of secession and condemned Kashmiri leaders as well as their activist writer Arundhati Roy for making such demands.

Indo-US nuclear deal:

US has started working to make a new draft of Indo-US nuclear deal in order to present that in upcoming second round of plenary session of NSG. India has expressed positive hope that US would make the required draft in accordance with Indian considerations and would discuss it with Indian leadership before presenting it in NSG session.

Geo-strategic Front:

Srilanka:

Srilankan government has strongly condemned act of terrorism that took place in an Ordinance factory in Pakistan killing large number of people. President sent message of condolence to Pakistan on behalf of his public.

Nepal:

At geo-strategic front visit of Nepalese new PM to China remained significant though he claimed that his visit was not of political nature and he would pay his first political visit to India. Growing Sino-Nepali relations however can not be ignored as China has recently expressed her willingness to invest in Nepal in order to boost Nepalese economy.

Hence it should be kept in mind that new dimension of Sino-Nepal relations can bring serious repercussions for India. Relevant to this newly appointed Nepalese Foreign minister's recent statement regarding his willingness to raise issue of Saptakoshi disaster with India, being somehow responsible for that, also needs to be observed thoroughly.

Another significant development at the same front is Israeli announcement to resume visas for Nepali workers who intend to find employment in Israel.

India:

Indian ties with Pakistan seem to be uncertain because of President Musharraf's resignation. Meanwhile Bangladesh has refused to accept Indian proposal to sign a treaty regarding exchange of hiding criminals in territory of both countries.

On the other hand Indian growing ties with East Asia grabbed the attention. In this regard Indian free trade agreement with ASEAN appears to be the most significant development.

Social Front:

Bangladesh:

This week two potent social issues being faced by Bangladesh have emerged on the scene. In this regard a report prepared by Acid Survivors Foundation (ASF) grabbed special attention as according to that 2633 people on the whole including mainly women and children have been victimized by acid attacks in last 10 years. Likewise another issue that came in lime light has been pointed out by Chairman of Department of Nephrology of Bangabandhu Sheikh Mujib Medical University (BSMMU), is that of kidney diseases. According to him almost 4000 people die of kidney diseases annually in Bangladesh.

Besides that over one thousand workers of Chittagong City Corporation stopped work and held demonstrations, to press for a number of demands including job security and pay rises. All the while sufferings of common people have further intensified due to gas shortage and power crisis being faced by the country.

Srilanka:

Canada's 'Globe and Mail' newspaper has thoroughly discussed human rights violation being carried at massive scale by Tamil Tigers hence has severely condemned them for their inhuman acts.

Nepal:

The attention grabbing social development in Nepal is about the devastating flood caused by the Saptakoshi River that damaged crops worth Rs 300 million in Sunsari district.

India:

Rapidly increasing number of poor living at \$1.25 a day according to World Bank Report has become a major source of concern for India. Meanwhile honour killings have also emerged as another worrisome issue at social front.

Opposition Trinamool Congress has warned to launch protests if Tata industries would not roll back their program. They have asked government to return farm land from industrial house to farmers. Government of West Bengal however rejected their demand.

Economic Front:

Bangladesh:

Current economic crisis has led further increase in prices of daily use commodities therefore economists have warned government to tackle it appropriately or get ready for political and social unrest.

Srilanka:

Srilanka and Germany have joined hands to establish Sri Lanka-German Business Council in order to boost their economic ties.

India:

Contrary to market expectations, the rate of inflation dipped marginally to 12.40 per cent for the week ended August 16 from 12.63 per cent the previous week, mainly owing to a moderation in the prices of vegetables, meat, cement and a few non-administered petroleum products.

East Asia

Political Front:

Malaysia:

Anwar Ibrahim, Malaysia's opposition leader, amidst sodomy case, has won a landslide victory in a by-election. He got 31,195 votes, compared with 15,524 for his opponent from the Barisan National coalition, which has dominated Malaysian politics for half a century. He considered minorities' support to be significant in his victory.

Thailand:

Senior members of People's Alliance for Democracy have demanded resignation from Thai Prime Minister by calling him to be Thaksin's proxy. They have also been demanding Thaksin's trial by the ruling regime. Meanwhile anti-government protests are also being carried by common masses who according to Thai PM actually want another military coup.

Singapore:

Parliament remained busy in discussing various bills as well as in sorting out ways to cope current economic challenges. Meanwhile Singaporean PM commended his country for being unique because of accommodating people belonging to diverse races and religions.

Philippines:

Suspension of peace accord between MILF and government by court disappointed Muslim insurgents of Southern Philippines. This led to a dreadful attack in the region killing 37 people. Rebel leaders denied their involvement in the attack yet refused to hand over suspected commanders to the government. Government in response refused to sign any peace accord with these Muslim rebels. Rebel Chief however asked Malaysian government to revive stalled peace talks with Manila to end weeks of brutal fighting.

Geo-strategic Front:

Laos:

The Institute of Foreign Affairs under the Lao Ministry of Foreign Affairs and its counterpart from Indonesia has recently signed a memorandum of understanding with an aim to enhance their cooperation.

Cambodia:

Cambodia and Thailand finally reached an interim agreement this week on their Preah Vihear dispute.

Social Front:

Indonesia:

There were warnings of Tsunami in Java and Southern Sumatra Province of Lampung due to tidal waves but after a powerful earthquake these warnings have been lifted.

Philippines:

Amnesty International has recently warned local politicians in the troubled southern Philippine island of Mindanao against arming civilians for protection against Muslim rebel attacks, saying it could set a dangerous precedent and further escalate the violence there.

Vietnam:

Heavy rains causing floods and land sliding emerged as key issue at social front in Vietnam.

Economic Front:

Indonesia:

Indonesia and Pakistan have started negotiations to sign Free Trade Agreement which would help in raising the volume of bilateral trade up to one billion dollars mark.

Malaysia:

Former Prime Minister Dr Mahathir Mohammad said the reduction in fuel prices, as announced by the government, was sufficient for the Malaysian people. He further asked his people to understand crisis situation being faced by the whole world hence should not demand further reduction.

Singapore:

Economic experts have expressed their satisfaction with Singaporean economic model aimed to boost economy through free trade and open investments.

Vietnam:

Despite the fact that inflation increased due to rise in fuel prices; Vietnam's economy showed positive signs in the first eight months of this year, with both agricultural and industrial production registering a year-on-year increase of more than 16 percent.

Meanwhile Vietnamese growing economic ties with Cambodia and Australia appear to be significant.

Cambodia:

Kuwait has agreed to give Cambodia loans totaling \$546 million to develop agriculture, build hydro-power facilities and construct roads. This is the second-biggest aid pledge ever received by Cambodia, after aid and loans totaling \$601 million offered by China last year.

Fertile Crescent

Political Front:

Iraq:

On one hand Kurds have warned government of violent resistance in case of any move to evacuate government buildings occupied by Kurdish faction in territories that fall beyond their area of influence. While on the other hand the US has pledged to supply weapons to Sunni militia in Faluja city as government seems to be reluctant to arm Sunnis. Meanwhile the US has asked Iraqi government to grant her permission to keep its military troops in Iraq till 2015 while Iraqis have yet agreed to 2011. Details of their discussion have yet to be known.

Israel/Palestine:

While talking about prospects of peace accord with Palestinians Israeli chief negotiator Livni said that excessive pressure by the US to immediately sign accord would further deteriorate situation. According to Livni both parties should sort out ways to resolve their differences in order to reach at a conclusion.

Lebanon:

Sectarian violence in Northern city of Tripoli have led government to start efforts in order to ease tension not only for the maintenance of stability but also to avoid chance of Syrian intervention.

Besides that Lebanese government has issues arrest warrant of Libyan leader Muammar Gaddafi over the allegation of abduction of a senior ayatollah who was misplaced 30 years ago.

Geo-strategic Front:

Israel/Palestine:

The most significant developments at geo-strategic front include Iranian verbal attack on Israel declaring it to be the main cause of tense situation in Middle East and predicting its demise; indirect talks between Israel and Syria primarily focusing on their border issue; talk between Palestinian and Lebanese President focusing on the issue of resettlement of Palestinian refugees in Lebanon-being condemned by Abbas as well.

Lebanon:

Egypt has offered her help to play the role of mediator in order to resolve Lebanese-Israeli tension.

Jordan:

Jordanian growing ties with Russia (in the light of King's meeting with Russian President) and Yemen (recent meeting between Prime ministers of both sides emphasizing greatly on boosting ties) emerged as potent developments at geo-strategic front.

Social Front:

Iraq:

Water shortage in Iraq particularly in Baghdad; where six million people have got access to half their needs to water, emerged as the most striking issue.

Jordan:

At social front an official environment report has condemned Jordan for generating almost 12.5 million of green house gases causing global warming. Report declares heavy and medium industries to be main source of pollution.

Economic Front:

Lebanon:

Jordan has offered to supply Lebanon with 50 and 70 megawatts of electricity daily to overcome its energy shortage. Infact Lebanon's power load reached 2,200 megawatts this summer, but it can produced only 1,400 megawatts.

Jordan:

Two worth mentioning developments at economic front include; signing of free trade agreement by Jordan and Canada to boost their economic ties and decision of business community to switch over to solar energy resources in order to cope with high fuel costs.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Aisha Rehman

From 23rd August- 29th August

Presentation Date 5th September, 2008

Iraq

Political front:

- Kurds warn of “violent reaction” if Iraqi army enters their areas
- U.S. to arm Faluja police despite government objections
- Iraq says U.S. Sought Troop Presence to 2015

Economic front:

- Electricity Ministry accused of doctoring power output figures

Social front:

- Baghdad gets half its needs of drinking water, official says

Israel

Political front:

- President Abbas in Beirut: Palestinian Refugees Have Right to Return

Economic front:

- China becomes Israel’s second largest exporter in 2007

Geo strategic issues:

- US help could put Israeli crime kingpin behind bars

Lebanon

Political front:

- Jumblatt: Lebanese must cool sectarian tensions
- Lebanon issues arrest warrant for Muammar Gaddafi

Economic front:

- Jordan to help ease Lebanon's power woes

Geo strategic front:

- Hezbollah shoots at Lebanese Army helicopter, kills officer
- Syria and Jordan Enhance Cooperation in Higher Education Field
- Egypt Seeks to Ease Lebanon-Israel Tension

Jordan

Political front:

- National Current holds inaugural meeting
- King calls for stronger Russian role in Mideast

Geo strategic front:

- Dahabi, Yemeni PM conclude joint higher committee meeting
- Jordan rallies support to defend Jerusalem
- 'Free Gaza' makes it to Palestinian shore

Economic front:

- Jordan, Canada initial FTA deal
- 12.5m tonnes of greenhouse gases generated annually
- Businessmen saving money by shifting to solar energy

Social front:

- Forum to tackle urban challenges
- Camel race
- Al Samra Wastewater Treatment Plant to serve millions

Iraq

Political front:

Kurds warn of “violent reaction” if Iraqi army enters their areas

A senior Kurdish leader says Kurdish militia or peshmerga will confront Iraqi army units attempting to enter Kurdish areas.

Mahmoud Sinkawi said if Iraqi troops moved into Kurdish towns and villages in order to evacuate government buildings occupied by Kurdish factions and peshmerga they will be met with a “violent reaction.”

The threats signal a growing row between the Kurds who control three provinces in northern Iraq and the central government. While the government acknowledges full Kurdish autonomy over the provinces of Arbil, Sulaimaniya and Dahouk it is demanding that Kurdish peshmerga evacuate areas falling outside the administrative borders of the three provinces.

In his warning Sinkawi, the Kurdish militia leader, also alluded to the armed conflict between the Mahdi army, the militia group of the Shiite cleric Moqtada al-Sadr and Iraqi troops. The Shiite militias were forced to surrender their offices to the Iraqi army.

Sinkawi said Kurdish militias will not accept what happened to the “outlawed” Mahdi Army. A Mahdi Army representative rebuked Sinkawi, saying the Shiite militia responded positively to a government order to surrender all state buildings they were using. “The Mahdi Army is not the outlaw. The outlaws are those who are refusing to give the government buildings they have occupied,” said Abdulsattar al-Battat.

U.S. to arm Faluja police despite government objections

The United States has pledged to supply the police force in the once violent Falluja city with weapons. The move comes as the Shiite-controlled government is reportedly reluctant to boost the fighting capability of police forces in the predominantly Sunni areas.

As the U.S. is seeking an exit from Iraq, it does know what to do with the more than 100,000 Sunni militiamen it has trained, armed and financed to fight al-Qaeda in their areas. These former rebels opted to side with the U.S. in the hope of eventually being integrated into the country's security forces. But the government fears the addition of such numbers might upset the current balance of power which tilts towards the Shiites.

The U.S. is trying to persuade the government to enlist the militias in the army, police and security organs. The current relative security particularly in the regions formerly known as the Sunni Triangle is attributed to U.S.'s success in arming and financing the so-called awakening councils to battle al-Qaeda.

Iraq says U.S. Sought Troop Presence to 2015

The United States asked Iraq for permission to maintain a troop presence there to 2015, but U.S. and Iraqi negotiators agreed to limit their authorization to 2011, Iraqi President Jalal Talabani said. "It was a U.S. proposal for the date which is 2015, and an Iraqi one which is 2010, then we agreed to make it 2011. Iraq has the right, if necessary, to extend the presence of these troops," Talabani said in an interview with al-Hurra television, a transcript of which was posted on his party's website on Wednesday. U.S. officials in Baghdad were not immediately available for comment.

Details have been slowly emerging about negotiations for the bilateral security pact, which U.S. and Iraqi officials say are close to conclusion. The emerging points of agreement reflect the increasing assertiveness of the Maliki government as it seeks to define the future of the U.S. presence in Iraq. U.S. officials stress that no final agreement has been made. A final deal will need to be approved by the Iraqi parliament.

Economic front:

Electricity Ministry accused of doctoring power output figures

An Iraqi power expert accused the Electricity Ministry of issuing false figures with regard to electricity output, status of power stations and power imports. Isam al-Khalisi said information and statistics by the ministry were "inaccurate and contradictory".

The expert made the remarks that Iraq was no capable of producing half of its power needs estimated at 10,000 megawatts. A most recent report attributed the ministry's adviser; said power output had soared to 5,302 megawatts – almost equivalent to pre-war output. "The adviser's (Mahdi's) figures contradict statistics issued by the ministry in 2006. He said conditions of power plants and power generations were "extremely bad" to the extent that Baghdad's six million people now barely get two-hour supply every day.

He said the ministry was even adding imports of 340 megawatts from Iran and Turkey to domestic output.

He said the ***U.S. alone has so far poured nearly \$5.5 billion*** into the electricity sector while government allocations have reached ***\$3.5 billion***. He said he had written to the government a detailed report on the conditions in the ministry and the current status of power generating system in the country but has so far received no answer. ***The ministry says power shortages*** will proceed until 2012, the year it expects a surplus in output with power generating capacity hitting 20,000 megawatts.

Social front:

Baghdad gets half its needs of drinking water, official says

Baghdad's nearly six million people have access to half their needs of drinking water, said Sadeq al-Shammari head of Baghdad's Water Authority.

Shammari said practically more than three million people in Baghdad have no access to running water.

The shortage comes amid soaring temperatures which at this time of the year may brush 50 degrees centigrade. The UN Children's Fund, UNICEF, has criticized the Iraqi authorities for spending too little on public amenities at a time government coffers are brimming with hard cash from oil sales. Shammari described the shortage as critical, saying that conditions of Baghdad's sewage system and heavy water treatment plants were even worse.

Public amenities like water facilities, sewage systems and hospitals are not supposed to be covered by outages which may continue for up to 20 hours in Baghdad.

Israel

Political front:

Israel's Livni says peace pressure could lead to violence

Israel's chief negotiator said on Thursday a Palestinian uprising could reignite if the international community piled too much pressure on the sides to paper over differences and rush into an agreement on statehood. Israeli Foreign Minister Tzipi Livni sounded the cautionary note against increased U.S. pressure just days before Secretary of State Condoleezza Rice visits the region. Rice has been pushing for a deal to cap George W. Bush 's presidency.

Chances of a deal appeared to fade further when Olmert announced last month that he would step down as prime minister once his centrist Kadima party elected a new leader in September. Polls show Livni leading the race to replace the corruption-hit Olmert as Kadima chief.

Livni said she and her Palestinian counterpart in the negotiations, former prime minister Ahmed Qurie, were going beyond "vague ideas" about the percentage of West Bank land that Israel would yield. "We need to line the borders on the map," she said. Olmert's proposed "shelf agreement" would not address the thorny issue of Jerusalem, a key Palestinian demand. Instead, Olmert has proposed a "mechanism" for talks starting next year over the holy city. Palestinians want Arab East Jerusalem to be the capital of their future state.

Israel has also ruled out implementing any statehood agreement until Abbas reins in militants and re-establishes control of the Gaza Strip , which Hamas seized a year ago.

President Abbas in Beirut: Palestinian Refugees Have Right to Return

After talks in Beirut with Lebanese President Michel Sleiman, President Abbas told reporters that 'we are against the resettlement of Palestinians in Lebanon,' adding that any solution with Israel should be wide-ranging and address all issues.

President added that he endorsed the Lebanese government's decision in 2006 that armed Palestinian groups outside of the camps should be disarmed. President Abbas also affirmed that 'none of the core issues will be postponed, adding that the Leadership will not never seek partial solutions. The President as well updated the Lebanese President with the latest developments in the Palestinian territory as well as the talks with the Israeli side.

Economic front:

China becomes Israel's second largest exporter in 2007

Chinese exports to Israel surpassed Germany's in 2007, making China Israel's second largest importing country, Israel's Central Bureau of Statistics said on Wednesday.

Imports from China grew to **4.6 billion U.S. dollars in 2007** from 3.2 billion dollars in 2006, the bureau said.

In 2006, Germany was the second largest exporter of goods to Israel excluding diamonds. Analysts said that the increase in Chinese imports was part of a trend of growth that would include a wider variety of products over time.

Yudan noted that Israeli exports to China would also witness a yearly increase of 15 to 20 percent, noting that the exports of some products, including fertilizer and potash from the Dead Sea, will surely grow. Israeli exports of medical apparatus and communications technology to China were also likely to rise, he said.

Over the past five years, Chinese exports to Israel have more than quadrupled while the imports from the United States, the top exporter to Israel, were nearly unchanged.

In 2007, U.S. exports to Israel rose to 8.1 billion dollars from 6.2 billion dollars in 2006.

Israel's total imports, 43 percent of which were from Europe, were up at 56.6 billion dollars in 2007 from 47.8 billion dollars in 2006. Excluding diamonds, Israeli imports rose to 46.6 billion dollars in 2007 from 38.8 billion dollars in 2006.

Countries from which Israel imported more than a billion dollars worth in goods, excluding diamonds, included Italy, the Netherlands, the United Kingdom, France, Turkey, Japan, and South Korea. Including diamonds, Belgium ranked third after China with four billion dollars in exports to Israel, while Israel's imports from Russia, Switzerland and India were all above one billion dollars.

However, some analysts downplayed the effect of the increase in Chinese exports to Israel, saying it did not carry any immediate importance for the Jewish country.

Geo strategic issues:

Iran will hit back if Israel attacks: Hezbollah

Israel will be targeted by thousands of rockets if it attacks Iran, a senior official in the Tehran-backed group Hezbollah said on Sunday.

There has been speculation that either the United States or Israel could attack Iran's nuclear facilities, although both have said force should be a last recourse in curbing a nuclear program which they suspect aims to build atomic weapons.

Iran, which says its nuclear program is peaceful, is the main backer of Hezbollah a Lebanese political and military group which fired thousands of missiles into Israel during a 34-day war in 2006. Hezbollah has not said what it would do in the event of a conflict between Iran and Israel.

Tehran has said it will respond severely to any attack. Israel staged an air force exercise in June that triggered speculation about a possible assault on its nuclear sites.

Both Hezbollah and Israel have said the group has expanded its missile capability since the 2006 conflict.

Iran's Ahmadinejad in new verbal attack on Israel

Iranian President Mahmoud Ahmadinejad renewed his verbal attacks on arch-foe Israel on Saturday, accusing it of dragging the world into turmoil and predicting its demise.

"About 2,000 organised Zionists and 7,000 to 8,000 agents of Zionism have dragged the world into turmoil," Ahmadinejad told a rally in the central Iranian city of Arak carried live on state television.

US help could put Israeli crime kingpin behind bars

For years Israeli police tried to build a case against a top crime kingpin most recently suspected in a gruesome beach murder, but it is a US extradition request that will probably put him behind bars. For three weeks police did hold Yitzhak Abergil, believed to head Israel's most notorious crime clan, but released him last week for lack of evidence only to rearrest him minutes later on the US warrant, together with his brother Meir and four others. Abergil was detained after a woman sunbathing near Tel Aviv last month was killed in front of her husband and children in an apparent gangland shooting that missed its mark. Since Sunday, he and the five others have

been held on US charges of involvement in a criminal organisation, criminal activities, drug trafficking, racketeering and money laundering.

US authorities suspect Abergil and his associates were involved in the murder of a drug dealer in the United States in 2003. Public Security Minister Avi Dichter said on Monday that "the task of eradicating the crime families was stepped up in 2008. Israel's police does not only have to fight them inside the country, but abroad as well."

In March 2006, Zeev Rosenstein, then considered the godfather of Israeli organised crime, was extradited to the United States where he was sentenced to 12 years in prison for drug trafficking. He was allowed to serve his sentence in an Israeli prison.

Syria-Israel talks focused on border

Indirect peace talks between Syria and Israel are focused on the thorny issue of how much Syrian territory is under Israeli occupation, Syrian Foreign Minister Walid al-Moualem said on Monday.

"We feel that the two sides are serious about solving the lingering issues that are being discussed. Foremost is determination of the June 4, 1967 line," Moualem told reporters after meeting his French counterpart Bernard Kouchner.

Nearly a decade of U.S.-supervised negotiations between Syria and Israel collapsed in 2000 over the extent of a proposed Israeli withdrawal from the Golan, a water-rich plateau. Syria argued then that it was in control before the 1967 war of parts of the eastern shore of the Sea of Galilee, on the edge of the Golan, and that these parts should be returned to Syria. Israel captured the whole eastern shore along with the surrounding plateau in the war. The shoreline has since receded. Moualem would not be drawn on the exact territorial lines Syria considers its borders. Control of the shoreline has been a major point of contention between the two sides, especially as Israel uses the lake as its main reservoir.

Rice Arrives in Israel in Bid to Prod Middle East Peace Effort

U.S. Secretary of State Condoleezza has arrived in Israel to try to help Israelis and Palestinians come closer to an agreement on Palestinian statehood. US Secretary of State Condoleezza Rice, right, shakes hands with Israeli Defense Minister Ehud Barak at Barak's residence in Tel Aviv, 25 Aug 2008

The United States has called for Israelis and Palestinians to reach a peace agreement by January, before U.S. President George Bush's term expires. Rice on Monday said Washington is sticking to that goal, although she said there is 'a lot of work ahead'.

Hours before Rice's arrival, Israel released nearly 200 Palestinian prisoners in what officials said is a gesture of goodwill meant to bolster the peace negotiations.

French FM Plays Down Hezbollah-Israel War of Words

French Foreign Minister Bernard Kouchner played down on Monday the significance of a mounting war of words between Israel and Lebanese militant group Hezbollah but acknowledged the region was tense. He was responding to warnings by Israeli leaders that Lebanon's civilian infrastructure could become a legitimate target following the formation of a unity government in which the Hezbollah-led opposition has 11 ministries and the power of veto over cabinet decisions. Kouchner, whose government currently holds the European Union's rotating presidency, arrived in Beirut on Sunday at the start of a two-nation tour that will also take him to Syria. He said he scrapped a planned visit to Israel for scheduling reasons.

His visit to Lebanon and Syria also follows an announcement by the two governments on August 13 that they intend to establish diplomatic ties for the first time since they both attained independence from France six decades ago.

Israeli Prime Minister Ehud Olmert warned last week that Israel would fight a far more devastating campaign than in the 2006 war with Hezbollah if the Shiite movement led the government. Other leaders made similar threats.

Lebanon

Political front:

Jumblatt: Lebanese must cool sectarian tensions

Sectarian violence in north Lebanon could provide Syria with a new pretext to intervene in its neighbor, anti-Syrian Druze leader Walid Jumblatt said on Thursday.

Jumblatt also stressed the need for reconciliation among followers of rival leaders whose power struggle pushed the country to the brink of a new civil war in May. Steps taken to that end were "not enough", even if Lebanon was far more stable now than four months ago, Jumblatt told Reuters in an interview.

Sectarian tension still hangs over the northern city of Tripoli, where more than 20 people have been killed since June in clashes between gunmen from the city's majority Sunni community and Alawites who have close ties to Syria.

Jumblatt said Lebanese leaders must work towards easing sectarian tensions in the north and elsewhere. "It has to be worked out step by step in every area, in every quarter of Beirut, in every village, in the media," he said.

Jumblatt has called on Hariri, who enjoys Saudi support, and pro-Damascus Shi'ite leader Nabih Berri, a Hezbollah ally, to calm lingering tensions between their communities.

A date for the start of the talks has yet to be set. Syria and Lebanon have agreed to exchange ambassadors since Suleiman's election, meeting a main demand of Jumblatt and his allies for Damascus to open a Beirut embassy. The Druze leader also said he saw no obstacles in the path of a new law for holding parliamentary elections next year.

Lebanon issues arrest warrant for Muammar Gaddafi

A Lebanese court has issued an arrest warrant for the Libyan leader Muammar Gaddafi over the abduction of a senior ayatollah 30 years ago.

Imam Musa al-Sadr was one of the most prominent Shia clerics of his day. His supporters have long blamed Gaddafi's regime for his disappearance. The investigating magistrate Samih al-Hajj has accused Gaddafi of "inciting the abduction" in a charge sheet released to the press. He has also issued warrants for six other Libyans accused of participating in Sadr's disappearance. Gaddafi has already ignored a February summons from a Lebanese court to answer questions about Sadr's fate.

Economic front:

Jordan to help ease Lebanon's power woes

Jordan on Wednesday offered to supply Lebanon with between 50 and 70 megawatts of electricity daily for the coming 16 months, the Jordanian Minister of Energy and Mineral Resources Khaldoun Qteishat said. Last week **Egypt also pledged** to supply Lebanon with electricity, approximately 200 megawatts daily. Qteishat said he made the offer during a meeting of energy ministers of Jordan, Lebanon, Syria and Egypt, who met in Amman Wednesday to discuss meeting Lebanon's requirements.

Lebanese Energy Minister Allain Tabourian told the meeting that his country suffered from a shortage of 800 megawatts per day and that he was appealing for the gap to be closed either by buying electricity from the other three countries participating in the meeting or through the seven-nation regional power grid. In addition to Jordan, Syria, Lebanon and Egypt, the regional grid involves Iraq, Libya and Turkey.

Tabourian said Lebanon's power load reached 2,200 megawatts this summer, but they country produced only 1,400 megawatts.

Geo strategic front:

Hezbollah shoots at Lebanese Army helicopter, kills officer

A Lebanese airman was killed Thursday when the military helicopter he was flying over Sojod hills in south Lebanon came under gunfire attack from Hezbollah gunmen.

Hezbollah didn't comment on the incident initially, but later attempted to justify taking the life of a true Lebanese patriot: **a Hezbollah source said the** helicopter was shot down "because it crossed red lines that Hezbollah had warned the Defense Ministry and army command" not to cross.

Details about the incident were sketchy and the military sealed off the area, but an army statement said the helicopter was on a training mission when it came under fire from armed elements and was forced down in the highlands of the Iqlim al Tuffah province.

The statement said 1st Lt. Samer Hanna, a navigator, was killed and that the aircraft was damaged. No one else in the crew was hurt.

Deputy President of the Higher Islamic Shia Council Sheikh Abdul Amir Qabalan condemned the attack on a military helicopter on Thursday. Qabalan said he feared the attack, which killed a Lebanese army officer, was committed by "infiltrators" working on behalf of Israel.

Hezbollah sources stated that the militia fighters said they shot at the military helicopter after monitoring video cameras, and were aiming to warn the pilot, but claim they did not mean to kill anyone. This is not the first time Hezbollah has killed fellow Lebanese over their sacred telecommunication infrastructure.

Syria and Jordan Enhance Cooperation in Higher Education Field

Prime Minister Mohammad Naji Ottri on Thursday reviewed with Jordanian Minister of Higher Education and Scientific Research Omar Shdeifat areas of cooperation between the two fraternal countries and ways to develop and strengthen them to include the various developmental areas.

Talks also dealt with the existing cooperation between Syrian and Jordanian universities through activating the agreements and the executive programs signed between the two sides to strengthen cooperation in fields of scientific research, exchange of experiences, scholarships, scientific missions and knowledge. Ottri indicated to the great interest given by the Syrian government to the education sector, in general, and higher education, in particular, with the aim of developing human resource and strengthening the scientific and cultural cooperation with all Arab countries, especially, Jordan.

Egypt Seeks to Ease Lebanon-Israel Tension

Israel's prime minister warned last week that his country would hit back harder than in the 2006 war if Hezbollah guerillas attacked again. Hezbollah's leader answered back on Sunday, saying the response from his fighters would also be more fierce than in the monthlong war two years ago. Egypt's foreign minister, Ahmed Aboul Gheit, says he discussed Israel's threats with Lebanon's president during a visit to Beirut Wednesday. Aboul Gheit says Egyptian officials also urged Israel to avoid making such threats during meetings with visiting Israeli Defense Minister Ehud Barak on Tuesday in Egypt.

Jordan

Political front:

National Current holds inaugural meeting

The National Current group held its inaugural meeting on Saturday.

According to Majali, who previously formed the National Constitutional Party that failed to garner enough support, the new party will depend on the Parliament's National Current bloc as a launching pad to advocate for "reform and democracy". The former minister and head of the Public Security Department, said a committee from the party's general assembly will begin drafting its principles and economic and political programmes in order to endorse its platform, which will be a prelude to the official launch of the party after it applies for an official licence.

He also stressed that the new party will be "Jordanian in content" and for "all Jordanians", noting that the name of the party will be declared in the upcoming general assembly, to be held in the near future.

King calls for stronger Russian role in Mideast

His Majesty King Abdullah on Sunday underlined Russia's effective role during the coming stage to help push the peace process forward. At a meeting yesterday with Russian President Dmitry Medvedev, the two leaders discussed means to bolster bilateral relations in different fields and developments in the Middle East and the Caucasus.

The Monarch emphasised the importance of the international community's contribution to bring about a just and permanent peace in the region and find a fair solution to the Palestinian issue.

Talks also covered the conflict between Russia and Georgia. The Monarch voiced hope for a peaceful solution to the problem that preserves the two countries' interests and brings about security and stability in the Caucasus. In this regard, His Majesty announced Jordan will dispatch humanitarian aid during this week to those harmed by the conflict through the Jordan Hashemite Charity Organisation.

On bilateral ties, the King commended the high level of ***Jordanian-Russian relations***. The two leaders emphasised their willingness to activate ***and foster ties, especially in the economic fields***. The Russian president stressed keenness to cement ties between Russia and Jordan, expressing appreciation for the King's initiative to dispatch humanitarian assistance to the conflict zone.

Jordan and Turkmenistan also agreed to draft deals in the fields of trade, education, health and transportation, in addition to a memorandum of understanding between the foreign ministries in both countries. ***The two sides stressed*** that terrorism and international crime are the main threats to peace and international security, urging cooperation in fighting the two phenomena.

Geo strategic front:

Dahabi, Yemeni PM conclude joint higher committee meeting

Prime Minister Nader Dahabi and Yemeni Premier Ali Mohammad Mujawar on Thursday signed the minutes of the meetings of the 13th session of the Joint Jordanian-Yemeni Higher Committee, putting into force 16 agreements and memoranda of understanding boosting cooperation in various sectors. During the concluding session of the joint committee meetings, Dahabi said discussions resulted in positive outcomes and practical solutions to various issues.

He added that economic development is a strategic goal for both countries, noting that the government and the private sector should coordinate the implementation of Jordanian-Yemeni programmes and projects. With the volume of trade exchange between the two states reaching \$97 million last year and \$68 million in the first half of 2008, the two countries signed several agreements seeking to enhance **trade and cooperation**.

The agreements include an amended **higher education and scientific research initiative** for the years 2010-2012, and programmes concerning youth, industrial cooperation, technical education and vocational training and environmental protection. The two sides also agreed to implement a previously signed **cooperation agreement** between the Jordan Enterprise Development Corporation and the Yemeni Higher Council for Developing Exports for the years 2008-2009.

Jordan rallies support to defend Jerusalem

Minister of Foreign Affairs Salah Bashir met with ambassadors of five permanent member states in the UN Security Council, the EU, Arab and Islamic countries and called on them to deploy their ties with Israel to urge it to stop any unilateral measures in Jerusalem that would change the legal situation of the holy city, especially with Israel's intention to rebuild the bridge linking Bab Al Magharbeh to Al Haram Al Sharif.

Bashir met Thursday with the Lower House's Arab and International Affairs Committee to brief them on Israel's plans in Tal Al Magharbeh that seeks to change the cultural, Arabic and Islamic features of the holy city, the Jordan News Agency, Petra, reported.

The minister said Jordan, after becoming aware of Israel's scheme in this regard, rejected the plan and considered it a unilateral measure which is completely rejected by international

resolutions that indicate Jerusalem is an occupied territory and Israel has a legal obligation to facilitate the work of Jordan in preserving the holy sites.

Bashir said the ministry contacted the Israelis and notified them of Jordan's position and called on the Israeli government to stop the unilateral measures practiced by the Israeli Jerusalem Municipality as such measures would increase tension in the area and undermine peace efforts.

Jordan provided a proposal to restore the road at Bab Al Magharbeh, which was affected by rainfall, with a non-asphalt road that does not affect the uncovered antiquities, said Nejem. The Jordanian project was welcomed by **UNESCO** as it preserves the history of the site and does not affect the mosque but the Israeli proposal was not welcomed, Nejem said.

'Free Gaza' makes it to Palestinian shore

Israel yesterday permitted the SS Free Gaza and Liberty to sail into Gaza port, breaking the blockade imposed on the strip in stages since Hamas formed a government in early 2006.

The Greek island-hopping ferry and fishing boat carrying 47 peace activists from 14 countries were greeted by an armada of small Palestinian boats carrying media, legislators and other officials, and a brass and bagpipes band that played in honour of the two Scots aboard the vessels. The two small ships set sail from the Cypriot port of Larnaca on Friday morning. Overnight the ships' communications suffered electronic scrambling organisers believed was caused by the Israeli navy. This prevented media on board from transmitting live video images of the voyage or the Free Gaza Movement from streaming real time on its website.

Detaining the ships could generate bad publicity, said the activists, adding that confiscating the boats lead to accusations of illegal seizure and arresting the activists could give rise to charges of kidnap. The ***decision to allow the boats to proceed was taken on Friday by Prime Minister Ehud Olmert, Foreign Minister Tzipi Livni and Defence Minister Ehud Barak*** after lengthy consultations.

Economic front:

Jordan, Canada initial FTA deal

The third round of negotiations between Jordan and Canada over the past two days concluded with both parties **initialling a free trade agreement**. The deal is the first signed by an Arab country with Canada, said a statement by the Ministry of Industry and Trade, quoted by the Jordan News Agency, Petra.

The two countries will finalise the agreement during an imminent visit by Canadian Prime Minister Stephen Harper to Jordan. During the visit, Petra said, the two sides will also sign two cooperation agreements in the fields **of environment and labour**, and investment promotion and protection.

The ministry's secretary general, Muntasser Oqla, who headed the Jordanian side in the negotiations, said when finalised, the FTA will secure Jordan preferential treatment in its trade transactions with Canada, including full exemption of customs duties for goods of Jordanian origin entering the Canadian market, except for a list of 97 agricultural products, including eggs and dairy products. In return, Jordan will reduce customs duties on Canadian products for a transitional period of five years.

Jordan has entered similar agreements, including the **Greater Arab Free Trade Area**, the Jordan-EU **Association Agreement**, **Jordan-US FTA**, Jordan-European Free Trade Association Agadir Agreement and Jordan-Singapore Free Trade Agreement.

12.5m tonnes of greenhouse gases generated annually

Jordan generates annually around 12.5 million tonnes of greenhouse gases blamed for global warming, according to an official environment report which evaluated the amount as low in comparison to industrial countries. A first ever report on the Kingdom's environmental conditions showed that the main pollution sources are the heavy and medium industries, such as the petrol refinery and the phosphate, cement and fertiliser plants.

These industries are emitting various gases, including carbon dioxide and sulphur dioxide, in addition to large amounts of dust in the areas surrounding factories and power stations, the report indicated.

With the report showing that the amount of the Kingdom's generated waste total 3,850 tonnes daily, and in the Greater Amman Municipality alone 2,000 tonnes, Badarin warned that the amount is increasing due to the population growth and changing consumption patterns. Waste is a main source of pollution to the country's environment if it is not treated and managed properly, Badarin said, categorising waste into household-generated waste and agricultural waste, such as organic fertilisers and plastic sheets.

Badarin said there are around 40,000 greenhouses in the Jordan Valley, an area labelled as an environment hot spot, especially due to the use of pesticides and organic fertilisers.

Businessmen saving money by shifting to solar energy

Struggling with higher fuel costs, the general manager of PMC Chocolates decided to switch to solar energy, which has previously had little industrial application in the Kingdom. Solar energy has typically been used for domestic purposes such as heating water and even swimming pools. But because there was very little information on practical solar energy use for the industrial sector, Hosh said he was at first hesitant to invest in the technology. But he found that since his factory requires a melting temperature of 55°C to produce its confections, solar energy is an ideal option.

But PMC is not the only company in the Kingdom benefiting from harvesting sunlight. The Jordache Textile Factory, which now receives 250,000 litres of 60°C hot water daily through solar energy, is another example. Both PMC and Jordache are implementing solar energy through contracts with the UAE's Millennium Energy Industries (MEI).

Oil-rich Gulf countries are also interested and have become the leading investors in the region, according to Maaitah, who added that MEI's biggest project is in Abu Dhabi.

According to the energy expert, the Kingdom is well on its way to reaching the goals set by the National Energy Strategy, which include 50 per cent solar water heater penetration and solar power accounting for 10 per cent of energy consumption by 2020.

Social front:

Forum to tackle urban challenges

More than 250 environment experts and officials from around the world will gather on the shores of the Dead Sea in October for the first Jordanian-initiated international forum designed to address environmental challenges facing the region.

The Eco-Cities of the Mediterranean Forum 2008 will open on October 18 with the aim of tackling urban environmental issues across the Mediterranean region and promoting the adoption of environment-friendly practices, Minister of Environment Khalid Irani said on Tuesday.

The three-day event will conclude with the issuance of the “Amman Declaration for Eco-Cities”, and several recommendations, including holding the forum every two years in capitals across the region to follow up on joint achievements in the field.

The forum is organised in cooperation with the ministries of environment and municipal affairs, the Greater Amman Municipality, UNIDO, and the USAID-funded Jordan Economic Development Programme and sponsored by the Aqaba Special Economic Zone Authority, the King Hussein Ben Talal Development Area, IUCN, UN-HABITAT and the Kempinski Hotel Ishtar, Dead Sea.

Camel race

Camel riders compete during a camel race at Wadi Rum Friday. Dozens of Jordanian and Saudi camel riders competed in the first camel race in the Kingdom

Al Samra Wastewater Treatment Plant to serve millions

Prime Minister Nader Dahabi on Saturday unveiled the \$170-million Al Samra Wastewater Treatment Plant in Zarqa Governorate, which is expected to treat an average daily flow of 267,000 cubic metres of wastewater, serving 2.3 million Amman and Zarqa residents.

He pointed out that 22 wastewater treatment plants in the Kingdom are currently serving around 517,000 citizens, processing 113 million cubic metres of wastewater annually. The ministry plans to raise this capacity to more than 240 million cubic metres by 2020, according to the minister.

The minister said the project, built on a build-operate-transfer basis, will also enhance the quality of water stored at the King Talal Dam, which provides Northern Ghor farmers with irrigated water. USAID contributed to the project through a \$70 million grant to the ministry while the government provided \$14 million. The ongoing and planned water supply projects will improve salinity levels of the drinking water supply, according to the ministry.

Business and Politics in the Muslim World
Gulf Cooperational Council(GCC)
Article Reviws
Presentation on 5th September

MadihaKaukab

Article

Spirit of possibility in a fertile region

By Dr N. Janardhan (Gulf Angle)

31st July 2008

A sense of tentative hope hangs in the air in the Gulf region following the recent shifts in Washington's policy towards Iran, as the relative gains being achieved in Iraq. Though the region's dilemmas are far from fixed, these set the stage to explore a theme that resonated at the University of Exeter's Gulf Conference few weeks ago, which marked 30 years since the gulf Studies program began there.

In an academic coincidence, highlighted by Prof. Tim Niblock, while 1978 (when the first conference was held) marked five years into the first oil boom (1973-82), 2008 is five years into the second oil boom, given that prices began to rise in 2003.

For academics, the gulf region was gripped by a "spirit of optimism" 30 years ago- buoyed by high oil prices, governments brimmed with plans that had the potential to transform the

economies and societies not only in the region, but also in the developing world, which was an opening for them to become a force to reckon with internationally.

However, by 1981, the spirit of optimism was replaced by the “spirit of Armageddon”, which was characterized by the region “entering the period of wars, conflicts presaging descent into wars, and aftermath of wars, which has dominated so much of the history of the Gulf region since then...(Further) all three major wars in the world in the last three decades have been fought in the Gulf (along with the Arab-Israeli wars, the Middle East has had the highest per capita war in the world in six decades), and there have been conflictual reverberations coming from the ‘arc of crises’ allegations (the presumed encirclement of the Gulf) in the early 1980s, the Afghanistan conflict, the ‘war on terror’, and the side effects of ongoing conflicts in Palestine and Lebanon....”

The fall and instability in oil prices, as well as the consequent low revenues during the next two decades added to the woes.

These two eras transpires to usher in the reigning “spirit of possibility” where “it is possible to develop and implement visions of transformative and far-reaching change” – which cannot be compared yet to the spirit of optimism, but has certainly and positively moved away from the spirit of Armageddon.

This new spirit is characterized, first, by high oil prices. Unlike political reasons, which fuelled the first oil boom, it is largely economic factors- driven by the need to fuel economic growth in the developing countries- that have resulted in unforeseen oil price rise, resulting in overflowing treasuries for the Gulf countries. This phenomenon is unlikely to see a quick reversal of fortunes like in the past.

After earning \$364 billion in 2007, the Gulf Cooperation Council (GCC) countries are projected to earn about \$1.3 trillion in oil revenue in 2008 and 2009. The International Monetary Fund’s Institute of International Finance estimated that the GCC public and private overseas wealth reached \$1.8 trillion at the end of 2007.

A Goldman Sachs report titled “The GCC Dream” projected the 2050 per capita GDP for the region at \$63,250, which compares with leading industrial countries. If problems such as

inadequate human resources can be addressed, the per capita income level could touch \$78,800.

The report also estimates that the projected cumulative oil and natural gas revenues for the GCC countries during 2005-2030 would amount to \$5.5 trillion. This would help the region's GDP hit \$5.5 trillion by 2050, overtaking Britain and Germany.

It is obvious that the GCC countries have learnt a lesson after squandering oil wealth during the 1970s. Thus, for the first time, high oil prices are accompanied by economic diversification. Economic reform is also encouraging private sector growth, which in turn is capable of providing competitive and underprivileged nationals with opportunities to take up challenging jobs, rather than rely on the public sector.

Socially, in order to sustain the diversification process in the long run and tackle the unemployment problem, the region is attempting to read the "knowledge economy" route – "one in which the generation and exploitation of knowledge play the predominant part in the creation of wealth," where human capital is the chief source of economic value, and education and training the main tools.

Even politically, contrary to the opinion that political reforms are usually on the region's agenda only during low oil prices, the GCC countries have made noticeable progress since 2003, gradually expanding the participation of both the political actors and electorate – Oman allowed all citizens above the age 21 years to vote in the consultative council elections in 2003; Saudi Arabia held its first municipal elections in 2005; Kuwait weathered a gender-sensitive society to grant women the right to vote and stand for public office in 2006; Bahrain elections the same years saw the oppositions groups, which boycotted the 2002 polls, successfully participate; the UAE elected half its Federal National Council members in its first elections in 2006; and Qatar is bound to conduct elections sooner or later after announcing recently that two thirds of its parliament members will be elected.

Further, all the GCC countries, except Saudi Arabia, now have women ministers.

The second factor driving the spirit of possibility is the "failure of others", especially on issues related to Iraq and Iran. This exposed "the limitations of externally-initiated solutions" to

regional problems and reinforced the wisdom in exploring local solutions to local problems- as seen in Qatari and Saudi diplomatic initiatives that have contributed positively to Lebanese, Yemeni, Iraqi and Iranian crises, among others.

The third factor is what some describes as the “real strategic shift” in the region’s foreign policy. Owing to the failure of the United States in the region and the shifts in the economic power center from the West to the East, the GCC countries are building ties with a host of alternatives, particularly in Asia. For the doubters of the Gulf’s ‘look East’ policy, “the extent to which there are real options is not the issue. It is the perception which is important, as it is this which creates an openness to envisaging new possibilities.”

It would not be imprudent to suggest that the ongoing changes are bound to further alter the region’s socio-politico-economic foundations, giving momentum to the spirit of possibility, which could translate into a Fertile Gulf.

Review

This article compares socio-politico-economic situation and changes occurred during two oil booms, first boom from 1973-82 and second from 2003 onwards.

Shifts in Washington’s policy towards Iran and achievement of relative gains in Iraq give hope to Gulf region. 30 years ago Gulf region was occupied by the “spirit of Optimism”, plans to transform the region as well as the developing World. After 1981 it was replaced with the “spirit of Armageddon” by entering into period of wars, as all three major wars of last three decades have been fought in Gulf region. “Spirit of possibility” is followed by above two spirits, where it is possible to develop and implement the visions of transformation. This new spirit contains three factors as follows:

1. High oil prices, which gives boost to economy and helps to reform social and political structure. In 2007, GCC countries earned \$364 billion in oil revenues. And it is being expected to earn about \$1.3 trillion in oil revenues in 2008 and 2009. Socially, GCC countries are trying to sustain the economic boost with the help of proper planning in social sectors like tackling the issue of unemployment etc. In political sector, GCC countries are going for noticeable moves since 2003 by gradually expanding the participation of both the political actors and electorates.
2. Second factor that is behind the spirit of possibility is failure of others in Iraq and Iran, which gives a sense to Arabs to find out the local solutions to their local problems.

3. Third factor is, shifts in strategic policy of Gulf States by expanding the economic ties with Asian countries after the failure of USA in the region and the shift in the economic power center from the West to the East.

BUSINESS AND POLITICS IN THE MUSLIM WORLD
SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report
From 29 August to 5 September
Presentation: September 5, 2008

Indonesia

Political front

- Indonesian President Susilo seems to win reelection
- Vice President pushes for simplified political system (pol,eco)
- [Nuclear Issues: Indonesia supports Iran's nuclear programme](#)
- Islamic Defenders Front supporters rally in Jakarta

Economic Front

- Asian inflationary pressures set to ease
- Indonesian energy firm eyes \$800 mln power projects (eco,social,technical)
- Indonesian bank governor vows to reduce inflation
-

Social Front

- Hundreds flee homes after flood in eastern Indonesia
- Failed people smuggler jailed for five years

Malaysia

Political front

- Malaysia agrees to keep Philippines peace monitors

Economic front

- Malaysia plans record budget

Thailand

Political/Social front

- People's alliance reiterates that PM must resign
- Thai railway directors quit after nationwide strikes
- State-owned workers expected to stop (3)
- Emergency session of Thai parliament called for today
- Opposition Leader Calls For House Dissolution, PM Resignation
- State of emergency declared in Bangkok
- Thai army chief won't use force against protesters
- Thai PM refuses to quit, crisis drags on

Economic Front

- Thailand Raises Rate for 2nd Time to Tame Inflation
- Political turmoil dims Thai investment appeal, says World Bank

Social Front

- Thailand's Election Commission recommends governing People's Power Party be dissolved
- Bangkok bomb raises fears of violent campaign

Singapore

Political Front

- MOM seeks public feedback on amendments to Employment Act(pol,eco)

Geo strategic front

- Singapore, Indonesian navies provide community services in Padang

Economic Front

- Economists lower Singapore's growth forecast to 4.2%
- Commissioner of Charities seeks more powers to regulate IPCs

Social front

- Commissioner of Charities seeks more powers to regulate IPCs

Philippine

- Political ,Social Front
- Vigilante resurgence raises Mindanao worries
- Human rights violated in Manila Pen media arrests, says CHR
- Ferry bomb terror suspect held in Manila
- Rebels in Philippines say peace is "in purgatory"
- 6 Killed, 27 Injured In Philippines Bus Blast
- MILF not to blame for deadly Digos bombing - officials

Vietnam

Political,Geo strategic

- Inter-section Talks Held between DPRK and Laos
- Vietnam, Canada celebrate 35 years of diplomatic ties

Economic Front

- Dong, bonds perform well on government's anti-inflation moves

Social Front

- Flash floods kill 11 in northern Vietnam
- Vietnam denies use of stun gun to break protest

Laos

Political,Geo strategic

- China and Vietnam square off in Laos(eco also)
- President Choummaly ends visit to India

Economic front

- Corridor gains slow to materialize

Social front

- Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region

Cambodia

Political/Geo Strategic Front

- Thai, Cambodia border talks cancelled
- Corruption allegations taint Cambodian Khmer Rouge trials

Summary

Like previous weeks same situation of economy and politics is going on in South East Asia. But there are also security issues existing in the countries of this issue that are mainly concerned with political stability just like in Indonesia, Malaysia, Cambodia but Thailand is more prominent country in this region now a days due to its worsen political instability. This country is again near the brink of coup.PAD is protesting with a lot of support of different unions that are political and economic as well. These protesters are blaming government that she is following the pattern of previous government so she should resign. And in reaction government has refused to resign that is demand of protesters and now finally a state of emergency in the country has been declared Cambodia and Thailand are now at peace by a temporary agreement. Peace accord that has become a bone of contention among Muslims and Phillipinian government is shaking the peace of whole Philippine because there is a war like situation between Muslim rebels and Pilipino army. Rebels have approached to Malaysia to do some help for renegotiations over the issue and Malaysia has also responded positively. At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability because it is making public more irritated. Also there are a lot of economy commitments plans on bilateral and multilateral levels among countries to do the better for the betterments of country especially the economic commitments.

The summary of news item is as follows:

Indonesia

- **Indonesian President Susilo seems to win reelection**

Indonesian President Susilo Bambang Yudhoyono is likely to win the next presidential election in 2009, defeating former president Megawati Soekarnoputri who has top popularity, a survey quoted by a paper said here Tuesday

- **Vice President pushes for simplified political system (pol,eco)**

Vice President Jusuf Kalla on Monday reiterated a call to simplify the political system, saying the country had talked too much about politics but made less time for discussing economic issues.

- **Nuclear Issues: Indonesia supports Iran's nuclear programme**

IRNA reports Indonesian first Vice-President Yusuf Kalla has affirmed his country's support for Iran's peaceful nuclear activities.

- **Islamic Defenders Front supporters rally in Jakarta**

Thousands of Front Pembela Islam supporters, or Islamic Defenders Front, supporters have rallied outside the presidential palace, central Jakarta, to demand the banning of Jemaah Ahmadiyya.

- **Asian inflationary pressures set to ease**

South Korea, Thailand and Indonesia reported slowing rates of growth in consumer prices yesterday, prompting suggestions that Asian inflation has peaked and probably monetary policy tightening with it.

- **Indonesian energy firm eyes \$800 mln power projects(eco,social,technical)**

Indonesian state-owned energy company Adhi Karya sought a possibility to develop four steam power plants projects worth 800 million U.S. dollars, a paper said here Monday

- **Indonesian bank governor vows to reduce inflation**

The governor of the Indonesian central bank said he would "do whatever it takes" to bring annual inflation below 10 percent in 2009, from 11.9 percent in July, as elections next year are expected to ensure strong economic growth.

- **Hundreds flee homes after flood in eastern Indonesia**

Over seven hundreds people have escaped from flood and two others have gone missing in South Kalimantan province of Indonesia, health ministry said here Tuesday.

- **Failed people smuggler jailed for five years**

Indonesian Achmad Oolong, 42, who was extradited to Darwin from Thailand in July last year will serve at least 30 months in jail after he pleaded guilty to having attempted to smuggle 353 people, mostly Iraqis, into Australia in November 1999

Malaysia

- **Malaysia agrees to keep Philippines peace monitors**

Kuala Lumpur, August 29: Malaysia would keep its peacekeepers in the southern Philippines for another three months to monitor a fragile truce between government troops and Muslim guerrillas, Foreign Minister Rais Yatim said yesterday

- **Malaysia plans record budget**

Abdullah Badawi, Malaysia's prime minister's plans to increase government spending by nearly 6 per cent next year as he seeks to regain popularity and fend off an opposition challenge to topple his administration.

Thailand

- **People's alliance reiterates that PM must resign**

People's Alliance for Democracy spokesman Somsak Kosaisuk reiterated yesterday that both Prime Minister Samak Sundaravethe and the government must resign unconditionally, reports the Thai News Agency.

- **Thai railway directors quit after nationwide strikes**

The directors the Thailand State Railways, including its chairman Somsak Boonthong, resigned yesterday because of a strike that disrupted services throughout the country and caused a loss of more than Baht 60 million in revenue.

- **State-owned workers expected to stop (3)**

Forty-three State-owned enterprise labor unions have agreed to stage strikes and to selectively cut water and electricity, halt Bangkok buses and delay all Thai International Airways flights beginning today in support of the People's Alliance Democracy effort to topple Prime Minister Samak Sundaravej and his government, reports The Nation newspaper.

- **Emergency session of Thai parliament called for today**

The majority People's Power Party and its four coalition partners have agreed to call a special session on parliament in an effort to end the political crisis that has paralyzed Thailand.

- **Opposition Leader Calls For House Dissolution, PM Resignation**

The leader of Thailand's opposition Democrat Party demanded Prime Minister Samak Sundaravej resign or call new elections as an emergency session of the Southeast Asian nation's parliament, intended to solve the country's political turmoil, backfired against the government and turned into a debate on its handling of the crisis.

- **Thailand's Election Commission recommends governing People's Power Party be dissolved**

Thailand's Election Commission has ruled that the governing People's Power Party committed electoral fraud in December polls and should be dissolved. The ruling further complicates the country's continuing political crisis.

- **State of emergency declared in Bangkok**

BANGKO Thai Prime Minister Tuesday declared a state of emergency in Bangkok after government supporters and opponents clashed in the capital.

- **Thai army chief won't use force against protesters**

Thailand's army chief has vowed not to use force against protesters following the prime minister's declaration of emergency rule.

- **Thailand Raises Rate for 2nd Time to Tame Inflation**

Thailand raised its benchmark [interest rate](#) for a second straight month to tame inflation, putting the central bank in conflict with a government that called two days ago for borrowing costs to be left on hold.

- **Political turmoil dims Thai investment appeal, says World Bank**

Political turmoil and a shortage of skilled labour have dimmed Thailand's appeal to investors in recent years, according to a World Bank survey Friday.

- **Thai PM refuses to quit, crisis drags on**

Thai PM refuses to quit, crisis drags on Defiant Thai Prime Minister Samak Sundaravej refused to quit as his opponents vowed on Thursday to keep up a street campaign to unseat him, setting the scene for more political uncertainty.

Singapore

- **MOM seeks public feedback on amendments to Employment Act(pol,eco)**

The Manpower Ministry (MOM) is reviewing the Employment Act, and is seeking feedback from the public on the proposed changes.

Under the proposed amendments, MOM will revise the coverage of the Employment Act. Currently, non-manual workers who earn less than \$1,600 are covered under Part IV of the Act which entitles them to statutory benefits such as overtime payment and annual leave eligibility

- **Singapore, Indonesian navies provide community services in Padang**

Some 500 officers from the Singapore and Indonesian navies spent the past four days providing community services to the people in Padang, Indonesia.

- **Singapore, China map out key priorities of eco-city project**

Singapore and Chinese leaders said the Sino-Singapore Tianjin Eco-City project is a symbol of strong and warm bilateral ties. This came during a meeting between Singapore's Deputy Prime Minister Wong Kan Seng and Chinese vice Premier Wang Qishan in Tianjin on Wednesday.

- **Economists lower Singapore's growth forecast to 4.2%**

Private sector economists said Singapore's economy may expand 4.2 per cent this year, slower than earlier forecasts of 5.5 per cent.

- **Commissioner of Charities seeks more powers to regulate IPCs**

The Office of the Commissioner of Charities wants to better protect the public interest when it comes to Institutions of a Public Character (IPCs). It is seeking further amendments to the Charities Act, giving powers to the Commissioner to regulate IPCs in the same way he regulates charities. Currently the powers are confined only to the revocation and suspension of the IPC status.

Philippine

- **Vigilante resurgence raises Mindanao worries**

Clergymen, human rights advocates, defense and police officials are worried about the resurgence of armed Christian vigilantes in Mindanao. "I look back during the time of 1970s when vigilantes were used by troops during martial law," said Archbishop Orlando Quevedo of Cotabato City.

- **Human rights violated in Manila Pen media arrests, says CHR**

The Commission on Human Rights (CHR) yesterday found human rights violations in the arbitrary arrest and detention of media persons after a six-hour standoff at the Manila Peninsula Hotel in Makati City last Nov. 29, 2007.

- **Ferry bomb terror suspect held in Manila**

Authorities in Bahrain arrested Ruben Pestano Lavilla Jr. last month, said Ricardo Blancaflor, undersecretary at the Department of Justice. Lavilla was deported Saturday to Manila, where police arrested him and briefly paraded him in front of local media crews before locking him inside police headquarters, Blancaflor said.

- **Rebels in Philippines say peace is "in purgatory"**

The Philippines' largest Muslim rebel group threatened on Sunday to pull out of peace talks with Manila because the government has cancelled a territorial deal after it was challenged in the Supreme Court.

- **6 Killed, 27 Injured In Philippines Bus Blast**

At least six people were killed and over 27 others injured when a bomb exploded inside a parked passenger bus in the southern Philippines on Monday, said officials.

- **MILF not to blame for deadly Digos bombing - officials**

Philippine authorities on Tuesday said a deadly bus bombing in the troubled south that killed six people was the work of a crime gang and not Muslim separatist rebels.

They blamed a little-known gang called Al Khobar for Monday's attack on the Metro Shuttle bus at a terminal in Digos city.

Vietnam

- **Inter-section Talks Held between DPRK and Laos**

Pyongyang, September 1 (KCNA) -- Inter-section talks between the DPRK and Laos were held here on Monday.

- **Vietnam, Canada celebrate 35 years of diplomatic ties**

The Vietnamese Embassy in Canada held a banquet in Ottawa on August 28 to mark Vietnam's 63rd National Day and the two countries' 35th anniversary of diplomatic ties (1973-2008).

- **Dong, bonds perform well on government's anti-inflation moves**

Vietnam's dong and benchmark bonds completed their best month on record on speculation policy makers are taking sufficient steps to cool inflation.

The local currency advanced for a second month as the central bank Friday resisted calls to cut interest rates from the highest in Asia.

- **Flash floods kill 11 in northern Vietnam**

Eleven people, three of them children, have been killed by flash floods and landslides that struck a mountainous province in northern Vietnam this week, the government said on Friday.

- **Vietnam denies use of stun gun to break protest**

Vietnamese authorities denied Friday that they had used force or stun guns to break up a demonstration by Catholics who are demanding the return of land the Communist government took more than four decades ago.

Laos

- **China and Vietnam square off in Laos**

China's growing influence in resource-rich Laos is seen by some as coming at the expense of ties with Vietnam, long the communist country's main patron and de facto security guarantor. The diplomatic recalibration is part of the landlocked country's bid to more fully integrate economically with the region and has so far served its interests well.

- **President Choummaly ends visit to India**

(KPL) President of the Lao Peoples Democratic Republic Choummaly Sayasone, ended his five-day visit to India and arrived in Vientiane on 30 August. During the visit, the two presidents of Laos and India, made efforts to strengthen the relations between the two countries.

- **Corridor gains slow to materialize**

The transnational corridor remains a “work in progress” one year after the East West Economic Corridor week was organized in central Da Nan City

Established at a Greater Mekong Sub-Region (GMS) group meeting in 1998, the corridor was expected to integrate the region's economies by renovating road sections and strengthening cross-border links along the 1,450km-long highway that runs through Myanmar, Thailand, Laos and Vietnam.

- **Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region**

Health officials and experts from countries in the Asia-Pacific region with a low prevalence of HIV/AIDS Thursday in Manila, Philippines, pledged to intensify national efforts to curb the spread of the disease

The delegates at the three-day meeting also said that there is a need for governments, civil society groups and international development partners to improve efforts to deliver interventions to at-risk populations.

Cambodia

- **Thai, Cambodia border talks cancelled**

The border talks between Cambodia and Thailand scheduled for today have been cancelled. The Cambodia Daily quoted defense minister Neang Phat that he was told Wednesday that the talks to discuss ownership of land within the precinct of the historic Preah Vihear would be cancelled.

- **Corruption allegations taint Cambodian Khmer Rouge trials**

Judges at Cambodia's genocide court have demanded that corruption allegations be addressed to avoid tainting upcoming trials of former Khmer Rouge leaders. The cash-strapped court has been twice hit by allegations that Cambodian staff paid bribes for their jobs.

Detailed Monitoring Report

Indonesia

Political front:

- **Indonesian President Susilo seems to win reelection**

Indonesian President Susilo Bambang Yudhoyono is likely to win the next presidential election in 2009, defeating former president Megawati Soekarnoputri who has top popularity, a survey quoted by a paper said here Tuesday.

The survey carried out by the Indonesian Research and Development Institute (Irdi) said that the retired general Susilo would win a head-to-head duel against Megawati due to most of supporters of others president candidates preferred voting for Susilo to Megawati. Several candidates will take part in the second Indonesia direct presidential election next year. The survey revealed that President Susilo's policy of raising oil price would not have serious impact. "It's also clear that the recent fuel price increase will have little impact on Susilo's chances," said Mandica.

- **Vice President pushes for simplified political system (pol,eco)**

Vice President Jusuf Kalla on Monday reiterated a call to simplify the political system, saying the country had talked too much about politics but made less time for discussing economic issues.

Kalla argued the existing system, requiring citizens to take part in national and local elections about eight times in five years, was inefficient and cost the state too much. "If there are too many elections, public participation will be low, while the economic cost to hold the polls will be high. Speaking as a businessman, this is not efficient," Kalla told participants in a training program organized by the National Resilience Institute (Lemhannas).

"We need to simplify the political system so we can have more time to discuss economic growth." Kalla stressed political debate could not be separated from discussions on economic, social and security issues. "These issues are related to each other. You can't only focus on how to build political security in the country," he said.

The Vice President said no country measured its welfare by the number of political parties contesting elections.

"Welfare is measured by economic growth, unemployment or per capita income -- not by the number of political parties," he said. He blamed the collapse of the previous government mainly on the country's poor economic condition. He said the country's first president, Sukarno, who had strong political backing, was ousted after inflation reached 600 percent, causing prices of basic commodities to skyrocket.

Similarly, former president Soeharto was forced to resign in 1998 because of the Asian economic crisis, which devastated the nation and others in the region. "But the governments of Malaysia and Singapore did not collapse in the aftermath of the Asian crisis because their economic conditions were better at the time," he added.

Kalla said if Indonesia's economic condition was to advance, it would be easier for it to build a strong political system. "Just look at Japan and England: the two countries seem

to be happy with their monarchies. It is because they have better economic systems," he said. "But if anyone speaks of a monarchy in Indonesia, they will be killed."

- **Nuclear Issues: Indonesia supports Iran's nuclear programme**

IRNA reports Indonesian first Vice-President Yusuf Kalla has affirmed his country's support for Iran's peaceful nuclear activities.

In a meeting with visiting Head of Iran's National Youth Organization Mohammad-Javad Hajali-Akbari, Kalla reiterated that pursuance of peaceful nuclear energy is legitimate right of all countries including Iran and Indonesia.

Announcing Jakarta's support for Iran's peaceful nuclear program he called for consolidation of unity and solidarity of the two nations.

- **Islamic Defenders Front supporters rally in Jakarta**

Thousands of Front Pembela Islam supporters, or Islamic Defenders Front, supporters have rallied outside the presidential palace, central Jakarta, to demand the banning of Jemaah Ahmadiyya.

The demonstrators, who arrived by motorcycle, cars, and open trucks, also demanded the release of front organiser Habib Riziq Shihab who is standing trial after people attending a religious tolerance rally in June were attacked. On Sunday, Religious Affairs Minister Muhammad Maftuh Basyuni as telling Muslims at a school in Sukabumi, West Java, the government would not issue a presidential regulation to disband Jemaah Ahmadiyya as demanded by numerous Islamic organizations.

The minister said the government had no legal grounds to disband Jemaah Ahmadiyya and those demanding it did not have a strong argument because both the Quran and the Prophet Muhammad did not allow Muslims to force other people to profess Islam. The joint ministerial decree prohibits Jemaah Ahmadiyya from proselytizing its teachings but does not stop its followers from worshiping according to their beliefs.

Geo strategic

- **Indonesia buys 20 Russian infantry fighting vehicles**

Indonesia will buy 20 Russian BMP-3F infantry fighting vehicles, the Russian ambassador to Jakarta has said.

Alexander Ivanov said representatives of the Russian arms exporter Rosoboronexport and the Indonesian Defense Ministry signed a \$40 mln contract on Monday for the delivery of a consignment of BMP-3F infantry fighting vehicles. A Rosoboronexport spokesman said the delivery would be made in 2010.

The new IFVs will replace the PT-76 vehicles that are currently in service with the Indonesian armed forces. The BMP-3F is specially designed for operations at sea, with improved seaworthiness and buoyancy, and high fire accuracy. It can endure continuous amphibious operation for seven hours. The vehicle is capable of engaging targets at a range of up to 5,000-6,000 meters with its antitank guided missile system 9K116-3 Basnya.

Economic Front

- **Asian inflationary pressures set to ease**

South Korea, Thailand and Indonesia reported slowing rates of growth in consumer prices yesterday, prompting suggestions that Asian inflation has peaked and probably monetary policy tightening with it.

Tim Condon, head of Asia research at ING, said: "The tightening cycle is over across Asia. A lot of this is an oil call, and if oil spikes again we will see upward inflationary pressures."

Falling commodity prices and a resultant slowing of food price inflation was a key factor in yesterday's data reports. Robert Prior-Wandesforde, an Asia economist for HSBC, said: "In Asia, food explains 60 per cent of the overall inflation rate in the last year, with energy accounting for 15 per cent."

The extent to which inflation drops across Asia will be limited by food commodity prices remaining relatively high, wage increases, exchange rates weakening against the dollar and monetary authorities' reluctance to tighten further. Singapore and China have also recently predicted that inflation is likely to have peaked for the time being.

Some analysts believe Vietnam, India and the Philippines could be the exceptions to the trend, in that it could take policymakers there a few more months to rein in price rises.

- **Indonesian energy firm eyes \$800 mln power projects(eco,social,technical)**

Indonesian state-owned energy company Adhi Karya sought a possibility to develop four steam power plants projects worth 800 million U.S. dollars, a paper said here Monday. Director for finance of the company Indradjaja Manopol was quoted by Bisnis daily as saying that the funds to finance the projects would be from rights issue of the shares of the company. "Now, we are conducting negotiation to get the projects," he said. The director expected that the negotiation would be completed before the year end. Indonesian State-Owned Enterprises Minister Sofyan Djalil said that the government was ready to purchase the shares released by firms as soon as at the end of this year. Three of the projects are located in Java Island.

- **Indonesian bank governor vows to reduce inflation**

The governor of the Indonesian central bank said he would "do whatever it takes" to bring annual inflation below 10 percent in 2009, from 11.9 percent in July, as elections next year are expected to ensure strong economic growth.

Indonesia, the biggest Southeast Asian economy, which expanded 6.3 percent in 2007, the fastest pace in 11 years, will be sustained by strong domestic demand thanks to parliamentary and presidential elections next year, the bank governor, Boediono, who goes by one name, said. "During election years, demand will always be strong. So there is no problem. There is no need to urge us, the monetary authorities, to offer additional stimulus" to improve the economy, said Boediono, speaking at his home near Yogyakarta, central Java.

"My focus therefore is to stabilize prices so that we can bring down inflation from 11.9 percent to a single-digit number."Indonesia holds parliamentary elections in April, and presidential elections a few months later Indonesia has been largely isolated from the effect of the financial market turmoil in the United States, as its commercial banks have relatively small exposure to the U.S. debt market.

Social Front

- **Hundreds flee homes after flood in eastern Indonesia**

Over seven hundreds people have escaped from flood and two others have gone missing in South Kalimantan province of Indonesia, health ministry said here Tuesday.

The official said that consecutive day of heavy rains which could not be held by lack-forest covered areas was blamed for the natural disaster. Logistic and medical assistance had arrived at the site of the disaster, he said. Indonesia has been frequently hit by floods and landslides due to lack of forest covered areas resulted by deforestation. But the archipelago country has now struggling to cope with the problem by planting millions of trees.

- **Failed people smuggler jailed for five years**

Indonesian Achmad Oolong, 42, who was extradited to Darwin from Thailand in July last year will serve at least 30 months in jail after he pleaded guilty to having attempted to smuggle 353 people, mostly Iraqis, into Australia in November 1999.

Justice Stephen South wood sentenced Oolong to five years jail before parole after the reportedly debt-ridden coal mine operator admitted that he had charged his asylum seekers US\$1,700 and \$3,500 each to travel from Indonesia to Australia aboard a dilapidated 40-metre wooden boat. An Australian navy patrol intercepted the vessel and its passengers – including women and children – at uninhabited Ashmore Reef in the Indian Ocean, about 800 kilometers west of Darwin. Defense lawyer Greg Smith said that Oolong had smuggled the Iraqis because he pitied their suffering under former Iraqi

President Saddam Hussein. He was vacationing with his family when arrested. Judge Southwood said he would have doubled Achmad Olong's jail term but for his pleading guilty. The failed people smuggler had faced 20 years in jail.

Environmental front

Malaysia

Political Front

- **Umno apologizes over racist remark**

Umno, the backbone of the ruling Barisan National government, has issued a public apology over a remark made by Bukit Bendera Umno division head Datuk Ahmad Ismail during the Permatang Pauh parliamentary by-election last month.

"We hope that the non-Malays will not be too disturbed with the statement and we apologize if it has incurred the sensitivities or unhappiness over the statement.

"We apologize, Umno apologizes although it is not our statement but it is a statement made by one of our division leaders. It is totally unwarranted and does not reflect the position and the attitude of Umno or the leadership of Umno. We regret it very much," Deputy Prime Minister Datuk Seri Najib Tun Razak, who is also Umno deputy president, said here on Tuesday.

In the run-up to the Permatang Pauh by-election, Ahmad had said at a ceramah that the Chinese community were mere "immigrants" in the country and thus were not entitled to be given equal rights in Malaysia.

"The statement is his personal statement and is not the stand of Umno and the Government. We do not regard Malaysian citizens of Chinese, Indian or other descent as 'passengers'." They are Malaysian citizens who have full rights and we will definitely safeguard their interests and their dignity and I describe the statement as something that Umno and the Government very much regret," he said.

- **Malaysia agrees to keep Philippines peace monitors**

Kuala Lumpur, August 29: Malaysia would keep its peacekeepers in the southern Philippines for another three months to monitor a fragile truce between government troops and Muslim guerrillas, Foreign Minister Rais Yatim said yesterday.

The decision had been made at the request of the Philippines government, he told reporters.” A three-month period would be a reasonable extent of time for us to play that role to bring together the peace Process,” he said. “We are concerned about the continuing violence and this is the first segment of our address so that violence should stop.” Malaysia began withdrawing its 40 peacekeepers from Mindanao in April because of frustrations about the slow pace of talks between Manila and the Moro Islamic Liberation Front. Malaysia will now maintain at least 12 peacekeepers and their mandate, which was to expire on Sunday, is expected to be extended until Sunday, November 30.The fighting between government troops and Muslim guerrillas in southern Philippines has now displaced 362,000 people, says The Philippines National Disaster Coordinating Council. About 50 percent of them are crowded into 132 evacuation centers.

Economic front

- **Malaysia plans record budget**

Abdullah Badawi, Malaysia's prime minister, plans to increase government spending by nearly 6 per cent next year as he seeks to regain popularity and fend off an opposition challenge to topple his administration. But there are worries that the increased spending may pose economic risks, including stoking inflation, which is already at a 27-year high.

Mr Abdullah, who is also finance minister, has proposed a record M\$208bn (\$61.3bn, €41.7bn, £33.7bn) budget for 2009, including benefits for lower income groups and tax cuts for the middle class, in an effort to keep growth above 5 per cent.

The opposition, led by Anwar Ibrahim, criticises the spending proposals as "populist" and says the government is depending on oil revenues to finance the spending increase even though the country's energy reserves are set to decline.

The governor said she was not under political pressure to keep rates on hold and the central bank earlier denied market rumours that Ms Zeti was threatening to quit. But the cloudy economic situation is undermining investor confidence, with the Kuala Lumpur stock exchange share index falling by nearly 30 per cent this year, making it one of south-east Asia's worst performers.

Environment/Social front

Thailand

Political, Social front

- **People's alliance reiterates that PM must resign**

People's Alliance for Democracy spokesman Somsak Kosaisuk reiterated yesterday that both Prime Minister Samak Sundaravethe and the government must resign unconditionally, reports the Thai News Agency.

The military-government-ordered 2007 constitution would also have to be changed and a new system of participatory democracy introduced. A strike by public-sector workers in support of the People's Alliance for Democracy had little impact on daily life in Bangkok yesterday. But the Thai News Agency says Telecom workers who had planned to cut international telecommunications yesterday, were now expected to do so today. The baht was at 34.43 to the dollar after hitting a one-year low of 34.52 on Tuesday and the major stock index fell almost one percent on Wednesday and is down 25 percent since the protests began in May.

- **Thai railway directors quit after nationwide strikes**

The directors the Thailand State Railways, including its chairman Somsak Boonthong, resigned yesterday because of a strike that disrupted services throughout the country and caused a loss of more than Baht 60 million in revenue.

The strike was to show worker support for the People's Alliance for Democracy in its effort to force Prime Minister Samak Sundaravej and his government to resign. Deputy Prime Minister and Interior Minister Police General Kowit Wattana met senior police officials in Bangkok yesterday morning to evaluate the alliance's continuing anti-government protests.. The meeting followed the special meeting of the Thai parliament called by the majority People's Power Party and its four coalition partners to end the political crisis that has paralyzed Thailand. Pro-government supporters march on Thai parliament Bangkok, September 1: More than 1,000 government supporters marched on the twin sittings of Thailand's House of Representatives and Senate to support embattled Prime Minister Samak Sundaravej and his government. The marchers avoided anti-government protesters, including the thousands who have occupied the prime minister's official compound since Tuesday. They have vowed to stay until the prime minister quits.

- **State-owned workers expected to stop (3)**

Forty-three State-owned enterprise labor unions have agreed to stage strikes and to selectively cut water and electricity, halt Bangkok buses and delay all Thai International Airways flights beginning today in support of the People's Alliance Democracy effort to topple Prime Minister Samak Sundaravej and his government, reports The Nation newspaper. The aim was to help the alliance force the government out of office, the newspaper quoted State Enterprise Labor Relations Confederation secretary-general Sawit Kaewwan. The trade unionist, who is a senior representative of the People's Alliance for Democracy, said the unions would begin by cutting water and electricity supplies to provincial police offices - and then to other selected targets.

Telephone lines to government agencies and the homes of cabinet ministers would be cut. Thai International flights would be delayed and about 80 per cent of Bangkok buses would stop running. Some banks too are expected to close. But train services to north and northeastern Thailand were restored yesterday, the newspaper said. The secretary-general

said the plan to cut essential services was in response to the use of force against alliance supporters.

Emergency session of Thai parliament called for

The majority People's Power Party and its four coalition partners have agreed to call a special session on parliament in an effort to end the political crisis that has paralyzed Thailand. The sitting was agreed after embattled Prime Minister Prime Minister Samak Sundaravej vowed that he would not resign but instead would seek an early audience with King Bhumibol Adulyadej. "I will not back down and will not resign as demanded by the protesters which are led by People's Alliance for Democracy," the Thai News Agency quoted him as saying. "I will continue my duties for the sake of the country. I am appointed as a Prime Minister by the laws, so if I have to quit, I will quit according to the laws, not because of threats from protests." The emergency parliamentary session was called as protesters occupied the prime minister's office compound in Bangkok for a fifth day and forced the closure of airports at resort destinations, stranding tourists as rail, power and airline workers threatened to strike.

The Thai Civil Court suspended an order for protesters to leave Government House, and scuffles between protesters and police left 126 injured, television news reported." The coalition parties agree we should seek a solution by means of politics," Bloomberg quoted Agricultural Minister and Chart Thai party representative Somsak Prissanantakul as saying. Heavy rain has failed to deter the thousands of protesters who remain camped inside Government House - a venue where the prime minister normally holds official functions and greets foreign dignitaries. The benchmark SET Index has fallen almost 22 percent since the People's Alliance began its campaign to oust Samak on May 25, and the baht has fallen 6.7 percent. Political instability has overtaken inflation as the biggest threat to Thailand's economy, says the central bank.

- **Opposition Leader Calls For House Dissolution, PM Resignation**

The leader of Thailand's opposition Democrat Party demanded Prime Minister Samak Sundaravej resign or call new elections as an emergency session of the Southeast Asian

nation's parliament, intended to solve the country's political turmoil, backfired against the government and turned into a debate on its handling of the crisis.

"House dissolution is one of the ways to show responsibility. We all need to sacrifice ourselves to create the norm so that our democracy would go a step forward," Democrat leader Abhisit Vejjajiva said during Sunday's nationally televised meeting of the parliament and the senate.

Thailand's besieged coalition government is struggling to defuse a worsening political crisis after waves of anti-government protests spread beyond the country's capital on Friday, forcing the closure of several regional airports and disrupting rail services. About 10,000 supporters of the People's Alliance for Democracy, which is demanding Samak's resignation because of his close ties with ousted premier Thaksin Shinawatra, have occupied the Government House compound in Bangkok for six days, resisting riot police and a court order to disperse. PAD leaders want to replace Thailand's democracy with a largely appointed parliament. He returned to Thailand in February from self-imposed exile but earlier this month skipped bail and fled to London to avoid a raft of corruption charges.

- **Thailand's Election Commission recommends governing People's Power Party be dissolved**

Thailand's Election Commission has ruled that the governing People's Power Party committed electoral fraud in December polls and should be dissolved. The ruling further complicates the country's continuing political crisis.

The Election Commission's Secretary General Suthiphon Thawichaikan says the commission unanimously voted to dissolve the People's Power Party. The case now will be forwarded to the public prosecutors office who then will determine whether it should be submitted to the Constitutional Court for a final ruling. Prime Minister Samak Sundaravej is already under pressure to resign, after anti-government protesters took over the prime minister's residence last week.

- **State of emergency declared in Bangkok**

BANGKO Thai Prime Minister Tuesday declared a state of emergency in Bangkok after government supporters and opponents clashed in the capital.

At least one person died and more than 30 were injured in the overnight clashes in the streets between supporters of the pro-government National United Front of Democracy against Dictatorship (DAAD) and the anti-government People's Alliance for Democracy (PAD), the Thai News Agency reported.

The emergency order banned gatherings of more than five people, the report said. Local media would be prevented from disseminating any news that may be seen as causing public panic or instigating violence. The emergency decree would be enforced by a team to be headed by Thai Army Chief Gen. Anupong Paochinda. The team includes the national police chief and the first regional army commander. Despite the decree, the PAD vowed to continue its protest on the Government House compound until the prime minister resigned, the report said. Schools and colleges in the areas where the clashes occurred have closed indefinitely. The Samak government has been under public pressure for weeks. PAD supporters accuse the government of being a proxy for former Prime Minister and billionaire [Thaksin Shinawatra](#), who was ousted in a coup in 2006.

- **Thai army chief won't use force against protesters**

Thailand's army chief has vowed not to use force against protesters following the prime minister's declaration of emergency rule.

Army Commander Gen. Anupong Paochinda told a news conference Tuesday that the military was "on the people's side." He said that if the military needs to get involved in the country's political crisis they will not have weapons and "will not use force."

Prime Minister Samak Sundaravej declared a state of emergency earlier Tuesday after overnight clashes between government opponents and supporters left one person dead and 43 injured. The violence heightened a national crisis that started a week ago when opponents of Samak occupied the grounds of his official compound and refused to move until he resigned

Economic Front

- **Thailand Raises Rate for 2nd Time to Tame Inflation**

Thailand raised its benchmark [interest rate](#) for a second straight month to tame inflation, putting the central bank in conflict with a government that called two days ago for borrowing costs to be left on hold.

Thai police surrounded Samak's office today, laying siege to the almost 5,000 protesters demanding he step down. Samak, who called the demands "unreasonable," said police will be "soft and gentle" with demonstrators to avoid violence. The central bank didn't discuss the political situation in the meeting today. Assistant Governor [Duangmanee Vongpradhip](#) told reporters in Bangkok. Political uncertainty, which has existed for quite some time, has already been factored in to our economic model unless there is major bloodshed." The higher rate would continue to support economic growth, Duangmanee said, adding that inflation remains the key risk because of uncertainties over oil prices.

Thailand raised its key rate last month for the first time in two years, joining Indonesia, India, Vietnam and the Philippines in increasing borrowing costs as a deepening global slowdown threatens Asian growth. At least half of the 14 economists in the Bloomberg News survey who predicted today's rate decision expect no further increases this year.

The decision to raise rates to 3.5 percent last month has been criticized by members of the government. Suchart, the deputy finance minister, said Aug. 25 that borrowing costs shouldn't be raised further because it would hurt consumers and companies.

Still, some economists said the central bank should keep increasing borrowing costs because its policy stance remains stimulative and will fuel inflation.

- **Political turmoil dims Thai investment appeal, says World Bank**

Political turmoil and a shortage of skilled labor have dimmed Thailand's appeal to investors in recent years, according to a World Bank survey Friday.

Nearly 70 per cent of the business operators surveyed between April and November last year said macroeconomic instability had dampened the investment climate, compared to just under 40 per cent in 2004.

More than 60 per cent said uncertainty over government policies had weakened the investment climate in 2007, against 30 per cent in 2004, the survey said.

In addition to the political turmoil, a shortage of skilled labour, poor access to capital, inadequate but costly regulations and unreliable infrastructure also hurt investors' opinions of Thailand, she said.

Social front

- **Tourists resume delayed journey home as Thai crisis continues**

Thousands of tourists stranded by political turmoil in Thailand faced long backlogs as they tried to find their planes home.

Fifteen thousand tourists were stranded at the popular resort of Phuket while many had already missed connecting flights from Bangkok to Britain and elsewhere.

While flights from tourist hot-spots such as Krabi and Phuket resumed, Thailand's politics remained mired in crisis with no end in sight. In his weekly radio address the beleaguered Prime Minister Samak Sundaravej accused his enemies of sabotaging Thailand's tourism industry, which was worth 6.7 per cent of GDP last year.

The crisis began on Tuesday when members of the People's Alliance for Democracy (PAD) stormed government house, the seat of Thai government. Over 10, 000 activists have been camped out in the grounds ever since, refusing to leave until the government is toppled. The scene at government house resembled a free pop concert, with thousands of protestors sitting in deck chairs, eating snacks and clapping along to live music, relayed on giant screens. The police were nowhere to be seen and stalls selling t-shirts, snacks and soft drinks have spread out to line several city blocks.

- **Bangkok bomb raises fears of violent campaign**

A small bomb exploded in a Bangkok police booth in the small hours of Monday as a stand-off between the Prime Minister and protesters occupying his office entered its seventh day with no sign of either side backing down.

A senior government source said the blast, which shattered nearby windows but caused no injuries shortly after 1 a.m. (2:00 p.m. EDT on Sunday), was a signal the People's Alliance for Democracy (PAD) was taking its campaign to another level." The PAD has launched a guerrilla war with us," the source, who asked not to be named, said. Police echoed his comments, saying they believed it to be the work of agitators trying to depict the police as powerless in the face of the three-month PAD campaign to unseat the elected administration.

"They want to show that the government and the police are too weak to protect the people," national police spokesman Surapol Thuanthong told Reuters. "It is something we expected would have happened." The PAD, a group of businessmen and activists whose campaign against former Prime Minister Thaksin Shinawatra led to his overthrow in a 2006 coup, has always espoused peaceful protest.

However, last week's raid on a state television station by men armed with knives and golf clubs, as well as the protracted Government House occupation behind razor wire barricades, has brought this into question.

- **Thai PM refuses to quit, crisis drags on**

Thai PM refuses to quit, crisis drags on Defiant Thai Prime Minister Samak Sundaravej refused to quit as his opponents vowed on Thursday to keep up a street campaign to unseat him, setting the scene for more political uncertainty.

Speaking on national radio amid widespread speculation that he would resign, Samak also dismissed talk that he would call a snap election to defuse the protests.

The anti-government People's Alliance for Democracy (PAD), barricaded inside the prime minister's official compound in Bangkok for a tenth day, vowed to stay until Samak gave up.

The PAD, a coalition of businessmen, activists and academics, has been trying to unseat Samak for over three months, accusing him of being an illegitimate proxy for former premier Thaksin Shinawatra, ousted in a 2006 coup and now in exile in London.

Analysts said the two sides had effectively precluded any chance of a compromise being thrashed out, and predicted more uncertainty ahead.

The crisis has come as the country faces slowing growth and high inflation, and Thailand's heightened risk profile could prompt exasperated investors to park their money elsewhere, analysts say.

Singapore

Political front

- MOM seeks public feedback on amendments to Employment Act

The Manpower Ministry (MOM) is reviewing the Employment Act, and is seeking feedback from the public on the proposed changes.

Under the proposed amendments, MOM will revise the coverage of the Employment Act. Currently, non-manual workers who earn less than \$1,600 are covered under Part IV of the Act which entitles them to statutory benefits such as overtime payment and annual leave eligibility. MOM has proposed to raise the salary ceiling from \$1,600 to \$2,000 to reflect increase in wages.. MOM will also review employment benefits and standards. To encourage employers to offer more part-time jobs, part-time workers will be redefined as those who work 35 hours a week, up from the current 30 hours.

The Employment Act, which covers about 1.4 million workers, was last reviewed in 1995. The Act provides workers with basic employment benefits such as salary protection, minimum employment terms and dispute resolution.

Geo strategic front

- **Singapore, Indonesian navies provide community services in Padang**

Some 500 officers from the Singapore and Indonesian navies spent the past four days providing community services to the people in Padang, Indonesia.

The navy officers were taking part in the 57th Surya Bhaskara Jaya, a humanitarian assistance programme by the Indonesian navy.

The Republic of Singapore Navy (RSN) has been taking part in the programme since 1997. Among the RSN personnel involved are 46 midshipmen from the Landing Ship Tank RSS Persistence. Medical teams from the two navies provided primary health and dental care for the residents in Padang. Surgical operations were carried out on board the RSS Persistence and the Indonesian navy's hospital ship, KRI Dr Soeharso. The officers also distributed essential food items such as rice, oil and milk powder, educational materials and sports equipment to the residents.

They also carried out repair works at a community hall, and volleyball and badminton courts. The Singapore Ministry of Defense said the Singapore navy's participation in the programme reflects its excellent ties with its Indonesian counterpart. It added that regular interactions and close cooperation have helped to foster professional respect and mutual understanding among officers of the two navies.

Economic Front

- **Singapore, China map out key priorities of eco-city project**

Singapore and Chinese leaders said the Sino-Singapore Tianjin Eco-City project is a symbol of strong and warm bilateral ties. This came during a meeting between Singapore's Deputy Prime Minister Wong Kan Seng and Chinese vice Premier Wang Qishan in Tianjin on Wednesday. The first official meeting between the two leaders was friendly and casual, but no less significant as both men chaired the Singapore-Sino Eco-City Joint Steering Committee meeting to map out the key priorities of the project.

Mr. Wong will also be discussing the progress of the 14-year-old Suzhou Industrial Park during his five-day visit to Tianjin and Beijing. Hundreds of business proposals have poured in to offer green solutions to the Tianjin eco-city. But unlike the Suzhou Industrial

Park, these proposals will have to move beyond catering to industries, and focus on what matters to the residents in the eco-city. Goh Chye Boon, who heads the Singapore-China joint venture company that is spearheading the eco-city project, said: "We are focusing on how to build a city where you not only work and live comfortably, but also in a very sustainable way." He said there would be a stringent process to sift out the best ideas.

- **Economists lower Singapore's growth forecast to 4.2%**

Private sector economists said Singapore's economy may expand 4.2 per cent this year, slower than earlier forecasts of 5.5 per cent.

This was among the findings of the latest survey by the Singapore central bank. The forecast falls at the lower end of the government's 4-5 per cent range. Economists said expectations of a slowdown in the global economy have finally hit home. They noted that a drop in export demand was one reason behind the downward revision in economic growth. Non-oil domestic exports are now expected to shrink by 3.1 per cent for the year, compared to an initial forecast of a 3 per cent expansion. Domestic issues have also played a part, as delayed approval for drugs has hurt the pharmaceutical sector. According to the survey; Singapore's economy is expected to grow by 2.7 per cent on-year in the third quarter, up from 2.1 per cent in the second quarter. "Inflation risk will be much lower in the second half of the year and going into next year. On the other hand, downside risk to growth has actually increased significantly recently. Said economist Irvin Seah at DBS Bank. Economists now expect the US dollar to be worth S\$1.407 by the end of the year, compared to the initial S\$1.323 estimate in June.

Social front

- **Commissioner of Charities seeks more powers to regulate IPCs**

The Office of the Commissioner of Charities wants to better protect the public interest when it comes to Institutions of a Public Character (IPCs). It is seeking further amendments to the Charities Act, giving powers to the Commissioner to regulate IPCs in

the same way he regulates charities. Currently the powers are confined only to the revocation and suspension of the IPC status.

The Commissioner should have the power to institute inquiry and to suspend and remove board members where there are mismanagement and misconduct.

In addition, the Commissioner would be given the power to require any fund-raiser - and not just registered charities and IPCs - to furnish him with information necessary for the investigation into complaints pertaining to fundraising.

Amendments are also sought to clarify the roles and responsibilities of board members and protect them from personal liability if they have acted honestly and in good faith. This will equip volunteer board members with what is expected of them and to give them peace of mind in the discharge of their duties.

Philippine

Political, Social front

- **Vigilante resurgence raises Mindanao worries**

Clergymen, human rights advocates, defense and police officials are worried about the resurgence of armed Christian vigilantes in Mindanao. “I look back during the time of 1970s when vigilantes were used by troops during martial law,” said Archbishop Orlando Quevedo of Cotabato City.

Amnesty International warned that the Philippines could return to the “dark period” of martial law when vigilantes attacked civilians with impunity. It reminded the Philippine government that protecting civilians was a duty of its security forces, not of untrained civilian militias. “I am quite alarmed by the resurgence of such kind of groups,” said Defense Secretary Gilberto Teodoro Jr. The disquiet follows a warning issued at a clandestine news conference on Wednesday representatives of the Reform Ilaga Movement – the name is taken from a Christian group known for its atrocities and human rights abuses in Mindanao almost 30 years ago - that it would kill 10 Moro Islamic

Liberation Front guerrillas for every civilian life lost in their continuing fighting with government troops. Moro Islamic Liberation Front representatives earlier accused the military of “recreating” the Ilaga and warned of more hostilities should the national government allow its existence.” The government created it, therefore it can control it,” they said.

- **Human rights violated in Manila Pen media arrests, says CHR**

The Commission on Human Rights (CHR) yesterday found human rights violations in the arbitrary arrest and detention of media persons after a six-hour standoff at the Manila Peninsula Hotel in Makati City last Nov. 29, 2007.

In a 20-page resolution dated Aug. 26 and issued yesterday, "the Commission found that there had been no basis to justify detaining and the processing of members of media in Camp Bagong Diwa "In other words, there were violations of the human rights to liberty, security of persons, and freedom from arbitrary arrest and detention of the media persons involved in the incident," it added.

"The findings here are enough to build strong case against those who arrested and detained the media practitioners," De Lima said. With the findings, the CHR recommended that the Department of Interior and Local Government (DILG) and the PNP file administrative or disciplinary cases against those involved in the arbitrary arrest.

The CHR also recommended that the Department of Justice conduct further investigation and filing of proper cases as to the violations on the provisions of the Revised Penal Code and other special laws on the rights of persons detained.

The CHR also reminded the media to take into consideration and respect police or military operations. It recommended that Congress pass a law on command responsibility in order to ensure accountability during police or military operations, and a law to regulate the rules of engagement of the police and military with the media and civilians during crisis situations.

However, the Commission warned that "acts to detain members of the media without clear legal basis dangerously stand astride the borderline between valid police power and media repression in violation of fundamental freedoms."

However, the Commission reminded the media that a police officer is an agent of a person in authority, "and that, as such, he may legitimately order people away from a crime."

- **Ferry bomb terror suspect held in Manila**

Authorities in Bahrain arrested Ruben Pestano Lavilla Jr. last month, said Ricardo Blancaflor, undersecretary at the Department of Justice. Lavilla was deported Saturday to Manila, where police arrested him and briefly paraded him in front of local media crews before locking him inside police headquarters, Blancaflor said. LAvilla is one of the top ideologues in the Rajah Solaiman Movement, a group of former Christians who converted to Islam and claim affiliation with the al Qaeda-linked regional terrorist groups Jemaah Islamiyah and Abu Sayyaf, Blancaflor said. Blancaflor said authorities suspect Lavilla helped plot the bombing of a super ferry near Manila on February 27, 2004, in which at least 116 people died. They believe Lavilla also helped plan the bombing of a bus behind the Intercontinental Hotel in Manila on February 14, 2005, an attack that killed at least four people and came to be known as the Valentine's Day Bombing.

The bus bombing was part of a trio of attacks that happened that day. The two other blasts, both fatal, happened in the southern cities of General Santos and Davao. In describing Lavilla's arrest in Bahrain, Blancaflor said only that police there arrested him as they were enforcing U.N. Security Council resolution 1276, which imposed air travel and financial sanctions on the Taliban. Jemaah Islamiyah aims to create a Muslim "super state" across much of Southeast Asia. Authorities blame the group for the Bali, Indonesia nightclub bombings of 2002, which killed more than 200 mostly Western tourists. The group is also suspected of subsequent attacks on the Australian Embassy and J.W. Marriott hotel, both in the Indonesian capital, Jakarta.

The Abu Sayyaf group is one of several Islamic militant groups fighting the government in and around the southern Philippine island of Mindanao.

- **Rebels in Philippines say peace is "in purgatory"**

The Philippines' largest Muslim rebel group threatened on Sunday to pull out of peace talks with Manila because the government has cancelled a territorial deal after it was challenged in the Supreme Court.

Mohaqher Iqbal, chief peace negotiator of the Moro Islamic Liberation Front (MILF), said the rebels would only go back to the negotiating table if the government revived and signed the agreement expanding an autonomous Muslim region in the south of the Catholic-majority nation.

"The peace process is now in purgatory," Iqbal told Reuters before he boarded a flight to the southern Philippines." It was buried by government's decision not to sign the ancestral domain agreement." We're not only disappointed and frustrated over government's decision to turn its back on the ancestral domain deal; we've completely lost trust and confidence in them. The MILF has been in on-off talks with Manila since 1997 to end nearly 40 years of conflict that has killed 120,000 people and stunted growth in the south, an impoverished region believed to be sitting on huge deposits of metals and hydrocarbons.

Malaysia has been brokering talks since 2001 and agreed last week to keep about 12 unarmed troops in the southern Philippines for another three months to monitor a ceasefire agreement.

Renegade members of the MILF went on the rampage two weeks ago after the territorial deal was halted by the Supreme Court and the military has said nearly 200 people have been killed in fighting in parts of the southern Mindanao region.

Jesus Dureza, the president's spokesman, said government has decided to review the entire peace process and consult all sections of society in the south before sitting down with Muslim rebels to find a more acceptable deal based on the country's constitution.

Dureza said the government remained committed on the peace process, "refocusing from one that is centered on dialogues with rebels to one of authentic dialogues with the communities with disarmament as the context of our engagements with armed groups".

Fighting in Mindanao has abated since Friday when troops seized a rebel base, an army spokesman. The military has vowed to continue operations during Islam's holy month of Ramadan starting this week.

- **6 Killed, 27 Injured In Philippines Bus Blast**

At least six people were killed and over 27 others injured when a bomb exploded inside a parked passenger bus in the southern Philippines on Monday, said officials.

Officials said that explosion ripped through a bus parked at a bus terminal in Digos City in Davao del Sur province on Monday afternoon and added that the death toll in the blast is bound to increase as many of those injured were in a serious condition.

Police officials said that they have cordoned off the area for conducting rescue and search operations and added that they have taken a suspect into custody, just hours after the bomb blast. Though no group has claimed responsibility for the blast so far, authorities suspect a Muslim crime group known as the Al-Khobar gang to be responsible.

- **MILF not to blame for deadly Digos bombing - officials**

Philippine authorities on Tuesday said a deadly bus bombing in the troubled south that killed six people was the work of a crime gang and not Muslim separatist rebels.

They blamed a little-known gang called Al Khobar for Monday's attack on the Metro Shuttle bus at a terminal in Digos city.

One more person died from his wounds late Monday, raising the toll to six with more than 30 wounded, the military said in a updated report." This is not the handiwork of the MILF," Davao del Sur Gov. Douglas Cagas said, referring to the Moro Islamic Liberation Front (MILF)."The investigation is continuing, but we believe this is the work of the Al Khobar gang," he said, and police and military forces remained on a heightened state of alert against any further attacks.

Officials had earlier warned the public to prepare for possible attacks by MILF rebels, who are on the run from a military offensive in the south after carrying out a series of raids on mostly Christian towns. The clashes have delayed peace talks between the government of President Gloria Arroyo and the MILF, which recently warned that the upsurge in violence could lead to a full-blown war.

Vietnam

Political /Geo strategic front

- **Inter-section Talks Held between DPRK and Laos**

Pyongyang, September 1 (KCNA) -- Inter-section talks between the DPRK and Laos were held here on Monday.

The talks took place between Minister of Agriculture Ri Kyong Sik and Vice-Minister of Foreign Trade Ri Myong San from the DPRK side and Minister of Agriculture and Forestry Sitaheng Rasphone and Vice-Minister of Industry and Commerce Khemmani Pholsena from the Lao side. At the talks both sides exchanged their views on further developing the cooperative relations in various fields.

- **Vietnam, Canada celebrate 35 years of diplomatic ties**

The Vietnamese Embassy in Canada held a banquet in Ottawa on August 28 to mark Vietnam's 63 rd National Day and the two countries' 35 th anniversary of diplomatic ties (1973-2008).

Speaking at the event, Vietnamese Ambassador Nguyen Duc Hung highlighted Vietnam's great achievements during the renewal process and international integration.

Hung said over the past 35 years, Vietnam and Canada have seen fine developments in their relationship with two-way trade value exceeding 1 billion CAD in 2007. Canada is now the fifth largest among 82 countries and territories investing in Vietnam with the total investment of 6.2 billion CAD. The exchange of high-ranking delegations has also helped boost the cooperation and mutual understanding between the two countries and two people, he added. On the occasion, the Quang Ninh-born overseas Vietnamese community in Toronto presented 3,000 CAD as relief for flood victims.

Economic front

- **Dong, bonds perform well on government's anti-inflation moves**

Vietnam's dong and benchmark bonds completed their best month on record on speculation policy makers are taking sufficient steps to cool inflation.

The local currency advanced for a second month as the central bank Friday resisted calls to cut interest rates from the highest in Asia.

Government data this week showed the country's trade deficit widened at a slower pace through August, easing concern the country may face a balance of payments crisis. HSBC Holdings Plc. this month recommended buying Vietnam's bonds, saying yields are attractive. "Demand for Vietnamese bonds has increased a lot from overseas investors as they now have a better view on the economy," said Dam Bich Thuy, chief executive officer of Australia & New Zealand Banking Group Ltd.'s Vietnam unit in Hanoi." This foreign investment inflow has also boosted demand for the dong recently. "The local currency rallied 1.4 percent this month to VND16, 535 against the dollar as of 5:15 p.m. in Hanoi, according to data compiled by Bloomberg. It advanced 0.1 percent Friday, its third day of gains.

The Southeast Asian country's government bonds should perform well as offshore demand increases on yields, HSBC said in a research note on August 7.

Social front

- **Flash floods kill 11 in northern Vietnam**

Eleven people, three of them children, have been killed by flash floods and landslides that struck a mountainous province in northern Vietnam this week, the government said on Friday. Rescue workers were searching for bodies of five of the dead after seasonal heavy rains since Tuesday pounded several remote districts in Ha Giang province, Vietnam's northernmost province bordering China, the government report said.

It is the second time this month flash floods have struck the province. In a previous disaster three weeks ago, 133 people were killed in flash floods and landslides in 11 Northern provinces, including nine in Ha Giang.

The flood-hit area lies about 1,400 km (870 miles) north of Vietnam's coffee belt in the Central Highlands. Ha Giang is also outside Vietnam's main rice growing regions, namely the Red River Delta in the north and the Mekong Delta in the country's south.

Rains are still expected in northern Vietnam that could trigger more floods and the government's disaster report said seasonal floods, now slowly receding in the Mekong Delta, were forecast to rise near the Alarm Two level following tidal waves by next Monday. About 20 percent of Vietnam's 86.5 million people live in the Mekong Delta, which produces more than half of the country's paddy output and supplies more than 90 percent of its commercial rice. The government said this week it has approved a program to spend \$145 million between now and 2010 to build dykes and relocate 33,000 families of rice farmers from areas threatened by seasonal flooding in the Mekong River.

- **Vietnam denies use of stun gun to break protest**

Vietnamese authorities denied Friday that they had used force or stun guns to break up a demonstration by Catholics who are demanding the return of land the Communist government took more than four decades ago.

Responding to accusations from protesters, including one who was bleeding, Hanoi's police chief told reporters Friday that officers had broken up the demonstration of about

300 people peacefully.” Like police in other countries, we never use any kind of tools to beat unarmed people,” Hanoi police Chief Nguyen Duc Nhanh told a news conference. “We just talked to them and the crowd dispersed.”

Six people, including two priests, told the Associated Press that police had beaten and shocked church members who had gathered Thursday outside a police station to pray for the release of parishioners who were arrested earlier in the day.

Members of Thai Ha Church in Hanoi have been holding round-the-clock prayer vigils for nearly two weeks to demand the return of land next to their church that the government took in the early 1960s. Police say they arrested three people for damaging the fence. Church members, however, have said four were arrested in the fence incident and another seven following Thursday's demonstration. One of the priests, Nguyen Ngoc Nam Phong, said Friday that police were lying about their actions

Laos

Political, Geo strategic

- **China and Vietnam square off in Laos**

China's growing influence in resource-rich Laos is seen by some as coming at the expense of ties with Vietnam, long the communist country's main patron and de facto security guarantor. The diplomatic recalibration is part of the landlocked country's bid to more fully integrate economically with the region and has so far served its interests well.

Laos is of increasing strategic importance to both China and Vietnam, two of Asia's fastest growing countries. Vietnam's interests lie primarily in securing its long land border with Laos and developing greater access to markets in Thailand. For China, Laos provides a growing avenue to export products to wider Southeast Asia, particularly from its remote and less-developed, landlocked southwestern regions. Both countries have a growing interest in Laos' bountiful and largely untapped natural resources, agricultural products and hydropower to fuel their expanding economies. Some analysts here predict that the balance of influence inside the ruling Lao People's Revolutionary Party (LPRP) could soon shift in Beijing's favor, as senior Lao leaders fade from the political scene and

younger, more market-savvy cadre lacking experience in the communist revolutionary period assume positions of power. In apparent realization of this changing dynamic, China has adopted a long term diplomatic strategy for Laos.

Commercially positioned

Laos is now eager to promote itself as "land-linked" instead of "landlocked", emphasizing its potential role as a trade crossroads between China and Southeast Asia. According to spokesman Yong, "Laos has been suffering because it is landlocked and isolated. Connectivity in the region can only bring good things to Laos." This view means that Laos sees the value in diversifying its diplomacy away from its traditional reliance on Vietnam.

- **President Choummaly ends visit to India**

(KPL) President of the Lao Peoples Democratic Republic Choummaly Sayasone, ended his five-day visit to India and arrived in Vientiane on 30 August. During the visit, the two presidents of Laos and India, made efforts to strengthen the relations between the two countries. India, on her part, President Pratbha Devisingh Patil said would continue to provide co-operation in human resources development, health, socio-cultural, trade and other fields. The foreign ministries of the two countries played an important role in bringing about the eventual signing of various agreements. One of them, an important one, is that the government of India would give US\$ one million dollars to assist the victims of the recent floods. The two sides also agreed to cooperate in diplomacy at the regional and international levels and to support each other in the maintenance of peace, stability and co-operation in the region and in the world.

India would provide soft loans for development projects in the southern part of Laos, said the Indian President. An agreement on this project has been signed by the two countries. The two sides also signed two MOUs, Trade and Economic Cooperation and Bilateral Investment Promotion and Protection Agreements. A Joint Business Council Agreement was signed between the Confederation of Indian Industry and the Lao National Chamber of Commerce and Industry. The main function of this body is to facilitate the bilateral

trade exchanges. This agreement and the others that had been mentioned would act as the basic framework for trade and investment from India. President Choummaly told reporters that he would like to thank the government and people of India for extending their warm welcome to the high-ranking officials of Laos and he added that he hoped his visit would further enhance the bilateral co-operation and warm relations between the two countries.

Economic Front

- **Corridor gains slow to materialize**

The transnational corridor remains a “work in progress” one year after the East West Economic Corridor week was organized in central Da Nan City

Established at a Greater Mekong Sub-Region (GMS) group meeting in 1998, the corridor was expected to integrate the region’s economies by renovating road sections and strengthening cross-border links along the 1,450km-long highway that runs through Myanmar, Thailand, Laos and Vietnam.

However, the countries who had signed an agreement on the issue haven’t benefited from the corridor as previously expected, despite numerous inspections having been carried out to improve the situation.

Thanh Nien has accompanied two inspection missions to the corridor over the last two years and witnessed the slow development of the initiative, which was supposed to boost economic development and promote tourism and trade in the central region. Differences in driving standards and regulations on traffic and immigration have stalled corridor plans.

Statistics from Da Nang(General Director) City’s Department of Foreign Affairs showed the city’s export turnover with other member countries on the corridor didn’t improved much in 2007 and the first eight months of 2008.

The number of tourists going through the Lao Bao Border Gate on the corridor between Vietnam and Laos also showed little gains. Vietnam is planning to send a ministry-level delegation this month to the corridor to review achievements on the one-year anniversary of the EWEC event, a move that is expected to set the wheels in motion again

Social front

- **Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region**

Health officials and experts from countries in the Asia-Pacific region with a low prevalence of HIV/AIDS Thursday in Manila, Philippines, pledged to intensify national efforts to curb the spread of the disease

The delegates at the three-day meeting also said that there is a need for governments, civil society groups and international development partners to improve efforts to deliver interventions to at-risk populations.

According to the *Independent Online*, the delegates said that access and availability of antiretroviral drugs should be a main component of HIV/AIDS efforts in every country and that funding outside of national budgets must be mobilized. They also called on political leaders to increase allocation of resources to fight HIV/AIDS.

In a joint statement, the delegates said they are committed to "an enhanced and effective response to HIV in Asia and the Pacific, which ensures equal access to services for all persons regardless of their age, sexual orientation or gender." The statement also said, "Countries must clearly identify their priorities and effectively allocate resources if they expect to maintain a financially sustainable response to the HIV epidemics in the region." The 11 countries attending the meeting were Bangladesh, Bhutan, Fiji, Indonesia, Laos, Malaysia, Maldives, Mongolia, the Philippines, Sri Lanka and East Timor

- **Singapore's Assistance to Laos Mekong River flood**

(KPL) In response to the widespread damage caused by the recent flooding of the Mekong River in Laos, the Government of Singapore has contributed US\$50,000 worth of emergency humanitarian supplies to Laos. According to a source in the Singaporean Embassy in Laos, the supplies which include medicine, food, and water purifiers, were handed over to Acting Minister of Labour and Social Welfare H.E Laoly Faiphengyoua by Singapore Ambassador Benjamin William at Wattay International Airport yesterday

Cambodia

Political/Geo Strategic

- **Thai, Cambodia border talks cancelled**

Phnom Penh, August 29: The border talks between Cambodia and Thailand scheduled for today have been cancelled. The Cambodia Daily quoted defense minister Neang Phat that he was told Wednesday that the talks to discuss ownership of land within the precinct of the historic Preah Vihear would be cancelled.

It's presumed that the continuing mass demonstrations against the Thai government in Bangkok are the cause of the cancellation but this had not been confirmed. The talks were to have been held in Siem Reap. A new date for the talks has not been announced.

- **Corruption allegations taint Cambodian Khmer Rouge trials**

Judges at Cambodia's genocide court have demanded that corruption allegations be addressed to avoid tainting upcoming trials of former Khmer Rouge leaders. The cash-strapped court has been twice hit by allegations that Cambodian staff paid bribes for their jobs.

International and Cambodian judges are meeting in the capital Phnom Penh for a week-long discussion of ongoing issues surrounding the court.

In August, the court formally indicted former Khmer Rouge prison Chief Kaing Guek Eav better known as Duch - making him the first leader to stand trial. His trial is expected to begin in October, but the court remains in financial difficulty.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 23rd August 2008 to 29th August 2008

Presentation: 5th September 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Sri Lanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar.

Bangladesh:

POLITICAL:

- Oct 15 deadline for registration of political parties
- AL rejects EC's timeframe for party registration
- Khaleda's release stalled
- AL and BNP leaders stress
- HC grants him bail in 11 cases out of 12

SOCIAL:

- Some 2633 victimised by acid attack in last 9 years
- 40,000 die of kidney disease annually
- 1,000 CCC workers hold protests
- BDR gives a list for returning 1464 Bangladeshi criminals
- Extremism, terrorism, extortion to be rooted out: IGP

ECONOMY:

- BB sees Tk 9,500 cr farm loan this year
- Gas shortage causes persistent power crisis
- Economic and political situation will worsen if govt fails to address them

- Prices of essentials escalate as govt efforts to stabilise market go in vain
- Govt borrowing unusually high in FY-'08
- Turnout in telecom sector to hit Tk 50 bln by 2012

BB sees Tk 9,500 cr farm loan this year

Bangladesh Bank has set its sights on distributing nearly Tk 9,500 crore loans in the ongoing fiscal year- some 13 percent higher than the target of last year-through the banks to lift farm production, an official said. "Keeping the present world food crisis in consideration this year the target of distributing agricultural loan has been fixed at Tk 9,379 crore. It is about 13 percent higher than last year's target. He said for the first time agricultural loan disbursement exceeded the target of Tk 8,308.60 crore, by Tk 272 crore, in the last fiscal year. The private banks have been set the target of distributing the remaining Tk 1,600 crore. Last year the target was Tk 1000 crore. The central bank for the first time last year fixed the target for the private banks, who previously would not make substantial investment in the agriculture sector, the official added.

Oct 15 deadline for registration of political parties

Political parties will have to apply for registration within October 15 and the Election Commission (EC) will complete registration related activities by October 30 this year. "It is obligatory for political parties to apply for registration within October 15 to the EC and the EC will complete registrations by October 30," said Chief Election Commissioner .He said this registration is so mandatory that without having registration a political party shall not be allowed to participate in the coming general election. About legality of introducing registration system CEC said that registration of political parties has been made compulsory in line with the constitution. In the past many political leaders contested election as "rebel" candidates violating decision of the party but after registration of political parties no person will be allowed to take part in the poll without signature of the secretary general of respective political party. CEC said that every party needs financial support and in the midst of anti-corruption drive many political leaders have been implicated for taking donation for their parties. So, in the registration form the valid sources of income will be specified, to be followed by the political leaders. He added that all political parties' participation will be ensured by the EC but before contesting election a candidate should be registered as voter. EC will publish public notification in the issue of registration of political parties very soon, he said.

AL rejects EC's timeframe for party registration

Awami League has rejected the Election Commission's timeframe for political parties' registration terming it an autocratic decision of the EC that may create political stalemate in the

country. The EC failed to announce the date for party registration as per the stipulated roadmap. We are not opposing this registration, but such decision must be taken through consultation with us as we sought time for dialogue with the commission as well as the Chief Adviser. Besides, prior to registration, the constitution of party must be amended through party councils and more time would be required in this regard," observed two senior AL leaders adding "As the State of Emergency is in effect across the country it is quite impossible to hold party conventions even grassroots level, still remain pending, amid Emergency Rule.

Some 2633 victimised by acid attack in last 9 years

At least 2633 persons were victims of acid attack during the last nine years from 1999 to 2008 across the country. A report prepared by Acid Survivors Foundation (ASF) released at a press conference at Radisson Water Garden Hotel said that a number of 115 incidents were recorded in 1999, 174 in 2000, 252 in 2001, 367 in 2002, 335 in 2003, 266 in 2004, 217 in 2005, 180 in 2006, 156 in 2007 and 76 by July 2008. Gradually attacks on the women are increasing because in the last year out of the total victims, women were 70 per cent while children were 20 per cent and men were 10 per cent and women between ages of 13-34 years are mostly victimised by these acid attacks, it said. Monira Rahman, Executive Director of ASF, told reporters that acid violence will not be controlled as long as the offenders are not brought to book and for this commitment of the government and public awareness are necessary.

40,000 die of kidney disease annually

The number of kidney patients in the country is increasing at an alarming rate as about two crore people are suffering from the disease. "About two crore people are now some how suffering from the kidney disease which was about one crore 10 years back. The rate of the chronic kidney disease has now reached at 18 per cent by raising 50 per cent during the period," Professor Dr Harun-Ur-Rashid, Chairman of Department of Nephrology of Bangabandhu Sheikh Mujib Medical University (BSMMU), told BSS. "If the present rate of the disease continues, it will reach at 28-30 per cent in the next 10 years," he said. Prof Harun said one in every six persons has been suffering from this disease and 40,000 people die of longtime kidney failure annually. He said 95 per cent kidney patients of the country are unable to bear the cost of treatment. As a result, they slowly move towards death.

1,000 CCC workers hold protests

Over one thousand workers of Chittagong City Corporation stopped work and held demonstrations on Monday, to press for a number of demands including job security and pay

rises. The temporary workers were also demanding their salaries on the first day of the month instead of the tenth. Kotwali police chief Shah Alam said the workers were holding their procession peacefully; sufficient police were being deployed at the corporation grounds. Actions would be taken if the protesters took their protest out of the corporation grounds, he said.

BDR gives a list for returning 1464 Bangladeshi criminals

with a call for resolving various dispute relating to border issues, five-day Director General level border conference between BDR and Indian Border Security Forces (BSF) concluded at the BDR headquarters in capital Dhaka. Director General of BDR Major General Shakil Ahmed led a 22-member team while his counterpart BSF Director General Ashish Kumar Mitra led a 19-member delegation. The conference concluded with the signing of a Joint Record of Discussion (JRD). After the conference, the DGs of BDR and BSF at a joint press briefing said bilateral issues came up and both sides emphasized joint activities in the frontier areas to reduce trans-border crimes and to erect barbed wire fences 150 yards inside territories of the respective countries. Ashish Kumar Mitra apologizing for the recent killing of two BDR personnel by the BSF said it is highly regrettable. He further said 30 per cent casualty rate in the frontier area has declined in the last six month as barbed wire fence has been erected at many points. Talking to reporters BDR DG said Bangladesh will consider Indian proposal about erecting of barbed wire fence. During the conference some issues relating to smuggling, cow lifting and firing have been discussed widely.

Khaleda's release stalled

BNP Secretary General Khandaker Delwar Hossain on Sunday said that the process in releasing Begum Khaleda Zia has been stalled as the government has set some pre- conditions including ratifying of all activities of the present caretaker government.

"The caretaker government has set some pre-conditions to release Begum Khaleda Zia. The pre-conditions include party's participation in the next general and local body polls under the state of emergency and everything will have to be done according to their (CG) will, but such pre-conditions of the caretaker government are not acceptable to Khaleda Zia and even the people of the country won't accept it," Delwar told reporters at a press briefing after two hours long meeting with the BNP-led four-party alliance leaders at his NAM flat residence. Delwar criticized the Representation of the People Order (RPO) Ordinance 2008, which bans political parties from

having front organisations. "This (amended) ordinance is unconstitutional and illegal. It is part of a deep-rooted agenda," he said, alleging that it has been designed with the motive to hold the next general elections under a blueprint. He further said that the provision of "no vote" in the amended RPO has been inserted to divert the people's attention. "The amendments have been made to keep the four-party alliance away from the election process," he added. He said the Election Commission (EC) and the caretaker government have no mandate to make such a law in absence of parliament. But still the government has promulgated the ordinance under the President's signature. Delwar said, "We (4-party alliance) reject this ordinance (RPO). The next general election will be illegal if it is held under this ordinance." He accused the government of pursuing a double standard. "Sheikh Hasina is free but Khaleda Zia is behind bars. Tarique Rahman's condition is deteriorating, still he is not freed for treatment though many others with minor complications have been released," he said. Delwar blamed the government for ignoring the suggestions of medical board, "We are worried that he (Tarique) has been partially paralysed. The government will have to bear all responsibilities, if anything happens to him" he said.

About the Aug. 27 programme, Delwar said that they would go ahead with the plan to peacefully hold the human chain across the country. "Our programme will be peaceful," he added.

AL and BNP leaders stress

Leaders of both Awami League (AL) and BNP said only participation of all political parties in the next general elections can ensure a true and functional democracy in Bangladesh. They also emphasized on cooperation between the caretaker government and political parties to hold the polls scheduled by the end of this year for smooth transfer of power to an elected democratic government at the outset of next year.

HC grants him bail in 11 cases out of 12

NP Senior Joint Secretary General Tarique Rahman will be released anytime as the government has started taking the issue seriously and the High Court also granted him bail in almost all cases. In the face of widespread agony and continuous pressure from the leaders and activists of BNP, the government has decided to release him. In recent development-the High Court granted bail to Tarique Rahman in five cases of which three are extortion cases, one ACC filed case for amassing illegal property and one NBR filed case for non-payment of tax.

Extremism, terrorism, extortion to be rooted out: IGP

Inspector General of Police Nur Muhammad said extremism, terrorism and extortion would be rooted out with people's participation and extremist-infested areas freed from their tyranny. "We are not trying to prevent the crimes, but to uproot those," Nur Muhammad said.

Gas shortage causes persistent power crisis

The worst power crisis, frequent outage and disruption of electricity supply continue to cause suffering to people and damage to the economy. However the situation is likely to improve by the end of the current year as construction work on many small power plants is in progress in the country. "The terrible power situation will improve within the month of December as small power plants now under construction, will be able to generate 800 mw to 900 mw electricity. If 900 mw electricity is added to the national power grid, the country's total generation will reach 4300 mw," PDB Chairman Shawkat Ali told The Bangladesh Today. Meanwhile, people living at many places of country including six metropolitan cities have been expressing their utter disappointment over the serious crisis. On people from all walks of life came out on the Dhaka-Sylhet Highway and put up barricade on the road demanding smooth supply of power.

Economic and political situation will worsen if govt fails to address them

The country's recession-ridden economy and political uncertainty may worsen further if the government fails to address them properly, eminent economists have apprehended. According to them, the economic slide will further intensify if government and political parties fail to reach an understanding on holding a free, fair and impartial election. Following the latest political crisis in the country, foreign countries are not showing their interest to invest in the country. The economists emphasised the need for foreign direct investment and ensuring their security. The economists apprehended that if this trend continues, it will hit the country's export sector badly. According to the Planning Ministry, the implementation of the Annual Development Project of current fiscal year is yet to be started in full swing. On the other hand, economic trend is now moving at a snail's pace compared to the previous year. Apart from this, as the industrial sector is facing manifold problems, the investors are expressing their unwillingness to invest in various sectors and they don't want to take the risk. As a result, no initiative has yet been taken to set up big industries. Simultaneously, as the government is failing to assure the foreign investors of providing adequate power and gas supply, the investors have been losing their interest. Top business tycoons of the country said that it is needed to create more employment opportunities by increasing local and foreign investment to eradicate poverty from the country.

Prices of essentials escalate as govt efforts to stabilise market go in vain

All government efforts appear to be futile as prices of most daily essentials including onion, pulses and vegetables have marked a sharp rise in city kitchen markets this week while those of rice and edible oil remain unchanged despite a sharp fall in prices in the international markets. The middle and lower-middle classes, already crippled by the persistent price spiral of essentials,

are set to bear the brunt of further price increase as price rise during Ramadan is a 'commercial culture' in the country. Upward trend of prices of most of the daily essentials continues even after a number of measures taken by the interim government and business bodies untidily to ease the sufferings of commoners

Govt borrowing unusually high in FY-'08

Government borrowings from the banking system were unusually high in 2007-08 compared to recent trends as it grew more than 30 per cent, despite a substantial 32 per cent decline in credit to other public sector. "Increased spending on food, fuel and fertilizer might have stimulated the borrowings from the banking system," a senior Bangladesh Bank official told UNB. According to the latest figures the central bank reviewed late last week, net credit to the government sector increased to about Tk 47,000 crore at the end of June this year from Tk 36,000 crore at the end of June last year. Credit to other public sector decreased by 32 per cent to Tk 11,840 crore in June this year from Tk 17,455 crore in the previous June. The BB official said that the borrowing of public sector from the banks decreased significantly due to the budgetary provision of Tk 7,523 crore against the liability of Bangladesh Petroleum Corporation (BPC), the major borrower. The latest figure, however, show that private sector credit increased 25 per cent during the last fiscal year as compared to a 15 per cent growth in 2006-07. Total domestic credit registered a faster growth at 21 per cent in 2007-08, compared with about 15 per cent in the previous fiscal due to a significantly slow growth in government sector supported by the budgetary provision.

Turnout in telecom sector to hit Tk 50 bln by 2012

Bangladesh Telecom Regulatory Commission Chairman (BTRC) has predicted that the total turn out in the telecommunication sector of Bangladesh will hit Tk 50 billion by 2012 and the government revenue earnings from this sector will stand at Tk 6 billion per year. Inaugurating the service of four more international long distance telecommunication companies in the private sector on he said, at the end of 2008 as many as 50 million people will be connected with mobile operators and 16 to 18 lakh calls will be made daily. On the other hand, mobile phones will reach the hands of about 70 million people by 2009-10. He said that the development of the telecommunication sector will change the total socio-economic scenario of the country. It is needed to increase the connectivity of overall population and to reduce the technological gap between the rural and urban areas. They said it would help stop siphoning of foreign currency and money laundering as well as ensure proper revenue earning and protect national security and interest. The ICX exchange will also allow the BTRC to monitor all calls and detect any unusual call pattern the telephone network.

Srilanka:

POLITICAL:

- Japanese delegation commends President Rajapaksa's leadership
- Ruling UPFA wins convincingly in the Provincial Council elections
- Sri Lanka President to address UN General Assembly
- LTTE air attack on the Trincomalee naval base repulsed\
- Foreign Minister values Spain's position on Sri Lanka's fight against terrorism

SOCIAL:

- Canadian daily on "The Call of the Conscience" exhibit that focuses the worst human rights abuses by the Tamil Tigers

ECONOMY:

- Dialog Enterprise provide ICT solutions to Laugfs Vehicle Emission Testing
- Sri Lanka comparatively backward and failed to develop technologically
- Investors in a cautious mood to drop the activity levels

Dialog Enterprise provide ICT solutions to Laugfs Vehicle Emission Testing

Dialog Enterprise, an integrated business division of Dialog Broadband Networks recently announced that it has entered into an agreement with Laugfs Eco Sri (Pvt) Ltd to provide voice and data communication solutions to Laugfs Vehicle Emission Testing Programme. The billion rupee eco project which came into effect from 15 July 2008 is aimed at creating an air pollution free environment and involves extensive infrastructure and technological investments.

Japanese delegation commends President Rajapaksa's leadership

A Japanese Parliamentary delegation, which has just concluded a four-day visit to Sri Lanka, has praised President Mahinda Rajapaksa for his dynamic leadership, which has enabled the restoration of democracy and civil administration to the Eastern Province in Sri Lanka. This

observation was made by Housei Norota, member of the House of Representatives and President of the Japan–Sri Lanka Parliamentarians’ Friendship Association, at a meeting with Foreign Minister Rohitha Bogollagama at his Official Residence.

LTTE air attack on the Trincomalee naval base repulsed

LTTE aircrafts suddenly emerged from nowhere and dropped bombs on the Sri Lanka naval troops in the China Bay naval camp was resisted at about 9.15 p.m. Tuesday (26) evening. Initial reports from Trincomalee said two Tiger crafts have reportedly drop two aerial bombs on the Navy camp premises and turned away when the troops begun to open fire towards the light air craft. However reports said that one of the bombs had not exploded according to the Navy Spokesmen.

Foreign Minister values Spain’s position on Sri Lanka’s fight against terrorism

Spanish position on the imperative need to protect Sri Lanka’s sovereignty is valued, stated Foreign Minister Rohitha Bogollagama, when Ion de La Riva Guzman de Frutos, Ambassador for Spain called on him on Monday (25th August 2008) after presenting his credentials to President Mahinda Rajapaksa earlier in the day. Minister Bogollagama explained to the Spanish envoy, the government’s policy of countering terrorism militarily in order to facilitate the re-establishment of democratic institutions, following the clearance of the LTTE, as demonstrated in the Eastern province of the country.

Sri Lanka comparatively backward and failed to develop technologically

Sri Lanka is faced with problems - largely the problems of poverty and because we are a poor country, we are facing problems of unemployment, malnutrition and even the Conflict Situation in the country could be traced to poverty and lack of employment, said Prof Tissa Witharana, Minister of Science and Technology addressing the press briefing held at Hotel Galadari to announce the holding of the “Techno 2008” to be held from 17th to 19th October, at the BMICH. ‘Techno 2008,’ is organized by the Institution of Engineers of Sri Lanka and it is being held for the 23rd consecutive year.

Investors in a cautious mood to drop the activity levels

HNB Stockbrokers in their weekly review indicated that the Colombo bourse witnessed a quiet week as investors cautiously waited for more corporate earnings. Week on Week (WoW) the All Share Price Index (ASPI) closed down by 17.4 points to stand at 2414.4 points while the more sensitive Milanka Price Index (MPI) declined by 28.4 points or 1 percent to 2812.0 points. Major contribution this week came from CIC (voting), which amounted to Rs.136.3 million, accounting for almost 17.9 percent of the total weekly turnover. The week saw heavy trading on CIC (voting) shares on all five days, while in total the volume traded stood at 3.1 million for the week.

Ruling UPFA wins convincingly in the Provincial Council elections

The election results so far released shows that the United Peoples Freedom Alliance led by President Mahinda Rajapakse has won convincingly. The ruling party is pretty well in the drivers seat and has already bagged the North Central Province and the Ratnpura district counting indicates that their chances of having also Subragama Province is almost a foregone conclusion. If someone takes these Provincial Council elections as an indicator, then it is pretty clear that the UNP has failed to emerge victorious and Ranil Wickremasinghe has one more time failed to lead his party victorious. After his failure in the Provincial Council elections, his political future is coming to an end, say political analysts. His future as the Leader of the United National Party is undoubtedly at stake.

Sri Lanka President to address UN General Assembly

President Mahinda Rajapaksa will be the first speaker on the second day of the UN General Assembly sessions in New York next month. He is expected to speak on, a day after President George W. Bush addresses the Assembly. The General Assembly session, which continues through early October, will formally open on Tuesday September 23. During his visit to New York, President Rajapaksa is scheduled to meet several heads of state and senior officials of the United Nations, including Secretary-General Ban Ki-moon.

Foreign Minister inaugurates Sri Lanka - German Business Council in Frankfurt

The Sri Lanka German Business Council was established on the initiative of the Consulate General of Sri Lanka in Frankfurt and it was inaugurated by Foreign Minister Rohitha Bogollagama on 21st August, at the Marriot Hotel in Frankfurt, Germany. The Business Council has been established to bring together Sri Lankan and German businessmen engaged in trade between the two countries. Minister Bogollagama speaking to the business community expressed the hope that this forum would help to enhance connectivity given the tremendous potential in increasing bilateral trade.

Sri Lanka condemns terrorist attack in Pakistan

The Government of Sri Lanka has strongly condemned the suicide bomb attack on an ordnance factory in Wah, near Islamabad. In a message to his Pakistani counterpart, Makhdoom Shah Mehmood Qureshi, Foreign Minister Rohitha Bogollagama, while unequivocally condemning the

terrorist attack, has expressed sympathy for those who had suffered as a result of this atrocity.

Canadian daily on “The Call of the Conscience” exhibit that focuses the worst human rights abuses by the Tamil Tigers

Canada’s 'Globe and Mail' newspaper has highlighted an exhibition which it calls an eye opener to some of the worst human rights abuses perpetrated by the Liberation Tigers of Tamil Eelam (LTTE) that zero in on “torture, child conscripts and suicide bombings.” In a write up about the exhibition which has been funded by Canadian trade unions and organized by dissident Tamils who do not belong to the banned terrorist organization, the LTTE, the 'Globe and Mail' said, “The ordeal of a Canadian Tamil who says he survived torture at the hands of the Tamil Tigers will be among the shocking stories delved into this weekend, when artists and activists hope to expose the full range of human-rights abuses perpetrated in Sri Lanka.”

NEPAL:

GEOSTRATIGIC:

- Saptakoshi issue to be raised with India

POLITICS:

- Non-professional diplomats mar foreign policy

SOCIAL:

- Anti national alert
- Flood victims’ rehab in week Koshi embankment erosion continues

ECONOMY:

- Israel resumes visas for Nepali worker
- China willing to extend investment in Nepal
- Koshi destroyed Rs 300m in crops

Israel resumes visas for Nepali workers

After a gap of 15 months, the government has resumed granting permission to Nepali job aspirants for employment in Israel. Sources at the Ministry of Labor and Transport Management (MoLTM) said Israel started granting visas to Nepalis after the Nepal government agreed to involve the International Organization for Migration (IOM) in monitoring the process of sending workers by Nepali manpower agencies. The Israeli

Embassy stopped accepting visa applications from May 2007, citing a new policy that made it mandatory for all source countries to set up diplomatic missions or appoint labor attachés in Israel. Nepal set up a mission and appointed a labor attaché in Tel Aviv last year. It is preparing to sign special agreements with Israel and the IOM on sending workers to Israel. The MoLTM directed the DoLEP last week to resume granting permits to work in Israel following its positive response on visas.

Non-professional diplomats mar foreign policy

Minister for Foreign Affairs Upendra Yadav said Nepal's foreign policy has degraded in recent years due to lack of professional diplomats at diplomatic missions abroad. "As the government decided to send non-professionals with political influence to diplomatic missions, Nepal's foreign policy has degraded," said Yadav while talking to journalists in the capital. The government should seriously think about how to uplift diplomatic efficacy, promote Nepal's diplomatic role abroad and utilize it for the benefit of the country, he added. Earlier, during a staff briefing at the Foreign Ministry, officials also complained that appointment of non-professionals in diplomatic missions had affected the country's foreign policy as they failed to play proactive role. In response, Minister Yadav expressed commitment to give priority to career diplomats rather than to political appointees.

Anti national alert

The ministry of home and cultural affairs has advised government, corporate, and other agencies around the country to be alert in the weeks and months leading to the Coronation celebrations and the events of the centenary celebrations. A spokesman for the ministry said that the Royal Bhutan Police had learnt that anti national groups were planning to disrupt the celebrations.

Flood victims' rehab in week Koshi embankment erosion continues

As thousands of displaced people suffer numerous problems related to food and shelter, the local administration said it is going to rehabilitate them within a week. Following the government's directives, District Administration Office (DAO) Sunsari is preparing to set up temporary shelters either in Narsingha or Bhokraha VDCs. According to Local Development Officer (LDO), Guru Prasad Subedi, tens of thousands of displaced people will be rehabilitated temporarily in shanties and makeshift huts within a week. As per government data, about 40,000 people of waterlogged Shripur, Haripur, Pashchim Kusaha and Pashchim Laukahi VDCs have been displaced due to the flood. However, political parties and various organizations claimed that the number of displaced people exceeded 60,000. The flood continues to erode the embankment at Prakashpur of Pashchim Kusaha. The locals expressed anger at the delay in arrival of a technical team to maintain the embankment and spur in the area.

China willing to extend investment in Nepal

President of People's Republic of China Hu Jintao said that China's support for Nepal's development will continue and expressed his country's willingness to extend investment in private sector in Nepal. In a meeting with Prime Minister Pushpa Kamal Dahal today, the Chinese president also suggested the former to head the peace process and development in Nepal hand in hand. Moreover, during the meeting, Prime Minister Dahal reiterated Nepal's stance on 'One China policy' and said that Nepal will take stern steps to discourage anti-China activities. The Chinese prime minister expressed his happiness on Dahal's China visit, Karki said. Leading an 11-member Nepali delegation, Dahal left for Beijing on Saturday to attend the closing ceremony of the Beijing Olympics.

Saptakoshi issue to be raised with India

Newly appointed Foreign Minister Upendra Yadav Sunday said that he would strongly raise issue of the Saptakoshi disaster, its long-term solution and immediate relief to those affected by the floods in Nepal with the Indian government. Speaking at a programme organised in Kathmandu, Yadav said that India, the southern neighbour, was chiefly responsible for the lack of timely maintenance of the Koshi Barrage. He said that he would seriously discuss the issues of the dams including the Koshi embankment, during his India visit in the offing. Saying that the Indian government has suspended its twenty-four employees for their negligence in the wake of the Saptakoshi disaster, Minister Yadav informed that the government would also set up a high-level investigative commission to look into the Koshi embankment collapse. The foreign minister also pointed the need of review of various treaties signed between Nepal and India in the past. He, however, said that his India visit will not include the issues

First political visit" will be to India: PM Dahal

Prime Minister Pushpa Kamal Dahal said that his China visit has added a new dimension to the bilateral relations between Nepal and her northern neighbour. Speaking at a press meet organized shortly after his arrival in the capital, Prime Minister Dahal, who is also the chairman of former rebels CPN-Maoist, said that his China visit was an achievement for Nepal. Dahal also clarified that his trip to China was not of political nature and he will go to India as part of his first political visit to a foreign country. Dahal tried to clear up the speculations regarding his China as his maiden foreign tour, which has been taken for a departure from the tradition of visiting India first by a newly elected Nepali prime minister. Prime Minister Dahal said that India should not take his China visit otherwise as it was not political. While stating that Nepal has always been for the 'One China policy', Dahal informed that he invited the Chinese president for Nepal visit. He added China has expressed its deep interest over Nepal's peace process and development.

Koshi destroyed Rs 300m in crops

The Ministry of Agriculture and Cooperatives (MoAC) said that the devastating flood caused by the Saptakoshi River breaching its embankment damaged crops worth Rs 300 million in Sunsari district. A week-long field assessment conducted by an MOAC team shows that paddy cultivation suffered the biggest loss of Rs 180 million in the district, which is one of the leading paddy producers in the country. The total area under paddy cultivation in Sunsari has been recorded at 50,920 hectares this year. The report also stated that Rs 45 million worth of jute -- a major cash crop -- was lost to the flood. The flood likewise destroyed vegetable cultivation and fisheries to the extent of Rs 25 million each. Damage to the banana and sugarcane crops stood at Rs 7.5 million. The flood destroyed 4,900 hectares of paddy and 185 hectares of vegetable cultivation in 30 wards of the most affected VDCs.

Bhutan:

POLITICAL:

- Former Martshalla Gup sentenced

SOCIAL:

- Two bombs exploded inside camp

ECONOMY:

- Bhutan to get private bank next year
- Power import policy on cards to boost hydel inflows
- Himalayan link
- Firm footing

Two bombs exploded inside camp

Two bombs exploded inside Morang-based Sanischare camp. The security post within the camp confirmed the serial blasts, which caused no casualty.

Bhutan to get private bank next year

India's second largest public sector lender Punjab National Bank is likely to extend its branch in Bhutan by March next year. A memorandum of understanding for this work has already been signed with the local bank in Bhutan. PNB, tying commercial relation with a major business house in Bhutan, is waiting an approval from the Bhutan government for operation. This will be the first private commercial bank in Bhutan. The JV with the paid-up capital of Rs 30 crore has been named as Druk PNB Ltd, for which the bank has received regulatory approval from Reserve Bank of India. PNB hopes to begin two to three branches in Bhutan at a time.

Former Martshalla Gup sentenced

The Samdrup Jongkhar district court has sentenced the former Martshalla gup Tendey Zangpo to one year three months in prison. He has been found guilty of official misconduct and misuse of public fund during his tenure as Gup.

Power import policy on cards to boost hydel inflows

The Centre is working on a power import policy to step up hydropower development in the Himalayan-rim countries for facilitating electricity inflows into India, besides ensuring a greater play for private sector firms. The policy, expected to be announced by the Government shortly, would aim at broad-basing India's energy security by securing hydropower resources in the neighboring countries and wheeling back bulk of the generated power as a means of tiding over peaking shortages at home. The policy is expected to give Indian firms, including private sector companies, a larger role in harnessing energy resources across the region. Issues such as the quantum of free power to be offered to the host country and the exposure to be taken by Indian developers and lenders are likely to figure in the policy. Besides, it would help the Government to spell out the financial and technological assistance it can extend to these projects, officials involved in the exercise said. The issue of tariff fixation and a mechanism for review of tariff are also expected to be addressed for inter-country projects being pursued by India across Bhutan, Nepal and Myanmar.

Himalayan link

While a transmission link with Bhutan is already in place, there are plans to develop two more projects in the Himalayan nation, besides sprucing up the existing transmission link to enable up to 5,000 MW of electricity imports into India by 2020. In Nepal, two Indian firms — GMR Group and State-owned Satluj Jal Vidyut Nigam — are setting up hydroelectric stations, while power trading major PTC India Ltd has signed pacts to wheel power from two other projects. In Myanmar, joint development of a 1,200-MW hydro project, along with a power link, is being envisaged. Among the neighbouring nations, Nepal, with a hydro-electric potential of 83,000 MW (of which generating 45,000 MW has been estimated as techno-economically feasible), is the biggest draw.

Firm footing

Indian private sector firms have already started to make inroads into Nepal, with the GMR Group having bagged the 300-MW Upper Karnali project and the Sutlej Jal Vidyut Nigam getting the 402-MW Arun III project. Separately, PTC India Ltd has committed to buy 750 MW from the West Seti project being developed by an Australian company and another 300 MW from the Lower Arun project being developed by a German firm. A host of Indian civil engineering firms, including Nagarjuna Construction Ltd, Continental Construction Ltd and Maytas Infra Ltd are also in the running for contracts in Nepal. In Bhutan, after the success of the 1,020-MW Tala project, from which power is already being wheeled into India, three new major hydro projects — the 1,080-MW Punatsangchhu-I, the 1,000-MW Punatsangchhu-II and the 600-MW Mengdechu hydro electric projects — have been identified for joint development. In the case of Myanmar, the 1,200 MW Tamanthi hydroelectric project has been identified for joint development and the setting up of a transmission link between India and Myanmar could be decided subsequently.

MALDIVES:

POLITICS:

- **Election Commission Bill passed**
- **JP to establish people's government**
- **Majlis vote on election bill**
- **Gayoom says opposition is undemocratic**
- **PA submit nomination to Election Commission**

SOCIAL:

- **HRCM issues report on Male' Prison**
- **President inaugurates Health Insurance Scheme**
- **Majlis says prosecutor general bill important for criminal justice**

ECONOMIC:

- **JP to establish Investment Bank**

ELECTION COMMISSION BILL PASSED

8 political parties have nominated members for the Election Commission to be appointed under the new Constitution. The Election Commission is one of the commissions which have to be established within 30 days of the ratification of the new Constitution. Ahmed Sameer of M. Asaree Handhu (Adalath Party), Ahmed Shahid of Ma. Chabeyleemaage (MDP), Abdullah Nashid of Special Dhaftar (People's Party), Hussain Shameem of H. Shady Corner (Social Liberal Party), Ali Faiz of Ma. Manaage (IDP), Mohamed Ibrahim, H. Hiiyfaseyge (DRP), Mohamed Mahir of (Social Democratic Party), and Ibrahim Mohamed of M. Hikigulalaage (Jumhoory Party) were nominated by the respective parties.

JP to establish people's government

Jumhoory Party, JP has elected one of the founding members of the reform movement and

leading businessman Gasim Ibrahim as its leader and presidential candidate. JP endorsed Gasim's leadership of the party in its first national conference attended by more than 400 delegates when he secured 372 votes. mhoory Party (JP) will establish a people's government, JP's leader and billionaire turned politician Qasim Ibrahim has said. Speaking at the conference Qasim said the big question is to whom the people should hand over the powers of the government or the responsibility of managing the affairs of the people. Qasim said the people must entrust this huge to responsibility to those who are able and capable, who will be loyal and honest and who will be just and trustworthy. Qasim further said during the transition in to a democracy we should not confront each other and that it is not a specific person or a group of people who are our enemy but that the enemy is the system of government which we have been following all these years.

Majlis vote on election bill

People's Majlis have started voting the crucial election commission bill after several amendments were brought to it by the 6 member ad hoc committee appointed by the Majlis. The bill submitted by the Legal Reform Ministry as required by the new Constitution was debated and referred to the committee which met on 21 and 23 August and made these amendments. During the committee discussions some of the clauses were omitted following the suggestions made in the debate. The issue of electoral constituencies was removed from the amended bill as a result of serious reservations by some speakers. They said as the Constitution stipulates, constituencies have to be detailed in the law; hence the original bill which was short of these details was corrected without mentioning anything about constituencies. These details will be incorporated in the bill on election of the Majlis which will be submitted soon. Election Commission bill is urgently required for the process of implementing the new Constitution before holding the first ever multi party presidential elections of the country. The bill was earlier shared with the political parties to help smooth passage in and facilitate the transitional tasks mandated to the Majlis. For this purpose Majlis passed a motion proposed by Speaker, simplifying the committee debating times and other procedures bills and other matters have to go through before being passed by the Majlis. Election bill aims at establishing an independent and impartial election commission in the Maldives to hold elections and referendums as required by the Constitution. The commission being a constitutionally empowered institution responsible for organizing, conducting and managing elections in the Maldives without any intimidation, fear, confrontation, inappropriate influence or corruption to ensure the right of the people to vote in a free and fair manner, while establishment of an independent election commission will guarantee these rights and purposes and the bill in its inclusive form stipulate all the responsibilities and powers vested in the commission for fulfilling these objectives and purposes.

HRCM issues report on Male' Prison

Human Rights Commission of Maldives (HRCM) following a monitoring visit to the Male' Prison operated by Department of Penitentiary and Rehabilitation Services for the purposes of accommodating male inmates and inmates from brought from Maafushi Jail to Male' for medical treatment . According to HRCM, the report is based on inspection of prison facilities, including the cells, inmates' food, and the answers received from the inmates, prison guards as well as senior officials of the prison.

Gayoom says opposition is undemocratic

Leader and presidential candidate of Dhivehi Rahyithunge Party (DRP) Maumoon Abdul Gayoom have said that many who speak in the name of democracy is actual fact very undemocratic. Gayoom also said that a person's dissatisfaction can be expressed softly and politely and that it will be understood and that there is absolutely no need to shout abuses.

Majlis says prosecutor general bill important for criminal justice

Members of the People's Majlis have said the bill on Prosecutor General under consideration by the Majlis is an essential instrument to establish criminal justice in the country. Members welcomed the bill and said there are no major problems in the bill as it has covered all important aspects and issues. Majlis was debating on the bill on Prosecutor General proposed by the government which is required by the Constitution.. Majlis finally voted in favor of accepting the bill and making necessary revisions in the committee.

PA submit nomination to Election Commission

Following the Speaker Shihab's acceptance of Jumhoory Party's nomination for the newly created Election Commission, after lapse of the deadline set for submission of nominations by political parties, People's Alliance (PA) has submitted their nomination.

President inaugurates Health Insurance Scheme

President Maumoon Abdul Gayoom last night has inaugurated the national health insurance scheme 'Madhana' and the National Social Protection Agency.

JP to establish Investment Bank

Jumhooree Party (JP) Presidential Candidate Qasim Ibrahim has said that an investment bank would be established in a government lead by the JP coalition. Responding to a question posed by Miadhu Daily on what will be the JP coalition's policies on increasing the citizens self sufficiency , Qasim said a lot of work in various field will be done to make to increase the citizens self sufficiency. Qasim said he will work with the coalition to change the present system in the country so that the people can lead a comfortable life.

MYANMAR:

GEOSTRATIGIC:

- **Singapore warns Myanmar activists to stop protests**

POLITICS:

- **Gambari Burma Mission Not Accomplished, UNSC should intervene more directly**
- **Cambodian MP urges UN, ASEAN to fulfill Burma promise**

SOCIAL:

- **Actions not words needed to end Burmese terror**
- **Myanmar stresses continued implementation of 7-step roadmap**

ECONOMIC:

- **New permit system offers more opportunities to work in Japan**

Cambodian MP urges UN, ASEAN to fulfill Burma promise

A Cambodian Parliamentarian called on the Secretary Generals of the United Nations and Association of Southeast Asian Nations to fulfill their promise on Burma by initiating a new approach to finding a political solution for the country. Son Chhay, Chairperson of Committee on Foreign Affairs, International Cooperation and Media of the National Assembly of the Kingdom of Cambodia, in separate letters reminded both the Secretary Generals of UN and ASEAN the need for them to abide by their promises on Burma. They have both promised to look into the sufferings of the Burmese people and find a solution to the crisis. But till date there is no solid evidence that the promise has been kept or put into practice.

Gambari Burma Mission Not Accomplished, UNSC should intervene more directly

UN special envoy Ibrahim Gambari's latest shuttle diplomacy ended in disappointment. He could not meet senior leaders of the ruling Junta. And also the detained opposition leader Aung San Suu Kyi. When Gambari flew in, expectations ran very high. The visit came at a time optimism was waning about talks between the Nobel Laureate and the Generals who had unveiled a new statute after staging a referendum in May. The international community hoped that he would succeed in persuading the military to open a genuine political dialogue with Aung San Suu Kyi and ethnic groups to create a national reconciliation process that could lead to a genuine democracy. Gambari failed to have meetings with the senior general. The Nobel laureate was to meet him on Aug20. But she did not 'show up'. The meeting was organised by the Junta. Obviously, Suu Kyi did not want Gambari to overstate that his mission was going well. This was Gambari's fourth trip to Burma since the deadly crackdown on anti-government demonstrators led by Buddhist-monks last September.

Myanmar stresses continued implementation of 7-step roadmap

Myanmar Minister of Information Brigadier-General Kyaw Hsan has stressed that the government will continue the implementation of its seven-step roadmap as a transitional government in accord with the mandate of the people, the official newspaper New Light of Myanmar.

Singapore warns Myanmar activists to stop protests

A spokesman of the Overseas Burmese Patriots (OBP), a group of Myanmar activists, said the Singapore government has not renewed immigration passes for five of its members who had participated in a public protest in November.

"We do have suspicion that the rationale for the rejections might be because of the protests and our activities," Myanmarese activist Myo Myint Maung said.

New permit system offers more opportunities to work in Japan

Japanese foreign labour recruitment agencies began seeking Myanmar workers under an official work permit system for the first time in June, agents for a number of local companies said last month.

“Before June labourers looking to work in Japan had to make all of the arrangements themselves. This is the first time we’ve been allowed to issue work permits for the many workers here that want to find positions in Japan,” said the director of New Fortune employment agency, U Aye Myint.

Five Japanese recruitment firms negotiated directly with their counterparts in Myanmar last month, with up to 300 workers already sought.

U Aye Myint explained that workers must be able to pass Japanese-language level three tests, although they are not required to be fluent. The workers must also be aged between 20 and 45 and have passed matriculation tests in Myanmar.

The labourers will work in fields such as food production, furniture manufacture, car making and electronics industry.

Actions not words needed to end Burmese terror

UN envoys have visited Burma to talk about the country's brutal and illegitimate military dictatorship, spending but twenty minutes with opposition leaders.

India

Sadia Khanum

23rd to 29th August 2008

Presentation: 5th September 2008

Political front:

- Prakash Karat holds talks with Mayawati
- Manmohan must fulfil all assurances: Yechury
- Koda rules out support to JMM
- Gowda for all-party meet
- We do not support violence: BJP
- A shame on nation: PM
- Tension among ruling allies in Bihar, Orissa
- BJP: get tough with Pakistan diplomatically

Domestic situation:

- VHP shutdown halts traffic across Orissa
- Violence spreads in Orissa
- Lucknow businessman wrote terror mail: police
- Catholic institutions to be closed on Friday
- Jaipur blasts: Muslim groups sceptical over arrests
- 21 districts in U.P. ravaged: Mayawati
- Flooding prompts India food riots

Economic Front:

- Micro finance gaining in popularity
- Land can't be returned without scrapping project: Buddhadeb
- Tatas' Nano plant still cut off by TC tide
- 8-9 per cent growth possible, Chidambaram tells industry
- India may join top rice producing nations soon

Geo-strategic developments:

- U.S. looking at September deadline
- India waiting for new NSG draft

Kashmir

- Government cracks down in J&K
- Curfew continues in Kashmir Valley
- 13 scribes injured in CRPF action
- Both sides aim for a win-win solution
- Territorial integrity non-negotiable"
- Mehbooba for a solution through dialogue

- Bus service across Line of Control suspended
- Don't lose sight of Kashmir's future
- Three killed in Army firing

Social front

- Dowry cruelty conviction possible sans specific charge
- World Bank's new poverty norms find larger number of poor in India
- Honour killings' cause concern

Foreign Relations

- Scope to revise treaties with India: Nepal
- For India, signs not encouraging
- Pope condemns killings, Orissa burns
- No extradition treaty with India: Dhaka
- India ready to better working relations with Lao: President

Political front:

Prakash Karat holds talks with Mayawati

Taking forward the process of putting together a formation as a national alternative to the coalitions led by the Congress and the Bharatiya Janata Party, Communist Party of India (Marxist) general secretary Prakash Karat met U.P. Chief Minister Mayawati here on Sunday. Mr. Karat had a luncheon meeting with Ms. Mayawati and held discussions. "We are trying to work out [an alternative] and are continuing our discussions," the CPI(M) leader told *The Hindu*. While refusing to disclose details of the discussions, Mr. Karat said any formal announcement would take time. On Saturday, Mr. Karat and his colleagues had a meeting with Telugu Desam Party president N. Chandrababu Naidu. The former Andhra Pradesh Chief Minister later called on Ms. Mayawati.

Manmohan must fulfil all assurances: Yechury

The Communist Party of India (Marxist) Polit Bureau member Sitaram Yechury on Sunday said that it was clear from Saturday's developments that the draft Nuclear Suppliers Group (NSG) waiver was in conformity with the Hyde Act and that the objections of the party to the nuclear deal was valid. He hoped that the government would stick to the nine assurances given to the party in the Rajya Sabha by Prime Minister Manmohan Singh. No assurance should be violated, he added.

Koda rules out support to JMM

Ruling out independents' support to Jharkhand Mukthi Morcha (JMM) chief Shibu Soren's endeavour to form a government, caretaker Chief Minister Madhu Koda of Jharkhand on Sunday

warned that it would not be a cakewalk for Mr. Soren and said he was pondering over whether to continue in the UPA or take a different course.

Gowda for all-party meet

Condemning the violence against Christians in Orissa, Janata Dal (Secular) president H.D. Deve Gowda on Tuesday urged Prime Minister Manmohan Singh to immediately call an all-party meeting to chalk out a joint strategy to take communal forces head-on all over the country.

We do not support violence: BJP

The Bharatiya Janata Party on Tuesday condemned the killing of Vishwa Hindu Parishad leader Swami Lakshmanananda and some inmates of his ashram in Orissa. As for the violence during the VHP-led bandh in the State, in which houses of Christian tribals were torched and several persons died, BJP spokesman Ravi Shankar Prasad's comment was: "We do not support violence."

A shame on nation: PM

Prime Minister Manmohan Singh on Thursday described the ongoing violence in Orissa as a "shame on the nation" and is understood to have assured a delegation of church leaders that Rs. 3 lakh would be given as compensation to the families of those killed.

Tension among ruling allies in Bihar, Orissa

Tension has developed between the ruling allies in Orissa and Bihar for entirely different reasons. In both cases, the Bharatiya Janata Party which is the junior partner in the Biju Janata Dal-led government in Orissa and the Janata Dal (United)-led government in Bihar, is unhappy with the manner in which its bigger brother in the State has functioned. While on the record BJP spokesperson Ravi Shankar Prasad said: "There is no question of withdrawing support from the BJP-led Naveen Patnaik government in Orissa," he did not hide the party's annoyance that five days after the murder of Lakshmanananda and other inmates of his ashram the State government had not arrested the culprits. Privately, some BJP leaders and others in the Sangh Parivar are blaming the Patnaik government for not giving adequate security to Lakshmanananda and his colleagues despite threats to his life. In Bihar the party leaders are unhappy that Chief Minister Nitish Kumar came to the capital on Wednesday and met the Prime Minister to demand a relief package for Bihar to deal with the unprecedented floods caused by a breach in a dam on the Kosi River. Said a BJP activist: "Even Lalu Prasad [Rashtriya Janata Dal chief and Railways Minister] and Ram Vilas Paswan [Lok Jan Shakti president and Union Minister for Fertilisers] buried their differences and went together to meet the Prime Minister, but Mr. Nitish Kumar did

not take along with him any BJP leader from the State or the Centre although the two parties are partners in government.”

BJP: get tough with Pakistan diplomatically

Citing fidayeen (suicide) attacks by militants and their continued infiltration into Jammu and Kashmir from across the border, the Bharatiya Janata Party on Thursday urged the government to take a tough diplomatic stance against Pakistan. It should call the Pakistan High Commissioner in New Delhi to South Block and lodge a strong protest against the renewed encouragement being given to militants' activity in Jammu and Kashmir by their patrons in Pakistan-occupied Kashmir, BJP spokesman Ravi Shankar Prasad said here.

Domestic situation:

VHP shutdown halts traffic across Orissa

Rail and road traffic was disrupted across Orissa on Monday as thousands of people staged demonstrations in several places as part of a statewide shutdown called by the Vishwa Hindu Parishad (VHP) to protest the killing of a leader of the organisation on Saturday. Protesters damaged at least five vehicles two in Rourkela and three in the coastal district of Balasore," a police official said. Thousands of protesters staged demonstrations and burnt tyres in several villages, towns and on national highways. Almost all shops and petrol pumps remained closed. Swami Laxmanananda Saraswati, a member of VHP's central advisory committee, and four other people were killed at his Jalespata ashram, some 340 km from Bhubaneswar on Saturday evening after more than 30 suspected Maoist rebels opened fired on them.

Violence spreads in Orissa

With violence spreading to more areas in Orissa on Tuesday following the killing of Vishwa Hindu Parishad leader Swami Lakshmanananda, the death toll has gone up to 10. Four people were killed in a clash between two communities at Barkhama village in the worst-hit Kandhamal district and one person was stabbed to death at Mukundapur village in Gajapati district. At Barkhama, where the majority is Christian, a mob set afire several shops and houses. Both sides used bombs and firearms. Attacks on houses, shops, churches, prayer houses and other properties were also reported from different parts of Kandhamal, where curfew was extended to two more towns during the day. Curfew is already in place in four towns of the district.

Lucknow businessman wrote terror mail: police

Investigators believe a top Students Islamic Movement of India operative arrested in Lucknow on Monday was the author of a series of e-mail manifestos issued by the terror cell responsible for a series of attacks across northern and western India. Shahbaz Husain, a Lucknow-based businessman held by the Rajasthan Police, is alleged to be the operational head of a SIMI-linked

group calling itself the Indian Mujahideen, which carried out in Faizabad, Varanasi, Lucknow, Jaipur and Ahmedabad.

Catholic institutions to be closed on Friday

The Catholic Bishops' Conference of India (CBCI) on Tuesday asked all Catholic educational institutions across the country to remain closed on Friday in protest against the attacks on the community in Orissa. Delhi Archbishop Vincent Concessao told journalists here that the Catholic community had nearly 25,000 educational institutions, making it the second largest educational provider in the country, second only to the state. The Archbishop said Christians were being targeted in Orissa for no fault of theirs despite the community in the State and elsewhere condemning the killing of Vishwa Hindu Parishad leader Swami Lakshmanananda. He said Christians "are victims of a calibrated malicious campaign by certain unruly organisations, which take the law into their own hands."

Jaipur blasts: Muslim groups sceptical over arrests

Muslim groups in Rajasthan on Wednesday expressed skepticism over the claim of the State police of having cracked the May 13 Jaipur serial blasts case. They said the investigation followed a "predetermined pattern" and failed to win the people's confidence. The Rajasthan Muslim Forum an apex body of Muslim groups said the arrests of prime suspect Shahbaz Hussain from Lucknow and seven alleged conspirators from Kota were based on the confessions made by those held in neighboring Gujarat. The arrests would fail to stand judicial scrutiny during the trial, it said. Muslim Forum convener Qari Moinuddin said Director-General of Police K.S. Bains admitted that the police were yet to build a prima facie evidence against the accused. "In this scenario, it is preposterous for the State police to make tall claims of having unearthed the roots of the conspiracy. The case against all the suspects is very weak."

21 districts in U.P. ravaged: Mayawati

Uttar Pradesh Chief Minister Mayawati on Wednesday asked officials to expedite relief and rehabilitation measures on a war-footing in flood-affected areas. Addressing a press conference here, the Chief Minister said the floods had ravaged 3,691 villages in 21 districts. Some districts were in the grip of a viral fever and malaria, claiming 36 lives

Flooding prompts India food riots

Food riots have erupted in the eastern Indian state of Bihar where flooding has left more than two million people homeless. Looting and food riots have been reported and one person was killed in Madepura district as villagers fought over limited food and medicine at a relief centre. In the Supaul district a boy was killed and 30 people injured as they ran under helicopters that were distributing food packages.

Economic Front:

Micro finance gaining in popularity

Time was when banks were the only organised lenders for rural customers. Today, micro finance institutions (MFIs) have been gaining in popularity among the un-banked population. And, they are increasingly playing a bigger role in the upliftment of the poor. Over 1,000 micro finance institutions (covered under the Reserve Bank of India (RBI) regulations) are operating across India. Started as non-profit-making organisation, these have now grown to make a serious splurge into micro credit area. The overhead costs for nationalised banks to set up operations in rural areas are very high and managing the large number of retail portfolios is difficult. This has given room for the growth of MFIs in rural areas. The Union Budget clearly focuses on developing women self-help groups. But the Micro Finance Bill is yet to be passed in Parliament. For the Reserve Bank of India, it is the registration that mattered. All these factors have led to the mushrooming growth of MFIs.

Land can't be returned without scrapping project: Buddhadeb

West Bengal Chief Minister Buddhadeb Bhattacharjee said land at the Singur Tata Motors project site could not be returned without scrapping the project. Many industrialists present at a meeting here, however, urged the government to try and resolve the matter by talking directly with the farmers who are said to be demanding their land back. Participating in an interactive session with industrialists, Mr. Bhattacharjee said he could not afford to roll back the project or allow other States to take it away. "I am trying to make the Opposition see reason. The car [Nano] is expected to roll out in October. I just cannot and should not stop it." The session was organised by the Associated Chambers of Commerce and Industry in India (ASSOCHAM).

Tatas' Nano plant still cut off by TC tide

Tata Motors' factory to manufacture the world's cheapest car in Singur continued to remain under siege for the fourth day on Wednesday, as the opposition Trinamool Congress announced stepping up protests seeking return of farm land from the industrial house. Hundreds of trucks remained stranded on the Durgapur Expressway, as demonstrators blocked movement of vehicles.

Trinamool Congress chief Mamata Banerjee, whose partymen have laid a siege to the plant obstructing work on the Rs one lakh car 'Nano', has called for a two-hour statewide road blockade on Friday after the West Bengal government rejected her demand for return of 400 acres land to farmers.

8-9 per cent growth possible, Chidambaram tells industry

Finance Minister P Chidambaram on Tuesday told industry leaders he believed the economy would log an eight to nine per cent growth in the current fiscal. "The finance minister was optimistic of an eight to nine percent growth in the current fiscal. Chidambaram, according to Kamath, told the gathering that the slowdown in industry was "marginal", and that it could be attributed to a global slump. Chidambaram, according to Kamath, told the CEOs that inflation would start moderating in October-November.

India may join top rice producing nations soon

The state-run agency Food Corporation of India - will buy record quantities of rice from farmers after a good harvest, a top government official said, raising hopes it will join the ranks of top global producers easing export curbs. The government will review its ban on non-basmati exports in November, and the possible return of what was the world's second-biggest rice exporter.

Inflation dips to 12.4 per cent

Contrary to market expectations, the rate of inflation dipped marginally to 12.40 per cent for the week ended August 16 from 12.63 per cent the previous week, mainly owing to a moderation in the prices of vegetables, meat, cement and a few non-administered petroleum products even as certain other essentials turned dearer. The official data on the wholesale price index (WPI), released here on Thursday, showed that the slide in the annual point-to-point inflation rate was for the first time in a month. The previous decline from 11.91 to 11.89 per cent was recorded for the week ended July 12. The break in the trend of rising prices came as a relief to the government. "There are some early signs of moderation of inflation," the Finance Ministry said in a statement, while noting that the prices of 21 items out of 98 in the 'primary articles' declined and another 48 items remained steady. However, in the case of "manufactured products," the rate of inflation went up to 11.02 per cent from 10.91 per cent owing to higher prices of 18 products such as sugar and khandsari, mustard and gingelly oil, hessian bags and cloth, computer and computer-based systems, electric motors and some steel items.

Geo-strategic developments:

U.S. looking at September deadline

As India and the U.S. started redrafting the text of the NSG waiver, Washington has said it was working in a focussed manner to push the process with an aim to concluding the civilian nuclear deal by early next month. "Our principal focus right now has been on the India civil nuclear deal, having worked through the IAEA, now working through the NSG, and still trying to get into a position to make the appropriate presidential determinations in early September," U.S. Secretary of State Condoleezza Rice told reporters on way to Tel Aviv.

India waiting for new NSG draft

Indian officials are still waiting for the United States to send across a new draft of the proposal seeking an exemption for India from the export guidelines of the Nuclear Suppliers Group. On Monday, Foreign Secretary Shiv Shankar Menon held one round of talks with U.S. Under Secretary for Political Affairs William Burns in Washington. But the formulation of the new draft is being handled solely by the American side and Indian officials say they hope the text is shared with them well before the next NSG plenary, scheduled for September 4-5.

Kashmir

Government cracks down in J&K

Jammu and Kashmir authorities have initiated a crackdown against protesters across the State, ahead of the conclusion of a deal on the communally-charged Amarnath shrine land-use dispute. State government sources said an announcement on the shrine land deal which was expected to involve the Shri Amarnathji Shrine Board being allowed the temporary use of forest land to house pilgrims, and the nomination of both Muslim and Hindu state subjects to the body would be made as soon as a new police drive against hardline Islamists and Hindutva groups gathered pace. Kashmir division is bracing to block a massive march to Srinagar's historic Lal Chowk by secessionist groups, scheduled for Monday. Police had been ordered to enforce the curfew imposed on Saturday night. Army troops in rural Kashmir have also been told to block the movement of protesters towards Srinagar. Police have been given orders to arrest key second-rung secessionist leaders responsible for organising anti-India protests, including Shabbir Shah, Massrat Alam and Naim Khan.

Curfew continues in Kashmir Valley

Curfew remained clamped in the Kashmir Valley for the second day on Monday, even as authorities arrested top separatist leaders, including Sayed Ali Shah Geelani and Mirwaiz Umer Farooq, to thwart their attempts to organise a march to Lal Chaowk. The curfew which was imposed in all the 10 districts of the Kashmir Valley in the wee hours of Sunday continued with police making announcement through mobile public address system asking the residents not to go out of their houses. The separatist leaders have planned a rally at Lal Chaowk today to protest against what they called the "failure" of the Centre to resolve the Kashmir issue.

13 scribes injured in CRPF action

Over 13 journalists were injured, one of them seriously, when Central Reserve Police Force (CRPF) personnel beat them up in separate incidents here on Sunday. The journalists were on their way to work during curfew. At several places in Kashmir, people who came out in groups to defy curfew were chased away by the CRPF and the Army who used tear smoke shells and at some places opened fire. Reports said 25 people, including five policemen, were injured. Hurriyat leaders Mirwaiz Umar Farooq and Syed Ali Geelani have vowed to go ahead with the march despite restrictions. "We will go ahead with our programme and government cannot stop this revolution" Mr. Geelani told *The Hindu* over the phone from his residence. "India should see the writing on wall and concede our demand of right to self determination."

Both sides aim for a win-win solution

A day after Shri Amarnath Sagharsh Samiti and Shri Amarnathji Shrine Board agreed for an amicable solution to the land transfer issue, there were a series of behind-the-scenes confabulations on either side to get a win-win solution by getting the "wording of the agreement" right. On Saturday night, the two sides postponed their dialogue process for two or three days after the third round when the broad contours of the agreement were drawn. Both agreed to meet after consulting their colleagues. The Jammu and Kashmir government does not want any agreement to lead to regional polarisation, while the Samiti wants the people of Jammu to be satisfied. In practical terms, the State government has agreed to make the land available to the Shrine Board temporarily for three months during the Yatra period. But the main hitch is the use

of the words to articulate this position of the State government so that no region Jammu or Kashmir Valley feels that it has lost out.

Territorial integrity non-negotiable

New Delhi: Rejecting calls for the separation of Jammu and Kashmir, the Union government has asserted that the country's territorial integrity is "non-negotiable" and the borders cannot be "altered or redrawn." The government also ridiculed the Hurriyat Conference leaders for claiming to be the representatives of the people of Jammu and Kashmir, saying it had no justification as the separatists have never tested their popularity in elections. His comment came in the backdrop of calls for secession of Jammu and Kashmir made by separatist leaders as well as a few prominent people like author Arundhati Roy.

Mehbooba for a solution through dialogue

Jammu and Kashmir People's Democratic Party leader Mehbooba Mufti on Sunday appealed to leaders across the political spectrum to work towards resolution of the problem in the State. "The resolution of the Kashmir problem is necessary and it has to be through dialogue," Asked about the waving of Pakistani flags by protesters in the valley; she said the administration could take action, if the law of the land was violated, but enforcement did not mean opening fire. Ms. Mehbooba said the "economic blockade" of the Valley was continuing and drivers of trucks were scared to ply since petrol bombs were being hurled at them.

Bus service across Line of Control suspended

The bus service between Poonch town of Jammu and Kashmir and Rawalkote in Pakistan-administered Kashmir was suspended on Monday due to a curfew that was imposed in Poonch following clashes over the Amarnath land row.

Non-stop curfew in Kashmir Valley

Curfew in all ten districts of Kashmir Valley continued for the third day on Tuesday even as the situation remained peaceful. With the death of another man injured in firing by security forces at Hajan, the death toll in the violence since Monday has gone up to six.

Don't lose sight of Kashmir's future

They are not afraid of death.' Chilling words from a psychiatrist in Kashmir about the younger generation that is taking to the streets these days. And why would they be 'afraid', having grown up in an atmosphere of violence and bloodshed where night curfews and midnight searches by security personnel are part of 'humdrum life'? It should be of grave concern to the Government of India that more than 90 per cent of those protesting on the streets of Kashmir today are below 25. How is it that these young people, who should have so much at stake in the future, are so alienated? It cannot be that they are unaware of how rapidly the Indian economy is

growing, throwing up employment opportunities hitherto unheard of. It can also not be that they are unaware of how precipitately Pakistan, the beacon of hope for the separatist movement, is heading down a slippery slope. It is time that the Centre moved away from its policy of talking only to those with a political stake in the state. It should, with the help of civil society organisations, engage the young who are the future of Kashmir. If any positive solution is to come about, it is the youth that will bring it about, not cynical politicians who are not averse to keeping the pot boiling. Instead of talking to middle-men and self-styled 'representatives of the people', the government should cut to the chase and listen to what it is that spurs these young people to risk their lives for an illusory azaadi.

Three killed in Army firing

On the fourth day of curfew in Kashmir on Wednesday, three people were killed when the Army opened fire on a group of people in Handwara and Soibugh areas of north and central Kashmir. Several people were injured in the incident.

Social front

Dowry cruelty conviction possible sans specific charge

Courts can convict an accused for dowry harassment and cruelty even if there is no specific charge of that offence, the Supreme Court has held. A Bench consisting of Justices Altamas Kabir and G.S. Singhvi said: "Section 498 A was added to the Indian Penal Code in the backdrop of the growing menace of dowry-related cases in which the women were subjected to cruelty and harassment and were forced to commit suicide. This Section lays down that if the husband or his relative subjects a woman to cruelty, then he/she is liable to be punished with imprisonment for three years and a fine."

World Bank's new poverty norms find larger number of poor in India

With an upward revision in its international poverty line norm from \$1 a day, a World Bank study has revealed that nearly five out of 10 Indians are living on less than \$1.25 (approx. Rs. 55) a day. And what is worse, their number is on the rise, despite a fall in percentage terms.

Honour killings' cause concern

On June 16, 2008, a 22-year-old girl was allegedly killed by her parents in Naushera Dhalla village, Amritsar, for having an affair with a boy of a nearby village. Her last rites were clandestinely performed. The day before, Sarabjit Singh, from Gajjukhera village in Patiala, surrendered to the Punjab police confessing that he killed his sister and brother-in-law. Two years ago, Satwinder Kaur, a Dalit from the same village, married Suresh Kumar, a Khatri boy. The couple was murdered. Such are the tales of girls from rural Punjab who were killed by their fathers and brothers in the name of 'honour.' These killings reflect the intolerance for inter-caste marriages in rural Punjab. A person can trigger honour killing by refusing an arranged marriage or eloping with a lover. In case of a woman, being the victim of sexual assault can be a pretext as

well. According to a survey done by the Delhi-based Indian Population Statistics Survey (IPSS) in 2007, 655 homicidal cases were registered as honour killings across the country. The figure stands at 209 for Punjab and Delhi. Most cases are reported from Haryana, Punjab and Uttar Pradesh, though it is also attributed to a larger number of NGOs operating in these areas.

Foreign Relations

Scope to revise treaties with India: Nepal

Foreign Minister of the Federal Democratic Republic of Nepal Upendra Yadav has said there is a scope to revise the treaties Nepal has signed with India. Mr. Yadav is scheduled to attend BIMSTEC's meeting in India towards the end of August, where he said he would raise the issue of Koshi floods. "The maintenance work had to be carried out in dry season but nobody [neither India nor Nepal] really thought about it on time." He further said relief for the victims and a permanent solution to the problem would be sought at his meeting with the Indian leaders during the meeting of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation.) According to a treaty signed between Nepal and India, it is India's responsibility to maintain the Saptakoshi barrage. On Prime Minister Pushpa Kamal Dahal's visit to India, he said, "It should not be taken negatively; China is our good friend and we should strengthen our friendship and make it productive."

For India, signs not encouraging

It is still early to gauge the impact of Pakistan's post-Musharraf political ferment on its relations with India, notably on the composite dialogue initiated in 2004. But the portents aren't encouraging. Not in the short-term. Experts here do not foresee a "creative" movement forward until late 2009, when equations will be clearer in Islamabad and a new government in place in Delhi. Musharraf's peace initiatives had the army's backing, claimed a former Indian High Commissioner to Pakistan. He said back channels are active and the situation hasn't radically altered, except, of course, the renewed upsurge in Kashmir. The assertions aren't entirely borne out by what Indian officials call on-ground regression: ceasefire violations, bombing of the Indian embassy in Kabul and sharp exchanges on Kashmir. There is support for cross-LoC CBMs for trade and travel. Musharraf's thinking isn't out of fashion yet. But it doesn't find forceful expression in public discourse where sporadic right-wing voices accuse the PPP-led regime of a U-turn on Kashmir, citing Zardari's since retracted comments that J&K be set aside for future generations with a sharper focus on trade and economic ties. If Zardari wins the presidential election and keeps the Army and Americans on his side, he'd have a much wider 'single widow' than a politically isolated Musharraf could offer India post-2006.

Pope condemns killings, Orissa burns

As attacks on churches and Christians continued in Orissa claiming at least nine lives Pope Benedict XVI on Wednesday condemned the violence and appealed for peace. The Pope, in his afternoon address at Vatican Square, said he had learnt with "deep sadness" the news about

violence against Christians.. He condemned the “attacks against human life” and expressed his “spiritual closeness and solidarity” to all Christian brothers and sisters in their time of trial and suffering. The Pope also appealed to “religious leaders and civil authorities to work together to restore among members of various communities the peaceful coexistence and harmony which have always been the distinguishing mark of Indian society”.

No extradition treaty with India: Dhaka

Bangladesh has once again rejected an Indian proposal for a bilateral extradition treaty to exchange criminals hiding in each other's territory. Any such treaty must involve others of the eight-member South Asian Association for Regional Cooperation (SAARC), Dhaka insists. The issue has been pending for long, even as both the South Asian neighbours accuse each other of illegal movement through a 4,300 km porous border. Besides common law-breakers, India says several leaders and activists of the militant outfits of its northeastern region are operating from Bangladeshi soil. Dhaka responds with a similar accusation about "political fugitives" taking shelter in India.

India ready to better working relations with Lao: President

Remembering India's strong bonds of friendship with Lao, President Pratibha Patil on Wednesday expressed New Delhi's desire for better working relations with the South East Asian country in the areas of road and rail networks. Lao has transformed its land-locked country into a land linked one, providing connectivity through road and railway links in all directions, Patil said in her welcome speech."We have projects covering Information Technology, entrepreneurship development, power, defence, training and other sectors," Patil said, adding India will be particularly interested in working with Lao in its e-governance plans.

India, ASEAN clinch a free trade agreement

India and the Association of Southeast Asian Nations (ASEAN) have clinched a trade pact that took nearly six years of talks to finalise. This will create a new free trade area of 1.7 billion people and cover 11 countries, India and the ten ASEAN states, with a combined Gross Domestic Product of \$2.3 trillion as of now.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

September 12, 2008

Nadia Tasleem:	Report on Asia	121
Ashia Rehman:	Report on Fertile Crescent	134
Tatheer Zehra:	Report on South East Asia	163
Ghashia Kayani:	Report on South Asia	205
Sadia Khanum:	Report on India	234

BUSINESS AND POLITICS IN THE MUSLIM WORLD
SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 30 August to 5 September 2008

Presentation: 12 September 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia and Fertile Crescent from 30 August to 5 September as have been collected by interns.

Summary

South Asia

Political Front:

Bangladesh:

Under severe internal and external pressure interim government remained active in its efforts to ensure all parties' participation in elections. Leading political parties however seem to be on the way of confrontation with one another, if it actually happens elections will again be in

doldrums. Despite the fact that son of Khaleda Zia has been released on bail; BNP has refused to sign any secretive deal with the government for release of their leader and former Bengali PM rather they would prefer to launch anti-regime movement for her release.

Srilanka:

Sri Lanka Security forces in the midst of heavy fighting entered and captured one of Tamil Tigers' most strategic garrison towns, Malawi. In response Tamil Tigers exploded bomb in a bus in Colombo injuring 45 people while leaving few dead. War like situation in Srilanka has led donors to think twice before giving any financial aid to the country as according to them their aid would be spent on weapons inspite of schools and hospitals.

Maldives:

At political front various parties remained active in their political campaigns. In this regard Presidential candidate of Islamic Democratic Party (IDP) announced that under his leadership death penalty would be given to people involved in drugs' business.

Meanwhile, People's Majlis has agreed to give another chance to Adhaalath Party and People's Party to submit heir nominations to EC as it had formerly rejected their names for failure to qualify. Minister of environment has recently resigned because of his dissatisfaction with government.

Nepal:

Former PM Girija Prasad Koirala has accused Maoists for breaking consensus and said that stable government can not be made in the absence of unity and coherence.

Myanmar:

Opposition parties have expressed dissatisfaction with UN envoy Gambari's futile mission in Burma and asked Burmese people no to rely on any one rather to put heir own effort for betterment of political situation of Burma. Meanwhile report of International crisis group declared Myanmar to be in static position as its political situation hasn't changed.

India:

Domestic unrest:

Orissa remained hub of violence. Centre urged the need to interfere in state affairs to maintain law and order over there. Mayawati however expressed dissatisfaction with center's role regarding Orissa. Maoists have warned VHP and other extremist factions to stop anti-minority violence in states like Orissa or they will have to suffer badly. Meanwhile Lok Janashakti Party (LJP) leader and Union Minister Ram Vilas Paswan urged the need to ban RSS, VHP and Bajrang Dal because of their involvement in violent activities.

Kashmir:

Despite the fact that government and Sangharsh Samiti concluded an agreement, being approved by the National Conference, Congress and BJP, to resolve Amarnath temple issue yet Kashmiris warned to launch protests as their land has been given to Hindus without letting them know.

Nuclear deal:

Communist Party leader Karat said that India and the US can enhance cooperation in arena of defence even without nuclear deal as this deal would bring India under the US just like Pakistan. In response Sonia Gandhi justified deal on the ground that India direly needs nuclear energy to meet its energy needs.

At NSG forum mix reaction has come up regarding approval of the Indo-US nuclear deal. Few states namely; Austria, Ireland, Newzeland, Norway, Netherlands and Switzerland have asked for more tough conditions before approval of the deal. Meanwhile many others have given full support to India; hence it is assumed that second meeting of NSG would determine future of nuclear deal.

Geo-strategic Front:

Bangladesh:

One significant development is recent announcement made by Kuwaiti Deputy PM claiming that government would take strong measures against Kuwaiti companies for exploiting Bengali workers.

Home secretary level talks between India and Bangladesh have started focusing on security issues being confronted by both states. Meanwhile Bangladesh has also proposed a trilateral link road with Myanmar and Thailand during a meeting between officials of all states.

Maldives:

Government has appreciated China for successful completion of Olympics.

Bhutan:

Bhutanese Prime Minister Jigme Y Thinlay has reportedly expressed Bhutan's desire to resume the derailed bilateral consultation with Nepal over the refugee issue.

India:

Italy has expressed deep concerns about growing violence in India. Besides that Tea Research Institute India has signed MoU on tea research with its Srilankan counterpart.

Social Front:

Bangladesh:

Trend of early marriages, rapid spread of cancer and alarming flood situation (causing severe loses to agriculture sector) have emerged as significant social issues being faced by Bangladesh.

Srilanka:

USAID has increased job opportunities for Srilankan youth by opening vocation centres and other technical institutes.

Maldives:

Media policy of government has been criticized by Dr. Hassan Saeed, who has recently warned to sue the government for failure to fully comply with Equal Media Coverage Agreement signed between the government and political parties.

Another significant development at social front is growing number of foreigners in Maldives; that has exceeded 77, 000 according to Employment and Social Security Ministry's statistics.

Nepal:

Manpower agents observed Black Day in the capital in memory of the great loss inflicted to the manpower agencies by wreckage in the wake of assassination of 12 Nepali workers in Iraq.

Being seriously concerned about Saptakoshi flood Prime Minister Pushpa Kamal Dahal headed Natural Disaster Rescue Committee (NDRC) meeting. Committee held discussion to sort out relief programmes for the victims of Saptakoshi flood.

Myanmar:

On one hand, Human rights organizations accused military junta of Myanmar for human rights violation and claimed that 286 pro-democracy activists have been arrested this year so far; on the other hand British guests in have appreciated Burma for successfully controlling diseases in the country.

Bhutan:

Heavy rains have scared people of Bhutan about floods.

India:

According to a Washington based think tank, India has been declared as the third most emitter of carbon dioxide. Excessive floods have endangered lives of many in India especially 'untouchables' who are last to be rescued.

Economic Front:

Bangladesh:

Hundreds of investors have suffered losses of crores of taka during the last eight days in Dhaka Stock exchange. Besides that prices of commodities still remained high.

Srilanka:

The Sri Lanka Foundation Institution claimed that trade development and economic growth has nothing to do with poverty reduction. However increase in employment and other programs can reduce poverty.

Maldives:

The Maldives has participated in the Fourth China- Jilin North East Asia Investment Expo, which is being held from the 2nd to 6th September 2008. Foreign Ministry has further revealed that Maldives is hosting a stall in the exhibition in order to promote tourism, fisheries, and other potential opportunities for investment in the country.

Myanmar:

Despite sale of natural gas reserves military junta has failed to develop gas related industries that are required to meet domestic needs.

Bhutan:

A Bhutanese business delegation has urged Bangladeshi business community to increase investment in Bhutan.

India:

The most significant development at economic front is that the rate of inflation eased to 12.34 per cent for the week ended August 23 from 12.40 per cent in the previous week, mainly as a fall-out of the decline in prices of food articles such as fruits and vegetables.

Dharna by Trinamool Congress stalled work of Tata Motors for small car plant for more than a week. Such obstacles in their way can lead them to leave. Many however consider their likely pull out to be a major set back for Indian industries.

East Asia

Political Front:

Indonesia:

Different surveys regarding likely President of Indonesia as a resulting of upcoming elections reveal that current Indonesian President Susilo Bambang Yudhoyono has more bright chances of victory than Mayawati. Meanwhile Islamic Defenders Front launched demonstration in front of Presidential Palace asking him to ban Jemaah Ahmadiya in the country.

Malaysia:

Malaysia has announced to keep its peace troops in Philippines for another three months in order to monitor a fragile truce between Filipino government and Muslim insurgents.

Thailand:

Political crisis further intensified in Thailand with opposition continuous demand of PM and his party's resignation. Even EC also asked governing party to dissolve cabinet. PM however refused to quit his seat and declared emergency to maintain law and order situation that got deteriorated because of severe confrontation between pro-government and opposition activists in the Capital.

Philippines:

The Philippines' largest Muslim rebel group threatened to pull out of peace talks with Manila because of cancellation of already set deal by Supreme Court. Next day at least six people were killed and over 27 others injured when a bomb exploded inside a passenger bus in the southern Philippines. Government however negated possibility of MILF's involvement in that deadly act and blamed a small gang called Al Khobar for the blast.

Singapore:

The Man Power Industry has asked public to give its feedback on the proposed amendments to Employment Act.

Geo-strategic Front:

Indonesia:

Indonesian Vice President has expressed full support for Iranian peaceful nuclear activities.

Singapore:

Growing bilateral ties between Singapore and China remained significant at geo-strategic front.

Vietnam:

Vietnam's Inter-section talks with Laos and its celebration of 35 years of diplomatic ties with Canada grabbed attention.

Laos:

Growing ties between Laos and China as well as with India remained significant.

Social Front:

Indonesia:

Heavy floods have compelled hundreds of people to leave Southern region in order to save their lives.

Thailand:

Explosion of a small bomb in Bangkok police booth on seventh day of protests being launched against PM further raised fears of common people regarding growing violence.

Philippines:

The Commission on Human Rights (CHR) found human rights violations in the arbitrary arrest and detention of media persons after a six-hour standoff.

Vietnam:

Floods and land sliding has killed 11 people in northern Vietnam and left many others homeless. Meanwhile Vietnam has denied use of force against Catholic demonstrators; asking for piece of land that has been taken from them by Communist regime, many years ago.

Economic Front:

Indonesia:

The governor of the Indonesian central bank said he would "do whatever it takes" to bring annual inflation below 10 percent in 2009, from 11.9 percent in July.

Malaysia:

Malaysian PM has announced to increase government spending by almost 6% in order to regain popularity within public.

Thailand:

Political turmoil and labour shortage has adversely effected investments in Thailand.

Singapore:

Private sector economists said Singapore's economy may expand 4.2 per cent this year, which is slower than earlier forecasts of 5.5 per cent.

Fertile Crescent

Political Front:

Iraq:

Relation between the centre and Kurds has further spoiled as government asked Kurds to evacuate areas that do not fall in autonomous Kurdish enclave. Government has even sent troops in towns and villages in the Province of Diyala to keep their hold over the area. Meanwhile Iraqi Vice President asked the Parliament to pass law on the US Security agreement and the provincial council elections.

Palestine/Israel:

Following Abbas-Olmert meeting head of the PLO Negotiations department expressed his concerns regarding peace deal with Israel. He claimed that an agreement with Israel should all controversial issues like that of East Jerusalem and Palestinian refugees. Without addressing these key issues no permanent settlement can ever be achieved.

Lebanon:

The most challenging issue at Lebanese political front is centre-HezbAllah cooperation. Recent incident of killing of a Lebanese pilot by HezbAllah while flying his helicopter further raised tension between ruling regime and HezbAllah. Despite the fact that HezbAllah expressed its sympathy for the deceased and asked government for apology; many Parliamentarians have out rightly rejected the option of accommodation of HezbAllah. Meanwhile Premier Fouad Siniora proposed a six-point plan to develop the city of Tripoli and north Lebanon, based on enforcing security and achieving stability.

Geo-strategic Front:

Iraq:

The British Ambassador expressed his willingness to start dialogue with Iraq over the question of presence of their troops in Iraq after 2008. Besides that release of almost 11,000 detainees from US jails appears to be a significant development, despite the fact that more than a lakh are still there.

Palestine/Israel:

The Yemeni Association of al-Aqsa has offered to the Palestinian people \$3.3 million since the beginning of 2008. Meanwhile Minister of Prisoners' affairs has welcomed Egyptian proposal to send Arab forces to the Gaza strip in order to prevent fighting and confrontation between Palestinian and Israeli sides.

Syria:

Syria kept its special focus on enhancing ties with Arab countries as well as EU. Meanwhile President also sent congrats messages to Libya, Uzbekistan and Slovakia on their Independence Day celebrations. Besides all that Syria reiterated its desire to liberate Golan Heights.

Lebanon:

Six Israeli jets flew over south Lebanon and broke the sound barrier twice over the port city of Tyre. UN therefore asked Israel not to violate Lebanese air-space.

Jordan:

Jordan has announced to give visas to Iraqi refugees however it also appreciates Iraqi government's efforts to attract million of refugees to come back to their native land.

Social Front:***Iraq:***

Construction of two tourist roads in the north of Karbala city at the cost of \$900,000 has started in Iraq.

Palestine/Israel:

Israel has announced to open Al-Aqsa mosque for some Palestinians (aged 45 to 50 and married) for their Holy month of Ramadan. Besides that Israeli government has been trying to get access to deserts surrounding Dead Sea in order to drill oil from there. Environmentalists however have expressed serious concerns regarding this.

Jordan:

Student activists have severely criticized substantive increase in annual fee of German-Jordanian University. Meanwhile lawmakers have sent a written petition to the government asking her to increase minimum wages in order to help limited-income workers to meet living needs.

Economic Front:

Iraq:

The most significant development at economic front is that under Iranian pressure, Iraqi authorities seem to favour Chinese and Russian companies to that of the US in oil sector. It is generally assumed that no major development in Iraq can take place without Iranian consent; who is the biggest trading partner of Iraq.

Syria:

Syrian Foreign Ministry has recently signed an agreement with the UN to start Capacity building project.

Jordan:

Oil prices have lowered by an average of 5.6% last week.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Aisha Rehman

From 29th August to 5th September

Presentation Date 12th September, 2008

Iraq

Political front:

- Relations sour between Kurds and central government
- VP urges Parliament to pass security deal

Geo strategic front:

- U.S. frees 11,000 Iraqi detainees in 2008
- Iraq will not expel Iranian exiles
- British envoy to VOI: we seek agreement to organize our presence

Economic front:

- PM calls to seize investment opportunities in Iraq
- Finance minister, envoy take up Italian loan

Social front:

- 2 tourist roads to be constructed in northern Karbala

Palestine and Israel

Political front:

- Following Abbas-Olmert Meeting, Erikat Says PNA Seeks Comprehensive Agreement

Geo strategic front:

- Israeli Navy Fired at Fishermen & Internationals
- Yemeni Association Grants Palestinian People \$3.3 mln
- Al-Ajrami Welcomes Egypt's Proposal to Deploy Arab Troops in Gaza
- Media says Hezbollah hit helicopter by mistake
- Boats with Palestinians defy Israeli Gaza blockade

Social front:

- PCBS: W. Bank Population Grown up to 2,350,000
- Heads of NGO network visits Palestine and Israel
- Israel opens Al Aqsa mosque to some Palestinians for Ramadan
- Environmentalists: Oil project could kill Dead Sea
- Israel eyeing all-Israeli workforce

Syria

Geo strategic front:

- Syria and United Arab Emirates Review Cooperation Relations
- President al-Assad exchanges cables on advent of Ramadan with Presidents of Arab & Islamic States
- Mualla, EU Discuss Program on Improving Higher Education
- President al-Assad Congratulates Libya, Uzbekistan, Slovakia on National Days
- Syria, UN Discuss Draft of National Strategy for Housing
- Iranian students condemn Israel destruction of al-Qunaitera
- Bilal: Syria Works to Achieve Just and Comprehensive Peace, Liberate Golan

Economic front:

- Syria and the United Nations Ink Document of Diplomats Capacity-Building Project

Social front:

- Bosra International Festival Concludes its 20th Session

- Religious men of Golan concludes visit to Syria
Lebanon

Political front:

- Hizbullah for Cooperation with Army
- Mouawad and the Impossible Coexistence with Hizbullah Weapons
- Saniora's Six-Point Plan for Tripoli
- Hassan Shahhal For Tripoli Reconciliation
- Soaid: A Hizbullah-Army Committee Takes Us Back to Civil War Structures

Geo strategic front:

- Sarkozy Stresses from Damascus the Importance of Sovereign Lebanon
- Israel Warplanes Break Sound Barrier over Lebanon
- Helicopter attack: 3 more Hezbollah gunmen opened fire
- U.N. Deminer Killed in South Lebanon
- Lebanon denounces Syria's trespassing into Lebanese territory
- Assad Says Israel Could Attack Lebanon, Iran and Warns of 'Catastrophic Results'
- Geagea Warns against Merging Issue of Lebanese in Syrian Jails with Missing in Lebanon War
Jordan

Political front:

- Parliamentary committee to have limited mandate

Geo strategic front:

- King discusses ties with Icelandic president
- French lawyers offer support for lawsuit against Danish cartoonist
- New QAIA passenger terminal to be ready in two years
- Amman supports voluntary return home - official

Economic front:

- Egypt to provide Lebanon with power via Jordan
- Government mulls new oil shale proposal
- Fuel prices down
- Gas cylinders to remain partially subsidised in '09

Social front:

- Student activists criticise high tuition fees at GJU
- Assaulted doctor calls for serious measures
- Lawmakers call for minimum wage increase
- Nine new nature reserves to save Kingdom's ecosystems
- Community organisations flourish under Qudorat programme

Iraq

Political front:

Relations sour between Kurds and central government

Prime Minister Nouri al-Maliki has asked Kurdish militias known locally as peshmerqa to evacuate areas south of the “green line” demarcating the autonomous Kurdish enclave in northern Iraq. Maliki has went as far as sending Iraqi troops to flush out the Kurdish militias from villages, towns and cities officially not part of the Kurdish region.

Iraqi troops have reportedly spread their control in the string of towns and villages in the restive Province of Diyala which the Kurds claimed as their.

Maliki’s move has brought almost all Arab political factions, whether Sunni or Shiite together, demanding stringent measures to curtail Kurdish ambitions.

The Kurds see the move as “muscle twisting” by Maliki. The government says the Kurds should not get more than 14% of the budget in proportion to the number of people in their areas.

VP urges Parliament to pass security deal

Iraqi Vice President Adel Abdelmahdi on Wednesday called on the Iraqi Parliament's Speaker Mahmoud al-Mashhadani to pass the laws on the U.S. security agreement and the provincial council elections.

A declaration of principles was signed between U.S. President Bush and Iraqi Prime Minister Maliki in December 2007. The declaration was scheduled to be ratified on July 31, 2008 and to come into force as of January 1, 2009.

The agreement governs the presence of U.S. forces in the country after 2008 and will not come into force without the approval of the Iraqi Parliament, which has 275 members from five blocs, in addition to the Sadrist movement and al-Fadhila party. The U.S. troops' presence currently relies on a mandate by the United Nations and is annually renewed at the request of the Iraqi government. The statement quoted Mashhadani as saying that the provincial council elections law will be included on the agenda of the new legislative term. On July 22, the Iraqi Parliament, with the approval of 127 deputies out of 140 who attended the session, passed the law on provincial council elections, which includes an article postponing the elections in the city of Kirkuk.

The Presidential Board, with the unanimity of President Jalal Talabani and his two deputies Abdelmahdi and Tareq al-Hashimi, rejected the law in a rapid reaction one day after the Iraqi Parliament passed it during a session that raised hue and cry over its constitutionality. The law drew angry reactions from the Kurds, who considered the way the law was passed as a "twisting of the constitution," threatening to use the right of veto, granted by the Iraqi constitution for the Presidential Board, headed by President Talabani, a Kurd, to reject the law and return it to the Parliament for debate.

Geo strategic front:

U.S. frees 11,000 Iraqi detainees in 2008

U.S. occupation troops have set 11,000 Iraqi detainees free this year but at least 20,000 more remain in their jails, Iraqi parliament's human rights committee said.

Shadha Abbosi, a committee's member, urged U.S. forces and the Iraqi government to release all Iraqi detainees in their prisons who are estimated at about 100,000.

Detainees held by both the Iraqi government and U.S. troops are rarely tried. The parliament has passed a draft amnesty law with overwhelming majority, but the government is preventing its implementation in a clear defiance of the legislature.

Iraq will not expel Iranian exiles

Iraq has no intention of expelling Iranian exiles from its territory despite its strong objection to their presence, a senior Interior Ministry official said.

Iraqi forces have reportedly restored control of the group's main military base al-Ashraf which was until very recently under U.S. military protection. There are nearly 4,000 armed Mujahideen members in the camp which was target of numerous Iranian missile and air attacks before the U.S.-led invasion of Iraq in 2003. For the U.S. the exiles are 'terrorists' but it has opted to protect them despite Iraqi government's repeated calls to close their camp.

British envoy to VOI: we seek agreement to organize our presence

The British ambassador in Baghdad, Christopher Prentice, on Wednesday revealed his country's intention to engage in negotiations with Iraq over an agreement that he said will regulate the ***presence of British troops after 2008***.

"We will enter into negotiations with the Iraqi government at the time to obtain a legal presence for our forces if our mission is not complete by the end of this year," Prentice said during an interview. Prentice noted that the British military presence in the country has been made at the request of the Iraqi government and in accordance with the UN Security Council's resolutions and Chapter VII of the UN Charter.

The United States seeks to sign a long-term security strategy with the Iraqi government, which it said will govern the presence of its forces in the country after 2008. The agreement will come into force without the approval of the Iraqi Parliament, which has 275 members from five blocs, in addition to the Sadrist movement and al-Fadhila party. Britain was the United States' prime ally in the March 2003 invasion of Iraq.

Economic front:

PM calls to seize investment opportunities in Iraq

Iraqi Prime Minister Nouri al-Maliki called on investors and international companies to seize investment opportunities in his country during his meeting with the chairman of the National Authority for Investment. "Maliki urged Iraqi investors and international companies to seize promising investment opportunities in Iraq and to benefit from the prerogatives provided by the Iraqi Investment Law

The spokesperson quoted Maliki as highlighting the importance of cooperation between ministries and the National Authority for Investment. Maliki added that it is also significant to facilitate all procedures for investors. International and local companies, in addition to Iraqi and foreign investors, will participate in the event, Redha noted.

Iraq said not to favor U.S. firms to develop oil fields

Iran is pressuring Iraqi authorities to exclude U.S. oil majors from contracts to develop the country's massive oil fields, sources at the Oil Ministry said. The sources, speaking on condition of anonymity, said the authorities currently favor Chinese and Russian companies to those of the United States. Their remarks come following a contract the ministry signed last month with China's state-owned oil firm CNPC.

Analysts say it is difficult today for any major development, whether economic or political, to take place in Iraq without Iranian consent.

Iran has emerged as the country's top trading partner. Its firms are present in the Kurdish north and southern Iraq carrying out projects worth billions of dollars. Iranian goods are the most conspicuous merchandise in Iraqi shops. Iraq, though occupied and administered by America, has grown to be so pendent on Iran that some analysts see it as a satellite state of Tehran.

Finance minister, envoy take up Italian loan

The Iraqi minister of finance, Baqir Jabr al-Zubeidi, discussed with the Italian ambassador to Baghdad, Maurizio Melani, means of speeding up the procedures for a €400 million loan from Italy to support Iraq's agricultural sector.

"On Wednesday morning, Zubeidi received Melani and discussed with him means of speeding up granting the Italian loan, which will be allocated for the purchase of Italian agricultural machinery and equipment for Iraqi peasants," according to a statement released by the Iraqi cabinet's national media center. The meeting also tackled means of boosting mutual relations between the countries.

Social front:

2 tourist roads to be constructed in northern Karbala

Work has begun on a project to construct two tourist roads in the north of Karbala city at a cost of over \$900,000, the head of the construction committee in the city's provincial council said on Wednesday.

"Two local companies have begun their work on two tourist and agricultural roads in al-Huseiniya district (20 km north of Karbala) at a total cost of 951.603 million Iraqi dinars," Fallah Hassan Atiya. "The first road is 2,300 m in length and 5 m in width, while the second d it 1,000 m in length and 5 m in length," Atiya explained, noting that the scheduled completion period of the project is six months.

Highlighting the *significance of the projects*, Atiya said that the two roads will link al-Huseiniya road to the public road in Baghdad and will serve a large number of residents.

It is made up of two districts, "Old Karbala," the religious centre, and "New Karbala," the residential district containing Islamic schools and government buildings.

Palestine and Israel

Political front:

Following Abbas-Olmert Meeting, Erikat Says PNA Seeks Comprehensive Agreement

Head of the PLO Negotiations Department, Saeb Erekat, said on Sunday that Palestinian Leadership is seeking to reach a comprehensive agreement, not a shelf one.

'The comprehensive agreement must include east Jerusalem, the capital of the independent Palestinian state and resolve the question of the refugees as well as the issue of security and other basic questions,' he told reporters. He also said that President Abbas and Olmert previewed the peace negotiations with the presence of the two sides' chief negotiators, Ahmed Qurei and Tzipi Livni.

Erekat said that the PNA 'is not ready at all to agree on a postponed peace agreement, simply because it is not realistic to speak about such an agreement while the gaps between the two sides are wide.' He also said that any peace agreement must be based on the international resolutions, the Arab initiative and the Road Map peace plan, adding that President Abbas urged Olmert to halt settlement construction and remove West Bank roadblocks.

Geo strategic front:

Israeli Navy Fired at Fishermen & Internationals

Israeli Naval vessels fired at noon on unarmed Palestinian fishing boats and international human rights workers off the coast of the Gaza Strip, Free Gaza Movement said. The fishing boats are several miles off the coast of Gaza City, in Palestinian territorial waters. As of 11am no one had been injured, but they kept firing for some time in the direction of the fishing boats. Free Gaza Movement, which consists of international human rights activists, made an attempt to free Gaza symbolically by entering Gaza at sea with two small boats last week. Some of the human rights activists stayed in Gaza in order to document and assist the Palestinian fishermen in the hope that their presence will prevent attacks.

Yemeni Association Grants Palestinian People \$3.3 mln

The Yemeni Association of al-Aqsa has offered to the Palestinian people \$3.3 million since the beginning of 2008 In a press conference in San'a, head of the association Mohammed al-Adel said that the association offers also annually \$1.5 million for supporting 1214 orphans and 308 Palestinian families. Al-Adel said that the association's projects include education, health, development sectors as well as supporting Palestinian camps in Lebanon and Jordan.

Al-Ajrami Welcomes Egypt's Proposal to Deploy Arab Troops in Gaza

Ashraf al-Ajrami, Minister of Prisoners Affairs welcomed on Monday an Egyptian proposal to send Arab forces to the Gaza Strip. 'The Egyptian proposal is integral to President Mahmoud Abbas' call to end the state of split that emerged after Hamas' coup,' said al-Ajrami. 'If Hamas was interested to reunite the internal Palestinian position and end the split it has to accept this idea.' Al-Ajrami also said the deployment of Arab forces will help reestablishing the Palestinian security services on professional basis. Arab troops on the ground could help prevent fighting and confrontations between the Palestinian and Israeli sides,' Abul Gheit was quoted as saying. However, Hamas has rejected the idea which was proposed by Abul Gheit. Al-Ajrami said that Hamas rejection to the idea 'proves that it has no decision to give up the authority it gained by force in Gaza.'

Media says Hezbollah hit helicopter by mistake

Hezbollah on Friday handed over a man suspected of firing on a Lebanese army helicopter a day earlier that killed a navigator, the militant group said. Hezbollah described Thursday's shooting as "very unfortunate and painful," but some media reports claimed the Shiite militant group had mistakenly opened fire on the helicopter. The shooting has raised political tensions in the country. If Hezbollah guerrillas were behind it, this could be used by the anti-Syrian parliamentary majority to increase their calls for Hezbollah to disarm.

Prime Minister Fuad Saniora called the incident a "challenge to the state's authority," according to Information Minister Tarek Mitri who quoted him after a Cabinet meeting Friday.

Hezbollah deputy leader Sheik Naim Kasseem confirmed the handover, but declined to say whether it had fired by mistake. The As-Safir daily quoted unidentified "multiple sources" as saying that the gunmen mistook the helicopter for an Israeli aircraft dropping off soldiers in southern Lebanon. The paper often receives leaked information from the Shiite militant group.

Economic front:

Boats with Palestinians defy Israeli Gaza blockade

Two boatloads of international activists who defied Israel's blockade of Gaza set sail for Cyprus on Thursday, carrying seven Gaza Palestinians who had been confined to the territory. Israel's navy made no effort to stop the vessels, flying Palestinian flags, as they ferried the Gaza's and dozens of "Free Gaza" demonstrators away from the territory's Mediterranean coastline. The two small boats sailed into Gaza last Saturday to protest Israel's yearlong blockade of Gaza, imposed after the Islamic militant group Hamas overran the territory.

Israel's decision to allow the boats to reach Gaza and then to sail unhindered back to Cyprus was an attempt to deny the protesters a propaganda victory, said Israeli Foreign Ministry spokesman Yigal Palmor.

Social front:

PCBS: W. Bank Population Grown up to 2,350,000

An official population census by the Palestinian Central Bureau of Statistics (PCBS) showed on Monday that the Palestinian population in the West Bank has grown up to 2,350,000. Head of the PCBS, Loay Shabana, said in a statement that the latest results of the population census held in the West Bank in 2007 showed that the population grew from 1,873,000 people in 1997 to 2,350,000 people in 2007. It said that the illiteracy rate for people 10 years and older dropped from 11.8 per cent in 1997 to 5.8 per cent in 2007.

Heads of NGO network visits Palestine and Israel

A delegation of the NGO network, Solidar, is currently visiting Palestine and Israel with the aim of having discussions and talks with member organizations operating locally.

Secretary General Conny Reuter and International Cooperation Coordinator Andrea Maksimovic, together with Sergio Bassoli the Chair of the International Cooperation Committee have meetings with Solidar member organizations working in the field, such as trade unions and other civil society actors in order to hear from these organizations their views and opinions on the prospects for peace. The group has held meetings with trade unions and labour support organizations such as Kavolved and the Workers Action Committee as well as The Israeli trade

union Histradut. One of the issues of the talks are the Arab workers inside Israel and their employment situation.

Israel opens Al Aqsa mosque to some Palestinians for Ramadan

Israel said Sunday it will allow some, but not all Palestinians to go to the Al Aqsa mosque in East Jerusalem during the holy month of Ramadan that begins Monday. In a statement, the Israeli military said Palestinian men aged 45 to 50 and married could join Friday prayers at the mosque, the third most sacred venue in Islam. Palestinians in the occupied West Bank aged 30 to 45 holding a special permit issued by Israeli military authorities will be able to join them, while men over 50, and women over 45, will enjoy free access to the mosque. In addition, the Israeli authorities will extend opening hours at army checkpoints in the West Bank, and allow gifts to be taken to the 11,000-odd Palestinians held in Israeli jails.

Environmentalists: Oil project could kill Dead Sea

Israel is debating the feasibility of searching for crude oil near the Dead Sea. The project has been opposed by environmentalists who warn of permanent damage to the desert.

The government has been discussing a project by two companies to drill for oil on the outskirts of the Judean Desert near the Dead Sea. The two potential contractors have been identified as Ginko Oil Exploration and Delek Energy System. On Aug. 26, the companies briefed Israeli environmental officials on the project. The company, which wants to build a two-kilometer exploratory well, said the area could contain reserves of as much as 6.5 million barrels of oil. Israel consumes 80 million barrels per year.

Israel eyeing all-Israeli workforce

The construction workforce in Israel may soon be made up entirely of Israeli citizens if several proposed reforms are approved, an official said. The unidentified Ministry of Finance official said Israel was considering proposals that would increase the number of its citizens in the workforce, essentially limiting the number of Palestinian workers employed in the country, the U.N. Integrated Regional Information Networks said Thursday.

Nearly 15,000 Palestinian citizens are currently employed in Israel's construction sector and if they are to lose their positions, that income loss will likely impact the economy of the occupied Palestinian territory. IRIN said the proposed 2009 budget reforms will go before parliament in several months after receiving initial government approval.

Syria

Geo strategic front:

Syria and United Arab Emirates Review Cooperation Relations

Prime Minister Mohammad Naji Ottri reviewed Sunday with Advisor of the United Arab Emirates President for Judicial and religious Affairs Ali al-Hashimi relations of cooperation between Syria and the UAE and prospects of developing them in the different developmental areas. The meeting was attended by Syria's Grand Mufti Sheikh Ahmad Hassoun and the UAE Ambassador in Damascus and the accompanying delegation.

President al-Assad exchanges cables on advent of Ramadan with Presidents of Arab & Islamic States

President Bashar al-Assad on Sunday exchanged congratulation cables on the occasion of advent of the holy month of Ramadan with Arab and Islamic states presidents. The received and sent cables included the most sincere congratulations and best wishes on this blessed occasion.

Mualla, EU Discuss Program on Improving Higher Education

A workshop on improving the higher education in Syria, organized by the Higher Education Ministry in cooperation with the EU-financed Program, concluded its activities on Sunday at Damascus University whose Rector Dr. Wael Mualla lectured on the outlines of an all-out plan in this regard. Dr. Mualla stressed importance of the plan in activating everybody's efforts and providing them with a clear vision on the current situation of higher education and how to reach

the optimal way to improve this vital field. The workshop on Saturday discussed topics regarding strategic planning in the field of higher education, points of weakness and strength, the budget, the planning phase and development of planning mechanism at higher education establishments.

President al-Assad Congratulates Libya, Uzbekistan, Slovakia on National Days

President Bashar al-Assad sent a cable of congratulation to Col. Muammar al-Gaddafi, Leader of the 1st of September Revolution in Libya on the occasion of the 39th anniversary of the Revolution. President al-Assad expressed on behalf of the Syrian people and on his own behalf best wishes and congratulations on this occasion. The President also sent of the Slovak Republic on the occasion of their National Days.

Syria, UN Discuss Draft of National Strategy for Housing

Minister of Housing and Construction Hammoud al-Hussein said the national strategy for housing should give priority to the facilities and advantages included in the investment and real estate law which allowed investors to work in the field of housing in Syria. Taking part in discussions with the UN delegation of Human Settlement Activities in Damascus on Sunday, Minister al-Hussein added that focus should not be restricted to big cities but rather to all rural and urban areas in Syria, especially the eastern parts. Tarek al-Sheikh, a UN expert in housing issues, pointed out to the peculiar situation of housing in Syria as several official circles are responsible for dealing with this sector in terms of organization and planning.

Iranian students condemn Israel destruction of al-Qunaitera

A delegation of Iranian students that includes 35 one studying the Arabic language at the Syrian Cultural center in Tehran Sunday visited the liberated city of al-Qunaitera, south of Syria. The students condemned the deliberate brutal destructive acts perpetrated by the Israeli occupation forces prior to their withdrawal from al-Qunaitera, expressing regret and sorrow of the destruction scenes that uncover the aggressive mentality of Israel. They showed support of the Arab rights and confidence Syria is capable of restoring its occupied lands.

Bilal: Syria Works to Achieve Just and Comprehensive Peace, Liberate Golan

Information Minister Dr. Mohsen Bilal said the occupied Syrian Golan is an integral part of the motherland, Syria and liberating it is a national issue to every Syrian citizen. Receiving a delegation of the Golan clerics yesterday evening, Bilal added that work is continuing to liberate

the occupied Golan by all possible means, pointing out that the resistance of our people in the Golan, rejection of the occupation arbitrary procedures and their adherence to their Arab identity is a symbol of struggle and dignity.

The Minister indicated that the indirect negotiations between Syria and Israel sponsored by Turkey is part of the great work being done by Syria for the liberation of all occupied Arab territories, stressing that Syria is working to achieve a just and comprehensive peace based on the liberation of Arab land, returning rights to their owners and withdrawal of Israel to the June 4th, 1967 line. He confirmed that the Golan will ever remain a Syrian Arab and the resistance will go ahead until liberating it and returning it to the motherland, Syria.

Economic front:

Syria and the United Nations Ink Document of Diplomats Capacity-Building Project

The document of diplomat's capacity-building project, which will be implemented by the Foreign Ministry with the United Nations Development Program, was signed. The project, which its budget amounted to \$ 100 thousand as a grant by the UNDP, aims at financing the course of training the new diplomats at the Foreign Ministry in collaboration with the National Institute for Public Administration.

This project is a preparatory part for the larger project of establishment of the Syrian Diplomat Institute at the Foreign Ministry in 2009. It is a step to identify requirements of training and rehabilitating diplomats.

Social front:

Bosra International Festival Concludes its 20th Session

The 20th session of Bosra International Festival wrapped up activities on Sunday with the participation of 15th Arab and foreign states. Director of the festival Agag Salim said that Bosra Festival is the first cultural and artistic festival during which peoples from different regions in the world meet to show their heritage and various contemporary arts and an opportunity for Bosra

to achieve its historic role where civilizations were met and races and religions were combined in this city.

He added that Bosra festival is an opportunity for meeting arts and cultures and shedding light on the eternal edifices known to the world and the ability of the Syrian artist.

Religious men of Golan concludes visit to Syria

A delegation of religious men from the occupied Syrian Golan on Monday left Syria through al-Quneitra crossing point, concluding a 4-day visit to Syrian cities. In a statement before leaving homeland, members of the delegation expressed thanks and appreciation for the welcome and hospitality they saw during the visit, underlining commitment to the Syrian Arab identity, saying "we are confident the Golan will be soon back to Syria." The delegation includes 415 persons, among them 10 women who visited Syria for the first time.

Lebanon

Political front:

Hizbullah for Cooperation with Army

Hizbullah on Wednesday said only "cooperation between the army, the resistance and the judiciary would disclose the circumstances surrounding the painful accident" that had led to the killing of Air Force officer Samer Hanna. Hizbullah's parliamentary bloc outlined the stand in a statement after its regular meeting. The party also expressed its "deep regret for the helicopter accident and the martyrdom of Captain Hanna," according to the statement. It welcomed any "honest effort by brotherly or friendly forces ... leading to stability and safeguarding civil order."

Mouawad and the Impossible Coexistence with Hizbullah Weapons

MP Nayla Mouawad said on Wednesday that coexistence is "impossible" between the state of Lebanon and the "illegal weapons," in reference to Hizbullah. Mouawad made the remark after receiving head of the U.S. diplomatic mission to Lebanon Michele Sison.

"It is obvious that we are facing two options: Either the democratic state of Lebanon or the Hizbullah state," she said. Mouawad also rejected a proposal by Parliament Speaker Nabih Berri to form a joint committee grouping the Lebanese Army and Hizbullah.

The attack on a Lebanese Army helicopter by Hizbullah operatives in the southern Sujud hills "stresses that there should be no two armies and two states in Lebanon," she concluded.

Saniora's Six-Point Plan for Tripoli

Premier Fouad Saniora on Tuesday proposed a six-point plan to develop the city of Tripoli and north Lebanon, based on enforcing security and achieving stability.

"Tripoli and its citizens have a right to security. Nothing could justify negligence in providing security," Saniora told representatives of Tripoli and north Lebanon who visited him at the Grand Serail in Beirut.

Tripoli MPs, religious authorities and civic society groups "unanimously back the Lebanese Army and security institutions," Saniora noted. Other points include providing ***relief aid to victims of violence; reconstructing the damaged and ageing infrastructure; launching development projects and the creation of jobs in cooperation with the private sector; providing health and social services and backing reconciliation efforts.***

Hassan Shahhal For Tripoli Reconciliation

A Salafi figure who had worked out an ill-fated understanding with Hizbullah said on Tuesday he would work for reconciliation between Tripoli's feuding districts of Baal Mohsen and Bab Tabbaneh. Hassan Shahhal told a press conference that Premier Fouad Saniora assigned him to the mission during a meeting on Tuesday.

Shahhal, who heads the "Belief, Justice and Charity" group, said he would work on achieving his mission in cooperation with Tripoli Mufti Sheikh Malek Shaar and leaders of the city. Shahhal was one of several Salafi leaders who formed a joint delegation to the talks with Saniora on the situation in Tripoli. Shahhal said he presented a memo to Saniora ***calling for general and final reconciliation in Tripoli, the removal of armed manifestations and compensating victims of recent clashes.*** Shahhal had worked out a document of understanding with Hizbullah that was abrogated 24 hours after it was announced in August.

Soaid: A Hizbullah-Army Committee Takes Us Back to Civil War Structures

Faris Soaid on Tuesday criticized Parliament Speaker Nabih Berri for proposing a joint army-Hizbullah committee, saying it reminds Lebanon of civil war structures. Soaid was commenting on a remark made by Berri, who also heads the AMAL Movement, in an

effort to coordinate activities between the regular army and Hizbullah following the shooting down by Hizbullah operatives of an army helicopter and the killing of its pilot. Berri, Soaid said, should back the "army's right to spread its authority throughout Lebanese territories without imposing conditions on the regular force." He said the Syrian regime of President Bashar Assad "intervenes in the events of north Lebanon through its intelligence agents, but I believe direct (Syrian military) intervention is unlikely."

Geo strategic front:

Sarkozy Stresses from Damascus the Importance of Sovereign Lebanon

French President Nicolas Sarkozy stressed in Damascus on Wednesday the importance of Lebanon's independence and sovereignty. Sarkozy made the remark in a joint press conference with his Syrian counterpart Bashar Assad in Damascus.

He hoped the positive developments would continue and advance in the future. Assad stressed that France has a special status in the Arab world, expressing his content over the efforts exerted by Sarkozy to strengthen the relations between France and the Arab world on the basis of mutual respect, joint interests and constant, continuous dialogue.

President Sarkozy expressed pleasure over carrying out all the decisions announced by President al-Assad in Paris, stressing France support to the indirect peace negotiations under Turkish mediation. President Sarkozy pointed out to his country's readiness to be one of the sponsors of this process when it is time to do so. They also discussed economic files and the important topics which allow them to upgrade the economic relations

Israel Warplanes Break Sound Barrier over Lebanon

Six Israeli jets flew over south Lebanon and broke the sound barrier twice over the port city of Tyre on Wednesday, a security official said.

"Six Israeli warplanes flew all over southern Lebanon and the city of Tyre at low altitude for more than an hour and broke the sound barrier twice over Tyre," the official told AFP.

There has been a mounting war of words between the Shiite group and Israel in recent weeks with Hizbullah chief Sayyed Hassan Nasrallah vowing to "destroy Israel" in any new conflict.

For their part Israeli cabinet ministers have warned that Lebanon's civilian infrastructure could be targeted in any new war, now that the Hizbullah-led opposition has secured veto powers in a national unity government. The United Nations has called on Israel to stop violating Lebanese airspace. It says the over flights undermine the credibility of U.N. peacekeepers deployed in south Lebanon.

Helicopter attack: 3 more Hezbollah gunmen opened fire

Military investigation into the shooting at a Lebanese army helicopter was likely to expand the hypothesis that there was more than one person involved in the attack based on testimony by co-pilot Mahmoud Abboud and other witnesses, the daily al Liwaa reported Tuesday.

It said military investigators have demanded that Hezbollah turn over three other men allegedly involved in Thursday's helicopter shooting attack which killed Airman Samer Hanna in Sujud, south Lebanon. Hezbollah on Friday turned over one suspect to the judiciary saying he was the person who opened fire at the helicopter Hanna was flying over Sujud hills. It said the man who opened fire did so because he was suffering from tension as did the rest of his comrades who thought they faced an Israeli military airdrop.

LBC said the helicopter was hit by three bullets, one of which penetrated the windshield and killed Hanna.

U.N. Deminer Killed in South Lebanon

A Belgian sapper with the U.N. peacekeeping force in Lebanon was killed on Wednesday while clearing unexploded ordnance from Israel's 2006 war with Hizbullah, U.N. and Belgian officials said. The Belgian defense ministry confirmed the death of the sapper, the fourth Belgian peacekeeper to die in Lebanon since the contingent deployed in August 2006. Three were killed in a road accident last year. Belgium has 340 soldiers in the 13,000-strong U.N. peacekeeping mission in Lebanon, most of them engaged in demining. U.N. deminers have now cleared 43 percent of the affected areas, but at least 30 Lebanese civilians have been killed by such ordnance left over from the war.(AFP)

Lebanon denounces Syria's trespassing into Lebanese territory

The cabinet outlined the stand in its meeting Friday in reference to the digging by Syrian teams of two wells in the Deir al-Ashayer village which abuts Syrian territory.

Information Minister Tareq Mitri said President Suleiman "informed the cabinet that he is following up his contacts in this regards and a waits an thorough response."

Cabinet minister Wael Abou Faour had raised the issue during the cabinet meeting saying Syria has penetrated Lebanese territory to a distance of 100 meters from the border line to dig two wells.

However, adopting such a decision by Premier Fouad Siniora's cabinet reflects a development in dealing with Syria at a time Suleiman and his Syrian counterpart Bashar Assad agreed on setting up diplomatic ties between the two states, but have so far failed in reaching agreement on demarcating the joint borders.

The dispute followed a report by a U.N. committee that Lebanon's eastern borders remain "OPEN" TO THE SMUGGLING OF WEAPONS FROM Syria, in a major violation of UNSCR 1701 that bans the illegal transport of weapons into Lebanon. An-Nahar quoted diplomatic sources as saying denunciation of the Syrian trespassing by a cabinet that includes ministers who have relations with Syria is "an important development."

Assad Says Israel Could Attack Lebanon, Iran and Warns of 'Catastrophic Results'

Syrian President Bashar Assad has said that he believes Israel could try to attack Iran or Lebanon, a move that could lead to "catastrophic results." Assad also said that indirect negotiations with Israel have brought "the possibility of peace," though the two countries still have quite a way to go toward that goal. Turkey has mediated a series of indirect negotiations between Syria and Israel in a bid to get the sides to meet face-to-face and end their decades-old enmity. Assad said that direct talks in the future could happen with U.S., French and Turkish backing. Direct Syrian-Israeli peace negotiations under U.S. sponsorship collapsed in 2000. Assad spoke with France 3 before a visit to Damascus by French President Nicolas Sarkozy, which is a sign of warming ties between the two countries.

Geagea Warns against Merging Issue of Lebanese in Syrian Jails with Missing in Lebanon War

Lebanese Forces leader Samir Geagea has warned against attempts to merge the issue of Lebanese prisoners in Syrian jails with that of missing people during the civil war. Geagea expressed hope that French President Nicolas Sarkozy, who is currently visiting Damascus, would raise up the issues of Lebanese prisoners held in Syrian jails and the border demarcation. He said Syrian officials frequently acknowledge Lebanon's sovereignty, "yet, they issue contradictory statements."

Jordan

Political front:

Parliamentary committee to have limited mandate

Deputy Yousef Qarneh on Tuesday said the parliamentary committee recently formed to look into an alleged corruption case involving a senior government official will serve as a panel to examine the facts behind the allegations, not as an investigation committee.

The lawmaker added that there has been a misunderstanding regarding the committee's mandate, pointing out that forming an investigation committee requires Parliament's approval through a vote. Parliamentary investigation committees have the right to call for the impeachment and prosecution of senior officials if it is proven they have committed wrongdoing.

Parliament last week formed a committee to look into the relationship between Hosni Abu Gheida, head of Aqaba Special Economic Zone Authority (ASEZA), and a company that won a bid for a development project in the port city.

Qarneh said the committee has asked Prime Minister Nader Dahabi, who has direct authority over the independent ASEZA, to provide the committee with needed documents to proceed with their query. Last week, Dahabi decided to terminate a contract with the Amman Bureau for Engineering Consultations after local papers and electronic media were awash with accusations against Abu Gheida and his connection to the contract secured by his wife at a value of JD40,000.

Geo strategic front:

King discusses ties with Icelandic president

His Majesty King Abdullah on Monday held talks with Icelandic President Olafur Grimsson focusing on the latest regional developments and the Middle East peace process. As part of yesterday's meetings, the two leaders examined the main obstacles hampering efforts to resolve the Palestinian-Israeli dispute. King Abdullah and Grimsson, who arrived in the Kingdom for a short visit yesterday, reiterated their commitment to build strong cooperation, particularly in economic and commercial fields. In this regard, the Monarch referred to opportunities available to increase joint commercial exchanges and investment projects.

For his part, Grimsson expressed his country's desire to develop its relations with Jordan. He also extended Iceland's appreciation for the King's efforts to achieve peace and stability in the region.

French lawyers offer support for lawsuit against Danish cartoonist

A group of French lawyers are currently studying the possibility of filing a lawsuit against Danish cartoonist Kurt We staggered in support of the "Messenger of Allah Unites Us" campaign.

Osama Bitar, a lawyer with the campaign, said on Saturday that French lawyers have expressed their support for the campaign and its lawsuit against Westergaard, who drew inflammatory caricatures seen as insulting to the Prophet Mohammad.

The French lawyers in question said they are also considering contacting colleagues in other European countries to support the campaign and file separate lawsuits against Westergaard, according to Bitar.

The 73-year-old Danish cartoonist said last week he will not appear before a court in Amman even if he receives an official notification, citing "hate remarks" by campaign organisers and insisting that he only was "doing his job."

Westergaard was subpoenaed by the Amman prosecutor general in early June along with several Danish journalists and editors involved in the republication of the caricatures, which spurred worldwide protests among Muslims.

New QAIA passenger terminal to be ready in two years

The new passenger terminal in Queen Alia International Airport (QAIA) will be ready in August 2011, while intensive work is under way on the existing building to improve services offered to passengers, according to Airport International Group (AIG), the consortium responsible for developing and operating the airport.

Omar Omeish, director of the projects management unit at the Ministry of Transport, said the ministry's role is to supervise and monitor the agreement signed with the consortium, which was handed over the \$700 million mega project for the rehabilitation, expansion and operation of QAIA in November 2007.

AIG consists of the Edgo Group, Noor Financial Investment Company, Joannou & Paraskevaides (Overseas) Limited, J&P-Avax, Abu Dhabi Investment Company and Aeroports de Paris Management, which won the tender floated by the government in April 2007 and signed the rehabilitation, expansion and operation agreement on May 19, 2007. The International Finance Corporation (IFC), the private sector arm of the World Bank Group, assisted the government in structuring the transaction. The IFC is providing up to \$120 million in financing and mobilising up to \$180 million in funds.

Amman supports voluntary return home - official

Jordan will continue to issue visas for eligible Iraqis who wish to enter the Kingdom, but at the same time welcomes Iraqi government's efforts to attract millions of Iraqis who fled the violence in the country, an official said. Ministry of Interior Spokesperson Ziad Zu'bi told that the government will also issue residency permits to Iraqis who meet the requirements for this status.

He was commenting on remarks to the Agence-France Presse by Iraq's Ambassador to Jordan Saad Hayyani, published yesterday, in which the envoy said the Iraqi government is keen to encourage Iraqi refugees in Jordan to return home due to improved security conditions. Security in Iraq has improved remarkably in all areas particularly in Baghdad, and the Iraqi government will facilitate the return of displaced citizens, he told AFP.

Zu'bi said Amman supports these efforts and the voluntary return of Iraqis home, and will at the same time keep offering the Iraqi community the usual services.

Economic front:

Egypt to provide Lebanon with power via Jordan

Lebanon's Minister of Energy and Water Resources Alain Tabourian on Monday announced that Lebanon reached an agreement to acquire around 450 megawatts of electricity from Egypt via Jordan and Syria.

Under the agreement, Egypt is scheduled to convey around 450 megawatts of electricity to Lebanon daily for a one-year term, the minister said at a press conference yesterday.

Tabourian said Jordan expressed its readiness and capacity to transmit the power via the Kingdom. Accordingly, a Lebanese work team will visit Egypt to discuss the cost, Tabourian said, expressing hope that an appropriate solution will be agreed on soon so that Lebanon can obtain its electricity needs from Egypt.

The Kingdom offered to provide Lebanon with 50 to 70 megawatts of electricity on daily basis up to the end of 2009, Energy Minister Khaldoun Qteishat said.

Earlier, Lebanon had asked Egypt, Syria and Jordan, which constitute part of the joint-electric grid project, also connecting Iraq, Libya and Turkey, to provide it with electric power.

Government mulls new oil shale proposal

Jordan might start producing oil from oil shale in commercial quantities within three years instead of seven years as previously estimated if a company makes good on a deal to be concluded soon, a top government official has said.

He added that the government will likely sign a memorandum of understanding with the company, which he declined to name. He said the firm would be relying on Russian techniques in extracting oil from oil shale. The official stressed that the memo will include incentives for the company if they could produce oil in three years. However, he added that the contract would entail a penalty clause if the deadline is not met.

Under separate agreements with the Natural Resources Authority (NRA), Eesti Energia, Brazilian firm Petrobras, Jordanian-British Jordan Energy and Mining Limited, Royal Dutch Shell Oil and a Saudi firm are all currently examining separate blocks in Al Attarat and Lajoun areas for oil shale extraction. According to NRA, some 40 billion tonnes of oil shale exist in 21 sites concentrated by the Yarmouk River, Buweida, Beit Ras, Rweished, Karak, Madaba and Maan. While the resource can be found as shallow as 40 metres below the surface in the west and south, in the east and north of the Kingdom, it is at very deep levels.

Fuel prices down

The government on Sunday lowered again fuel prices by an average of 5.6 per cent. According to the updated list, which will from now on be issued on the first of each month, the price of gasoline octane 90 was set for this month at JD0.660 per litre, down from JD0.70 last month, while gasoline 95 went down by JD0.045 to JD0.755. ***Diesel and kerosene*** are now sold at

JD0.69, compared with JD0.73 last month. The *price of gas* cylinders will remain the same at JD6.5 per cylinder.

The amendment is in implementation of the Cabinet's decision in February this year when it decided to issue new updates on the prices of fuel derivatives on monthly basis.

Gas cylinders to remain partially subsidised in '09

Citizens will be able to continue to purchase gas cylinders at a subsidised price of JD6.5 next year, according to a senior government official.

He added that the government decision to continue subsidising cooking gas corresponds with His Majesty King Abdullah's efforts to ease the impact of rising prices of fuel derivatives on the public.

The official pointed out that animal fodder will continue to remain subsidised through the winter with prices of animal feed expected to be liberalised as of spring 2009.

Earlier this month, the government said it spent some JD121 million to cover the difference between the international price of fuel derivatives and those set by a pricing panel since fuel subsidies were lifted in February.

Social front:

Student activists criticise high tuition fees at GJU

Annual tuition fees at the German-Jordanian University (GJU) have been raised to JD3,200 this year, a sum student activists have described as "unbearable". The National Campaign for Defending Students' Rights (Thabahtoon) criticised the new fees as "higher than a normal citizen can bear", pointing out that they are similar to those charged by private universities. Thabahtoon noted in a statement that the JD60-80 range of credit hour fees "poses a big question mark on the reason of the presence of such a public university".

Assaulted doctor calls for serious measures

Wasef Abdul Jalil, a doctor who was assaulted at Al Bashir Hospital on Monday, yesterday called for serious measures to prevent attacks on medical staff. Abdul Jalil, who is still hospitalised and

is receiving treatment for injuries sustained during the assault, said he was attacked by a woman and three men who escorted a patient to the hospital at around 6:00pm on Monday.

Abdul Jalil said he asked the patient and those who escorted him to go to another hospital, adding that they went to a nearby private hospital but there were no vacant beds.

“They returned to the hospital and the woman entered my office and started cursing me, wishing death upon me and my children. Then, the three men and the woman attacked me and now I am hospitalized,” the doctor said, noting that he filed a complaint against the assailants.

The Jordan Medical Association condemned the attack yesterday and called for measures to protect medical staff on duty. In July, Health Ministry Secretary General Janet Mirza said ***the penalty for assaulting medical professionals in Jordan will be*** “toughened”, ranging from one to two years in prison. Since the beginning of the year, more than 30 assaults have reported against medical staff in different parts of the Kingdom.

Lawmakers call for minimum wage increase

Several lawmakers have recently sent the government a petition calling for an increase in minimum wage in order to offset the soaring costs of living, according to MPs. They demanded that the government raise the minimum wage from JD110 to JD180 per month to help limited-income workers cope with rising food prices, according to Deputy Rasmi Mallah, who is leading the initiative.

Late last year, the government allocated JD300 million for the Social Safety Net to support public servants and military personnel, raising their monthly income by JD35-JD50 per month. At the time, the government said it will enter into dialogue with representatives of the private sector to encourage them to take similar measures.

Meanwhile, deputies also urged the government to consider establishing a teachers’ union to improve conditions for those working in the sector.

Nine new nature reserves to save Kingdom’s ecosystems

Nine new nature reserves will be established in the Kingdom, four of which are currently under construction and will be ready in five years, Minister of Environment Khaled Irani announced on Sunday.

In its weekly meeting last Tuesday, the Cabinet approved the national nature reserves network strategy, which entails the establishment of nine new protected areas, include Burqu, Yarmouk, Qatar, Jabal Masuda, Fifa, Jabal Attiyeh, Mrajel, Abu Rukbeh and Bayir,” Irani told.

Irani said the protected areas will not all be established within the same time period, adding that the strategy, which was prepared in cooperation with the Royal Society for the Conservation of Nature (RSCN), defines land usage at the designated sites.

Environment-related NGOs will carry out awareness campaigns aimed at local residents on the importance of the protected areas and their role in improving communities’ environmental and economic conditions, he said.

Community organisations flourish under Qudorat programme

Slowly but surely, community-based organisations in Ajloun are standing on their own, thanks to the Ministry of Planning and International Cooperation’s Qudorat programme.

The ministry currently supports 14 projects in the governorate through the civil society building initiative, seven of which are currently operational.

Minister of Planning and International Cooperation Suhair Al-Ali toured one of the key examples of the initiative’s work, Al Dahnoun workshop in Ain Jenna run by the Fatima Al Zahra Cooperative, which has not only provided an dozen jobs for local women, but also produces affordable pillows, mattress covers and bedding for residents to purchase.

The ministry gave the cooperative a JD24,000 grant through Qudorat, which financed the purchase of an embroidery machine as well as training for female tailors.

The Qudorat programme, supervised by the ministry and facilitated through the JRF, works to strengthen the institutional capacities of nongovernmental community-based organizations, particularly in impoverished areas, by providing them with grants to start sustainable development ventures.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report

From 29 August to 5 September

Presentation: September 12, 2008

Indonesia

Political front

- Indonesian President Susilo seems to win reelection
- Vice President pushes for simplified political system (pol,eco)
- [Nuclear Issues: Indonesia supports Iran's nuclear programme](#)
- Islamic Defenders Front supporters rally in Jakarta

Economic Front

- Asian inflationary pressures set to ease
- Indonesian energy firm eyes \$800 mln power projects (eco,social,technical)
- Indonesian bank governor vows to reduce inflation
-

Social Front

- Hundreds flee homes after flood in eastern Indonesia
- Failed people smuggler jailed for five years

Malaysia

Political front

- Malaysia agrees to keep Philippines peace monitors

Economic front

- Malaysia plans record budget

Thailand

Political/Social front

- People's alliance reiterates that PM must resign
- Thai railway directors quit after nationwide strikes
- State-owned workers expected to stop (3)
- Emergency session of Thai parliament called for today
- Opposition Leader Calls For House Dissolution, PM Resignation
- State of emergency declared in Bangkok
- Thai army chief won't use force against protesters
- Thai PM refuses to quit, crisis drags on

Economic Front

- Thailand Raises Rate for 2nd Time to Tame Inflation
- Political turmoil dims Thai investment appeal, says World Bank

Social Front

- Thailand's Election Commission recommends governing People's Power Party be dissolved
- Bangkok bomb raises fears of violent campaign

Singapore

Political Front

- MOM seeks public feedback on amendments to Employment Act(pol,eco)

Geo strategic front

- Singapore, Indonesian navies provide community services in Padang

Economic Front

- Economists lower Singapore's growth forecast to 4.2%
- Commissioner of Charities seeks more powers to regulate IPCs

Social front

- Commissioner of Charities seeks more powers to regulate IPCs

Philippine

- Political ,Social Front
- Vigilante resurgence raises Mindanao worries
- Human rights violated in Manila Pen media arrests, says CHR
- Ferry bomb terror suspect held in Manila
- Rebels in Philippines say peace is "in purgatory"
- 6 Killed, 27 Injured In Philippines Bus Blast
- MILF not to blame for deadly Digos bombing - officials

Vietnam

Political,Geo strategic

- Inter-section Talks Held between DPRK and Laos
- Vietnam, Canada celebrate 35 years of diplomatic ties

Economic Front

- Dong, bonds perform well on government's anti-inflation moves

Social Front

- Flash floods kill 11 in northern Vietnam
- Vietnam denies use of stun gun to break protest

Laos

Political,Geo strategic

- China and Vietnam square off in Laos(eco also)
- President Choummaly ends visit to India

Economic front

- Corridor gains slow to materialize

Social front

- Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region
-

Cambodia

Political/Geo Strategic Front

- Thai, Cambodia border talks cancelled
- Corruption allegations taint Cambodian Khmer Rouge trials

Summary

Like previous weeks same situation of economy and politics is going on in South East Asia. But there are also security issues existing in the countries of this issue that are mainly concerned with political stability just like in Indonesia, Malaysia, Cambodia but Thailand is more prominent country in this region now a days due to its worsen political instability. This country is again near the brink of coup.PAD is protesting with a lot of support of different unions that are political and economic as well. These protesters are blaming government that she is following the pattern of previous government so she should resign. And in reaction government has refused to resign that is demand of protesters and now finally a state of emergency in the country has been declared Cambodia and Thailand are now at peace by a temporary agreement. Peace accord that has become a bone of contention among Muslims and Phillipinian government is shaking the peace of whole Philippine because there is a war like situation between Muslim rebels and Pilipino army. Rebels have approached to Malaysia to do some help for renegotiations over the issue and Malaysia has also responded positively. At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability because it is making public more irritated. Also there are a lot of economy commitments plans on bilateral and multilateral levels among countries to do the better for the betterments of country especially the economic commitments.

The summary of news item is as follows:

Indonesia

- **Indonesian President Susilo seems to win reelection**

Indonesian President Susilo Bambang Yudhoyono is likely to win the next presidential election in 2009, defeating former president Megawati Soekarnoputri who has top popularity, a survey quoted by a paper said here Tuesday

- **Vice President pushes for simplified political system (pol,eco)**

Vice President Jusuf Kalla on Monday reiterated a call to simplify the political system, saying the country had talked too much about politics but made less time for discussing economic issues.

- **[Nuclear Issues: Indonesia supports Iran's nuclear programme](#)**

IRNA reports Indonesian first Vice-President Yusuf Kalla has affirmed his country's support for Iran's peaceful nuclear activities.

- **[Islamic Defenders Front supporters rally in Jakarta](#)**

Thousands of Front Pembela Islam supporters, or Islamic Defenders Front, supporters have rallied outside the presidential palace, central Jakarta, to demand the banning of Jemaah Ahmadiyya.

- **[Asian inflationary pressures set to ease](#)**

South Korea, Thailand and Indonesia reported slowing rates of growth in consumer prices yesterday, prompting suggestions that Asian inflation has peaked and probably monetary policy tightening with it.

- **[Indonesian energy firm eyes \\$800 mln power projects\(eco,social,technical\)](#)**

Indonesian state-owned energy company Adhi Karya sought a possibility to develop four steam power plants projects worth 800 million U.S. dollars, a paper said here Monday

- **[Indonesian bank governor vows to reduce inflation](#)**

The governor of the Indonesian central bank said he would "do whatever it takes" to bring annual inflation below 10 percent in 2009, from 11.9 percent in July, as elections next year are expected to ensure strong economic growth.

- **[Hundreds flee homes after flood in eastern Indonesia](#)**

Over seven hundreds people have escaped from flood and two others have gone missing in South Kalimantan province of Indonesia, health ministry said here Tuesday.

- **[Failed people smuggler jailed for five years](#)**

Indonesian Achmad Oolong, 42, who was extradited to Darwin from Thailand in July last year will serve at least 30 months in jail after he pleaded guilty to having attempted to smuggle 353 people, mostly Iraqis, into Australia in November 1999

[Malaysia](#)

- **[Malaysia agrees to keep Philippines peace monitors](#)**

Kuala Lumpur, August 29: Malaysia would keep its peacekeepers in the southern Philippines for another three months to monitor a fragile truce between government troops and Muslim guerrillas, Foreign Minister Rais Yatim said yesterday

- **Malaysia plans record budget**

Abdullah Badawi, Malaysia's prime minister's plans to increase government spending by nearly 6 per cent next year as he seeks to regain popularity and fend off an opposition challenge to topple his administration.

Thailand

- **People's alliance reiterates that PM must resign**

People's Alliance for Democracy spokesman Somsak Kosaisuk reiterated yesterday that both Prime Minister Samak Sundaravethe and the government must resign unconditionally, reports the Thai News Agency.

- **Thai railway directors quit after nationwide strikes**

The directors the Thailand State Railways, including its chairman Somsak Boonthong, resigned yesterday because of a strike that disrupted services throughout the country and caused a loss of more than Baht 60 million in revenue.

- **State-owned workers expected to stop (3)**

Forty-three State-owned enterprise labor unions have agreed to stage strikes and to selectively cut water and electricity, halt Bangkok buses and delay all Thai International Airways flights beginning today in support of the People's Alliance Democracy effort to topple Prime Minister Samak Sundaravej and his government, reports The Nation newspaper.

- **Emergency session of Thai parliament called for today**

The majority People's Power Party and its four coalition partners have agreed to call a special session on parliament in an effort to end the political crisis that has paralyzed Thailand.

- **Opposition Leader Calls For House Dissolution, PM Resignation**

The leader of Thailand's opposition Democrat Party demanded Prime Minister Samak Sundaravej resign or call new elections as an emergency session of the Southeast Asian nation's parliament, intended to solve the country's political turmoil, backfired against the government and turned into a debate on its handling of the crisis.

- **Thailand's Election Commission recommends governing People's Power Party be dissolved**

Thailand's Election Commission has ruled that the governing People's Power Party committed electoral fraud in December polls and should be dissolved. The ruling further complicates the country's continuing political crisis.

- **State of emergency declared in Bangkok**

BANGKO Thai Prime Minister Tuesday declared a state of emergency in Bangkok after government supporters and opponents clashed in the capital.

- **Thai army chief won't use force against protesters**

Thailand's army chief has vowed not to use force against protesters following the prime minister's declaration of emergency rule.

- **Thailand Raises Rate for 2nd Time to Tame Inflation**

Thailand raised its benchmark [interest rate](#) for a second straight month to tame inflation, putting the central bank in conflict with a government that called two days ago for borrowing costs to be left on hold.

- **Political turmoil dims Thai investment appeal, says World Bank**

Political turmoil and a shortage of skilled labour have dimmed Thailand's appeal to investors in recent years, according to a World Bank survey Friday.

- **Thai PM refuses to quit, crisis drags on**

Thai PM refuses to quit, crisis drags on Defiant Thai Prime Minister Samak Sundaravej refused to quit as his opponents vowed on Thursday to keep up a street campaign to unseat him, setting the scene for more political uncertainty.

Singapore

- **MOM seeks public feedback on amendments to Employment Act(pol.eco)**

The Manpower Ministry (MOM) is reviewing the Employment Act, and is seeking feedback from the public on the proposed changes.

Under the proposed amendments, MOM will revise the coverage of the Employment Act. Currently, non-manual workers who earn less than \$1,600 are covered under Part IV of the Act which entitles them to statutory benefits such as overtime payment and annual leave eligibility

- **Singapore, Indonesian navies provide community services in Padang**

Some 500 officers from the Singapore and Indonesian navies spent the past four days providing community services to the people in Padang, Indonesia.

- **Singapore, China map out key priorities of eco-city project**

Singapore and Chinese leaders said the Sino-Singapore Tianjin Eco-City project is a symbol of strong and warm bilateral ties. This came during a meeting between Singapore's Deputy Prime Minister Wong Kan Seng and Chinese vice Premier Wang Qishan in Tianjin on Wednesday.

- **Economists lower Singapore's growth forecast to 4.2%**

Private sector economists said Singapore's economy may expand 4.2 per cent this year, slower than earlier forecasts of 5.5 per cent.

- **Commissioner of Charities seeks more powers to regulate IPCs**

The Office of the Commissioner of Charities wants to better protect the public interest when it comes to Institutions of a Public Character (IPCs). It is seeking further amendments to the Charities Act, giving powers to the Commissioner to regulate IPCs in the same way he regulates charities. Currently the powers are confined only to the revocation and suspension of the IPC status.

Philippine

- **Vigilante resurgence raises Mindanao worries**

Clergymen, human rights advocates, defense and police officials are worried about the resurgence of armed Christian vigilantes in Mindanao. "I look back during the time of 1970s when vigilantes were used by troops during martial law," said Archbishop Orlando Quevedo of Cotabato City.

- **Human rights violated in Manila Pen media arrests, says CHR**

The Commission on Human Rights (CHR) yesterday found human rights violations in the arbitrary arrest and detention of media persons after a six-hour standoff at the Manila Peninsula Hotel in Makati City last Nov. 29, 2007.

- **Ferry bomb terror suspect held in Manila**

Authorities in Bahrain arrested Ruben Pestano Lavilla Jr. last month, said Ricardo Blancaflor, undersecretary at the Department of Justice. Lavilla was deported Saturday to Manila, where police arrested him and briefly paraded him in front of local media crews before locking him inside police headquarters, Blancaflor said.

- **Rebels in Philippines say peace is "in purgatory"**

The Philippines' largest Muslim rebel group threatened on Sunday to pull out of peace talks with Manila because the government has cancelled a territorial deal after it was challenged in the Supreme Court.

- **6 Killed, 27 Injured In Philippines Bus Blast**

At least six people were killed and over 27 others injured when a bomb exploded inside a parked passenger bus in the southern Philippines on Monday, said officials.

- **MILF not to blame for deadly Digos bombing - officials**

Philippine authorities on Tuesday said a deadly bus bombing in the troubled south that killed six people was the work of a crime gang and not Muslim separatist rebels.

They blamed a little-known gang called Al Khobar for Monday's attack on the Metro Shuttle bus at a terminal in Digos city.

Vietnam

- **Inter-section Talks Held between DPRK and Laos**

Pyongyang, September 1 (KCNA) -- Inter-section talks between the DPRK and Laos were held here on Monday.

- **Vietnam, Canada celebrate 35 years of diplomatic ties**

The Vietnamese Embassy in Canada held a banquet in Ottawa on August 28 to mark Vietnam's 63 rd National Day and the two countries' 35th anniversary of diplomatic ties (1973-2008).

- **Dong, bonds perform well on government's anti-inflation moves**

Vietnam's dong and benchmark bonds completed their best month on record on speculation policy makers are taking sufficient steps to cool inflation.

The local currency advanced for a second month as the central bank Friday resisted calls to cut interest rates from the highest in Asia.

- **Flash floods kill 11 in northern Vietnam**

Eleven people, three of them children, have been killed by flash floods and landslides that struck a mountainous province in northern Vietnam this week, the government said on Friday.

- **Vietnam denies use of stun gun to break protest**

Vietnamese authorities denied Friday that they had used force or stun guns to break up a demonstration by Catholics who are demanding the return of land the Communist government took more than four decades ago.

Laos

- **China and Vietnam square off in Laos**

China's growing influence in resource-rich Laos is seen by some as coming at the expense of ties with Vietnam, long the communist country's main patron and de facto security guarantor. The diplomatic recalibration is part of the landlocked country's bid to more fully integrate economically with the region and has so far served its interests well.

- **President Choummaly ends visit to India**

(KPL) President of the Lao Peoples Democratic Republic Choummaly Sayasone, ended his five-day visit to India and arrived in Vientiane on 30 August. During the visit, the two presidents of Laos and India, made efforts to strengthen the relations between the two countries.

- **Corridor gains slow to materialize**

The transnational corridor remains a “work in progress” one year after the East West Economic Corridor week was organized in central Da Nan City

Established at a Greater Mekong Sub-Region (GMS) group meeting in 1998, the corridor was expected to integrate the region's economies by renovating road sections and strengthening cross-border links along the 1,450km-long highway that runs through Myanmar, Thailand, Laos and Vietnam.

- **Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region**

Health officials and experts from countries in the Asia-Pacific region with a low prevalence of HIV/AIDS Thursday in Manila, Philippines, pledged to intensify national efforts to curb the spread of the disease

The delegates at the three-day meeting also said that there is a need for governments, civil society groups and international development partners to improve efforts to deliver interventions to at-risk populations.

Cambodia

- **Thai, Cambodia border talks cancelled**

The border talks between Cambodia and Thailand scheduled for today have been cancelled. The Cambodia Daily quoted defense minister Neang Phat that he was told Wednesday that the talks to discuss ownership of land within the precinct of the historic Preah Vihear would be cancelled.

- **Corruption allegations taint Cambodian Khmer Rouge trials**

Judges at Cambodia's genocide court have demanded that corruption allegations be addressed to avoid tainting upcoming trials of former Khmer Rouge leaders. The cash-strapped court has been twice hit by allegations that Cambodian staff paid bribes for their jobs.

Detailed Monitoring Report

Indonesia

Political front:

- **Indonesian President Susilo seems to win reelection**

Indonesian President Susilo Bambang Yudhoyono is likely to win the next presidential election in 2009, defeating former president Megawati Soekarnoputri who has top popularity, a survey quoted by a paper said here Tuesday.

The survey carried out by the Indonesian Research and Development Institute (Irdi) said that the retired general Susilo would win a head-to-head duel against Megawati due to most of supporters of others president candidates preferred voting for Susilo to Megawati. Several candidates will take part in the second Indonesia direct presidential election next year. The survey revealed that President Susilo's policy of raising oil price would not have serious impact. "It's also clear that the recent fuel price increase will have little impact on Susilo's chances," said Mandica.

- **Vice President pushes for simplified political system (pol,eco)**

Vice President Jusuf Kalla on Monday reiterated a call to simplify the political system, saying the country had talked too much about politics but made less time for discussing economic issues.

Kalla argued the existing system, requiring citizens to take part in national and local elections about eight times in five years, was inefficient and cost the state too much. "If there are too many elections, public participation will be low, while the economic cost to hold the polls will be high. Speaking as a businessman, this is not efficient," Kalla told participants in a training program organized by the National Resilience Institute (Lemhannas).

"We need to simplify the political system so we can have more time to discuss economic growth." Kalla stressed political debate could not be separated from discussions on economic, social and security issues. "These issues are related to each other. You can't only focus on how to build political security in the country," he said.

The Vice President said no country measured its welfare by the number of political parties contesting elections.

"Welfare is measured by economic growth, unemployment or per capita income -- not by the number of political parties," he said. He blamed the collapse of the previous government mainly on the country's poor economic condition. He said the country's first president, Sukarno, who had strong political backing, was ousted after inflation reached 600 percent, causing prices of basic commodities to skyrocket.

Similarly, former president Soeharto was forced to resign in 1998 because of the Asian economic crisis, which devastated the nation and others in the region. "But the governments of Malaysia and Singapore did not collapse in the aftermath of the Asian crisis because their economic conditions were better at the time," he added.

Kalla said if Indonesia's economic condition was to advance, it would be easier for it to build a strong political system. "Just look at Japan and England: the two countries seem

to be happy with their monarchies. It is because they have better economic systems," he said. "But if anyone speaks of a monarchy in Indonesia, they will be killed."

- **Nuclear Issues: Indonesia supports Iran's nuclear programme**

IRNA reports Indonesian first Vice-President Yusuf Kalla has affirmed his country's support for Iran's peaceful nuclear activities.

In a meeting with visiting Head of Iran's National Youth Organization Mohammad-Javad Hajali-Akbari, Kalla reiterated that pursuance of peaceful nuclear energy is legitimate right of all countries including Iran and Indonesia.

Announcing Jakarta's support for Iran's peaceful nuclear program he called for consolidation of unity and solidarity of the two nations.

- **Islamic Defenders Front supporters rally in Jakarta**

Thousands of Front Pembela Islam supporters, or Islamic Defenders Front, supporters have rallied outside the presidential palace, central Jakarta, to demand the banning of Jemaah Ahmadiyya.

The demonstrators, who arrived by motorcycle, cars, and open trucks, also demanded the release of front organiser Habib Riziq Shihab who is standing trial after people attending a religious tolerance rally in June were attacked. On Sunday, Religious Affairs Minister Muhammad Maftuh Basyuni as telling Muslims at a school in Sukabumi, West Java, the government would not issue a presidential regulation to disband Jemaah Ahmadiyya as demanded by numerous Islamic organizations.

The minister said the government had no legal grounds to disband Jemaah Ahmadiyya and those demanding it did not have a strong argument because both the Quran and the Prophet Muhammad did not allow Muslims to force other people to profess Islam. The joint ministerial decree prohibits Jemaah Ahmadiyya from proselytizing its teachings but does not stop its followers from worshiping according to their beliefs.

Geo strategic

- **Indonesia buys 20 Russian infantry fighting vehicles**

Indonesia will buy 20 Russian BMP-3F infantry fighting vehicles, the Russian ambassador to Jakarta has said.

Alexander Ivanov said representatives of the Russian arms exporter Rosoboronexport and the Indonesian Defense Ministry signed a \$40 mln contract on Monday for the delivery of a consignment of BMP-3F infantry fighting vehicles. A Rosoboronexport spokesman said the delivery would be made in 2010.

The new IFVs will replace the PT-76 vehicles that are currently in service with the Indonesian armed forces. The BMP-3F is specially designed for operations at sea, with improved seaworthiness and buoyancy, and high fire accuracy. It can endure continuous amphibious operation for seven hours. The vehicle is capable of engaging targets at a range of up to 5,000-6,000 meters with its antitank guided missile system 9K116-3 Basnya.

Economic Front

- **Asian inflationary pressures set to ease**

South Korea, Thailand and Indonesia reported slowing rates of growth in consumer prices yesterday, prompting suggestions that Asian inflation has peaked and probably monetary policy tightening with it.

Tim Condon, head of Asia research at ING, said: "The tightening cycle is over across Asia. A lot of this is an oil call, and if oil spikes again we will see upward inflationary pressures."

Falling commodity prices and a resultant slowing of food price inflation was a key factor in yesterday's data reports. Robert Prior-Wandesforde, an Asia economist for HSBC, said: "In Asia, food explains 60 per cent of the overall inflation rate in the last year, with energy accounting for 15 per cent."

The extent to which inflation drops across Asia will be limited by food commodity prices remaining relatively high, wage increases, exchange rates weakening against the dollar and monetary authorities' reluctance to tighten further. Singapore and China have also recently predicted that inflation is likely to have peaked for the time being.

Some analysts believe Vietnam, India and the Philippines could be the exceptions to the trend, in that it could take policymakers there a few more months to rein in price rises.

- **Indonesian energy firm eyes \$800 mln power projects(eco,social,technical)**

Indonesian state-owned energy company Adhi Karya sought a possibility to develop four steam power plants projects worth 800 million U.S. dollars, a paper said here Monday. Director for finance of the company Indradjaja Manopol was quoted by Bisnis daily as saying that the funds to finance the projects would be from rights issue of the shares of the company. "Now, we are conducting negotiation to get the projects," he said. The director expected that the negotiation would be completed before the year end. Indonesian State-Owned Enterprises Minister Sofyan Djalil said that the government was ready to purchase the shares released by firms as soon as at the end of this year. Three of the projects are located in Java Island.

- **Indonesian bank governor vows to reduce inflation**

The governor of the Indonesian central bank said he would "do whatever it takes" to bring annual inflation below 10 percent in 2009, from 11.9 percent in July, as elections next year are expected to ensure strong economic growth.

Indonesia, the biggest Southeast Asian economy, which expanded 6.3 percent in 2007, the fastest pace in 11 years, will be sustained by strong domestic demand thanks to parliamentary and presidential elections next year, the bank governor, Boediono, who goes by one name, said. "During election years, demand will always be strong. So there is no problem. There is no need to urge us, the monetary authorities, to offer additional stimulus" to improve the economy, said Boediono, speaking at his home near Yogyakarta, central Java.

"My focus therefore is to stabilize prices so that we can bring down inflation from 11.9 percent to a single-digit number."Indonesia holds parliamentary elections in April, and presidential elections a few months later Indonesia has been largely isolated from the effect of the financial market turmoil in the United States, as its commercial banks have relatively small exposure to the U.S. debt market.

Social Front

- **Hundreds flee homes after flood in eastern Indonesia**

Over seven hundreds people have escaped from flood and two others have gone missing in South Kalimantan province of Indonesia, health ministry said here Tuesday.

The official said that consecutive day of heavy rains which could not be held by lack-forest covered areas was blamed for the natural disaster. Logistic and medical assistance had arrived at the site of the disaster, he said. Indonesia has been frequently hit by floods and landslides due to lack of forest covered areas resulted by deforestation. But the archipelago country has now struggling to cope with the problem by planting millions of trees.

- **Failed people smuggler jailed for five years**

Indonesian Achmad Oolong, 42, who was extradited to Darwin from Thailand in July last year will serve at least 30 months in jail after he pleaded guilty to having attempted to smuggle 353 people, mostly Iraqis, into Australia in November 1999.

Justice Stephen South wood sentenced Oolong to five years jail before parole after the reportedly debt-ridden coal mine operator admitted that he had charged his asylum seekers US\$1,700 and \$3,500 each to travel from Indonesia to Australia aboard a dilapidated 40-metre wooden boat. An Australian navy patrol intercepted the vessel and its passengers – including women and children – at uninhabited Ashmore Reef in the Indian Ocean, about 800 kilometers west of Darwin. Defense lawyer Greg Smith said that Oolong had smuggled the Iraqis because he pitied their suffering under former Iraqi

President Saddam Hussein. He was vacationing with his family when arrested. Judge Southwood said he would have doubled Achmad Olong's jail term but for his pleading guilty. The failed people smuggler had faced 20 years in jail.

Environmental front

Malaysia

Political Front

- **Umno apologizes over racist remark**

Umno, the backbone of the ruling Barisan National government, has issued a public apology over a remark made by Bukit Bendera Umno division head Datuk Ahmad Ismail during the Permatang Pauh parliamentary by-election last month.

"We hope that the non-Malays will not be too disturbed with the statement and we apologize if it has incurred the sensitivities or unhappiness over the statement.

"We apologize, Umno apologizes although it is not our statement but it is a statement made by one of our division leaders. It is totally unwarranted and does not reflect the position and the attitude of Umno or the leadership of Umno. We regret it very much," Deputy Prime Minister Datuk Seri Najib Tun Razak, who is also Umno deputy president, said here on Tuesday.

In the run-up to the Permatang Pauh by-election, Ahmad had said at a ceramah that the Chinese community were mere "immigrants" in the country and thus were not entitled to be given equal rights in Malaysia.

"The statement is his personal statement and is not the stand of Umno and the Government. We do not regard Malaysian citizens of Chinese, Indian or other descent as 'passengers'." They are Malaysian citizens who have full rights and we will definitely safeguard their interests and their dignity and I describe the statement as something that Umno and the Government very much regret," he said.

- **Malaysia agrees to keep Philippines peace monitors**

Kuala Lumpur, August 29: Malaysia would keep its peacekeepers in the southern Philippines for another three months to monitor a fragile truce between government troops and Muslim guerrillas, Foreign Minister Rais Yatim said yesterday.

The decision had been made at the request of the Philippines government, he told reporters.” A three-month period would be a reasonable extent of time for us to play that role to bring together the peace Process,” he said. “We are concerned about the continuing violence and this is the first segment of our address so that violence should stop.” Malaysia began withdrawing its 40 peacekeepers from Mindanao in April because of frustrations about the slow pace of talks between Manila and the Moro Islamic Liberation Front. Malaysia will now maintain at least 12 peacekeepers and their mandate, which was to expire on Sunday, is expected to be extended until Sunday, November 30.The fighting between government troops and Muslim guerrillas in southern Philippines has now displaced 362,000 people, says The Philippines National Disaster Coordinating Council. About 50 percent of them are crowded into 132 evacuation centers.

Economic front

- **Malaysia plans record budget**

Abdullah Badawi, Malaysia's prime minister, plans to increase government spending by nearly 6 per cent next year as he seeks to regain popularity and fend off an opposition challenge to topple his administration. But there are worries that the increased spending may pose economic risks, including stoking inflation, which is already at a 27-year high.

Mr Abdullah, who is also finance minister, has proposed a record M\$208bn (\$61.3bn, €41.7bn, £33.7bn) budget for 2009, including benefits for lower income groups and tax cuts for the middle class, in an effort to keep growth above 5 per cent.

The opposition, led by Anwar Ibrahim, criticises the spending proposals as "populist" and says the government is depending on oil revenues to finance the spending increase even though the country's energy reserves are set to decline.

The governor said she was not under political pressure to keep rates on hold and the central bank earlier denied market rumours that Ms Zeti was threatening to quit. But the cloudy economic situation is undermining investor confidence, with the Kuala Lumpur stock exchange share index falling by nearly 30 per cent this year, making it one of south-east Asia's worst performers.

Environment/Social front

Thailand

Political, Social front

- **People's alliance reiterates that PM must resign**

People's Alliance for Democracy spokesman Somsak Kosaisuk reiterated yesterday that both Prime Minister Samak Sundaravethe and the government must resign unconditionally, reports the Thai News Agency.

The military-government-ordered 2007 constitution would also have to be changed and a new system of participatory democracy introduced. A strike by public-sector workers in support of the People's Alliance for Democracy had little impact on daily life in Bangkok yesterday. But the Thai News Agency says Telecom workers who had planned to cut international telecommunications yesterday, were now expected to do so today. The baht was at 34.43 to the dollar after hitting a one-year low of 34.52 on Tuesday and the major stock index fell almost one percent on Wednesday and is down 25 percent since the protests began in May.

- **Thai railway directors quit after nationwide strikes**

The directors the Thailand State Railways, including its chairman Somsak Boonthong, resigned yesterday because of a strike that disrupted services throughout the country and caused a loss of more than Baht 60 million in revenue.

The strike was to show worker support for the People's Alliance for Democracy in its effort to force Prime Minister Samak Sundaravej and his government to resign. Deputy Prime Minister and Interior Minister Police General Kowit Wattana met senior police officials in Bangkok yesterday morning to evaluate the alliance's continuing anti-government protests.. The meeting followed the special meeting of the Thai parliament called by the majority People's Power Party and its four coalition partners to end the political crisis that has paralyzed Thailand. Pro-government supporters march on Thai parliament Bangkok, September 1: More than 1,000 government supporters marched on the twin sittings of Thailand's House of Representatives and Senate to support embattled Prime Minister Samak Sundaravej and his government. The marchers avoided anti-government protesters, including the thousands who have occupied the prime minister's official compound since Tuesday. They have vowed to stay until the prime minister quits.

- **State-owned workers expected to stop (3)**

Forty-three State-owned enterprise labor unions have agreed to stage strikes and to selectively cut water and electricity, halt Bangkok buses and delay all Thai International Airways flights beginning today in support of the People's Alliance Democracy effort to topple Prime Minister Samak Sundaravej and his government, reports The Nation newspaper. The aim was to help the alliance force the government out of office, the newspaper quoted State Enterprise Labor Relations Confederation secretary-general Sawit Kaewwan. The trade unionist, who is a senior representative of the People's Alliance for Democracy, said the unions would begin by cutting water and electricity supplies to provincial police offices - and then to other selected targets.

Telephone lines to government agencies and the homes of cabinet ministers would be cut. Thai International flights would be delayed and about 80 per cent of Bangkok buses would stop running. Some banks too are expected to close. But train services to north and northeastern Thailand were restored yesterday, the newspaper said. The secretary-general

said the plan to cut essential services was in response to the use of force against alliance supporters.

Emergency session of Thai parliament called for

The majority People's Power Party and its four coalition partners have agreed to call a special session on parliament in an effort to end the political crisis that has paralyzed Thailand. The sitting was agreed after embattled Prime Minister Prime Minister Samak Sundaravej vowed that he would not resign but instead would seek an early audience with King Bhumibol Adulyadej. "I will not back down and will not resign as demanded by the protesters which are led by People's Alliance for Democracy," the Thai News Agency quoted him as saying. "I will continue my duties for the sake of the country. I am appointed as a Prime Minister by the laws, so if I have to quit, I will quit according to the laws, not because of threats from protests." The emergency parliamentary session was called as protesters occupied the prime minister's office compound in Bangkok for a fifth day and forced the closure of airports at resort destinations, stranding tourists as rail, power and airline workers threatened to strike.

The Thai Civil Court suspended an order for protesters to leave Government House, and scuffles between protesters and police left 126 injured, television news reported." The coalition parties agree we should seek a solution by means of politics," Bloomberg quoted Agricultural Minister and Chart Thai party representative Somsak Prissanantakul as saying. Heavy rain has failed to deter the thousands of protesters who remain camped inside Government House - a venue where the prime minister normally holds official functions and greets foreign dignitaries. The benchmark SET Index has fallen almost 22 percent since the People's Alliance began its campaign to oust Samak on May 25, and the baht has fallen 6.7 percent. Political instability has overtaken inflation as the biggest threat to Thailand's economy, says the central bank.

- **Opposition Leader Calls For House Dissolution, PM Resignation**

The leader of Thailand's opposition Democrat Party demanded Prime Minister Samak Sundaravej resign or call new elections as an emergency session of the Southeast Asian

nation's parliament, intended to solve the country's political turmoil, backfired against the government and turned into a debate on its handling of the crisis.

"House dissolution is one of the ways to show responsibility. We all need to sacrifice ourselves to create the norm so that our democracy would go a step forward," Democrat leader Abhisit Vejjajiva said during Sunday's nationally televised meeting of the parliament and the senate.

Thailand's besieged coalition government is struggling to defuse a worsening political crisis after waves of anti-government protests spread beyond the country's capital on Friday, forcing the closure of several regional airports and disrupting rail services. About 10,000 supporters of the People's Alliance for Democracy, which is demanding Samak's resignation because of his close ties with ousted premier Thaksin Shinawatra, have occupied the Government House compound in Bangkok for six days, resisting riot police and a court order to disperse. PAD leaders want to replace Thailand's democracy with a largely appointed parliament. He returned to Thailand in February from self-imposed exile but earlier this month skipped bail and fled to London to avoid a raft of corruption charges.

- **Thailand's Election Commission recommends governing People's Power Party be dissolved**

Thailand's Election Commission has ruled that the governing People's Power Party committed electoral fraud in December polls and should be dissolved. The ruling further complicates the country's continuing political crisis.

The Election Commission's Secretary General Suthiphon Thawichaikan says the commission unanimously voted to dissolve the People's Power Party. The case now will be forwarded to the public prosecutors office who then will determine whether it should be submitted to the Constitutional Court for a final ruling. Prime Minister Samak Sundaravej is already under pressure to resign, after anti-government protesters took over the prime minister's residence last week.

- **State of emergency declared in Bangkok**

BANGKO Thai Prime Minister Tuesday declared a state of emergency in Bangkok after government supporters and opponents clashed in the capital.

At least one person died and more than 30 were injured in the overnight clashes in the streets between supporters of the pro-government National United Front of Democracy against Dictatorship (DAAD) and the anti-government People's Alliance for Democracy (PAD), the Thai News Agency reported.

The emergency order banned gatherings of more than five people, the report said. Local media would be prevented from disseminating any news that may be seen as causing public panic or instigating violence. The emergency decree would be enforced by a team to be headed by Thai Army Chief Gen. Anupong Paochinda. The team includes the national police chief and the first regional army commander. Despite the decree, the PAD vowed to continue its protest on the Government House compound until the prime minister resigned, the report said. Schools and colleges in the areas where the clashes occurred have closed indefinitely. The Samak government has been under public pressure for weeks. PAD supporters accuse the government of being a proxy for former Prime Minister and billionaire [Thaksin Shinawatra](#), who was ousted in a coup in 2006.

- **Thai army chief won't use force against protesters**

Thailand's army chief has vowed not to use force against protesters following the prime minister's declaration of emergency rule.

Army Commander Gen. Anupong Paochinda told a news conference Tuesday that the military was "on the people's side." He said that if the military needs to get involved in the country's political crisis they will not have weapons and "will not use force."

Prime Minister Samak Sundaravej declared a state of emergency earlier Tuesday after overnight clashes between government opponents and supporters left one person dead and 43 injured. The violence heightened a national crisis that started a week ago when opponents of Samak occupied the grounds of his official compound and refused to move until he resigned

Economic Front

- **Thailand Raises Rate for 2nd Time to Tame Inflation**

Thailand raised its benchmark [interest rate](#) for a second straight month to tame inflation, putting the central bank in conflict with a government that called two days ago for borrowing costs to be left on hold.

Thai police surrounded Samak's office today, laying siege to the almost 5,000 protesters demanding he step down. Samak, who called the demands "unreasonable," said police will be "soft and gentle" with demonstrators to avoid violence. The central bank didn't discuss the political situation in the meeting today. Assistant Governor [Duangmanee Vongpradhip](#) told reporters in Bangkok. Political uncertainty, which has existed for quite some time, has already been factored in to our economic model unless there is major bloodshed." The higher rate would continue to support economic growth, Duangmanee said, adding that inflation remains the key risk because of uncertainties over oil prices.

Thailand raised its key rate last month for the first time in two years, joining Indonesia, India, Vietnam and the Philippines in increasing borrowing costs as a deepening global slowdown threatens Asian growth. At least half of the 14 economists in the Bloomberg News survey who predicted today's rate decision expect no further increases this year.

The decision to raise rates to 3.5 percent last month has been criticized by members of the government. Suchart, the deputy finance minister, said Aug. 25 that borrowing costs shouldn't be raised further because it would hurt consumers and companies.

Still, some economists said the central bank should keep increasing borrowing costs because its policy stance remains stimulative and will fuel inflation.

- **Political turmoil dims Thai investment appeal, says World Bank**

Political turmoil and a shortage of skilled labor have dimmed Thailand's appeal to investors in recent years, according to a World Bank survey Friday.

Nearly 70 per cent of the business operators surveyed between April and November last year said macroeconomic instability had dampened the investment climate, compared to just under 40 per cent in 2004.

More than 60 per cent said uncertainty over government policies had weakened the investment climate in 2007, against 30 per cent in 2004, the survey said.

In addition to the political turmoil, a shortage of skilled labour, poor access to capital, inadequate but costly regulations and unreliable infrastructure also hurt investors' opinions of Thailand, she said.

Social front

- **Tourists resume delayed journey home as Thai crisis continues**

Thousands of tourists stranded by political turmoil in Thailand faced long backlogs as they tried to find their planes home.

Fifteen thousand tourists were stranded at the popular resort of Phuket while many had already missed connecting flights from Bangkok to Britain and elsewhere.

While flights from tourist hot-spots such as Krabi and Phuket resumed, Thailand's politics remained mired in crisis with no end in sight. In his weekly radio address the beleaguered Prime Minister Samak Sundaravej accused his enemies of sabotaging Thailand's tourism industry, which was worth 6.7 per cent of GDP last year.

The crisis began on Tuesday when members of the People's Alliance for Democracy (PAD) stormed government house, the seat of Thai government. Over 10, 000 activists have been camped out in the grounds ever since, refusing to leave until the government is toppled. The scene at government house resembled a free pop concert, with thousands of protestors sitting in deck chairs, eating snacks and clapping along to live music, relayed on giant screens. The police were nowhere to be seen and stalls selling t-shirts, snacks and soft drinks have spread out to line several city blocks.

- **Bangkok bomb raises fears of violent campaign**

A small bomb exploded in a Bangkok police booth in the small hours of Monday as a stand-off between the Prime Minister and protesters occupying his office entered its seventh day with no sign of either side backing down.

A senior government source said the blast, which shattered nearby windows but caused no injuries shortly after 1 a.m. (2:00 p.m. EDT on Sunday), was a signal the People's Alliance for Democracy (PAD) was taking its campaign to another level." The PAD has launched a guerrilla war with us," the source, who asked not to be named, said. Police echoed his comments, saying they believed it to be the work of agitators trying to depict the police as powerless in the face of the three-month PAD campaign to unseat the elected administration.

"They want to show that the government and the police are too weak to protect the people," national police spokesman Surapol Thuanthong told Reuters. "It is something we expected would have happened." The PAD, a group of businessmen and activists whose campaign against former Prime Minister Thaksin Shinawatra led to his overthrow in a 2006 coup, has always espoused peaceful protest.

However, last week's raid on a state television station by men armed with knives and golf clubs, as well as the protracted Government House occupation behind razor wire barricades, has brought this into question.

- **Thai PM refuses to quit, crisis drags on**

Thai PM refuses to quit, crisis drags on Defiant Thai Prime Minister Samak Sundaravej refused to quit as his opponents vowed on Thursday to keep up a street campaign to unseat him, setting the scene for more political uncertainty.

Speaking on national radio amid widespread speculation that he would resign, Samak also dismissed talk that he would call a snap election to defuse the protests.

The anti-government People's Alliance for Democracy (PAD), barricaded inside the prime minister's official compound in Bangkok for a tenth day, vowed to stay until Samak gave up.

The PAD, a coalition of businessmen, activists and academics, has been trying to unseat Samak for over three months, accusing him of being an illegitimate proxy for former premier Thaksin Shinawatra, ousted in a 2006 coup and now in exile in London.

Analysts said the two sides had effectively precluded any chance of a compromise being thrashed out, and predicted more uncertainty ahead.

The crisis has come as the country faces slowing growth and high inflation, and Thailand's heightened risk profile could prompt exasperated investors to park their money elsewhere, analysts say.

Singapore

Political front

- **MOM seeks public feedback on amendments to Employment Act**

The Manpower Ministry (MOM) is reviewing the Employment Act, and is seeking feedback from the public on the proposed changes.

Under the proposed amendments, MOM will revise the coverage of the Employment Act. Currently, non-manual workers who earn less than \$1,600 are covered under Part IV of the Act which entitles them to statutory benefits such as overtime payment and annual leave eligibility. MOM has proposed to raise the salary ceiling from \$1,600 to \$2,000 to reflect increase in wages.. MOM will also review employment benefits and standards. To encourage employers to offer more part-time jobs, part-time workers will be redefined as those who work 35 hours a week, up from the current 30 hours.

The Employment Act, which covers about 1.4 million workers, was last reviewed in 1995. The Act provides workers with basic employment benefits such as salary protection, minimum employment terms and dispute resolution.

Geo strategic front

- **Singapore, Indonesian navies provide community services in Padang**

Some 500 officers from the Singapore and Indonesian navies spent the past four days providing community services to the people in Padang, Indonesia.

The navy officers were taking part in the 57th Surya Bhaskara Jaya, a humanitarian assistance programme by the Indonesian navy.

The Republic of Singapore Navy (RSN) has been taking part in the programme since 1997. Among the RSN personnel involved are 46 midshipmen from the Landing Ship Tank RSS Persistence. Medical teams from the two navies provided primary health and dental care for the residents in Padang. Surgical operations were carried out on board the RSS Persistence and the Indonesian navy's hospital ship, KRI Dr Soeharso. The officers also distributed essential food items such as rice, oil and milk powder, educational materials and sports equipment to the residents.

They also carried out repair works at a community hall, and volleyball and badminton courts. The Singapore Ministry of Defense said the Singapore navy's participation in the programme reflects its excellent ties with its Indonesian counterpart. It added that regular interactions and close cooperation have helped to foster professional respect and mutual understanding among officers of the two navies.

Economic Front

- **Singapore, China map out key priorities of eco-city project**

Singapore and Chinese leaders said the Sino-Singapore Tianjin Eco-City project is a symbol of strong and warm bilateral ties. This came during a meeting between Singapore's Deputy Prime Minister Wong Kan Seng and Chinese vice Premier Wang Qishan in Tianjin on Wednesday. The first official meeting between the two leaders was friendly and casual, but no less significant as both men chaired the Singapore-Sino Eco-City Joint Steering Committee meeting to map out the key priorities of the project.

Mr. Wong will also be discussing the progress of the 14-year-old Suzhou Industrial Park during his five-day visit to Tianjin and Beijing. Hundreds of business proposals have

poured in to offer green solutions to the Tianjin eco-city. But unlike the Suzhou Industrial Park, these proposals will have to move beyond catering to industries, and focus on what matters to the residents in the eco-city. Goh Chye Boon, who heads the Singapore-China joint venture company that is spearheading the eco-city project, said: "We are focusing on how to build a city where you not only work and live comfortably, but also in a very sustainable way." He said there would be a stringent process to sift out the best ideas.

- **Economists lower Singapore's growth forecast to 4.2%**

Private sector economists said Singapore's economy may expand 4.2 per cent this year, slower than earlier forecasts of 5.5 per cent.

This was among the findings of the latest survey by the Singapore central bank. The forecast falls at the lower end of the government's 4-5 per cent range. Economists said expectations of a slowdown in the global economy have finally hit home. They noted that a drop in export demand was one reason behind the downward revision in economic growth. Non-oil domestic exports are now expected to shrink by 3.1 per cent for the year, compared to an initial forecast of a 3 per cent expansion. Domestic issues have also played a part, as delayed approval for drugs has hurt the pharmaceutical sector. According to the survey; Singapore's economy is expected to grow by 2.7 per cent on-year in the third quarter, up from 2.1 per cent in the second quarter. "Inflation risk will be much lower in the second half of the year and going into next year. On the other hand, downside risk to growth has actually increased significantly recently. Said economist Irvin Seah at DBS Bank. Economists now expect the US dollar to be worth S\$1.407 by the end of the year, compared to the initial S\$1.323 estimate in June.

Social front

- **Commissioner of Charities seeks more powers to regulate IPCs**

The Office of the Commissioner of Charities wants to better protect the public interest when it comes to Institutions of a Public Character (IPCs).It is seeking further

amendments to the Charities Act, giving powers to the Commissioner to regulate IPCs in the same way he regulates charities. Currently the powers are confined only to the revocation and suspension of the IPC status.

The Commissioner should have the power to institute inquiry and to suspend and remove board members where there are mismanagement and misconduct.

In addition, the Commissioner would be given the power to require any fund-raiser - and not just registered charities and IPCs - to furnish him with information necessary for the investigation into complaints pertaining to fundraising.

Amendments are also sought to clarify the roles and responsibilities of board members and protect them from personal liability if they have acted honestly and in good faith. This will equip volunteer board members with what is expected of them and to give them peace of mind in the discharge of their duties.

Philippine

Political, Social front

- **Vigilante resurgence raises Mindanao worries**

Clergymen, human rights advocates, defense and police officials are worried about the resurgence of armed Christian vigilantes in Mindanao. “I look back during the time of 1970s when vigilantes were used by troops during martial law,” said Archbishop Orlando Quevedo of Cotabato City.

Amnesty International warned that the Philippines could return to the “dark period” of martial law when vigilantes attacked civilians with impunity. It reminded the Philippine government that protecting civilians was a duty of its security forces, not of untrained civilian militias. “I am quite alarmed by the resurgence of such kind of groups,” said Defense Secretary Gilberto Teodoro Jr. The disquiet follows a warning issued at a clandestine news conference on Wednesday representatives of the Reform Ilaga Movement – the name is taken from a Christian group known for its atrocities and human

rights abuses in Mindanao almost 30 years ago - that it would kill 10 Moro Islamic Liberation Front guerrillas for every civilian life lost in their continuing fighting with government troops. Moro Islamic Liberation Front representatives earlier accused the military of “recreating” the Ilaga and warned of more hostilities should the national government allow its existence.” The government created it, therefore it can control it,” they said.

- **Human rights violated in Manila Pen media arrests, says CHR**

The Commission on Human Rights (CHR) yesterday found human rights violations in the arbitrary arrest and detention of media persons after a six-hour standoff at the Manila Peninsula Hotel in Makati City last Nov. 29, 2007.

In a 20-page resolution dated Aug. 26 and issued yesterday, "the Commission found that there had been no basis to justify detaining and the processing of members of media in Camp Bagong Diwa "In other words, there were violations of the human rights to liberty, security of persons, and freedom from arbitrary arrest and detention of the media persons involved in the incident," it added.

"The findings here are enough to build strong case against those who arrested and detained the media practitioners," De Lima said. With the findings, the CHR recommended that the Department of Interior and Local Government (DILG) and the PNP file administrative or disciplinary cases against those involved in the arbitrary arrest.

The CHR also recommended that the Department of Justice conduct further investigation and filing of proper cases as to the violations on the provisions of the Revised Penal Code and other special laws on the rights of persons detained.

The CHR also reminded the media to take into consideration and respect police or military operations. It recommended that Congress pass a law on command responsibility in order to ensure accountability during police or military operations, and a law to regulate the rules of engagement of the police and military with the media and civilians during crisis situations.

However, the Commission warned that "acts to detain members of the media without clear legal basis dangerously stand astride the borderline between valid police power and media repression in violation of fundamental freedoms."

However, the Commission reminded the media that a police officer is an agent of a person in authority, "and that, as such, he may legitimately order people away from a crime."

- **Ferry bomb terror suspect held in Manila**

Authorities in Bahrain arrested Ruben Pestano Lavilla Jr. last month, said Ricardo Blancaflor, undersecretary at the Department of Justice. Lavilla was deported Saturday to Manila, where police arrested him and briefly paraded him in front of local media crews before locking him inside police headquarters, Blancaflor said. LAvilla is one of the top ideologues in the Rajah Solaiman Movement, a group of former Christians who converted to Islam and claim affiliation with the al Qaeda-linked regional terrorist groups Jemaah Islamiyah and Abu Sayyaf, Blancaflor said. Blancaflor said authorities suspect Lavilla helped plot the bombing of a super ferry near Manila on February 27, 2004, in which at least 116 people died. They believe Lavilla also helped plan the bombing of a bus behind the Intercontinental Hotel in Manila on February 14, 2005, an attack that killed at least four people and came to be known as the Valentine's Day Bombing.

The bus bombing was part of a trio of attacks that happened that day. The two other blasts, both fatal, happened in the southern cities of General Santos and Davao. In describing Lavilla's arrest in Bahrain, Blancaflor said only that police there arrested him as they were enforcing U.N. Security Council resolution 1276, which imposed air travel and financial sanctions on the Taliban. Jemaah Islamiyah aims to create a Muslim "super state" across much of Southeast Asia. Authorities blame the group for the Bali, Indonesia nightclub bombings of 2002, which killed more than 200 mostly Western tourists. The group is also suspected of subsequent attacks on the Australian Embassy and J.W. Marriott hotel, both in the Indonesian capital, Jakarta.

The Abu Sayyaf group is one of several Islamic militant groups fighting the government in and around the southern Philippine island of Mindanao.

- **Rebels in Philippines say peace is "in purgatory"**

The Philippines' largest Muslim rebel group threatened on Sunday to pull out of peace talks with Manila because the government has cancelled a territorial deal after it was challenged in the Supreme Court.

Mohaqher Iqbal, chief peace negotiator of the Moro Islamic Liberation Front (MILF), said the rebels would only go back to the negotiating table if the government revived and signed the agreement expanding an autonomous Muslim region in the south of the Catholic-majority nation.

"The peace process is now in purgatory," Iqbal told Reuters before he boarded a flight to the southern Philippines." It was buried by government's decision not to sign the ancestral domain agreement." We're not only disappointed and frustrated over government's decision to turn its back on the ancestral domain deal; we've completely lost trust and confidence in them. The MILF has been in on-off talks with Manila since 1997 to end nearly 40 years of conflict that has killed 120,000 people and stunted growth in the south, an impoverished region believed to be sitting on huge deposits of metals and hydrocarbons.

Malaysia has been brokering talks since 2001 and agreed last week to keep about 12 unarmed troops in the southern Philippines for another three months to monitor a ceasefire agreement.

Renegade members of the MILF went on the rampage two weeks ago after the territorial deal was halted by the Supreme Court and the military has said nearly 200 people have been killed in fighting in parts of the southern Mindanao region.

Jesus Dureza, the president's spokesman, said government has decided to review the entire peace process and consult all sections of society in the south before sitting down with Muslim rebels to find a more acceptable deal based on the country's constitution.

Dureza said the government remained committed on the peace process, "refocusing from one that is centered on dialogues with rebels to one of authentic dialogues with the communities with disarmament as the context of our engagements with armed groups".

Fighting in Mindanao has abated since Friday when troops seized a rebel base, an army spokesman. The military has vowed to continue operations during Islam's holy month of Ramadan starting this week.

- **6 Killed, 27 Injured In Philippines Bus Blast**

At least six people were killed and over 27 others injured when a bomb exploded inside a parked passenger bus in the southern Philippines on Monday, said officials.

Officials said that explosion ripped through a bus parked at a bus terminal in Digos City in Davao del Sur province on Monday afternoon and added that the death toll in the blast is bound to increase as many of those injured were in a serious condition.

Police officials said that they have cordoned off the area for conducting rescue and search operations and added that they have taken a suspect into custody, just hours after the bomb blast. Though no group has claimed responsibility for the blast so far, authorities suspect a Muslim crime group known as the Al-Khobar gang to be responsible.

- **MILF not to blame for deadly Digos bombing - officials**

Philippine authorities on Tuesday said a deadly bus bombing in the troubled south that killed six people was the work of a crime gang and not Muslim separatist rebels.

They blamed a little-known gang called Al Khobar for Monday's attack on the Metro Shuttle bus at a terminal in Digos city.

One more person died from his wounds late Monday, raising the toll to six with more than 30 wounded, the military said in a updated report." This is not the handiwork of the MILF," Davao del Sur Gov. Douglas Cagas said, referring to the Moro Islamic Liberation Front (MILF)."The investigation is continuing, but we believe this is the work of the Al Khobar gang," he said, and police and military forces remained on a heightened state of alert against any further attacks.

Officials had earlier warned the public to prepare for possible attacks by MILF rebels, who are on the run from a military offensive in the south after carrying out a series of raids on mostly Christian towns. The clashes have delayed peace talks between the government of President Gloria Arroyo and the MILF, which recently warned that the upsurge in violence could lead to a full-blown war.

Vietnam

Political /Geo strategic front

- **Inter-section Talks Held between DPRK and Laos**

Pyongyang, September 1 (KCNA) -- Inter-section talks between the DPRK and Laos were held here on Monday.

The talks took place between Minister of Agriculture Ri Kyong Sik and Vice-Minister of Foreign Trade Ri Myong San from the DPRK side and Minister of Agriculture and Forestry Sitaheng Rasphone and Vice-Minister of Industry and Commerce Khemmani Pholsena from the Lao side. At the talks both sides exchanged their views on further developing the cooperative relations in various fields.

- **Vietnam, Canada celebrate 35 years of diplomatic ties**

The Vietnamese Embassy in Canada held a banquet in Ottawa on August 28 to mark Vietnam's 63 rd National Day and the two countries' 35 th anniversary of diplomatic ties (1973-2008).

Speaking at the event, Vietnamese Ambassador Nguyen Duc Hung highlighted

Vietnam's great achievements during the renewal process and international integration. Hung said over the past 35 years, Vietnam and Canada have seen fine developments in their relationship with two-way trade value exceeding 1 billion CAD in 2007. Canada is now the fifth largest among 82 countries and territories investing in Vietnam with the total investment of 6.2 billion CAD. The exchange of high-ranking delegations has also helped boost the cooperation and mutual understanding between the two countries and two people, he added. On the occasion, the Quang Ninh-born overseas Vietnamese community in Toronto presented 3,000 CAD as relief for flood victims.

Economic front

- **Dong, bonds perform well on government's anti-inflation moves**

Vietnam's dong and benchmark bonds completed their best month on record on speculation policy makers are taking sufficient steps to cool inflation.

The local currency advanced for a second month as the central bank Friday resisted calls to cut interest rates from the highest in Asia.

Government data this week showed the country's trade deficit widened at a slower pace through August, easing concern the country may face a balance of payments crisis. HSBC Holdings Plc. this month recommended buying Vietnam's bonds, saying yields are attractive. "Demand for Vietnamese bonds has increased a lot from overseas investors as they now have a better view on the economy," said Dam Bich Thuy, chief executive officer of Australia & New Zealand Banking Group Ltd.'s Vietnam unit in Hanoi. This foreign investment inflow has also boosted demand for the dong recently. "The local currency rallied 1.4 percent this month to VND16, 535 against the dollar as of 5:15 p.m. in Hanoi, according to data compiled by Bloomberg. It advanced 0.1 percent Friday, its third day of gains.

The Southeast Asian country's government bonds should perform well as offshore demand increases on yields, HSBC said in a research note on August 7.

Social front

- **Flash floods kill 11 in northern Vietnam**

Eleven people, three of them children, have been killed by flash floods and landslides that struck a mountainous province in northern Vietnam this week, the government said on Friday. Rescue workers were searching for bodies of five of the dead after seasonal heavy rains since Tuesday pounded several remote districts in Ha Giang province, Vietnam's northernmost province bordering China, the government report said.

It is the second time this month flash floods have struck the province. In a previous disaster three weeks ago, 133 people were killed in flash floods and landslides in 11 Northern provinces, including nine in Ha Giang.

The flood-hit area lies about 1,400 km (870 miles) north of Vietnam's coffee belt in the Central Highlands. Ha Giang is also outside Vietnam's main rice growing regions, namely the Red River Delta in the north and the Mekong Delta in the country's south.

Rains are still expected in northern Vietnam that could trigger more floods and the government's disaster report said seasonal floods, now slowly receding in the Mekong Delta, were forecast to rise near the Alarm Two level following tidal waves by next Monday. About 20 percent of Vietnam's 86.5 million people live in the Mekong Delta, which produces more than half of the country's paddy output and supplies more than 90 percent of its commercial rice. The government said this week it has approved a program to spend \$145 million between now and 2010 to build dykes and relocate 33,000 families of rice farmers from areas threatened by seasonal flooding in the Mekong River.

- **Vietnam denies use of stun gun to break protest**

Vietnamese authorities denied Friday that they had used force or stun guns to break up a demonstration by Catholics who are demanding the return of land the Communist government took more than four decades ago.

Responding to accusations from protesters, including one who was bleeding, Hanoi's police chief told reporters Friday that officers had broken up the demonstration of about 300 people peacefully.” Like police in other countries, we never use any kind of tools to beat unarmed people," Hanoi police Chief Nguyen Duc Nhanh told a news conference. "We just talked to them and the crowd dispersed."

Six people, including two priests, told the Associated Press that police had beaten and shocked church members who had gathered Thursday outside a police station to pray for the release of parishioners who were arrested earlier in the day.

Members of Thai Ha Church in Hanoi have been holding round-the-clock prayer vigils for nearly two weeks to demand the return of land next to their church that the government took in the early 1960s. Police say they arrested three people for damaging the fence. Church members, however, have said four were arrested in the fence incident and another seven following Thursday's demonstration. One of the priests, Nguyen Ngoc Nam Phong, said Friday that police were lying about their actions

Laos

Political, Geo strategic

- **China and Vietnam square off in Laos**

China's growing influence in resource-rich Laos is seen by some as coming at the expense of ties with Vietnam, long the communist country's main patron and de facto security guarantor. The diplomatic recalibration is part of the landlocked country's bid to more fully integrate economically with the region and has so far served its interests well.

Laos is of increasing strategic importance to both China and Vietnam, two of Asia's fastest growing countries. Vietnam's interests lie primarily in securing its long land border with Laos and developing greater access to markets in Thailand. For China, Laos provides a growing avenue to export products to wider Southeast Asia, particularly from its remote and less-developed, landlocked southwestern regions. Both countries have a

growing interest in Laos' bountiful and largely untapped natural resources, agricultural products and hydropower to fuel their expanding economies. Some analysts here predict that the balance of influence inside the ruling Lao People's Revolutionary Party (LPRP) could soon shift in Beijing's favor, as senior Lao leaders fade from the political scene and younger, more market-savvy cadre lacking experience in the communist revolutionary period assume positions of power. In apparent realization of this changing dynamic, China has adopted a long term diplomatic strategy for Laos.

Commercially positioned

Laos is now eager to promote itself as "land-linked" instead of "landlocked", emphasizing its potential role as a trade crossroads between China and Southeast Asia. According to spokesman Yong, "Laos has been suffering because it is landlocked and isolated. Connectivity in the region can only bring good things to Laos." This view means that Laos sees the value in diversifying its diplomacy away from its traditional reliance on Vietnam.

- **President Choummaly ends visit to India**

(KPL) President of the Lao Peoples Democratic Republic Choummaly Sayasone, ended his five-day visit to India and arrived in Vientiane on 30 August. During the visit, the two presidents of Laos and India, made efforts to strengthen the relations between the two countries. India, on her part, President Pratbha Devisingh Patil said would continue to provide co-operation in human resources development, health, socio-cultural, trade and other fields. The foreign ministries of the two countries played an important role in bringing about the eventual signing of various agreements. One of them, an important one, is that the government of India would give US\$ one million dollars to assist the victims of the recent floods. The two sides also agreed to cooperate in diplomacy at the regional and international levels and to support each other in the maintenance of peace, stability and co-operation in the region and in the world.

India would provide soft loans for development projects in the southern part of Laos, said the Indian President. An agreement on this project has been signed by the two countries.

The two sides also signed two MOUs, Trade and Economic Cooperation and Bilateral Investment Promotion and Protection Agreements. A Joint Business Council Agreement was signed between the Confederation of Indian Industry and the Lao National Chamber of Commerce and Industry. The main function of this body is to facilitate the bilateral trade exchanges. This agreement and the others that had been mentioned would act as the basic framework for trade and investment from India. President Choummaly told reporters that he would like to thank the government and people of India for extending their warm welcome to the high-ranking officials of Laos and he added that he hoped his visit would further enhance the bilateral co-operation and warm relations between the two countries.

Economic Front

- **Corridor gains slow to materialize**

The transnational corridor remains a “work in progress” one year after the East West Economic Corridor week was organized in central Da Nan City

Established at a Greater Mekong Sub-Region (GMS) group meeting in 1998, the corridor was expected to integrate the region’s economies by renovating road sections and strengthening cross-border links along the 1,450km-long highway that runs through Myanmar, Thailand, Laos and Vietnam.

However, the countries who had signed an agreement on the issue haven’t benefited from the corridor as previously expected, despite numerous inspections having been carried out to improve the situation.

Thanh Nien has accompanied two inspection missions to the corridor over the last two years and witnessed the slow development of the initiative, which was supposed to boost economic development and promote tourism and trade in the central region. Differences in driving standards and regulations on traffic and immigration have stalled corridor plans.

Statistics from Da Nang(General Director) City's Department of Foreign Affairs showed the city's export turnover with other member countries on the corridor didn't improved much in 2007 and the first eight months of 2008.

The number of tourists going through the Lao Bao Border Gate on the corridor between Vietnam and Laos also showed little gains. Vietnam is planning to send a ministry-level delegation this month to the corridor to review achievements on the one-year anniversary of the EWEC event, a move that is expected to set the wheels in motion again

Social front

- **Delegates at Asia-Pacific meeting call for increased efforts to fight HIV/AIDS in region**

Health officials and experts from countries in the Asia-Pacific region with a low prevalence of HIV/AIDS Thursday in Manila, Philippines, pledged to intensify national efforts to curb the spread of the disease

The delegates at the three-day meeting also said that there is a need for governments, civil society groups and international development partners to improve efforts to deliver interventions to at-risk populations.

According to the *Independent Online*, the delegates said that access and availability of antiretroviral drugs should be a main component of HIV/AIDS efforts in every country and that funding outside of national budgets must be mobilized. They also called on political leaders to increase allocation of resources to fight HIV/AIDS.

In a joint statement, the delegates said they are committed to "an enhanced and effective response to HIV in Asia and the Pacific, which ensures equal access to services for all persons regardless of their age, sexual orientation or gender." The statement also said, "Countries must clearly identify their priorities and effectively allocate resources if they expect to maintain a financially sustainable response to the HIV epidemics in the region."

The 11 countries attending the meeting were Bangladesh, Bhutan, Fiji, Indonesia, Laos, Malaysia, Maldives, Mongolia, the Philippines, Sri Lanka and East Timor

- **Singapore's Assistance to Laos Mekong River flood**

(KPL) In response to the widespread damage caused by the recent flooding of the Mekong River in Laos, the Government of Singapore has contributed US\$50,000 worth of emergency humanitarian supplies to Laos. According to a source in the Singaporean Embassy in Laos, the supplies which include medicine, food, and water purifiers, were handed over to Acting Minister of Labour and Social Welfare H.E Laoly Faiphengyoua by Singapore Ambassador Benjamin William at Wattay International Airport yesterday

Cambodia

Political/Geo Strategic

- **Thai, Cambodia border talks cancelled**

Phnom Penh, August 29: The border talks between Cambodia and Thailand scheduled for today have been cancelled. The Cambodia Daily quoted defense minister Neang Phat that he was told Wednesday that the talks to discuss ownership of land within the precinct of the historic Preah Vihear would be cancelled.

It's presumed that the continuing mass demonstrations against the Thai government in Bangkok are the cause of the cancellation but this had not been confirmed. The talks were to have been held in Siem Reap. A new date for the talks has not been announced.

- **Corruption allegations taint Cambodian Khmer Rouge trials**

Judges at Cambodia's genocide court have demanded that corruption allegations be addressed to avoid tainting upcoming trials of former Khmer Rouge leaders. The cash-strapped court has been twice hit by allegations that Cambodian staff paid bribes for their jobs.

International and Cambodian judges are meeting in the capital Phnom Penh for a week-long discussion of ongoing issues surrounding the court.

In August, the court formally indicted former Khmer Rouge prison Chief Kaing Guek Eav better known as Duch - making him the first leader to stand trial. His trial is expected to begin in October, but the court remains in financial difficulty.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 30 August 2008 to 5 September 2008

Presentation: 12 September 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Srilanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar

Bangladesh:

POLITICAL:

- BNP will not make any deal with govt in releasing Begum Zia
- BD proposes trilateral road link with Myanmar, Thailand
- AL & BNP engaged in conflict over the issue of deal with govt
- Govt now resorted to manage-2 formula as minus-2 failed
- Tarique released

SOCIAL:

- Trend of early marriage increasing alarmingly
- Flood situation may take a serious turn
- 2 lakh people afflicted with cancer annually

ECONOMY:

- Agri sector faces big setback due to flood annually
- Hundreds of investors at Barisal Stock Market suffer losses of crores of taka

- Price hike of daily essentials continues
- USD 1,404 m investment deals signed last year to set up industries in EPZs
- Banks asked to provide 40-60 pc loans to small, medium enterprises for women
- Qatar to take more BD work
- Retail investors boost market gains

GEO-STRATEGIC:

- Security issues to dominate home secretary-level talks with India
- Kuwait to take stern measures against companies for exploiting Bangladeshi workers

Tarique released

Preceded by a series of dramatic events at last BNP's Senior Joint Secretary General Tarique Rahman has been released on bail from the prison cell of Bangabandhu Sheikh Mujib Medical University (BSMMU) after 17 months of his arrest. Having been arrested on March 7 last year Tarique is now facing 13 cases in connection with realisation of extortion, amassing illegal properties, concealing information in wealth statement, tax embezzlement, Sabbir murder hush-up cases and the daily Dinkal Publication Ltd tax evasion. Among the cases as Dinkal publication tax evasion cases was different in nature, Tarique Rahman and others were acquitted from it by liquidating the company by the HC. On the other hand, Tarique's mother BNP Chairperson Begum Khaleda Zia's detention enters second year in makeshift jail on Wednesday and party's leaders and activists demanded her immediate release and threatened to wage tough movements across the country unless she is released. Begum Khaleda Zia along with her younger son Arafat Rahman Coco was arrested on graft charges on this day, on September 3, 2007. Coco was released on July 17 as his health condition deteriorated; he is now undergoing treatment for his respiratory complications at Bumrungrad International Hospital in Bangkok.

Kuwait to take stern measures against companies for exploiting Bangladeshi workers

Deputy Prime Minister of Kuwait Sheikh Dr Mohammed Sabah Al-Salem Al-Sabah said his government would take stern measures against the Kuwaiti companies that had exploited Bangladeshi workers. Making a reference that around 250,000 Bangladeshi workers are currently working in Kuwait, the Adviser said it was an honour for Bangladeshis to participate in Kuwait's development.

Agri sector faces big setback due to flood annually

Adviser for Agriculture and Water Resources Dr C S Karim said on Wednesday that flood is a big problem for our country. Every year country's agricultural sector faces big setback and loses huge crops to the floods. He said if the country wants to achieve food security, it has to strengthen its flood management system as well as flood forecasting and warning system. He further said that an accurate, credible flood forecasting system can make the people conscious and then it is possible to avoid the losses and hazard, caused by flood in the country.

Hundreds of investors at Barisal Stock Market suffer losses of crores of taka

Hundreds of investors doing share business at Barisal Stock Market suffered losses of crores of taka in last eight days due to technical glitches at on line trading with Dhaka Stock Exchange. Mizanur Rahman and Md. Shahnewaj Shahin, Convener and Joint Convener of Barisal Investors Forum, alleged that technical problems of the on line trading servers of Dhaka Stock Exchange has been halting trading for hours after hours at local brokerage houses in the city. Barisal capital market recently gained heavy rush due to direct on line transaction facilities. Barisal Office of Investment Corporation of Bangladesh (ICB) informed that there were more than forty two thousand account holders of ICB Barisal Branch, more than sixteen hundred beneficiary account holders (BO) of ICB Securities Trading Company Limited (ISTCL) and more than nine hundred accounts of ICB Capital Management Limited (ICML), two subsidiary companies of ICB enlisted with Dhaka and Chittagong Stock Exchanges (DSE and CSE). Besides, about eight hundred BO account holders of two branches of private brokerage houses named Stock Bonds Limited and M Securities Limited enlisted only with DSE for daily transactions from Barisal were severely affected by this technical problem.

BNP will not make any deal with govt in releasing Begum Zia

BNP Chairperson's Adviser Brigadier ASM Hannan Shah said the party would not accept any government conditions in releasing Begum Khaleda Zia and her son Tarique Rahman. If the government tries to set any condition for the release Begum Zia, BNP will not accept it and the party will go for tougher movement in order to free its Chairperson. Like Awami League, BNP will not make any secret deal with government in releasing its Chairperson. We want to free our

Chairperson through legal process, not making any deal with the government, Hannan Shah told reporters at his residence in the city.

Price hike of daily essentials continues

Visiting the different city markets yesterday, this correspondent observed that both the buyers and sellers have been feeling the pinch as there is no sign of coming down of prices of daily essentials. Consumers said the government has totally lost its control over the market and presently no organization is monitoring the market prices of daily essentials.

Security issues to dominate home secretary-level talks with India

Dhaka and New Delhi are set to hold a two-day bilateral meeting on cross-border security and crimes as the Indian home secretary arrived on a two-day consultation with his Bangladesh counterpart, officials said. Indian Home secretary Madhukar Gupta arrived here for the annual talks with Bangladesh home secretary Abdul Karim from tomorrow, a month after foreign secretaries of the two countries met in their routine annual consultation in the Indian capital of New Delhi. The talks between India's home secretary Madhukar Gupta and home secretary Abdul Karim, are expected to dominate the security and other cross-border issues which concern both the neighbours. The talks are also expected to explore ways for increased cooperation to counter terrorism and develop a legal framework for exchange of fugitive criminals.

Trend of early marriage increasing alarmingly

Trend of early marriage in Bangladesh is increasing alarmingly due to socio-economic and religious pressure although the government has enacted laws to prevent early marriage. This was stated at a roundtable discussion on 'Early Marriage and its Prevention' held at BIAM auditorium in the city. Political leaders, experts and educationist took part in the discussion. Speaker said poor parents think that their daughters may be sexually abused or scandalized if

they are not married off early. "The worry behind the early marriage is that dowry demands will increase as their daughters get older. Consequently in the eyes of poor parents, girls are little more than economic burden-if they have only small dowry to offer, such parents are specially quicker to arranges marriage for their daughters, irrespective of the groom's status or the girl's opinion," they said. They said the trend of early marriage is on the rise in the rural areas as 68 per cent girls below 18 years are being married in these areas across the country. "Of them 65 per cent are being married forcibly," they added. They said some 33 per cent early marriages are being held without registration although the government has appointed marriage register to conduct marriage for Muslims in the country. Quoting a survey report, they said that there are a good number of marriage registers who are not appointed by the government, however, they are registering marriage and depriving the government from revenue. These fake registers are also taking more fees from their clients and they are highly involved in registering early marriages.

USD 1,404 m investment deals signed last year to set up industries in EPZs

A total of 78 companies signed investment agreements worth US dollar 1,404 million during the last fiscal year to set up various industrial units in the country's eight Export Processing Zones (EPZs). Besides, US dollar 302.19 million actual investments were made in 283 running industrial units in these EPZs, officials of Bangladesh Export Processing Zone Authority (BEPZA) said here. They also said that the trend of investment in 2007-08 was 148 per cent higher than the previous year's level when the actual investment increased by 98 per cent. During the last fiscal year, the actual investment was US dollar 126.46 million at Chittagong EPZ, US dollar 110.34 million at Dhaka EPZ, US dollar 9.72 million at Comilla EPZ, US dollar 33.71 million at Adamjee EPZ, US dollar 0.15 million at Uttara EPZ, US dollar 18.34 million at Karnaphuli EPZ, US dollar 1.43 million at Ishurdi EPZ, and US dollar 2.03 million at Mongla EPZ. The total actual investment in the EPZs till June this year amounted to US dollar 1,434.45 million, the officials said adding that the industries in the EPZs exported products worth US dollar 2,429.58 million in 2007-08. It was US dollar 2,063.67 million during the 2006-07 financial year. During the last fiscal year, a total of 140 industrial units at Chittagong EPZ exported products worth US dollar 1,117.17 million, while 96 units at Dhaka EPZ exported goods worth US dollar 1,146.50 million, 18 units at Comilla EPZ US dollar 131.38 million, 12 units at Mongla EPZ US dollar 8.26 million, 5 units at Uttara EPZ US dollar 0.95 million, 3 units at Ishurdi EPZ US dollar 1.21 million, 5 units at Adamjee EPZ US dollar 15.10 million and 4 units at Karnaphuli US dollar 9.86 million. The total number of workers in these EPZs is 2,18,299 and another 400,000 are indirectly doing various jobs there, the officials said. As many as 17,130 Bangladeshi workers got employment in different units of these EPZs during the last fiscal year. Of them, 6,805 workers were employed at Chittagong EPZ, 1,029 at Dhaka EPZ, 218 at Mongla EPZ, 1,672 at Comilla EPZ, 388 at Uttara EPZ, 4,173 at Adamjee EPZ, 29 at Ishurdi EPZ, and 2,816 at Karnaphuli EPZ. Six private companies signed agreements as Service Oriented Industry to operate and maintain six power plants with 50 MW capacities each at six EPZs to generate a total 300 MW electricity. Some foreign firms have also

applied for setting up power plants in other EPZs, they said. After these power plants are established, the officials said uninterrupted power supply will be ensured in these industrial units of the EPZs. Besides, they added, excess power could be added to the national grid after meeting demands in the EPZs. The officials said that the private companies would be offered for establishing water treatment plants and effluent treatment plants in the EPZs.

BD proposes trilateral road link with Myanmar, Thailand

Bangladesh yesterday proposed direct road links connecting itself with Myanmar and Thailand as Foreign Adviser Dr Iftekhar Ahmed Chowdhury held separate joint meetings with his counterparts in Yangon and Bangkok in the Indian capital. "This is (however) still at a very initial thinking stage... Bangladesh will immensely benefit from a road outlet to the East," a foreign ministry statement quoted Chowdhury as saying following his talks with Myanmar Foreign Minister Nyan Win and Thai Foreign Minister Dr Tej Bunnag. "There seems to be a growing interest in this idea from these countries as well, which is good for us," he added. Bangladesh has long been exploring ways to establish road links with East Asian countries including China for expanding trade links particularly with the ASEAN nations. Dhaka is currently helping Yangon build a road within Myanmar to link itself with the Myanmar's road-link infrastructure. Bangladesh earlier proposed that this road could also be connected to a planned Myanmar-Thailand highway giving Bangladesh the access to China. The foreign adviser is currently in New Delhi to join the 10th Ministerial Meeting of BIMSTEC there.

Govt now resorted to manage-2 formula as minus-2 failed

After having failed to implement minus-two formula in the face of domestic and international pressure, the emergency government is now engaged in implementing the manage-two formula in order to ensure participation of all political parties in the parliamentary elections. Talking to The Bangladesh Today on Saturday Awami League leaders Amir Hossain Amu and Suranjit Sen Gupta, BNP's Vice-Chairman MK Anwar, Jatiya Party Secretary General ABM Ruhul Amin Hawlader, Workers Party President Rashed Khan Menon, and Political analysts Badruddin Omar and AASM Arefin Siddiqui echoing the same sentiments said in the face of people's demand the government has been compelled to change its attitude and now it has resorted to manage- two formula in a bid to uphold its image and ensure participation of all political parties in the general elections.

Floods turn alarming, may deteriorate within 2-3 days

The overall flood situation in the country has turned alarming and it is likely to deteriorate during the next 2-3 days as the major rivers have continued to rise along with the north eastern rivers, swelled by heavy rains for the past few days, Flood Forecasting and Warning Centre (FFWC) officials said.

2 lakh people afflicted with cancer annually

At present there are around 10 lakh cancer patients in Bangladesh and about 2 lakh people are afflicted with this disease every year. Of the cancer patients more than 1.5 lakh die annually, many of them even without any treatment whatsoever. This was revealed at a seminar on "Advances in Treatment of Cancer" held at a city hotel on Saturday. Ahsania Mission Cancer Hospital and Parkway Cancer Centre, Singapore jointly organised the seminar. It was also revealed in the seminar that deaths from cancer in the world are on the rise continuously with an estimated 9 million people likely to die in 2015 and 11.4 million in 2030. It is a leading cause of death worldwide. From a total of 58 million deaths worldwide in 2005, cancer accounts for 7.6 million or 13 per cent of all deaths. Speakers at the seminar said that it is now a fast spreading killer disease across the world. In our country the situation is very critical. They said "The facilities for treatment of cancer in the country are also very limited. Only a few hospitals and private clinics provide treatment of cancer for a maximum of 20 to 25 thousand patients in a year. Besides the affluent category of patients often go abroad for treatment and spend hard earned foreign currency equivalent to Taka five thousand million every year. So it is necessary to increase the cancer treatment process and establish cancer hospital in the country. They also said that multi modal cancer treatment comprising surgery, chemotherapy and radiotherapy is possible for cancer patients nowadays. Besides early detection is also important for successful treatment of this disease. According to a World Health Organisation report, over 40 per cent of cancer attack can be prevented. Others if detected early, can be treated and cured.

AL & BNP engaged in conflict over the issue of deal with govt

Following the latest development in the country's political arena, two major political parties Awami League and BNP again have started exchanging provocative remarks against each other and this may invite pre 1/11 situation instead of creating a congenial atmosphere for holding a free, fair and credible parliamentary election, political analyst, economist and educationist apprehend. Talking to The Bangladesh Today, political analyst, economist and educationists expressing grave concern said if the political parties especially Awami League and BNP fail to stop exchanging such remarks against each other, the common people of the country will have to face another disaster which will create uncertainty about holding the general elections.

Flood situation may take a serious turn

Flood waters have started engulfing the vast area of the country, especially in the northern region affecting millions of people and situation may deteriorate. The Flood Forecasting and Warning Centre (FFWC) in its bulletin said overall flood situation of the country is alarming and very likely to deteriorate by next 2-3 days. All three major river systems (Brahmaputra-Jamuna, Ganges-Padma and Upper Meghna) continued rising simultaneously. Monsoon is likely to remain active over north-east Bangladesh and adjoining Assam, Meghalaya and Arunachal Pradesh whereas it became weak over north-west part of the country and adjoining West Bengal, Bihar and Uttar Pradesh, the FFWC added. The country's north, north-central and north east parts are threatened with a flooding because of heavy rains and onrush of waters from across the border. With the flood waters receding fast from the different provinces in India, the north, north-east and central parts of the country have started witnessing flood. Meanwhile, flood inundated 25 villages of Lalmonirhat district," talking to The Bangladesh Today an expert of Flood Forecasting and Warning Centre said.

Banks asked to provide 40-60 pc loans to small, medium enterprises for women

Government has issued a circular to direct commercial banks to provide 40 per cent loan to small enterprises and 60 per cent to medium enterprises to ease the loan process for women, said special assistant to Chief Adviser Mahbub Jamil. Banks should disburse Tk 25 lakh collateral-free loan for women entrepreneurs to ensure economic growth," he said. "Women in the country's rural and urban areas can play a vital role in the development of SME sector if they are given proper access to credit facilities and technical knowledge, he said.

Qatar to take more BD workers

The Qatar Ambassador Ibrahim Mohammed A Al-Abdullah assured that Qatar would welcome more Bangladeshi skilled workers in the future said a foreign ministry press release. The Ambassador expressed his deep gratitude to the Bangladesh government for the support he had constantly received from the Bangladeshi authorities throughout his tenure of duty. The Foreign Adviser Iftekhar Ahmed Chowdhury observed that Bangladesh should be in a position to provide skilled personnel for the "Education City" being built in Doha. It may be noted that there are about 80,000 Bangladeshis in that Gulf State.

Retail investors boost market gains

Bourses continued to close as a buying spree led almost 60 per cent of traded scrips to secure gains. An official of brokerage house Lanka Bangla Securities told bdnews24.com that trading perked up as retail investors engaged in buying ahead of Eid. "It seems that retail investors have also acquired confidence on recent market gains," he added. Dhaka Stock Exchange's benchmark DGEN or general index maintained an upward curve across the day's trading, gaining 29.58 points, or 1.05 per cent, to end on 2820.79. The DSI or all-share price index finished 18.59 points, or 0.77 per cent, up at 2407.75. The blue-chip DSE-20 rose 11.50 points, or 0.47 per cent, to close at 2453.03. Meanwhile, indices on the Chittagong Stock Exchange also closed upbeat paced by gains in non-bank financial institutions, mutual funds and energy shares.

SRILANKA:

POLITICAL:

- War and conflict in Sri Lanka would not fetch foreign aid
- Sri Lanka Forces Capture Mallavi – LTTE's administrative centre
- Sri Lanka: The Dangerous Delusion of an Imminent Military Victory
- Alleged LTTE Terrorists Explodes Bomb Targeting Civilians In Busy Shopping Area of Colombo
- Sri Lanka calls for intensified action to combat terrorism in the BIMSTEC Region
- Sri Lanka contradicts BBC news report on refugees, while Catholic Bishops disassociated themselves from it
- TULF Canada Discusses Permanent Political Solution and Humanitarian Situation

SOCIAL:

- Sri Lankan Day in Los Angeles A Glorious Event to Remember
- Sri Lanka won the Ramon Magsaysay Award 2008

ECONOMY:

- SAARC-BIMSTEC Link Could Help Realise Pious Goals
- Speculators drive market activity to higher grounds
- USAID boosts job opportunities for Sri Lanka's youth
- Trade, growth and development has no direct relationship with poverty reduction
- Sri Lanka forges closer ties with the Chambers in Jiangsu, Fujian, Hunan, and Anhui in Eastern China

Sri Lankan Day in Los Angeles A Glorious Event to Remember

Sri Lankan Day in Los Angeles organized by the Sri Lanka Foundation turned out to be an extravaganza building awareness, recognition and strengthening of Sri Lankan cultural values in the area. Over 10,000 participants over a period of ten hours thoroughly enjoyed the day at the 3rd Street promenade in Santa Monica, California.

Sri Lanka forges closer ties with the Chambers in Jiangsu, Fujian, Hunan, and Anhui in Eastern China

The National Chamber of Commerce of Sri Lanka (NCCSL) signed Cooperation Agreements in August 2008 with the Regional Offices of the China Council for Promotion of International Trade (CCPIT) in Jiangsu, Fujian, Hunan, and Anhui in Eastern China. Mr. Lal de Alwis, Senior Deputy President signed on behalf of the National Chamber of Commerce while the respective Presidents of the CCIPT Regional Offices inked the Agreements from the Chinese side.

TULF Canada Discusses Permanent Political Solution and Humanitarian Situation

The Tamil United Liberation Front (TULF) – Canada Branch hosted a discussion on a Permanent Political Solution, at Cedar Brae Community Centre, Toronto, Canada. The speakers included Mr. V. Anandasangari (President of TULF Sri Lanka), Mr. Nadarajah (President of TULF Canada) and Mr. James. The discussion was chaired by Mr. Namu Ponnambalam. Mr. V. Anandasangari called upon all Sri Lankans to work towards a political solution that will fulfill the aspirations of all the communities. He praised all the communities for their tolerance and understanding and expressed the importance of all Sri Lankans to live as brothers and sisters alike. He stated that a permanent political solution could be achieved by adopting Federalism or by adopting an "Indian model".

War and conflict in Sri Lanka would not fetch foreign aid

People of Germany and for that matter even the international community though are willing to help Sri Lanka, they ask the question as to why should support countries that spend more on arms than on schools and hospitals. This was stated by Jurgen Weert, Ambassador of Germany in Sri Lanka while addressing the 15th Business for Peace Forum of the Business for Peace Initiative of the Federation of Chambers of Commerce and Industry in Sri Lanka (FCCISL) on the theme "Maintaining the Balance of Peace Building and Economic Growth in Sri Lanka: The German Perspective", held at JAIC Hilton Hotel.

Sri Lanka Forces Capture Mallavi – LTTE's administrative centre

Sri Lanka Security forces in the midst of heavy fighting entered and captured one of Tamil Tigers' most strategic garrison towns, Mallavi also called Yogapuram Unit 3, considered an LTTE administrative centre and key to take over Kilinochchi, the de-facto LTTE capital, the state owned Independent Television Network reported. Mallavi town located 13 kilometers West of Maankulam has been a stronghold of the Liberation Tigers of Tamil Eelam (LTTE). The capture has completely blocked Thunukkai - Mallavi supply route used by the LTTE, the TV station

further said. It is also the nearest route to enter Kilinochchi from the Wanni and a strategically important LTTE garrison.

SAARC-BIMSTEC Link Could Help Realise Pious Goals

If Sri Lanka's Foreign Minister Rohitha Bogollagama had the time he might have expanded on a brief remark he made at the just concluded 10th ministerial session of BIMSTEC (Bay of Bengal Initiative for Multi- Sectoral Technical and Economic Cooperation) in New Delhi, In the course of his address to BIMSTEC which he was attending for the first time, Minister Bogollagama dealt with technical cooperation between member states, the scourge of terrorism and 'connectivity' among the people of the region particularly through improved transport, tourism and culture.

Sri Lanka: The Dangerous Delusion of an Imminent Military Victory

The government of President Mahinda Rajapaksa buoyed by the victory in the two Provincial Council elections last weekend is well aware that the military campaign in the Tiger heartland will have to be halted or considerably slowed down in the coming eight weeks with the arrival of the pro-LTTE monsoon. Having failed to achieve the objective of taking the Tiger headquarters of Killinochchi by Election Day last Saturday, as predicted by Prime Minister Ratnasiri Wickremanayake, the President may now hope to do so by the third anniversary of his own election victory on 17th November 2008. This will be about a week before the LTTE leader Vellupillai Prabhakaran celebrates his 54 birthday – a day which is commemorated as Heroes Day.

Sri Lanka won the Ramon Magsaysay Award 2008

Sri Lanka won the prestigious Ramon Magsaysay Award presented by Ramon Magsaysay Award Foundation in Manila Philippine yesterday 28th August and which is considered to be the Asian version of the Nobel Prize for outstanding persons in Asia. Ananda Galappatti young medical anthropologist received the 2008 Ramon Magsaysay Award for Emergent Leadership, personal commitment to bring appropriate and effective psychosocial services to the survivors of war and natural disaster in Sri Lanka.

Speculators drive market activity to higher grounds

HNB Stockbrokers in their weekly review indicated that the market closed slightly lower for the week despite remaining satisfactory in terms of volume. The indices were virtually unchanged during early week trading before picking up moderately on Thursday. Week on Week (WoW) the All Share Price Index (ASPI) closed down by a slight 5.8 points or 0.24 percent to stand at 2408.6 points while the more sensitive MPI (Milanka Price Index) declined by 23.082 percent to 2812.0 points

Alleged LTTE Terrorists Explodes Bomb Targeting Civilians In Busy Shopping Area of Colombo

Suspected terrorists of the Liberation Tigers of Tamil Eelam (LTTE) have exploded a bomb in the busy shopping area of the Colombo city solely targeting civilians, police said “More than 45 persons have been injured in a bomb explosion, suspected to be caused by the LTTE, that took place in the busy shopping area of Pettah in Colombo, today (30). Initial reports say that all the injured are civilians” said a statement issued by the media unit of the Presidential secretariat. The wounded have been rushed to hospital for treatment, with some being admitted for surgery, Colombo National Hospital sources said.

USAID boosts job opportunities for Sri Lanka’s youth

The United States Agency for International Development (USAID) marked the completion of the first two out of nine new vocational education schools in Southern and Eastern Sri Lanka, built with funds provided by the American people as part of USAID’s Sri Lanka Tsunami Reconstruction Program. “Of all the initiatives by the United States to help Sri Lanka recover from the tsunami, promoting vocational training is in many ways our most important project,” U.S. Ambassador Blake said at the opening ceremonies. “Training young people in the trades will help to provide good paying jobs in the near term, and will help boost both family income and economic opportunities in Sri Lanka.”

Sri Lanka calls for intensified action to combat terrorism in the BIMSTEC Region

Rohitha Bogollagama Foreign Minister Rohitha Bogollagama has emphasized the urgent need for enhanced cooperation among Member States of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to combat terrorism. The Minister

made this call, when he addressed the tenth Session of the BIMSTEC Ministerial Meeting held today (29th August 2008) in New Delhi.

Sri Lanka contradicts BBC news report on refugees, while Catholic Bishops disassociated themselves from it

Sri Lanka government contradicted a news item broadcast by BBC Sinhala.com relating to the internally displaced persons in Wanni they sourced to "Catholic Church" and said the two Bishops of the area have disassociated themselves from the statement issued by the purported "Catholic Commission", that had written to the UN Secretary General. "The story on BBC Sinhala.com which quotes a purported communication from the "Catholic Church" addressed to UN Secretary-General relating to Internally Displaced Persons (IDPs) in the Wanni, does not present an accurate picture of the reality on the ground," said Disaster Management and Human Rights Minister Mahinda Samarasinghe, conveyed by the President's Secretariat to this correspondent.

Trade, growth and development has no direct relationship with poverty reduction

Trade, development and economic growth in Sri Lanka has no direct relationship with the poverty reduction, according to a seminar on "Trade and Poverty Reduction", organized by the Law and Society Trust of Sri Lanka held at the Sri Lanka Foundation Institution, last week. In fact, Gomi Senadhira, Department of Commerce speaking on 'Global Agreements as a tool of Development and Growth' said that it is not easy to work on trade development and poverty reduction and said that he cannot see direct relations between trade and reduction of poverty. He said that for poverty reduction there need to be organized employment and other people centered programmers.

MALDIVES:

POLITICAL:

- Dr. Hassan to sue government
- Maldives more prosperous than 30 years ago
- Foreign Minister felicitates Chinese Govt
- Umar calls for death penalty to drug smugglers
- Second meeting of SACRFT commenced

- Minister Ahmed Abdulla resigns
- President felicitates Leaders of Libiya
- Majlis gives opportunity to AP & PP to submit nominations

SOCIAL:

- Foreign workers exceeds 77,000

ECONOMY:

- **Maldives participates in Investment Expo**

Dr. Hassan to sue government

Dr. Hassan Saeed has decided to sue the government for failure to fully comply with Equal Media Coverage Agreement signed between the government and political parties. According to Dr. Hassan Saeed citizens are entitled to receive information from the media outlets on an equal opportunity basis.

Maldives more prosperous than 30 years ago

British-Maldives All Party Parliamentary Group member David Amess has said that Maldives was a more prosperous country than it was thirty years ago.

Foreign workers exceeds 77,000

The total number of foreigners working in Maldives has exceeded seventy seven thousand, according to Employment and Social Security Ministry's statistics. Ministry's statistics indicate that as of July, number of foreigners working in Maldives exceeded 77,000 and that most number of foreigners work in the construction industry. In this regard 32,247 foreigners are engaged in the construction industry; in second place is tourism industry, as of July this year, some 12,800 foreigners work in tourism sector. According to Employment Ministry, most foreign workers come from Bangladesh. In this regard statistics indicate 34,658 Bangladeshi nationals are employed in Maldives. Indians form the second highest group and some 23,873 Indians were employed as of July this year.

Foreign Minister felicitates Chinese Govt

Foreign Minister Abdulla Shahid has congratulated the Chinese government on the successful completion of the Olympic Games in Beijing. In his message to his Chinese counter part, Yang Jiechi, Minister Shahid expressed felicitations to the Chinese athletes for their triumphant victory at the games, topping the overall medal chart with 51 gold wins. Minister Shahid further said that that this was a proud a moment for China and noted that the 2008 games had truly

revealed China's rapid development in all facets, especially its economic growth, the rich culture and history and its rise in global prominence. Minister Shahid concluded his message by expressing hope that the strong historical relations between the Maldives and China would continue into the future.

Umar calls for death penalty to drug smugglers

Presidential candidate of Islamic Democratic Party (IDP) has said under his leadership that death penalty will be given to all who smuggle drugs in Maldives and that it will be the case even if his son or daughter is the offender. He made the statement while speaking to the islanders of Mahibadhoo of Alif Dhaalu atoll. In addition to death penalty for drug smugglers, Umar also said he will introduce death sentence to convicted murderers. He further he will not provide these hardened criminals to stay in jail and lead comfortable lives.

Second meeting of SACRFT commenced

Environment and Energy Ministry has revealed that the Second Meeting of the South Asia Coral Reef Task Force (SACRFT) was inaugurated on Saturday, 30 August 2008 by Deputy Minister of Environment Energy and Water Abdul Razaq Idrees. South Asia Coral Reef Task Force was established last in 2007 by the Environment, Energy and Water Minister Ahmed Abdulla under the project of long term management of costal and marine protected areas in South Asia region funded by the European Commission and supported y UNEP, and ICRAN and implemented by South Asia Co-operative Environment Program (SACEP). According to Environment Ministry the main objective of this meeting is to discuss the progress of the task force since its inception, discuss the implementation and reporting of the fine selected educational grants, development for communication strategy, and regional Marine and research; monitoring and policy issues in addition identify ways and sustainable financing and institutionalization of the task force regionally and nationally.

Minister Ahmed Abdulla resigns

Minister of Environment Energy and Water Ahmed Abdulla has resigned from his cabinet position and from the ruling party, Dhivehi Rahyithunge party (DRP). According to Ahmed Abdulla his decision to resign from the government is mainly due to dissatisfaction with government policies. He also said there is an unbridgeable gap between his thinking, policies and beliefs from that of the government. Speaking to Miadhu Daily , Abdulla said the rift

between him and the government has been growing. Although he did not offer any specifics, he said he has always wanted to implement sustainable environment policies.

President felicitates Leaders of Libiya

President Maumoon Abdul Gayoom has sent a message of felicitations to Libyan Leader Colonel Muammar Al Qathafi, and the country's Prime Minister Al Baghdadi Ali Al-Mahmoudi, on the occasion of the anniversary of the Al Fateh Revolution. President Gayoom extended warm greetings and sincere good wishes to the Leader, the Prime Minister, the Government and the people of Libya on the occasion. He also expressed his hope that the brotherly relations and cooperation that exist between the Maldives and Libya would continue to prosper in the years ahead.

Majlis gives opportunity to AP & PP to submit nominations

People's Majlis agreed to give another opportunity to Adhaalath Party and People's Party to submit nominations to Election Commission after the Majlis ad hoc committee rejected the names proposed by both parties for failure to qualify. During the plenary discussions opened following the presentation of the ad hoc committee's report on the nominations of the political parties for the Election Commission 2 motions were moved and supported. Out of the two motions proposed, members endorsed the proposal proposed by MP for Mulak Atoll Aneesa Ahmed and supported by President's member Moosa Nizar. Aneesa's proposal suggests granting another opportunity to Adhaalath Party and People's Party to submit names to Election Commission as the initial nominations were cancelled by the ad hoc committee selected for screening the nomination of political parties for failure to qualify. The second proposal came from Lhaviani atoll MP Mohamed Solih who proposed to send the matter back to the committee for reconsiderations.

Maldives participates in Investment Expo

The Maldives has participated in the Fourth China- Jilin North East Asia Investment Expo, which is being held from the 2nd to 6th September 2008, foreign ministry has revealed. The Expo, organized by China's Ministry of Commerce, was opened by the Deputy Premier, Wanq Qi Shan, at the International Conference and Exhibition Center in Chanchung of the Jilin Province. The main aim of this event is for the business community to showcase and provide information on the investment opportunities available to prospective investors. Foreign Ministry has revealed

that Maldives is hosting a stall in the exhibition. The Maldives will be promoting tourism, fisheries, and other potential opportunities for investment in the country. Documentaries of the Maldives were shown at the Expo, and sample products made in the Maldives were also distributed.

NEPAL:

POLITICAL:

- Maoists broke consensus: Koirala
- Manpower agents observed Black Day
- 14 statute drafting panels proposed

SOCIAL:

- Manpower agents observed Black Day
- NDRC meeting underway in capital

ECONOMY:

- Tap natural resources to push up growth

Maoists broke consensus: Koirala

Former Prime Minister Girija Prasad Koirala said on Wednesday that drafting the new constitution would be a difficult task in the absence of unity, cooperation and consensus among political parties. Talking briefly to reporters after attending Nepali Congress central committee meeting at Sanepa this afternoon, Koirala, who is also the NC president, alleged that CPN-Maoist had broken the tradition of consensus, unity and cooperation. Considering Nepal's strategic position due to geography, I had asked [Pushpa Kamal Dahal] to move forward on the basis of consensus and cooperation, as this would solve problems and it would also be easy to work out and draft a constitution." Koirala alleged that Maoist Chairman Dahal did not heed his suggestions even though he insisted until the last moment. "He [Dahal] said he would think about it," the former Prime Minister said, adding: "But I do not know whether he thought about it." Koirala also directed party members to make the opposition role of NC more effective in the Interim Legislature. "NC will develop its organization and fulfill its role as opposition," he said, adding: "However, the role of opposition is not to burn tires or block roads." Addressing party members at the ongoing CWC meeting, Koirala said since the NC believes in democracy it does not see anybody as its enemy just on the ground of ideological differences.

Tap natural resources to push up growth

Attending an economic summit on double digit growth in Kathmandu, leaders and planners pushed for twofold rise in investment and huge generation of resources through export of hydropower, manufacturing and services, if the country is to raise the income of a Nepali to Rs 12,000 a month. Stressing that attaining the target was possible, they said that all that was needed was firm commitment from the government and political leaders to utilize the country's rich natural endowment and to take advantage of growing neighboring and regional markets. They noted that improvement in governance was another prerequisite. Unfolding the past policy focus and practices on Day 2 of Confederation of Nepalese Industries' (CNI's) Economic Summit 2008 that aims to find the path Nepal needed to take to attain double digit growth, experts identified hydropower, tourism and agriculture as the key sectors for transforming the economic outlook of Nepal. . He said that Nepal can export 10,000 MW of electricity and generate Rs 250 billion, an amount which cannot be realized from other sources. CPN Maoist leader Top Bahadur Rayamajhi said his party, currently leading the government, will encourage private sector investment. Experts, meanwhile, tagged supply bottlenecks, highly politicized trade unions and an inflexible labor regime as the major factors adversely affecting the private sector's operations. Pushing for labor law reforms, they lambasted political parties for not reining in trade unions and letting them run activities that harm the industries. He also stressed on the need for quality human resource development and strong social discipline enforcement for private sector development and instilling efficiency in economy.

Manpower agents observed Black Day

Manpower agents observed Black Day in the capital in memory of the great loss inflicted to the manpower agencies by arson and vandalism in the wake of assassination of 12 Nepali workers in Iraq. It completed four years today when the news of barbaric killing of the Nepalis held hostage by an Islamic outfit in Iraq ended up in vandalism, robbery and arson of manpower agencies in Kathmandu. Irate protestors puked their venom over about 300 agencies and destroyed property worth about Rs 1.5 billion when a video displaying one of the hostages beheaded and 11 others shot dead was posted on the Internet on September 1, 2004. The then government headed by Prime Minister Sher Bahadur Deuba had announced immediate compensation of Rs 1 million to the families of the bereaved hostages, but there have been no confirmations on the amount being received by the victims' families. Meanwhile, the US Administrative Law Court for the Department of Labour has ordered a monthly payment of 233 US dollars in compensation to each spouse and set of parents of the murdered 12 Nepalis workers with an additional 75 dollars for those who had children. Only last week, a Nepali man and the relatives of the deceased Nepalis hostages filed a lawsuit in federal court against the US company KBR, which apparently promised the Nepalis hotel jobs in Amman, Jordan, on charges of human trafficking, for allegedly tricking the men into working in Iraq.

Nepal is serious about Saptakoshi floods and aftermath

Prime Minister Pushpa Kamal Dahal said that the government is serious about the problems rose by the Saptakoshi floods. In a meeting with the representatives of the Morang Commerce and Industries Association this morning, Prime Minister Dahal said the government has been carrying out serious discussions with the Indian government in this regard. Quoting the prime minister, industrialist and Constituent Assembly Member Moti Dugad said that the Indian government has been requested to provide an alternative route to the East-West Highway that has been obstructed when certain sectors of it have been swept away by the devastating Koshi floods. The prime minister assured the representatives that an immediate and a long-term arrangement will be made to ferry the products and travelers across the Saptakoshi River for the relief to the industries in the Sunsari-Morang industrial corridor and people going to or coming from Mechi and Koshi zones. Earlier the industrialists informed the prime minister about the problems they have been facing in transporting their products in the market since two weeks because of the floods and the highway blockage. They also informed the prime minister about the lack of security in industrial sector, fuel crisis and the problems inflicted by the power cutoff. They also drew the prime minister's attention towards risk of shut down of the industries because of the shortage of raw materials. Meanwhile, Constituent Assembly Member Dugad informed that a team led by Morang Industries' Association Chairman Dinesh Golchha is scheduled to meet Deputy Prime Minister and Home Minister Bamdev Gautam.

14 statute drafting panels proposed

The Parliamentary Secretariat has proposed 14 committees under three categories Constitution Drafting Committee (CDC), Thematic Committee (TC) and Administrative Committee (AC)-- to regulate business at the CA. According to a Parliamentary Secretariat official, the Thematic Committee will comprise at least 10 committees to draft concept papers to be incorporated in the new constitution. These committees will function within specified jurisdictions. For instance, the Committee for Fundamental Rights and Directive Principles of State Policy will draft concept papers relating to rights to freedom, equality, education and property, whereas the Committee for State Restructure and Power Devolution will draft a concept paper that fall under these headings. The draft is under consideration at the Rules and Regulations Drafting Committee (RRDC) at the CA and it is expected to be endorsed within a week, the official said. As per the constitutional provision, under normal conditions, the CA must complete writing the new constitution in the next 20 months. The Committee for Protection of National Interest will look into overall national interest and formulate the country's defense and foreign policies. It has also proposed two special committees -- the Parliamentary Special Hearing Committee and Security Special Committee. While the former will conduct public hearings for special appointments in constitutional bodies and diplomatic missions, the latter will oversee security issues.

NDRC meeting underway in capital

A meeting of Natural Disaster Rescue Committee (NDRC) headed by Prime Minister Pushpa Kamal Dahal is underway at the prime minister's official residence in Baluwatar. The meeting is in the process to discuss about the relief programmes for the victims of Saptakoshi flood. It has been learnt that Prime Minister Dahal is discussing about the alternative ways for the halted East-West Highway in Sunsari district with the ministers and the security personnel. Moreover, sources said that the meeting is also discussing to form a high level commission to provide relief for the flood hit victims and also to control the further breaching of the Saptakoshi embankment.

Myanmar:

POLITICAL:

- ENC reiterates call for tripartite dialogue
- Old problems to revisit new gas pipeline
- Dhaka proposes direct road link between Burma and Thailand
- Burmese crisis remains static: ICG
- Burma must stand on its own two feet

SOCIAL:

- 286 activists arrested so far in 2008
- UNICEF stresses addressing issue of water shortage in Myanmar
- British guest praises Myanmar's achievements in infectious disease control
- Burma's junta 'gave best help in cyclone'

ECONOMY:

- Natural gas favours regime, not national interest

ENC reiterates call for tripartite dialogue

The Ethnic Nationalities Council (ENC) has said that a political dialogue between Daw Aung San Suu Kyi, ethnic leaders and the military regime is crucial for Burma. On the conclusion of the 5th Congress of the ENC held on the Thai-Burma border for five days starting on August 26, it reiterated its call for a tripartite dialogue and rejected the junta's declared 2010 general elections. "In the current political situation, we need to resolve the political crisis by political means so we badly need this tripartite dialogue. Under such circumstances, we must focus on dialogue," Saw David Taw, spokesman of ENC told Mizzima. "The junta's constitution is undemocratic and all the powers are vested and concentrated in the hands of the President and Commander-in-Chief. We cannot accept this. At the same time, the would-be government under this constitution cannot implement democratic norms and practices. So we cannot accept the 2010 general election either," he said. It is learnt that 55 representatives from political parties,

women, youth and other civil societies from seven ethnic States attended the congress. The congress also called for 'Multi-Party Talk' on the Burma issue including involving neighbouring countries under the aegis of UN to resolve the political, economic and social crisis in Burma by bringing the ruling SPDC (junta) to the dialogue table.

Old problems to revisit new gas pipeline

The specters of severe environmental and ecological imbalance, forced labour and displacement of villagers, looms over Karen State and Taninsarim Division with the construction of the third Thai-Burmese gas pipeline to begin soon. An engineer close to Thailand's PTTEP said construction of the new gas pipeline is expected to begin in the coming dry season. The pipeline will transport natural gas from the newly discovered gas project in M-9 block in Mattaban Gulf of Burma to Thailand. But a Rangoon-based observer said there would be hundreds of thousands of villagers who will be displaced again and there will be massive deforestation along with pronounced forced labour to pave the way for the construction of the new pipeline. The 65-kilometre new pipeline is being built along the two existing Yadana and Yetagun gas pipelines. The proposed natural gas pipeline will carry 300 mmcf, of which 240 mmcf will be transported to Thailand and the rest 60 mmcf will be for domestic consumption, according to a PTTEP announcement released during the end of July. The company is expected to spend about US\$1 billion to develop the M-9 gas field and will begin production in 2011 or 2012 for both domestic use and export to Thailand. According to data from the Ministry of National Planning and Economic Development, Myanmar exported natural gas valued at US\$ 2.56 billion in the fiscal year 2007-2008, which ended on March 31. Gas sales were the single largest source of foreign exchange for the military regime.

Dhaka proposes direct road link between Burma and Thailand

Bangladesh has proposed direct road links between Burma and Thailand to improve business ties with Southeast Asian nations. The proposal came from Bangladesh Foreign Adviser Iftekhar Ahmed Chowdhury to the Burmese and Thai foreign ministers during the Bimstec meeting in New Delhi recently. An official report from Bangladesh stated that Foreign Adviser Iftekhar Ahmed Chowdhury made the proposal during his meetings with Burmese Foreign Minister U Nyan Win and Thai Foreign Minister Tej Bunnag. Bangladesh has plans to build a road linking it with Burma, but it is yet to be implemented, even though the agreement between the two countries was made over five years ago. Bangladesh believes that the road link will also provide access to China, eventually building connections between Bangladesh, Burma, Thailand, and China.

286 activists arrested so far in 2008

At least 39 human rights and pro-democracy activists were arrested during August this year and 21 were given prison sentences, according to Assistance Association for Political Prisoners. This brings the total to at least 286 activists who have been arrested this year, said Ko Tate Naing of the AAPP. Tate Naing said the majority of those detained and jailed were National League for Democracy members, human rights activists and students or youth activists. Some were given summary trials, sentenced the following day and sent to hard labour camps.

Burmese crisis remains static: ICG

A leading international think tank on security and conflict reports that the crisis in Burma remained unchanged following the events of August. Despite the much anticipated 20th year anniversary of the 8-8-88 nationwide uprising and the much maligned visits of the United Nations Special Envoy to Burma and Human Rights Rapporteur to the country, the International Crisis Group (ICG) surmises that the conflict in Burma neither significantly improved nor deteriorated during the course of the last month. ICG also balanced the scales with respect to the actions of the Indonesian government concerning Burma during August. The update noted that Jakarta's willingness to remove barriers to the exchange of ambassadors with Naypyitaw was countered by the welcoming of four National League for Democracy members to President Susilo Bambang Yudhoyono's Independence Day address in the Indonesian capital. The last change accredited to the Burmese conflict was in May 2008, when ICG judged the situation in Burma to have worsened as a result of "a massive cyclone and the military government's heavily criticised response. In the five year history of ICG's monthly conflict assessment bulletin, the situation in Burma has never once been estimated to have improved.

Burma must stand on its own two feet

The Burmese opposition and pro-democracy forces have lost faith in the good offices of the United Nations after Gambari's latest futile mission and its exploitation by the military regime. Burma's key opposition party, the National League for Democracy, spoke out against UN special envoy Ibrahim Gambari, stating that his mission to Burma has failed to accomplish anything. People will not rely on the UN as a trustworthy body if they become too accustomed to hearing nothing but rhetoric.

Natural gas favours regime, not national interest

While Burma's economy is largely pushed forward by the sale of its natural gas reserves, the military regime has failed to develop gas related industries though there is potential demand for gas consumption in several different sectors. In the fiscal year 2007-2008, Burma earned US\$ 2.56 billion, 40 percent of its total export revenue from gas. Major natural gas finds off the Arakan off-shore in 2004 by South Korea's Daewoo International and more recent discoveries in the Gulf of Mottama by Thailand's PTTEP have put Burma's energy sector in the international spotlight. Development of Burma's oil and gas fields draws more foreign investment than any other sector of the Burmese economy, although some economists have voiced concerns that the

rush for gas comes as other sectors fall behind those of regional competitors. On March 27, a report by the Asian Development Bank (ADB) said sales of natural gas were creating growing trade surpluses and a valuable buffer for Burma, but warned that national economic reliance on the export market puts the country's economy at risk should global gas prices fall. Areas that could benefit most from Burma's gas reserves include the agricultural and industrial sectors, which, for instance, could use the gas to power fertiliser or cement factories. The military government, which is well aware of the high demand for gas to be used to generate electricity for a wide range of industries, including manufacturing, however fail to utilize the gas. Though the country has an abundance of gas reserve and enjoys sale of natural gas, a recent Asian Development Bank (ADB) report on Burma's economy indicated that the best use of the resources is important for the country's long-term development. The report said gas export, if properly utilized, will provide an opportunity to embark on structural reforms, including exchange rate unification, fiscal consolidation, and agricultural liberalization, and to redirect public spending for development of social and physical infrastructures.

Burma's junta 'gave best help in cyclone

The Burmese authorities were by far the greatest providers of medical assistance to its population after cyclone Nargis despite the widespread international criticism of a poor response by the military junta, according to an analysis released on .A report summarised in the latest issue of the World Health Organisation's Bulletin says government doctors, nurses and midwives were far more active in offering treatment and medicines to cyclone survivors than non-governmental organisations and individual volunteers.The findings partially contradict perceptions based on the reluctance of the Burmese authorities to reveal the extent of the crisis and its slowness in allowing foreign official and private charitable assistance to help with relief operations.While there were widespread unmet medical needs after the cyclone in May, Richard Garfield from the WHO's health and nutrition tracking service, who co-ordinated the study, said: "We discovered to our surprise because of such bad PR that there was large-scale mobilisation by government around the country."

UNICEF stresses addressing issue of water shortage in Myanmar

The United Nations Children's Fund (UNICEF) stressed that although children's need are being met four months after a cyclone storm hit Myanmar, the potential threat of water shortage issue should be addressed immediately, warning that the risk of water shortage is looming in the coming dry season. "Despite ongoing efforts to pump contaminated water out of the ponds, there is a risk that not all the water ponds can be cleaned and refilled before the beginning of the dry season," said UNICEF in Myanmar in its media release. Noting that it is crucial to identify high risk areas with potential water shortages now, the release called for working closely with the government community and partner agencies to avoid the probability in the coming months. According to the release, a total of 1,800 ponds have so far been cleaned with the support of government to communities and the help of aid agencies. Of the 1,800 ponds, 442 were covered by the UNICEF.

British guest praises Myanmar's achievements in infectious disease control

Minister for Health Dr Kyaw Myint received Director Ms Sue Wardell and party of the Department for International Development Affairs of the UK at his office. She said she was impressed by Myanmar's achievements in control of HIV/AIDS, TB and malaria. They discussed assistance of the UK for health sector and cooperation in health sector between the two countries. They discussed humanitarian aid for storm-hit regions, control of HIV/AIDS, TB and malaria and future tasks.

BHUTAN:

POLITICAL:

- Nepali FM leaves for India for BIMSTEC meeting

SOCIAL:

- Bhutanese in Germany warns not to denounce citizenship
- Monsoon wreaks havoc
- Child protection

ECONOMY:

- Bhutan seeks investment from Bangladesh
- No FDI in hydropower

GEO-STRATEGIC:

- Nepal-Bhutan talks

Bhutanese in Germany warns not to denounce citizenship

Durga Giri, who has been taking refuge in Germany for several years, has urged the resettling folks to have a clear mind set up that they do not denounce their Bhutanese citizenship at the time when the host countries grant them nationality through the process of naturalization. There is a provision in the International Refugee Law that a conventional refugee can preserve the nationality of the country of origin when he receives the nationality from the host country. The community workers should be aware of this and educate our fellow-countrymen in this regard.

Nepali FM leaves for India for BIMSTEC meeting

Nepali Foreign Minister Upendra Yadav left here for India in order to take part in the 10th ministerial meeting of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic

Cooperation (BIMSTEC). The BIMSTEC meeting in Delhi, the capital of India, brings together foreign ministers from the South and South-East Asia. The BIMSTEC is an international organization involving a group of countries in South Asia and South East Asia. The member nations of this group are Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal. Foreign Ministry spokesperson Hira Bahadur Thapa said that Yadav is scheduled to discuss the problem of floods caused by the washing away of the Koshi river embankment with his India counterpart, at the sidelines of the meeting.

Bhutan seeks investment from Bangladesh

A Bhutanese business delegation has urged Bangladesh's business community to invest in Bhutan to reap maximum benefit from their investment. "Businessmen from Bangladesh can enjoy the foreign investment friendly policy of Bhutan," said Phub Tshering, secretary general of Bhutan Chamber of Commerce and Industry, during a meeting with the leaders of the Federation of Chambers of Commerce and Industry (FBCCI) in Dhaka. Tshering is the leader of a 16-member Bhutanese delegation now visiting Bangladesh. During the July 2007-March 2008 period, Bangladesh imports from Bhutan stood at \$10.80mn, while its exports to Bhutan amounted only \$0.78mn. Major items imported into Bangladesh from Bhutan are vegetable and mineral products, prepared foodstuffs, beverage, spirits and vinegar, tobacco, chemical industries products, wood and wood products, and textile products. Bangladesh exports to Bhutan include woven garments, computer accessories, dry food, pharmaceuticals, soap (toilet), textile items and frozen fish. However, Bhutan may import from Bangladesh items like leather footwear, ceramic tableware, electrical items and textile fabrics. During the meeting, FBCCI first vice president Abul Kashem Ahmed said Bhutan was a business partner of Bangladesh for long, but the trade volume between two countries was very small. Shahabuddin said Bhutan's third country trade currently moved through Kolkata port in India, which always remains congested. Bangladesh could have provided relatively congestion-free facilities through Mongla port, which is also located at a shorter distance compared to Kolkata.

Monsoon wreaks havoc

Monsoon rains and swelling rivers have become a cause of concern for parents and residents of Tarathang geog in Sarpang who have to cross rivers to get to the nearest school in Umling geog. Around 25 school children from Tarathang geog walk about two hours every morning to Umling Primary School.

No FDI in hydropower

The 'Bhutan Sustainable Hydropower Development Policy' that dreamt big of foreign direct investment (FDI) in the hydropower sector is more or less shelved. With India pledging budget

for the 10,000 MW by 2020 target, Bhutan will not need additional private investment in the hydropower sector. Dasho Sonam Tshering, the secretary of the economic affairs ministry, said the 10,000 MW target will be a bilateral undertaking between Bhutan and India. But, he said the hydropower policy has not been cancelled. "The public sector companies from India (involved in the hydropower projects) will still have to abide by the same rules of the policy," he said. The Teri Hydropower Development Corporation based in Uttaranchal, India, will be Bhutan's partner for developing the Detailed Project Report for the Sunkosh Project. The other Indian companies, all from the public sector, identified by the Indian government for developing projects in Bhutan are the National Thermal Power Corporation, National Hydropower Corporation and Satluj Jal Vidyut Nigam Ltd. Though the upcoming projects will be Bhutan-India undertakings, private contractors will be involved in the construction of the projects. The 'Bhutan Sustainable Hydropower Development Policy', states that foreign private companies could invest in hydropower development following the BOOT (build, own, operate, and transfer) system. According to BOOT, the foreign investor could operate a power project for 30 years with a possible extension of another 15 more years.

Child protection

An estimated 300 million children worldwide are subjected to violence, exploitation and abuse including the worst forms of child labor in communities, schools and institutions during armed conflicts and to harmful practices such as female genital mutilation and child marriage. Millions more remain without adequate protection. "There is a necessity to carry out comprehensive studies on the circumstances of our vulnerable children and by all means we will be working towards it. So far all our stakeholders have been doing well and there is more to be done," said Lyonpo Thakur Singh Powdyel. Bhutan was one of the first countries to ratify the Convention on the Rights of the Child in 1990 and has since been investing steadily in services to benefit children. The government allocated more than 26 per cent of its resources in 1999 to the social sector. Dr Gepke Hingst, UNICEF representative, said the situation of children in Bhutan so far has been good compared to other parts of the world and that Bhutan was looking for ways to address this problem.

Nepal-Bhutan talks

Bhutanese prime minister Jigme Y Thinlay has reportedly expressed Bhutan's desire to resume the derailed bilateral consultation with Nepal over the refugee issue. Bhutan has over the years, strategically, procrastinated the solution-seeking process and shifted the onus on Nepal. It has floated the propaganda that its seriousness over the refugee issue notwithstanding, Nepal's political instability and vacillation in its refugee diplomacy pre-empted a solution. With a new government in place in Kathmandu with a secure numerical strength, Thimphu will have no immediate alibi to further forestall bilateralism. Should Nepal opt to evade the alleged culpability, it must resume bilateral exercise at the earliest.

Business and Politics in Muslim World

India

Sadia Khanum

Presentation: 12th September 2008

30th August to 5th September 2008

Political front:

- Defence cooperation is the real issue: Karat
- Strategic ties with U.S. will take India Pakistan's way: Karat
- Congress calls for Central intervention in Orissa
- Ban RSS, VHP and Bajrang Dal: Paswan
- Nuclear power crucial for meeting country's energy needs: Sonia
- Mayawati withdraws Act
- BJP panel meets Assam, Jharkhand leaders

Domestic situation:

- More prayer houses attacked in Orissa
- Flood situation deteriorates in north Bihar, Lower Assam districts
- Maoists' threat to punish VHP

Economic Front:

- Trinamool dharna enters 9th day
- Tatas pullout will be a setback to industry: CII
- Inflation will come down to single digit by March 2009
- Tatas suspend work at Singur
- Shift Nano project to Gopalpur
- Inflation eases to 12.34%

Geo-strategic developments:

- China state paper lashes India-US nuclear deal
- N Deal: ACA asks NSG to reject India-specific exemption draft
- Second NSG meet is 'last chance' for nuclear deal
- We will be guided by pact
- Nuclear deal at end of road

Kashmir

- Breakthrough in Jammu
- Jammu rejoices: Shrine deal done; Valley skeptical
- Kashmiris reject India-Hindu land deal
- Poonch-Rawlakot bus service to run weekly

Social front

- India third biggest Co2 emitter in world, says data
- Even in flood, India's 'untouchables' last rescued
- Climate change will impact India more, says UNIDO

Foreign Relations

- G-8 does not carry enough weight without India, China: Putin
- Delhi, Dhaka to strengthen border management
- Italy 'deeply concerned' about violence in India
- Chinese Foreign Minister to visit India
- India, Sri Lanka sign MoU on tea research
- LoC trade: Pakistan for meeting with India "at the earliest"

Political front

Defence cooperation is the real issue: Karat

Communist Party of India (Marxist) general secretary Prakash Karat has said there is more to the India-U.S. nuclear agreement than meets the eye. Mr. Karat said that a few weeks before Prime Minister Manmohan Singh committed himself to U.S. President George W. Bush to signing the nuclear deal in July 2005, New Delhi had entered into a defence framework with Washington. The U.S. administration offered nuclear cooperation only after India signed the defence deal. This was the real issue and the Indo-U.S. nuclear deal was a sweetener, he said.

Strategic ties with U.S. will take India Pakistan's way: Karat

Communist Party of India (Marxist) general secretary Prakash Karat said on Tuesday that the India-U.S. strategic partnership, of which the civilian nuclear deal was a component, would put

India in the same position as Pakistan where the civilian government had little control over the dealings between its Army and the U.S. armed forces.

Congress calls for Central intervention in Orissa

The Congress on Tuesday raised the pitch against the Naveen Patnaik government and urged Central intervention following the grave law and order problem in Orissa. It sought a CBI probe into the killings and violence. A delegation from Orissa led by Union Minister Ajay Maken, who is in charge of Congress affairs in the State, submitted a memorandum to President Pratibha Patil. It appealed to her to “immediately intervene in the matter as required under the law of the land and the powers conferred on you in the Constitution of India and give protection to the life and property of the citizens of the State and in particular to the minority community.”

Ban RSS, VHP and Bajrang Dal: Paswan

Lok Janshakti Party (LJP) leader and Union Minister Ram Vilas Paswan on Tuesday demanded a ban on the Rashtriya Swyamasevak Sangh (RSS), the Vishwa Hindu Parishad (VHP) and the Bajrang Dal for alleged violence against Christians in Orissa. Mr. Paswan also wanted an independent probeto investigate the activities of organisations inciting violence and ban them if they indulge in anti-national activity. The LJP plans to hold a demonstration here on Thursday to protest the Orissa violence which was shameful and dangerous for national integrity. “If the Students Islamic Movement of India (SIMI) has to be banned, then why not VHP, Bajrang Dal or RSS,” added Mr. Paswan. He accused the Uttar Pradesh Chief Minister Mayawati of going soft on the BJP is evident , from her disinclination to order a Central Bureau of Investigation CBI probe into the death of two Bajrang Dal activists who were allegedly making bombs in Kanpur.

Nuclear power crucial for meeting country’s energy needs: Sonia

Congress president Sonia Gandhi has said that nuclear power is crucial for meeting the country’s energy needs. She said, “For meeting the energy requirements of a big country like ours with over 100 crore population, nuclear power is very crucial.” She said, “More power means quicker development. With nuclear power we can provide sufficient power to our farmers, industries and homes.” She referred to nuclear plants that are under construction at Kudankulam in Tirunelveli district in the southern tip of the State.

Mayawati withdraws Act

Accusing the Congress of adopting double standards on the issue of law and order, Uttar Pradesh Chief Minister Mayawati on Thursday withdrew the Uttar Pradesh Control of Organised Crime Act (UPCOCA), 2007. The UPCOCA had been sent for Presidential assent after it was passed by both houses of the Legislature. It did not get assent. Ms. Mayawati told reporters that the Congress had politicised the issue considering that the UP law had been framed on the lines of the Maharashtra Control of Organised Crime Act (MCOCA), and the move was in consonance with the June 6, 2001 letter written by the Union government that a law on the pattern of MCOCA should be framed by the States.

BJP panel meets Assam, Jharkhand leaders

The Bharatiya Janata Party's core committee on Thursday held a meeting with party leaders from Assam and Jharkhand. The meeting, chaired by BJP president Rajnath Singh, assessed the political mood in the States and discussed possible allies for the coming Lok Sabha elections. Leader of the Opposition in the Lok Sabha L.K. Advani was present. The BJP's central leadership is inclined towards arriving at an electoral understanding with the Asom Gana Parishad in Assam. It seems preliminary talks are already under way through contacts at the highest level in the two parties. However, it was felt that the State leadership's view on the issue should be considered. In Jharkhand, the BJP continues to toy with the idea of having a tie-up with the Jharkhand Mukti Morcha, currently in the United Progressive Alliance camp. The party is also considering mending fences with the former BJP leader, Babulal Marandi, who heads his own political outfit in the State.

Domestic situation

More prayer houses attacked in Orissa

Violence was reported from more areas in Koraput district in southern Orissa on Sunday, even as the situation was limping back to normality in the riot-hit Kandhamal district. Eight prayer houses were damaged in Kundra area of Koraput during the day, police said.

Flood situation deteriorates in north Bihar, Lower Assam districts

According to reports, the situation deteriorated after the Kosi breached the Jankinagar Branch Canal embankment in Purnia district inundating several villages. The breach was reportedly caused by the release of 2.5 cusecs of water by Nepal. In the river-island Majuli, the flood situation continued to be grim with 140 of the total 160 villages reeling under water. Official sources said about 1.4 lakh people of the total 1.65 lakh population have been affected.

Maoists' threat to punish VHP

Claiming responsibility for the killing of VHP leader Swami Lakshmanananda Saraswati in Orissa, the Communist Party of India (Maoist) warned the saffron outfit of "more such punishments if it continued violence against religious minorities in the country." The CPI (Maoist) had decided to punish "anti-people, fanatical leaders like Saraswati" in the wake of

“endless persecution” of religious minorities in the country, a party release said here. It warned the saffron outfit of “more such punishments if it continued violence against religious minorities in the country”.

Flood situation worsens in Assam, over 10 lakh people affected

Over ten lakh people have been affected by floods in Assam with the situation in Majuli turning critical on Tuesday as the level of flood water continued to rise alarmingly due to incessant rainfall. Floods have so far claimed 15 lives in the State since June 1. Altogether 20,350 people continue to take shelter in the 132 relief camps opened by the State government; thousand others have taken shelter in temporary shelters on embankments and roads. In central Assam’s Bhurgaon and Lahorigaht the situation turned critical with the river Brahmaputra submerging vast tracts of land and destroying standing crops and damaging residential houses.

U.P. reeling under water-borne diseases

With at least two dozen districts of Uttar Pradesh reeling under the impact of rain-related diseases, the worst may not yet be over for them, despite the decline in floods and a respite from the prolonged spell of monsoon. Over 400 people have died of viral fever, malaria, diarrhea, encephalitis, gastro-enteritis and measles. With runoff of water receding following a lull in rainfall, a fresh outbreak of water and vector-borne diseases has not been ruled out. According to health officials, there is a likelihood of a 25 per cent increase in the cases of viral fever and malaria, as also the dreaded encephalitis.

Economic Front

Trinamool dharna enters 9th day

Work continued to be stalled at the Tata Motors small car plant on the ninth day of the Trinamool Congress' indefinite dharna as the management said conditions were not conducive for resuming work. Meanwhile, the agitators continued to block the main entry points of the factory and the Durgapur Expressway was still blocked, leaving thousands of heavy vehicles stranded. After a Trinamool Congress delegation met Governor Gopalkrishna Gandhi at Raj Bhavan, party Chief Mamata Banerjee said she was agreeable to talks but the dharna would continue. "Negotiation and agitation can go together," she said adding the dharna outside the Nano factory would continue till the demand for return of 400 acres to farmers was conceded by the state government.

Tatas pullout will be a setback to industry: CII

Confederation of Indian Industry Director-General Chandrajit Banerjee on Monday called for a concerted political effort to urgently end the impasse faced by Tata’s Nano plant at Singur, West Bengal. The implications of a possible pullout by the Tatas would not be limited to the stakeholders the West Bengal government, the company, political parties or the new recruits in Singur and it would be a huge setback to industry and India’s image among investors, Mr. Banerjee told Hindu The here. Pointing to the irony of the project running into rough weather after the Nano had grabbed world attention as a design and technology marvel, he said it was

“absolutely unbelievable” that the political process which was expected to facilitate the fruition of the small car project should threaten its future. Nothing about the project was done illegally.

Inflation will come down to single digit by March 2009

Planning Commission’s Deputy Chairman Montek Singh Ahluwalia on Monday said inflation would gradually decline and reach the single-digit mark by March 2009. “There are so many positive things happening that would have a positive impact on the prices of various commodities. Agriculture growth rate that stood around 2 per cent last fiscal is expected to cross 3 per cent this year, which will have a positive impact on the prices of essential commodities. We will end this year [fiscal] in single digit [inflation],” said Dr. Ahluwalia.

Tatas suspend work at Singur

Tata Motors Limited on Tuesday announced suspension of work at its small car manufacturing plant at Singur in West Bengal’s Hooghly district. The company “has been constrained to suspend the construction and commissioning work at the Nano plant at Singur in view of continued confrontation and agitation at the site,” a statement issued by Tata Motors said. “The decision was taken in order to ensure the safety of its employees and contract labour ... The company has assessed the prevailing situation at Singur after five continuous days of cancellation of work and believes that there is no change in the volatile situation around the plant,” it added. The Tata Motors’ announcement came when the agitation, led by the Trinamool Congress outside the site demanding the return of 400 acres of land which it alleges had been acquired forcibly for setting up the project, entered its tenth day.

Shift Nano project to Gopalpur

With the fate of the small car project at Singur hanging in balance, people in Orissa’s Ganjam district, displaced for Tata’s shelved steel project near Gopalpur, have asked the company to shift its Nano unit there. About 4060 acres of land were acquired for Tata’s shore based Gopalpur steel project in 1995. Nearly 700 families of a dozen villages were displaced to make space for the proposed 2.5 million tones per annum steel plant in first phase which never came up. The company then declared its plans to establish a galvanised plant and multi-product special economic zone (SEZ) in the land.

Inflation eases to 12.34%

The rate of inflation eased to 12.34 per cent for the week ended August 23 from 12.40 per cent in the previous week, mainly as a fall-out of the decline in prices of food articles such as fruits and vegetables. Analysing the WPI data, the Finance Ministry asserted that the rate of inflation for the 30 essential commodities had declined to 6.9 per cent from 7.24 per cent during the period. In the ‘primary articles’ group, it noted that 18 out of a total of 98 articles had shown a decline in prices. In the case of ‘manufactured products’, however, the rate of inflation increased to 11.28 per cent as compared to 11.02 per cent earlier. Out of 318 commodities, 294 showed no increase in prices over the previous week.

Geo-strategic developments

China state paper lashes India-US nuclear deal

China's top newspaper called a nuclear agreement between India and the United States a "major blow" to non-proliferation, raising pressure as the deal faces opposition in an international atomic cartel. Chinese officials have remained tight-lipped about the deal and given no sign they would outright block it, but official media and experts have raised worries. Whether it is motivated by geopolitical considerations or commercial interests, the US-India nuclear agreement has constituted a major blow to the international non-proliferation regime," said the commentary by a researcher from the Chinese Academy of Social Sciences, a leading state think tank. Experts have said China is unlikely to stymie the nuclear deal and risk pushing Delhi closer to Washington when Beijing is seeking to avoid confrontation with its rising Asian neighbour. But many have also said that Beijing worries about how the deal will affect regional security and arms controls.

N Deal: ACA asks NSG to reject India-specific exemption draft

An prominent arms control organisation has asked the Nuclear Supplier Group to reject the revised draft, that exempts India from its certain guidelines for nuclear trade, as it does not contains any meaningful adjustments. On the eve of the crucial meeting of the 45-member NSG, the Executive Director of the Arms Control Association, Daryl Kimball argued that "the revised proposal does not incorporate any meaningful adjustments or concessions and is essentially the same as the earlier draft proposal."

Second NSG meet is 'last chance' for nuclear deal

As members of the Nuclear Suppliers Group slowly digest the revised American proposal to grant India a waiver from the cartel's export guidelines, Indian officials say this week's scheduled NSG meeting will be decisive in sealing the fate of the nuclear deal with the United States one way or another. "Both the U.S. and India are down to the wire in this, for us in terms of substance, and for the Americans in terms of time." one official told.

We will be guided by pact

India has categorically stated that it will be guided solely by the terms of bilateral agreement with Washington on the nuclear deal, the India-specific safeguards agreement and a clean waiver that it expects from the NSG. An External Affairs Ministry spokesman said India's position on nuclear testing was well known. "We have a unilateral moratorium on testing. This is reflected in the India-U.S. joint statement of July 18, 2005."

Nuclear deal at end of road

The Group of Six like-minded states are continuing to insist on a clear "cause and effect" link between a future Indian atomic test and the termination of nuclear supplies and will block approval of the United States proposal to allow commerce with India when the Nuclear Suppliers Group reconvenes here Friday. The six countries holding out for tougher conditions to be written into the draft proposal granting India an exemption from the NSG's rules are Austria, Ireland, New Zealand, Norway, the Netherlands and Switzerland. But the coalition is a shifting one and the six are getting support from other countries on some of the demands they are making. At the same time, the number of countries pushing for approval of the exemption has also grown, say diplomats. Under the 45-nation cartel's rules of consensus decision-making, however, even one country has the right to block a decision. A lengthy meeting between the U.S. and the G-6 ended inconclusively late on Thursday night with the latter refusing to accept any dilution of their demands. "There are still very different views on both sides. We made some progress on minor issues but on the principal questions, there has been no movement", a diplomat from one of the six countries told. "I can't see any way to bridge the divide", he added. "Not unless a major shift in position [by India and the U.S.] occurs". The single biggest obstacle is the demand of the six that the waiver for India be made strictly conditional on not violating the non-proliferation commitments it had made in order to get the waiver in the first place.

Kashmir

Breakthrough in Jammu

There has been a breakthrough in the Amarnath land row crisis in Jammu. The Amarnath Sangharsh Samiti has suspended its nearly two month-long agitation over the Amarnath land row with a compromise having been worked out between the Samiti and the government. On Saturday, talks were held between Sangharsh Samiti and government to curb the violence going in Jammu and Kashmir from past two months.

Jammu rejoices: Shrine deal done; Valley skeptical

Even the briefly imposed curfew could not stamp out the euphoria in Jammu on Sunday, as the terms of the agreement between the Shri Amarnath Sangharsh Samiti and the state appointed negotiating panel became known. Both sides agreed that the contentious 100 acres of land at Baltal, used as a temporary halting spot for pilgrims on their way to the Amarnath cave shrine, would be set aside for exclusive use by the board which looks after the shrine during the period when the pilgrimage is held each year. It brought to an end a bitter, two-month-long agitation seeking revocation of an order that had taken away the land from the board and handed it back to the government. Though the National Conference – along with the Congress and the BJP – supported the agreement, Mehbooba Mufti of the PDP reacted sharply. "It was reached without consulting the people of the valley," she said.

Kashmiris reject India-Hindu land deal

Kashmiris and some mainstream parties rejected Indian deal giving Muslim land to Hindus. Protests are planned, Kashmiris said. At least 38 people, mostly Muslims, have been killed since the row snowballed into some of the biggest pro-independence demonstrations in the Kashmir Valley since 1989. The government announced a deal with Hindu groups on Sunday, giving Muslim land to them. The land dispute began in June after the state government tried to give forest land to Hindus. "We will continue our peaceful protests. What we want is freedom, nothing else," said Zaffar, a 23-year-old student.

Poonch-Rawlakot bus service to run weekly

It has been decided to run the Poonch-Rawlakot bus service weekly from September 8. It is now a fortnightly. The service was started in 2006, a year after the Srinagar-Muzaffarabad bus service was launched by Prime Minister Manmohan Singh.

Social front

India third biggest Co2 emitter in world, says data

India is the third biggest emitter of carbon dioxide (Co2) in the world, with state-owned NTPC topping the list of companies belching out the deadly gas, according to new data released by a Washington-based think tank that advocated an "energy revolution" based on solar power. As many as 16 power plants operated by NTPC were in the CGD's "red alert" category for spewing out the deadly gas in the country.

Even in flood, India's 'untouchables' last rescued

In the two weeks since a monsoon-swollen river burst its banks, ancient prejudices have run just as deep as the floodwaters. India's "untouchables" are the last to be rescued if at all from a deluge that has killed dozens and made 1.2 million homeless. Dalits have long been shunned, holding a status so low they are considered outside the complex caste system that is all pervasive in India, dividing people into hundreds of groups defined by livelihood, class and ethnicity. Even India's emergence as a global force — fueled by its economic growth and high-tech hubs — has failed to break down the barriers and stigmas that hold them down. When it comes to rescue operations, it appears Dalits are at the bottom, too. In Triveniganj, Dalits huddled together in a small group at the end of the bridge away from everyone else. They said rescuers were saving the upper castes and the rich first, leaving their people to suffer without food and clean water. In much of rural India, people from lower castes are barred from using upper-caste drinking wells, kept out of temples and denied spots in village. Ignoring the prohibitions is often met with violence. In times of calamity, their situation is no better. "Caste hierarchy is a source of deep emotions in India. In the face of these emotions it is difficult for the law or the army to do anything," said Chandrabhan Prasad, a New Delhi-based caste expert. "The rescuers have their caste loyalty and will try rescue their own first."

Climate change will impact India more, says UNIDO

The United Nations Industrial Development Organisation (UNIDO) said here on Thursday that climate change was likely to have a greater impact on India compared to other countries similarly positioned, on account of the unique combination of its geography, diverse population characteristics and extremely high carbon-related energy dependence. According to a statement from the South Asia regional office of the UNIDO, the dependence on fossil fuels was exceptionally high, and this could lead to heavy environmental, social and regulatory costs causing a drain on the nation's resources as a direct impact of climate change over the next century.

Foreign Relations

G-8 does not carry enough weight without India, China: Putin

Russian Prime Minister Vladimir Putin has said that the G8 does not carry enough weight and influence without the presence of emerging economies like India and China. Without involving them in major decisions, development of the world economy is impossible, Mr. Putin told CNN.

Delhi, Dhaka to strengthen border management

India and Bangladesh agreed to strengthen efforts to curb cross-border terrorism and make effective the existing border management, at the Home Secretary-level talks. The two-day talks were held against the backdrop of increasing border incidents. At last week's Director General-level meeting here between the Border Security Force (BSF) and Bangladesh Rifles (BDR) the two forces worked out a plan to maintain peace on the border. They exchanged lists of criminals hiding in each other's territory. New Delhi and Dhaka also agreed to take action against militants and insurgent outfits, smuggling of arms, ammunition, explosives and fake currency and bring the culprits to justice. Bangladesh reportedly sought India's cooperation in taking preventive measures against 'anti-Bangladesh outfits' based in India. The meeting, however, did not make any progress on demarcation of 6.5 km of unmarked border.

Italy 'deeply concerned' about violence in India

Italy's government told India's ambassador to Rome on Monday it is "deeply concerned" about ongoing anti-Christian riots in eastern India in recent days, a foreign ministry statement said. The government has "deep concern and sensitivity for the ongoing inter-religious violence that has caused the death of many Christians," the statement said.

Chinese Foreign Minister to visit India

Chinese Foreign Minister Yang Jiechi will be paying a three-day visit to India at the invitation of his counterpart Pranab Mukherjee from September 7. Mr. Yang will visit Kolkata and New Delhi. He is scheduled to inaugurate the Chinese Consulate General in Kolkata. In New Delhi, he will hold delegation-level talks with Mr. Mukherjee and will call on Prime Minister Manmohan Singh. The inauguration of the Chinese Consulate-General is part of the several steps being taken by

both countries to strengthen relations especially in the economic arena and people-to-people ties.

India, Sri Lanka sign MoU on tea research

The Tea Research Association (TRA), India, and Tea Research Institute (TRI), Sri Lanka, on Wednesday, entered into a research collaboration and signed a Memorandum of Understanding (MoU) to cement their ties. The MoU was signed by TRA Chairman C. S. Bedi, and G. Jayawardane, Chairman, Tea Research Board, at Tocklai Experimental Station in Jorhat in the presence of Sri Lankan Minister (Plantation) D.M. Jayaratne. The collaborative research areas will include plant breeding, studies on maximum residue level, biological control of pests, mechanisation of field and factory operations, development of chemical index for quality tea, development of water harvesting techniques and development of soil health. Through this MoU the strengths of both the institutes would be fully exploited and scarce resource for research much better utilised by preventing duplication of research in common areas.

LoC trade: Pakistan for meeting with India “at the earliest”

Pakistan has suggested a meeting with India in Islamabad to discuss the operationalisation of trade across the Line of Control in Kashmir “at the earliest” in response to New Delhi’s offer to throw open the gates for the long-pending proposal on October 1. Foreign Secretary Salman Bashir made the suggestion at a meeting between him and Indian High Commissioner to Pakistan Satyabrata Pal on Thursday.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

September 19, 2008

Nadia Tasleem:	Report on Asia	246
Ashia Rehman:	Report on Fertile Crescent	259
Tatheer Zehra:	Report on South East Asia	286
Ghashia Kayani:	Report on South Asia	317
Sadia Khanum:	Report on India	343

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 6 September to 12 September 2008

Presentation: 19 September 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia and Fertile Crescent from 6 September to 12 September as have been collected by interns.

Summary

South Asia

Political Front:

Bangladesh:

Khaleda Zia's release on bail and her agreement to hold talks with interim regime as well as her arch rival Sheikh Hasina Wajid, last week, seem to have paved way for political settlement in Bangladesh. Sheikh Hasina though has responded cautiously by asking government to release her permanently so that she would be able to get engaged in fruitful talks. Political situation is still vague as many other parties have also started compelling government to lift emergency prior to upazila and national elections; yet government seems to be hopeful for the end of political deadlock because of BNP's agreement to join talks.

Srilanka:

Despite government's success in capturing many areas being held by LTTE; Tamils have warned to launch attack at entry & exit point in the Vanni region to attack the Security Forces Headquarters and the Air Force Base located in Vavuniya. Government has left these points open for the goods and essential food items to move into the region. After giving warnings they actually launched an air attack at security forces but its impacts are not known as both parties have claimed loss of the other. Srilankan President called his people to unite for the defence of their country. Meanwhile the UN Secretary General also asked both Srilankan government and Tamils to start negotiations to end this war-like situation being faced by the whole country.

Nepal:

Political parties continued discussion regarding finalization of Common Minimum Program (CMP) being presented by the ruling Maoist Party. Meanwhile recently announced government policies and programs for the fiscal year, have faced mixed reaction. Many welcomed them yet many others claimed that government has failed to address security issues that need immediate attention. Another significant development is PM's announcement to return captured land and property to their respective owners.

Maldives:

Preparations for upcoming Presidential elections, to be held on 4 October 2008, are in swing in Maldives. The most significant step in this regard would be completion of Presidential and general elections bill before the Presidential elections. Hence efforts are being carried out to complete the process in time.

Myanmar:

A bomb blast in northeastern Kayin state destroyed a hydro power generator. Meanwhile many other blasts have occurred in recent past. Government has accused opposition party for these terrorist activities while opposition strongly denied junta's charges against them.

Pro-democracy activists have also requested the UN to replace junta's representative in UN by NLD's representative, being victors in 1990 election. UN in response has announced to make a committee to look into this issue.

India:

Indo-US nuclear deal:

NSG has finally approved the Indo-US nuclear deal in accordance with Indian set conditions. Governing party declared it to be a major diplomatic victory of PM Man Mohan Singh. India further made it clear that it has no legal barriers to deal with Russia and France in nuclear energy sector. The US also expressed joy over NSG decision. Meanwhile Condoleezza Rice decided to meet with the US leadership in order to ask them to finalize this agreement by the end of this year.

BJP however raised its suspicions regarding NSG's approval. Government has also declared Maharashtra and Tamil Nadu to be major beneficiaries of the deal as mega plants have to be set over there.

Kashmir issue:

Amidst celebrations over success of Indo-US nuclear deal Indian government has badly stuck in domestic problems mainly in Kashmir due to recent issue of Amarnath temple. As a result the Geelani-led faction of the Hurriyat Conference has appealed to the United Nations to exert pressure on India to implement the democratic formula of the right of self-determination in view of the “referendum” given by the Kashmiri people in the recent demonstrations.

Geo-strategic Front:

Bangladesh:

Adviser for Foreign Affairs Dr Iftekhar Ahmed Chowdhury had a two-day visit to Kuwait last week. On his way back he expressed satisfaction with Kuwaiti authorities' assurance to deal Bangladeshi workers in a careful manner.

Srilanka:

The Chinese Foreign Minister during his two-day visit to Srilanka stressed the importance of continuing the strong and good relations between China and Sri Lanka. He was appreciative of Sri Lanka's unshaken support for 'One China Policy' and thanked the President for continued support on the issues of Taiwan and Tibet that are matters of China's core national interests.

Meanwhile Srilankan donation of US\$ 25,000 as relief assistance for victims of the recent floods in Nepal is another worth mentioning development at geo-strategic front.

Nepal:

PM's recent visit to India dominated the geo-strategic front. Though he left for India on 14 September yet his visit remained in focus of all political parties through out last week. Nepali Congress has asked the government to set national agenda to betaken by the PM during his visit. Agenda should include review of existing Indo-Nepali treaties. Meanwhile the second largest party CPN-UML emphasized on the need to review 54-year old Koshi Agreement in order to base it on the principle of mutual benefit. PM in response assured that he will bring all these issues in notice yet review of treaties will take time.

Myanmar:

An oil company of Myanmar and its Russian counterpart have recently signed a contract to explore oil and gas in two onshore areas in Myanmar.

The Dhaka government sent a delegation to Burma this week in a bid to break a deadlock that is blocking exploration of potential oil and gas deposits in the Bay of Bengal. Bangladesh and Burma in fact lay claim to sea areas where both countries have development ambitions. Meanwhile Bangladesh has proposed direct road links with Myanmar and Thailand to improve its business ties with the nations of Southeast Asia.

Another significant development at geo-strategic front is Thai PM's claim to convince Burma to allow the UN to play its role in general elections, to be held in 2010.

India:

Though nuclear deal got approval of almost all members of NSG however China behaved in an unexpected manner as first raised serious objections to the draft and finally walked out of meeting.

India emphasized on the need to enhance ties with Pakistan and proposed to open the Srinagar-Muzafarabad route for trade from October 1. Meanwhile India and Nepal remained busy in accusing one another for heavy floods being faced by both countries. Besides that Indian growing relation with Africa particularly Ghana and Indian trade pact with Canada remained significant in this arena.

Social Front:

Bangladesh:

Despite taking hundreds of lives, heavy floods in Bangladesh have also resulted in the out break of diarrhea and water-borne diseases in the effected areas.

Government expressed dissatisfaction with negative response of three main NGOs regarding implementation of government's sponsored rehabilitation programs.

Srilanka:

A close relative of the Sea Tiger leader Soosai has recently launched a new television channel named Valary TV, for LTTE propaganda in Europe.

Nepal:

UN has recently approved an aid of \$10 million to Nepal for the process of peace building.

Maldives:

Disaster management Center in Maldives remained busy in distribution of essential food items to tsunami victims in the sacred month of Ramadan.

Myanmar:

Markets on Thai-Burma border land have been closed in anticipation of flooding due to heavy rains.

India:

At social front, heavy floods have compelled hundreds of villagers of Bihar to move towards Nepal in order to save their lives.

Economic Front:

Bangladesh:

Increased industrial use has caused acute gas crisis in the country; as Bangladesh is currently experiencing a shortfall of around 250 million cubic feet of gas a day with overall daily demand of two billion cubic feet. Government has now decided to formulate a policy to establish Merchant Power plants in order to encourage private investors to invest in power plants to increase power generation.

Srilanka:

A MoU was signed between the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL), and Oxfam GB, with the aim to enhance the positive impact of CSR (corporate Social Responsibility) on reduction of poverty.

Maldives:

State Trading Company (STO) reduced the price of diesel by Rf.075 per liter and petrol by Rf0.50 per liter. According to the statement issued by the company, the price of diesel now stands at Rf16.50 per liter and the price of petrol now costs Rf14.50 per liter. This is the second time that STO reduced prices since global oil prices came down.

Myanmar:

Myanmar has announced to set up its first international-level beans and pulses wholesale centre. To make this centre successful Myanmar authorities have called for extended cultivation of marketable beans and pulses in all the states, which are already growing these items.

India:

Issue of Tata motors has finally reached to a settlement because of a deal being signed by ruling party and opposition activists in eastern India. As a result farmers would get their captured land by government; likewise Tata industries would soon enact their project to make cheapest cars.

Most significant developments in economic sector include end of Indian nuclear isolation leading to huge economic boost. Meanwhile India's record-breaking inflation has moderated.

East Asia

Political Front:

Indonesia:

Leaders of four out of 44 political parties in Aceh province pledged peace for the provincial and national elections that are due to be held in April 2009.

Malaysia:

At political front PM Abdullah Badawi is faces severe challenge by opponents hence his Minister for trade and industry has asked him to hand over premiership to his successor even before the set time frame. Meanwhile opposition leader Anwar Ibrahim has also warned government regarding his intention to topple Badawi's regime as soon as possible.

Thailand:

A serious political turmoil has emerged in Thailand as Constitutional Court has ordered Thai PM and his cabinet to resign because of his participation in TV food shows. In order to restore Samak's regime, ministers have decided to hold referendum in the country.

Singapore:

PM Lee expressed satisfaction with country's Internal Security Department especially in the light of new security challenges arising from the influx of foreigners into the country.

Philippines:

Renewed fighting that broke out between troops and the 12,000-strong MILF on August 10; after the Supreme Court blocked a draft peace agreement, led government to send 1,000 extra troops to Mindanao. Meanwhile presence of the US troops in Southern region of Philippines has raised concerns of various factions within the country.

Geo-strategic Front:***Thailand:***

Thailand has helped Iran to launch a joint research satellite into space.

Vietnam:

At a plenary meeting of the General Assembly on the UN Global Counter-Terrorism Strategy on Sept. 5, Vietnam pursues a foreign policy for peace, stability, cooperation and development, and supports efforts towards peaceful settlement of conflicts.

Cambodia:

Cambodian and Thai officials have decided to hold official meeting in order to discuss border security issues.

Social Front:

Indonesia:

Security is on high alert in Indonesia as government prepares to execute the three Islamists convicted of 2002 Bali bombings.

Malaysia:

The Malaysian government expressed its concerns regarding the resurgence of racial tensions in the country in the aftermath of the controversial remarks made by an UMNO party state leader against the local Chinese community.

Singapore:

Government has decided to establish center of excellence for the teaching of Chinese in order to make Singapore a knowledge hub.

Philippines:

Landslides triggered by heavy rains killed 30 people leaving many more injured.

Economic Front:

Indonesia:

The lower house of Indonesian Parliament approved the withdrawal of country from the Organization of the Petroleum Exporting Countries (OPEC) because of being oil & petroleum importer. Indonesia will officially cease to be the OPEC member next year and would be able to join it again after becoming oil exporter.

Malaysia:

Malaysian officials claimed that bilateral trade between Malaysia and India is expected to see an increased growth this year from the \$8.1 billion recorded last year. Meanwhile Malaysia considers Vietnam to be an important target to invest in.

Singapore:

According to the World Bank report, Singapore has kept its top ranking for the third year in a row as the easiest place in the world to do business.

Vietnam:

Vietnam intends to enhance economic ties with Japan and Philippines in order to attract investments by these states. Meanwhile Vietnam greatly emphasized on the need to have more investments in information and communication technology (ICT). Besides all these developments the most significant thing is growing trust of domestic and foreign enterprises in Vietnamese sustainable economic growth.

Laos:

The National Banking Institute in collaboration with Vietnamese Institute of Banking opened the master course on economic, finance and banking.

Fertile Crescent**Political Front:**

Iraq:

Election bill is still a controversial issue in Iraq. In order to resolve this issue heads of Parliamentary blocs held a close door meeting. As a result parliamentary blocs have claimed that a second time vote on the law would probably end the political stalemate. Meanwhile Parliament speaker has also asked law makers to resolve certain controversial issues including Provincial elections law, future of oil industry and proposed security pact with the US.

Israel/Palestine:

Ehud Olmert announced to step down from his seat as soon as his party chooses a successor this month. Meanwhile discussion over the issue of evacuation of West Bank settlers have postponed till next week.

Lebanon:

Al Mustaqbal Movement chief and parliament majority leader MP Saad Hariri asked Alawites, supporters of Hezbollah, in northern Lebanon, to get united in order to protect Tripoli. He also declared unity with Mount Lebanon leaders in order to confront fragmentation. Meanwhile, in response to the assassination of the Lebanese Democratic Party's leader Saleh Aridi (in a car explosion on September 10), party referred this issue to the Judicial Council in order to safeguard national unity.

Geo-strategic Front:***Iraq:***

Iraqi PM accepted Russian invitation to visit Moscow and also invited Russian companies to invest in various projects including oil industry. Meanwhile Iraqi FM held talks with his Kuwaiti counterpart in Cairo.

Israel/Palestine:

While responding to Iranian letter to the UN; accusing Israel for its immoral statements regarding Ahmadinejad and Islamic Republic, Israel claimed that a state like Iran should not talk

about morality. Meanwhile Israel asked its business community to stop any kind of arms sale to Georgia, in order to keep good ties with Russia. Lastly, an Israeli Cabinet minister called the Chinese ambassador to apologize after Israel's only Beijing Olympics medalist used a curse to describe the Chinese in a newspaper interview.

Lebanon:

Progressive Socialist Party leader Walid Jumblatt warned that breaking out of a Sunni-Shiite conflict would provide Syrian President Bashar Assad's regime with a "pretext to intervene in Lebanon." Meanwhile He also rejected proposals for Lebanese-Israeli peace talks saying the "relations between the state of Lebanon and the state of Israel are governed by the 1949 armistice accord." Therefore Lebanon should not go for talks with Israel before the creation of an independent Palestinian state.

Syria:

Syrian President remained busy in enhancing ties with Japan, Libya, Bahrain and France. Meanwhile Syrian President also supported Lebanese efforts to bring solidarity and national unity.

Jordan:

Jordanian King held talks with his Saudi counterpart and discussed potent developments in the region. Meanwhile Jordanian King also reiterated his support for Palestinian Authority. Two other developments at this front include South Korean offer to assist Jordan in industrial and scientific research particularly in the field of peaceful nuclear energy; and foreign ministry's dismissal of Indonesian allegations of human trafficking against 40 Jordanians working in Indonesia.

Social Front:

Iraq:

Iraqi government announced to train anti-Al Qaeda group named, Sahwa fighters, in order to integrate them into the society. Meanwhile Iraqi Parliament's Human Rights Commission has

found up to 200 malnourished and disease-stricken Iraqi detainees locked in a secret prison in the southern city of Basra.

Lebanon:

The Lebanese cabinet has approved the proposed wage increase last week.

Jordan:

Jordan has topped the region as medical tourism hub. In fact a study prepared by the Private Hospital Association (PHA) indicated that over 250,000 patients from around 84 Arab and foreign countries were treated in Jordanian private hospitals, clinics and medical centres last year.

Economic Front:

Iraq:

At economic front two worth mentioning developments include; growing inflation and foreign investments in Southern region.

Lebanon:

Finance Minister warned that Lebanon's budget deficit is expected to reach \$3.2 billion, in 2009 due to mounting losses at the state-owned electricity firm and higher allocations for government employees' wages.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Iraq

Political front:

- Blocs might return to old provincial polls law-MP
- PM receives official invitation to visit Moscow
- Heads of parliamentary blocs hold closed session on elections law
- Parl. speaker urges MP to take action on key controversial issues
- MP slams Kurdish statement over supplying Iraq with hi-tech weapons

Geo strategic front:

- Iraqi FM meets Kuwaiti counterpart in Cairo
- Deputy premier receives U.S., Japanese envoys

Economic front:

- Inflation levels rise in Iraq-Ministry
- Foreign investors to construct oil refineries in south

Social front:

- Iraqi gov't vows not to let down anti-Qaeda groups-spokesman
- Rights group finds secret prison in Basra
- Exiled doctors return home as security improves

Israel

Political front:

- Olmert to resign `immediately` after vote
- Israel`s government puts off evacuation discussion

Geo strategic front:

- Israel protests that Iran can`t preach morality
- Israel tells businessmen to stop visiting Georgia
- Israel attack on Lebanon depends on Iran, Syria: Hezbollah
- Israeli minister apologizes over athlete`s slur

Social issues:

- Military helicopter crashes in Israel, killing 2
- Stolen manuscript to be returned to Israel library

Lebanon

Political front:

- Hariri tells Alawites in north Lebanon: We are all Lebanese
- Arslan's Party Adheres to National Unity
- Hariri Declares Solidarity with Mount Lebanon Leaders
- Sheikh Hassan Pledges Unity
- LF Warns Against Attempts to Torpedo Reconciliation
- Lebanese cabinet approves wage increase

Geo-strategic front:

- UN chief to demand Israel pay Lebanon \$1 billion in reparations
- Jumblatt: Syria for Sunni-Shiite conflict to intervene in Lebanon
- Suleiman sets September 16 for Lebanese dialogue talks
- UN: Minimal progress in bolstering Lebanon's borders

Economic front:

- Lebanese finance minister expects \$3.2 billion budget deficit in 2009

Social front:

- Lebanese Democratic party official assassinated in Lebanon
- Mufti Qabbani Warns Against Resumption of Serial Explosions

Syria

Political front:

- National Progressive Front Reviews Latest Developments

Geo-strategic front:

- Al-Mikdad discusses with Grandi cooperation between Syria and UNRWA
- President al-Assad meets Karami, Welcomes agreement among the Lebanese
- Cabinet Highlights Agreements, Memos of Understanding with France
- President al-Assad Receives a Letter from King of Bahrain
- Libya agrees on Understanding Memoranda with Syria

Economic front:

- Deputy Premier meets Chairman of Arab Iron and Steel Federation

Jordan

Political front:

- Gov't to tailor human trafficking legislation
- Gov't to review controversial Societies Law

Geo strategic front:

- Monarch, Saudi king review regional developments
- King renews support for PA
- South Korea offers to provide Jordan with nuclear expertise
- Foreign Ministry dismisses Indonesian human trafficking claim

Social front:

- New plan seeks to regulate services, enhance visitor experience
- Jordan tops region as medical tourism hub

Economic front:

- Lawyers seeking to retrieve investors' funds
- Matrix owner charged with fraud

Iraq

Political front:

Blocs might return to old provincial polls law-MP

Sunni bloc proposes special bill for Kirkuk provincial polls-MP

Kurdish lawmaker said parliamentary blocs might return to the old provincial elections law if no deal is reached over the controversial issue. Leaders of Iraqi political blocs on formed a panel to resolve the dispute over the delay of passing the provincial elections law. Parliament must vote for a second time on the law, which is needed before provincial polls that could redraw the country's political map and has exposed fissures over the fate of the northern city of Kirkuk. Deputies passed the provincial election law last month, but Kurdish MPs boycotted the session partly because the bill delayed voting in Kirkuk. The law has become a flashpoint as Iraqi Kurds seek to fold Kirkuk, which they see as an ancestral home, into their nearby autonomous region of Kurdistan, while many of the ethnically mixed city's Arabs and Turkmen want the city to stay under central government control.

PM receives official invitation to visit Moscow

The Iraqi Premier Nouri al-Maliki called on the Russian companies to participate in investment projects and oil industry in Iraq, showing his acceptance to visit Moscow during the coming stage, according to a release issued by the council of ministers. "Al-Maliki thanked the Russian government for canceling Iraq's debts, and accepted an official invitation to visit Moscow," it explained, without specifying when the visit would occur. Moscow canceled Iraq's debts to Russia totaling 129 billion U.S. dollars in February 2008. From his side, the Russian ambassador stressed his country's

"determination to cooperate and participate in rebuilding Iraq, to achieve stability and economic prosperity to the Iraqi people."

Heads of parliamentary blocs hold closed session on elections law

The heads of the parliamentary blocs a closed session under Speaker Mahmoud al-Mashhadani to try to reach into an agreement on the controversial the provincial council elections law, a source from the parliament said. He did not add further details. The Iraqi government relies on the provincial council elections, which were scheduled to be held on October 1, 2008, to curb violence in the war-scarred country by including a number of armed groups in the Iraqi political process.

The law on provincial council elections, which is seen as supplementary to the law on regions and non-regional provinces, which was approved by the Parliament in February, has sparked heated controversy among political blocs. The *law specifies the system* of government in Iraq, and if applied, a federal system may be established in the country with three separate regions, a call echoed by some Iraqi political parties. The *draft law on provincial council elections proposes* an open slate system, which gives voters influence on the position of the candidates placed on the party list and allows an individual voting system.

Parl. speaker urges MP to take action on key controversial issues

Iraq's Parliament speaker urged lawmakers to resolve a range of controversial issues as the house resumes work after a four-week summer recess. Parliament must strike deals on key issues, including the provincial elections law, the oil industry's future, and a planned long-term security pact with the U.S. Before the summer recess, MPs hotly debated the provincial elections law, with the Kurdish bloc objecting to its application in the Northern Province of Kirkuk, whose main city Kirkuk is claimed by Arab, Turkoman and Kurdish sides.

MP slams Kurdish statement over supplying Iraq with hi-tech weapons

A lawmaker from the main secular bloc lashed out against Kurdish official's demands that supplying Iraq with high-tech weapons must be on the condition that they will not be used against civilians or the Kurdistan region. Earlier, Kurdistan's regional parliament speaker Adnan al-Mufti stressed the importance of holding high-tech weapons supply to Iraq conditional to a provision that the arms will not be used against the Kurdish region

Geo strategic front:

Iraqi FM meets Kuwaiti counterpart in Cairo

Iraqi Foreign Minister Hoshiyar Zebari on Tuesday discussed in Cairo with his Kuwaiti counterpart Mohamed al-Sabah means of bolstering bilateral ties and the latest regional developments, according to a statement released by the Foreign Ministry.

The statement quoted the Kuwaiti minister as voicing the Kuwaiti's premier's desire to visit Iraq soon and meet Iraqi leaders to foster cooperation and joint coordination and Kuwait's interest to bolster brotherly relations with Iraq and to support the Iraqi government's efforts to develop relations between the two states.

Deputy premier receives U.S., Japanese envoys

The Iraqi deputy prime minister, Rafe' al-Issawi, received two envoys from the United States and Japan and *discussed with them means of improving services and supporting investment in Iraq*. The two sides examined the possibility of increasing U.S. support to improve services in the country. Another statement released by the office quoted Issawi as urging Japanese firms to invest in Iraq and to contribute to reconstruction efforts in the country. Other issues of mutual concern were also raised during the meeting with the Japanese envoy.

Economic front:

Inflation levels rise in Iraq-Ministry

Iraq's Planning Ministry announced that inflation levels soared to 30.8 percent compared to 2006. The ministry attributed the inflation to rises in major commodities and services. "The cost of fuel and lighting jumped 71.6 percent, while the rise in other groups ranged from 29.3 percent to 0.6 percent." In spite of rising value to Iraqi dinars compared with US dollar, Iraqis suffered from high cost of commodities and services. Witnessing the lowest ebb of violence, the Iraqi government seeks to attract foreign investment into Iraq.

Foreign investors to construct oil refineries in south

Foreign investors from Germany, the United Arab Emirates and Iran are offering to set up oil refineries in southern Iraq. These entrepreneurs, both individuals and companies, want to set a foot in the country with signs that conditions are returning to normal, said Kadhem Ismael head of the Investment Commission in the southern Province of Dhi Qar. Ismael said his commission has received an offer from a consortium of German firms to construct an oil refinery with a capacity of 150,000 barrels a day. He said the consortium was interested in the easy terms the commission was offering. "Iraq will offer crude oil at a discount of one U.S. dollar below prices prevalent on international markets and the companies will have the right to sell products inside and outside the country," he said.

Another joint offer to set up a much bigger refinery with a 350,000 barrel-a-day capacity has come from Iran and the United Arab Emirates.

Social front:

Iraqi gov't vows not to let down anti-Qaeda groups-spokesman

The Iraqi government spokesman said the anti-Qaeda Sahwa group would not be let down and would receive training to allow their integration into society. "The Iraqi government will incorporate Sahwa fighters who helped stabilize security and defeat al-Qaeda network operatives," Ali al-Dabagh, spokesman for the Iraqi government, told.

"Sahwa fighters will receive training and join vocational programs to learn jobs in order to help their integration into society and their participation in reconstruction projects," the spokesman explained. Yet he highlighted the Iraqi government would initiate a process to "identify the bad members who are suspected of actions and assassination of Sahwa fighters." "Any Sahwa fighter who returns to practice armed activities against the government will be tried according to terrorism act law," the spokesman warned. Many Sahwa members have been hoping to be rewarded with jobs in the security forces or other state establishments in return for battling al-Qaeda. They are credited with helping to reduce the levels of violence across Iraq to a four-year low.

Rights group finds secret prison in Basra

Iraqi Parliament's Human Rights Commission has found up to 200 malnourished and disease-stricken Iraqi detainees locked in a secret prison in the southern city of Basra.

The commission's spokesman, Amer Thamer, said many of the detainees bore signs of torture. "They are crammed in a circular room surrounded with slabs of concrete with no roof," Thamer said. He said the prison is operated by the Defense Ministry and none of the inmates has ever been tried or given access to legal assistance.

Members of the commission came across the prison during a routine tour of Basra.

"Searing temperatures and extremely hot sun had almost grilled some inmates," he said.

"We were told of grave instances of abuse which violate basic human rights conditions," he added. "To leave prisoners in the open under the scorching heat is inhuman and a flagrant violation of human rights," he said. Thamer said the 200 prisoners only had access to one

flooded and dirty latrine. He said the commission has demanded the authorities shut down the prison immediately.

Exiled doctors return home as security improves

Hundreds of medical doctors who had fled the country since the 2003 U.S. invasion are returning to their former jobs, a senior Health Ministry official said. Amer al-Ghuzai, the ministry's undersecretary, said the returnees were sent back to work almost immediately. "Medical specialists returning to the country must be given their former jobs back within 72 hours. These are our orders," he said. Ghuzai said those returning only need to write an application expressing a desire to resume their former jobs. The drive home by the specialists comes following relative improvement in security particularly in Baghdad, he said. To lure doctors to return the ministry has put in place "a very generous scheme" of bonuses particularly to medical consultants. Ghuzai said the ministry has decided to give a reward of one million Iraqi dinars (about 1000 U.S. dollars) for every major operation Iraqi specialists perform in the country.

Tens of thousands of Iraqi professionals, including engineers, doctors, university professors and artists fled the country in the aftermath of the upsurge in insecurity that immediately followed the U.S. invasion.

Israel

Political front:

Olmert to resign `immediately` after vote

A confidant of Prime Minister Ehud Olmert says the Israeli leader will step down "immediately" after his party chooses a successor this month. The comment shoots down speculation that Olmert would try to linger in office for months. Olmert has already announced plans to resign in order to battle a corruption investigation. But he has been unclear when he would actually step aside. Olmert's Kadima Party is scheduled to hold a primary next Wednesday. The party could hold a runoff if no candidate receives 40 percent of the vote.

Israel's government puts off evacuation discussion

Israel's government postponed discussion of landmark legislation that would pay Jewish settlers to leave their homes in the West Bank, but said it would take up the matter next week. At the opening of the meeting, Prime Minister Ehud Olmert told his Cabinet that Israel would likely have to uproot West Bank settlers as part of a future peace agreement.

Olmert said it was important to learn from the mistakes of Israel's last evacuation of settlers - the 2005 pullout from the Gaza Strip - and it was important to plan ahead. "I think it is good to start thinking about these issues and to see how we prepare for them in the right way," Olmert said.

Under the proposed bill, Jewish settlers willing to leave their homes in territory thought likely to be transferred to the Palestinians would receive payment from the government. The bill is aimed at minimizing friction with settlers and paving the way for a large pullback from the West Bank, which the Palestinians claim as part of a future independent state. Proponents of the bill have said up to half of the 70,000 residents of settlements expected to be evacuated would leave if they had the financial means.

The proposal is nowhere near implementation, and Olmert had no plans to ask his ministers to vote on it. Making any progress more unlikely, Olmert has said he will step down after his party elects a new leader this month, a step likely to throw Israel's government into turmoil and which could lead to new elections.

Geo strategic front:

Israel protests that Iran can't preach morality

Israel responded to an Iranian protest over "dangerous" comments by Israeli officials, saying it is "absurd" for a country whose president has repeatedly called for the Jewish state's destruction to preach morality in international affairs.

Iranian Ambassador Mohammad Khazee sent a letter to the U.N. secretary-general protesting threats by Israeli ministers to kidnap President Mahmoud Ahmadinejad and to use force against the Islamic Republic.

"These dangerous threats ... not only constitute manifest violations of international law and contravene the most fundamental principles of the Charter of the United Nations, but are against the basic values of the civilized world," In his letter to Ban, Iran's Khazee referred to comments by Israeli Cabinet Minister Rafi Eitan that kidnapping Ahmadinejad would be "an acceptable option" and to comments Sept. 3 by Israeli Defense Minister Ehud Barak repeating the threat to use force against Iran.

Israel's new U.N. ambassador, **Gabriela Shalev, responded** in a statement saying that "it is absurd that Iran preaches morality to Israel." "Iran's president repeatedly denies the Holocaust and calls again and again for the destruction of the state of Israel," she said. "Furthermore, Iran openly and actively supports and arms terrorist organizations." Ahmadinejad is feared and reviled in Israel because of his repeated calls to wipe the Jewish state off the map, and his aggressive pursuit of nuclear technology has only fueled Israel's fears. Iran insists its nuclear program is purely for civilian purposes, but the U.S., Israel and key European nations suspect its real aim is to produce atomic weapons.

Israel tells businessmen to stop visiting Georgia

Israeli defense officials say the government has told all businessmen involved in military sales to Georgia to immediately cease visits to the former Soviet republic. The officials say the directive was decided upon this week because Israel is concerned about damage to its relations with Russia. Israel had decided to **stop most weapons sales** to Georgia even before the Russia-Georgia war last month. One of **Israel's primary concerns** is that Russia could sell Iran advanced weapons, including anti-aircraft missiles. The officials spoke on condition of anonymity because the directive had not been made public. Israel has sold Georgia drones and other technologies, and Israelis trained Georgian units in urban warfare and counterterrorism tactics.

Israel attack on Lebanon depends on Iran, Syria: Hezbollah

Hezbollah chief Hassan Nasrallah said any Israeli attack on Lebanon depended on the Iranian nuclear issue and the Israel-Syria talks, in an interview. "I can not say when Israel is going to attack Lebanon, if it is going to be soon or not. It depends on the region's events and circumstances," said Nasrallah, whose Lebanese Shiite group is backed by Damascus and Tehran. "On the one hand it depends on Iran's nuclear case, and on the other hand it depends on the indirect talks between Syria and Israel," he added.

Tehran vehemently denies it is developing nuclear weapons. Israel and Syria, which have technically been at war for 60 years, launched indirect negotiations brokered by Turkey in May,

eight years after talks were frozen over the fate of the Israeli-occupied Golan Heights. Nasrallah assessed the current situation in the Middle East as "not stable and not calm", but he added that Hezbollah's "military situation is in best shape, thanks God."

Israeli minister apologizes over athlete`s slur

An Israeli Cabinet minister called the Chinese ambassador to apologize after Israel's only Beijing Olympics medalist used a curse to describe the Chinese in a newspaper interview.

Israeli windsurfing bronze medalist Shahar Zubari used a scatological expletive to describe the Chinese in an interview with the Yediot Ahronot daily on Friday. "After a month and a half I couldn't look at Chinese people any more," Zubari said. "Their traditions are bizarre and even their speech is weird," he said, adding, "I also don't like their food." He later apologized.

Sport and Culture Minister Galeb Majadle called Chinese Ambassador Zhao Jun to condemn Zubari's comments, which he called "despicable." Majadle, who attended the Olympics, told the ambassador that they "do not reflect the views of the Israeli people toward the Chinese people," and praised the Chinese for their hospitality during the Games, according to a statement from Majadle's office.

Zubari published an apology in Yediot. "I want to apologize from the bottom of my heart" for the comments, he said, explaining they were made "without thinking."

Social issues:

Military helicopter crashes in Israel, killing 2

A military helicopter crashed at sundown in northern Israel and burst into flames, the military said, and two crew members were killed, according to media reports.

Cobra attack helicopters were flying in formation. One helicopter lost its rotor and went down near the Israeli town of Afula, killing two people, the rescue service and Israeli media said.

Stolen manuscript to be returned to Israel library

A 215-year-old Jewish manuscript discovered missing a decade ago will be returned by the German library where it surfaced, an Israeli official said. Israeli Embassy officials are currently arranging the manuscript's transfer from the German National Library in Berlin back to Israel, said Avigdor Levin, the top cultural official at the Tel Aviv municipality.

A 1998 inventory check at the city's Rambam Library revealed that the one-of-a-kind manuscript was missing. Titled "The Book of the Levite's Worship," it was a treatise on Jewish law written by a Berlin rabbi in 1793. The police had no leads on the possible thief and closed the case, Levin said. A year later, the manuscript was offered at auction at Sotheby's (BID) in New York for between \$16,000 and \$18,000 and was not purchased, but was later sold to an unidentified dealer and disappeared again before the Israelis could put their hands on it, he said. The manuscript was finally found thanks to a stroke of luck. In 2005, a manuscript specialist at Israel's national library in Jerusalem received a copy of a book being held by the German National Library and realized it was the "Levite's Worship."

After a legal team established that it was indeed the missing book, the German library agreed to return it to Tel Aviv. Levin said the Germans displayed "a lot of good will." The German National Library did not immediately comment Tuesday. The identities of the thief and the dealers who bought and sold the manuscript remain unknown. "We're not interested. We only want to see the book back here," Levin said.

Lebanon

Political front:

Hariri tells Alawites in north Lebanon: We are all Lebanese

Al Mustaqbal Movement chief and parliament majority leader MP Saad Hariri stretched a hand to the Alawites in north Lebanon and vowed not to let anyone damage their security. He pledged to be the primary "backup" force of the Lebanese army in their effort to "protect Tripoli." Tripoli has been the scene of a spate of deadly clashes since May between Sunnis and rivals from the Alawite community who support Hizbullah.

In June and July, 23 people were killed in battles between the two sides. There has been tension between the two communities ever since Lebanon's 1975-1990 civil war. Alawites are an offshoot of Shiite Islam and straddle the border into Syria whose President Bashar al-Assad is a follower of the faith.

Hariri arrived in Tripoli for talks with leaders of north Lebanon aimed at launching development projects and facilitating stability. Hariri met representatives of Tripoli and the provinces of Dinniyeh, Minyeh and Akkar in an effort to tackle challenges facing north Lebanon.

The visit came a few hours after Hariri hit back at Syrian President Bashar Assad saying the side that "exports terror to north Lebanon has no right to fear the spread of fundamentalism in Lebanon." He urged the Lebanese people, the Arab League and the international community to guard against attempts by Syria to make a comeback to Lebanon.

Arslan's Party Adheres to National Unity

The Lebanese Democratic Party on Thursday vowed to exert relentless efforts to safeguard national unity in response to the assassination of its official Saleh Aridi.

The party made the stand in a statement adopted by its central council that held an extraordinary meeting under its leader Talal Arslan. The statement urged Premier Fouad Saniora's cabinet to refer the Aridi crime to the Judicial Council, the court that handles attacks on state security. The statement called for observing a day of national mourning in Mount Lebanon to coincide with the Aridi funeral, the date for which would be announced later.

Hariri Declares Solidarity with Mount Lebanon Leaders

Mustaqbal Movement leader Saad Hariri declared solidarity with leaders of Mount Lebanon in confronting the scheme of "horror and fragmentation" that they are facing.

Hariri said the "scheme of mobile disturbances" aims at foiling efforts by President Michel Suleiman to launch national dialogue at the Baabda Palace on Sept. 16. "We are required to be aware of this serious era, to consolidate the state concept and protect Lebanon against foreign attempts aimed at using it as an arena," Hariri said. He vowed support for development projects in the Bekaa.

Sheikh Hassan Pledges Unity

Druze Spiritual leader Sheikh Naim Hassan said mountainous regions would maintain "national unity" despite the assassination of Lebanese Democratic Party official Saleh Aridi. Hassan made

the remark to reporters after meeting Premier Fouad Saniora at the latter's office. He blamed the Aridi assassination by a car bomb blast Wednesday on the "enemies of Lebanon." "We would wait for outcome of the investigation," Sheikh Hassan added.

LF Warns Against Attempts to Torpedo Reconciliation

The Lebanese Forces Party on Thursday said the Saleh Aridi assassination aims at "torpedoing the reconciliation that has been achieved between the Progressive Socialist Party and the Lebanese Democratic Party." Such crimes, that the LF strongly denounced, "Would not succeed in breaking the will of the Lebanese people to achieve reconciliation and entente based on mutual respect," the statement added. The Baisour crime, as labeled by the statement, "raises questions following the presidential call to resume national dialogue at the Baabda Palace."

Lebanese cabinet approves wage increase

The Lebanese cabinet met yesterday and approved the proposed wage increase . Lebanon's Finance Minister Mohammed Shatah said the government will raise salaries of private and public sector employees by 200,000 Lebanese pounds or US\$133 a month. Shatah also said the ***minimum wage has been raised from 300, 000 Lebanese pounds*** or US\$200 to 500, 000 Lebanese pounds or US\$333 a month. Retirement salaries will be raised by 150, 000 Lebanese pounds or US\$100 a month. Shatah said the new wage increase is effective November 1, 2008 but is retroactive to May 1, 2008.

Labor unions have been demanding a higher raise saying that US\$133 raise is not enough at a time when consumer prices have raised sharply since the beginning of the year.

Geo-strategic front:

UN chief to demand Israel pay Lebanon \$1 billion in reparations

UN Secretary-General Ban Ki-moon will demand that Israel pay Lebanon \$1 billion in compensation for damages caused during Israel's 2006 war against Hezbollah. According to the

report, the sum which is based on World Bank appraisals is aimed at covering the environmental and material damages caused by the Second Lebanon War.

According to the report, Ban plans to submit a report to the United Nations General Assembly at the end of the month, stating that the damage Israel caused to the oil reservoir polluted Lebanon's coast, and that the pollution spread to neighboring countries, especially Syria, Cyprus, Greece and Turkey..

What made matters worse was the Israeli naval blockade and its military operations that had made any cleanup impossible. During this war the Lebanese infrastructure was devastated by Israeli bombardment, over 1200 Lebanese were killed and over 110,000 housing units were destroyed. UN estimated that the total cost to Lebanon was in excess of \$15.00 billion as a result of the Israeli bombardment

Jumblatt: Syria for Sunni-Shiite conflict to intervene in Lebanon

Progressive Socialist Party leader Walid Jumblatt warned that breaking out of a Sunni-Shiite conflict would provide Syrian President Bashar Assad's regime with a "pretext to intervene in Lebanon." Jumblatt, criticized Damascus for refusing to provide Lebanon with a document recognizing Lebanese sovereignty over the Israeli-occupied Shebaa Farms region. He also **rejected proposals for Lebanese-Israeli peace talks** saying the "relations between the state of Lebanon and the state of Israel are governed by the 1949 armistice accord." He said Lebanon **should not go into talks with Israel before the creation of a "viable" Palestinian state** and "until Israel accepts the right of the Palestinian refugees to return" to their pre-Israel Palestine in line with U.N. General Assembly resolution 194 of 1948. He called for "reconciliation in the north," emphasizing on "importance of assigning the army to crack down on all troublemakers."

Suleiman sets September 16 for Lebanese dialogue talks

Lebanon's President Michel Suleiman invited rival leaders for talks next week that were set to focus on the fate of the military wing of Iranian-backed Hezbollah group. The talks, set to start at the presidential palace on September 16, were stipulated in a Qatari-brokered deal that ended the country's political crisis in May. Hezbollah's weapons emerged as a main divisive issue after the group used some of its military muscle to defeat its foes in street fighting in Beirut and other areas in early May. The **Western-backed majority coalition says** Hezbollah should be disarmed after Israel pulled out of Lebanon while the group and its allies, backed by Syria and Iran, say the weapons were needed to defend Lebanon against "Israeli threats".

The **United Nations and the international community want** Hezbollah to be disarmed and transformed into a political party. The **ruling coalition say** the government should have full control of all armed forces in Lebanon and it alone should hold the war and peace decisions.

UN: Minimal progress in bolstering Lebanon's borders

Progress in fortifying Lebanon's border with Syria has been minimal, the independent United Nations team assessing the monitoring of the boundary said in a new report. The new study is based on the second mission in July of the Lebanon Independent Border Assessment Team (LIBAT), set up in April 2007 in response to a request from the Security Council. The four-member Team was dispatched by Secretary-General Ban Ki-moon to examine progress made in enhancing border management and security, as called for in Security Council resolution 1701, which ended the 2006 conflict between Israel and the Lebanese group Hizbollah. **The team found** this time that some positive steps have been made on the strengthening the northern border as well as minor advances in other areas. The report said that official border crossing points have yet to fully implement the recommendations put forward by the team's report from last year, after its first mission to the region.

Calling on the Lebanese Government to take ownership of the efforts to secure its borders, the Team said that authorities must establish a framework with timelines and performance targets.

The report, whose conclusions are backed by Mr. Ban, reiterates the need to put in the place the recommendations of its previous report, including the creation of a multi-agency force focusing on arms smuggling; the deployment of international border security experts; and the establishment of a dedicated border guard agency.

Economic front:

Lebanese finance minister expects \$3.2 billion budget deficit in 2009

failure to privatize mobile networks could push public debt to \$49 billion

Lebanon's budget deficit is expected to surpass 37 percent of spending, or \$3.2 billion, in 2009 due to mounting losses at the state-owned electricity firm and higher allocations for government employees' wages, Finance Minister Mohammad Shatah said. He also warned that the public debt could rise to \$49 billion next year if the privatization of the cellular networks did

not take place on time. The public debt, which currently stands at \$44.5 billion, is one of Lebanon's major obstacles for full economic recovery.

The government on Tuesday decided to increase the minimum wage to LL500,000 from the current LL300,000 for both the private and public sectors as well as LL200,000 pay raise for all categories of salaries.

The government is compelled to allocate **\$500 million to cover the salary increases** for the public sector which will automatically affect the budget deficit. Shatah also disclosed that EDL's deficit is expected to reach \$2 billion in 2009 from nearly \$1.2 billion in 2007.

Nearly 80 percent of EDL's losses are due to the high cost of fuel oil which runs all of the country's aging power stations.

The minister also commented on the **Cabinet decision to increase the salaries**. Some in the **private sector have rejected the Cabinet's decision to increase wages** for all categories, threatening to challenge the government at the State Shura Council. He added that the government will continue to hold talks with both the private sector and the trade unions to convince them the decision is in the interest of all sides. Shatah also underlined the need to privatize the cellular networks before the parliamentary elections in 2009. But Shatah seemed convinced that Telecommunications Minister Jebran Bassil was keen to issue licenses for new cellular companies in 2009. Bassil is trying to persuade MTC Touch and Alfa, the companies that are operating the two cellular networks on behalf of the government, to increase the capacity of the networks in order to reduce rates, in Lebanon, which are among the highest in the world. But telecom experts don't think Bassil will be able to reduce the cellular rates before the privatization of this sector

Social front:

Lebanese Democratic party official assassinated in Lebanon

A car bomb explosion on Wednesday killed a ranking official of the Lebanese Democratic Party (which is headed by Druze leader Minister Talal Arslan) in the eastern resort of Baysour and wounded six people, police reported. Saleh al-Aridi, in his late 40s, a member of the party's central council, was killed instantly when the bomb ripped through his Mercedes car in Baysour's square, a police official said. The state-run National News Agency said the bomb was planted under the driver's seat and detonated by remote control.

Supporters of the Democratic Party opened fire from automatic rifles in the air, in the traditional way of expressing wrath, but no clashes were reported. Security sources in the Aley Province, of which Baysour is part, said the situation is "under control."

No-one has claimed responsibility for the explosion , but Abou Ibrahim said it was "a bloody message" aimed at igniting violence between the rival Druze factions. Prime minister Fouad Siniora contacted Arslan and Jumblatt to offer his condolences and he also contacted the Army chief , internal security chief and judge Merza to contain the aftermath of the assassination and to prevent any complications

Mufti Qabbani Warns Against Resumption of Serial Explosions

Grand Mufti Sheikh Mohammed Rashid Qabbani denounced the "terrorist crime" that killed Saleh Aridi of the Lebanese Democratic Party. Qabbani, in a statement distributed by his press office, said the crime also "aims at dealing a blow to civil order and unity of the Lebanese people." He urged security forces to intensify efforts with the aim of arresting the culprits and safeguarding social peace. The Mufti cautioned against a resumption of the serial explosions targeting political figures backing the state concept.

Syria

Political front:

National Progressive Front Reviews Latest Developments

The Central Leadership of the National Progressive Front (NPF), in a meeting chaired by its vice President Dr. Suleiman Kaddah was politically briefed by vice President Farouk al-Shara on a set of regional, Arab and international issues. The NPF Leadership highlighted the political achievements accomplished over the past period, especially after the four-way summit held in Damascus as this event reflected new realities that have begun to crystallize apparently through several political developments. The Leadership ***stressed that*** the Syrian political approach has been able to make a new turning point tanks to this its realty and principled stance as well as the leadership characteristics enjoyed by President Bashar al-Assad.

The NPF Leadership highly appreciated the significant outcomes of President al-Assad's latest visits to several countries, and His Excellency's efforts in all fields for the best benefit of the nation. The Leadership was also briefed through an economic report presented by Prime Minister Mohammad Naji Ottri on the citizens' everyday living issues.

Geo-strategic front:

Al-Mikdad discusses with Grandi cooperation between Syria and UNRWA

Deputy Foreign Minister Fayssal al-Mikdad on Wednesday received UNRWA Deputy Commissioner-General Filippo Grandi. Talks during the meeting dealt with cooperation between Syria and the Agency and means of supporting the activities launched by it in the interest of the Palestinian refugees in Syria. UNRWA is the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

President al-Assad meets Karami, Welcomes agreement among the Lebanese

President Bashar al-Assad welcomed any agreement that gathers the Lebanese people and achieves their internal unity. The President received former Lebanese Prime Minister Omar Karami and an accompanying delegation. During the meeting, both sides discussed the latest developments in Lebanon. Talks also dealt with the outcomes of President Michel Sleiman's visit to Syria in August and the bilateral developed relations between the two brotherly countries as well as means of consolidating these relations in all fields. Karami, for his part, thanked President al-Assad for Syria's standing by Lebanon and its commitment to Lebanese security and stability.

President al-Assad and President Michel Suleiman of Lebanon discussed in a summit meeting in Damascus last August the bilateral relations between the two brotherly countries in all fields, stressing common desire to enhance them for their best benefits. The two Presidents agreed to establish diplomatic relations at the level of ambassadors. They also stressed importance of enhancing Doha Agreement, including the Lebanese national dialogue which will be resumed soon under the chairmanship of President Suleiman.

Cabinet Highlights Agreements, Memos of Understanding with France

The Cabinet on Tuesday was briefed through a political review presented by Foreign Minister Walid al-Moallem on the latest regional developments. The review revolved on the latest visit to Syria by French President Nicolas Sarkozy and the results of the four-way summit held in Damascus which stressed Syria's important status and her pivotal role in dealing with issues of the region. The ***Cabinet expressed high appreciation*** of the great efforts exerted by His Excellency President Bashar al-Assad in all fields for the welfare of the country.

Prime Minister Mohammad Naji Ottri, who chaired the meeting, stressed importance of the agreements and Memos of Understanding signed during President Sarkozy's visit to Syria as constituting a momentum to the cooperation between the two countries in different development areas. Premier Ottri called on all the Ministries concerned to carry out these agreements and Memos of understanding and turning them into vital projects that support the march of overall development in Syria. The Cabinet then approved a draft law on the agreement on encouraging and protecting the investment with India to boost up joint investments and economic ties between the two sides

President al-Assad Receives a Letter from King of Bahrain

President Bashar al-Assad received a letter from King of Bahrain Hamad Bin Issa Al Khalifa on the bilateral relations between the two sisterly countries. The letter was conveyed by Bahrain Minister of Interior Gen. Sheikh Rashed Bin Abdullah Al Khalifa in a meeting Tuesday morning. Talks during the meeting revolved on ways of enhancing cooperation and coordination between Syria and Bahrain. The meeting was attended by Minister of Interior Gen. Bassam Abdul Majeed.

Libya agrees on Understanding Memoranda with Syria

The Libyan General People's Committee approved a number of understanding memoranda and agreements signed between Libya and a number of countries including Syria. The Committee, during its meeting, agreed to adopt a memorandum of understanding on settlement of the loan and deposit due to be paid by Syria to Libya, as well as minutes of the second meeting to follow-up meetings of the fourth session of the Syrian-Libyan higher committee.

Premier Ottri Discusses with JICA Aspects of Cooperation with Japan

Prime Minister Mohammad Naji Ottri discussed with the Japanese ambassador in Damascus Masaki Kunieda the existing cooperation between Syria and Japan and ways of developing them for the best benefit of the two friendly peoples and countries. Both sides showed keenness on ***further developing this cooperation into vital development*** projects to support the overall development in the country. Various Aspects of cooperation between the Syrian government and the Japan International Cooperation Agency (JICA), especially in the fields ***of health, environment, fighting desertification, irrigation, energy*** and others.

Economic front:

Deputy Premier meets Chairman of Arab Iron and Steel Federation

Deputy Prime Minister Abdullah al-Dardari discussed with Chairman of Arab Iron and Steel Federation Ahmad Iz cooperation between Syria and the Federation, and the best means to enhance it in the service of industry. During the meeting, al-Dardari briefed Mr. Iz about the big

economic developments witnessed in Syria and the various investment opportunities in front of the Arab and foreign investors, particularly in industry.

Jordan

Political front:

Gov't to tailor human trafficking legislation

The government is expected to draw up a draft law on human trafficking, Minister of Interior Eid Fayezi said. Fayezi, who chaired a meeting at his ministry discuss the issue, said the concept of human trafficking cannot be accurately defined but that Jordan combats all forms of this act. The meeting was also attended by Labour Minister Bassem Salem, Environment Minister and acting Minister of Health Khalid Irani, Minister of Industry and Trade Amer Hadidi, Justice Minister Ayamn Odeh and Minister of Social Development Hala Latouf.

He added that the government is always on alert to defend the country's image when groundless accusations are directed at its people and institutions. The minister said Jordan constantly observes international agreements and local laws and regulations that guarantee human rights.

Towards the end of the meeting, the officials formed a committee tasked with following up on the issue of human trafficking and responding to any possible allegations against the Kingdom. A second committee is expected to draw up a draft law on human trafficking to be added to a package of relevant laws in effect.

The participants also decided to form a special unit at the Labour Ministry with members from relevant ministries and security authorities to investigate any human trafficking allegations made against any individual or entity in Jordan. According to Fayezi, a panel comprising representatives from relevant agencies will cooperate with the embassies of the Philippines, Sri Lanka and Indonesia in order to reach a common understanding on the best practices to ensure the safety of domestic helpers and protect their rights. He added that based on the committee's recommendations, the government would issue regulations to streamline this sector and ensure that domestic helpers are safe and sound.

Gov't to review controversial Societies Law

Prime Minister Nader Dahabi said on Monday the government is considering amending the controversial 2008 Societies Law although it has already been endorsed by Parliament. All laws

submitted by the government are aimed to serve the community, Dahabi said, adding that the government is keen to keep an open dialogue with the public on proposed legislations the Jordan News Agency, Petra, reported. The meeting, which took place at the Prime Ministry, was designed to exchange ideas with heads of charity societies on the Societies Law, which faced criticism for placing strict and complicated conditions on NGOs and imposing fines ranging from JD1,000-JD10,000, six months imprisonment and seizure of organisational finances for violations.

The controversial law was endorsed by the Senate in mid-July after the Lower House made minor amendments, including one giving the authority to approve funds donated to NGOs to the Cabinet after it was previously under the jurisdiction of the concerned minister. The 2008 Societies Law will not go into effect until it is endorsed by a Royal Decree and published in the Official Gazette.

Geo strategic front:

Monarch, Saudi king review regional developments

His Majesty King Abdullah held talks with King Abdullah Ben Abdul Aziz of Saudi Arabia which centred on the latest developments in the region. Discussions between the two sides also addressed means to boost bilateral relations. The two leaders also reviewed current regional conditions and means to achieve peace and stability in the Middle East.

The two leaders also underlined their commitment to develop ties between the two countries, in all fields. In addition, talks covered issues of common concern, especially activating pan-Arab and joint Islamic action.

King renews support for PA

King Abdullah underlined Jordan's support for the Palestinian Authority's efforts to address all final status issues that, when solved, should lead to an end of the Israeli occupation and to the establishment of an independent Palestinian state in the West Bank and Gaza Strip. At a meeting with Palestinian President Mahmoud Abbas, the two leaders discussed ***efforts to push negotiations between the Palestinians and Israelis forward***. King Abdullah stressed the need ***to find just solutions to major issues***, especially the fate of refugees and the future of Jerusalem. He added Jordan would continue to exert efforts to encourage the international community to intensify work at this stage to vitalize the peace process until results are achieved on the ground.

Abbas briefed King Abdullah on the latest developments in the negotiations and meetings with Israeli officials. Talks with King Abdullah also covered Israeli procedures and excavations in Bab Al Magharbeh in Jerusalem and Jordan's role in this regard, said Abbas, adding: "We and Jordan fully coordinate our stands with regard to this issue." Abbas also pointed out the ***national Palestinian dialogue in Cairo***, noting that Egypt would give a briefing soon at the Arab League on the outcome of consultations with the Palestinian factions.

South Korea offers to provide Jordan with nuclear expertise

South Korea on Sunday said it is ready to provide Jordan with expertise in industrial and scientific research, particularly in the field of peaceful nuclear energy. The remarks were made by South Korean Prime Minister Han Seung-soo at a meeting with Lower House Speaker Abdul Hadi Majali, who is currently chairing a parliamentary delegation visiting the country.

During his visit to South Korea, Majali and the delegation toured a nuclear power plant where its director expressed South Korea's interest in cooperating with Jordan in the field of nuclear energy. At meeting, Majali said Jordan is keen to enhance its ties with South Korea in various sectors, particularly in economic and technological fields. He also referred to various trade agreements between the two countries, expressing Jordan's interest in building stronger economic ties with South Korea.

Reviewing the challenges facing the Kingdom due to current conflicts in the Middle East, Majali said regional instability has negatively affected the country's reform programmes.

The South Korean premier stressed his country's interest in several economic and development initiatives in Jordan, particularly the Aqaba Special Economic Zone and the Red-Dead Water Conveyance Study Programme.

Foreign Ministry dismisses Indonesian human trafficking claim

The Foreign Ministry on Monday refuted news reports alleging that 40 Jordanians have been banned from leaving Indonesia on charges of human trafficking. Jordanian businessman Osama Hindi alleged that the Indonesian government issued an arrest warrant for him and another 39 Jordanians in connection with the illegal trafficking of Indonesian female workers. Hindi claimed that his passport was confiscated at Sukarno-Hatta Airport in Jakarta while he was attempting to return to Jordan, adding that Indonesian authorities at the airport demanded he pay \$12,000 to avoid jail time. According to Mubaidin, however, Hindi's travel ban was due to pending personal

problems with Indonesian authorities unrelated to his allegations. He added that Jordan is committed to protecting the rights of all citizens and non-citizens residing in the Kingdom, particularly the more than 20,000 Indonesian females currently working for Jordanian families. Labour Ministry records indicate that around 70,000 domestic helpers work in the Kingdom: 20,000 Indonesians and 35,000 Sri Lankans, in addition to Filipinos and others.

Social front:

New plan seeks to regulate services, enhance visitor experience

Petra and tourism authorities are working on a new plan aimed at regulating the site's services and ensuring visitors a quality experience at the ancient Nabataean city. Suleiman Farajat, head of the Petra Archaeological Park (PAP), said the plan was developed to keep up with and sustain the growth in visitor traffic to the site.

Notice boards will be posted at different sites within Petra informing visitors of the services they are entitled to, while specific areas will be marked with guidelines for trails and the requirements to undertake them. For example, signs will indicate sections that could be physically challenging and require good fitness levels as well as equipment, he noted.

Jordan tops region as medical tourism hub

A study prepared by the Private Hospital Association (PHA) indicated that over 250,000 patients from around 84 Arab and foreign countries were treated in Jordanian private hospitals, clinics and medical centres last year, PHA President Fawzi Hammouri said. Hammouri, who is also the director of the Specialty Hospital, said that the World Bank (WB) medical tourism experts ranked Jordan number one in the Arab region and the fifth in the world as a medical tourism hub.

He noted that the WB estimates suggest that within the next five years medical tourism expenditures will amount to \$100 billion, rising from \$45 billion in 2007. The study also showed that more than 1,800 US citizens, 1,200 UK citizens and 400 Canadian citizens sought medical treatment in the Kingdom last year.

Economic front:

Lawyers seeking to retrieve investors' funds

A deal to recover the funds of around 12,500 clients who have invested JD60 million in the troubled Matrix Company for Financial Investments will be announced today, head of a solicitors committee to pursue the liquidation process of the company's assets, Majed Harb, said. The initial plan includes setting up a timetable for the recovery of the funds, following the announcement of a voluntary liquidation of the company's assets, Harb added. The Amman prosecutor general reportedly charged the owners and business partners of Matrix Company with fraud after it announced voluntary liquidation, prompting thousands of clients to call at its 13 offices around the Kingdom in an attempt to recover their funds. **Around 700 clients** who invested their money with the company appointed yesterday a committee of eight lawyers to protect their financial rights during the liquidation process, Harb added. This number of clients is expected to increase.

Matrix owner charged with fraud

The Amman prosecutor general reportedly charged the owners and business partners of Matrix Company for Financial Investments with fraud after it announced voluntary liquidation, prompting thousands of clients to call at its 13 offices around the Kingdom in an attempt to recover their funds.

According to reports, some of these offices were attacked by citizens who accused the owners of conning them. A total of 12,500 clients had invested around JD60 million in Matrix's 13 branches across the Kingdom, financial sources told Al Rai Arabic daily.

Under the prosecutor general's decision, the company's funds and its partners' personal monies were impounded. Moreover, the company's partners were banned from leaving the country.

In the past few weeks, the company announced that it was undergoing a voluntary liquidation process and investors have been gathering at the companies' five liquidation centres, to reclaim their investments. The company has pledged to return the investments within three months under the liquidation process.

Rawashdeh, however, rejected the liquidation request and said it was an attempt to confiscate clients' investments and protect the company's legal rights. Meanwhile, the company's clients, who wanted to redeem their deposits at the Irbid branch, smashed windows and attempted to attack the office employees, suspecting that they were not going to receive their dues.

Company's employees claimed that they did not have enough forms and could only handle 500 claims per day. Accordingly, the employees asked 500 depositors, who were given numbers to organise the distribution, to stay and told the rest to leave and return during the next few days.

But some of the clients who were waiting outside felt there was some sort of fraud, so they tried to attack the staff and smashed furniture and windows. Policemen who arrived at the scene shortly after the incident managed to restore calm.

A wave of anxiety has recently gripped thousands of clients of currency trading offices, especially after the recent endorsement of a temporary law to regulate foreign currency dealings, under which these offices were given 60 days to rectify their legal status. Such companies used to operate under licences from municipalities or commercial chambers, listed as general or commercial services so as not to be subject to the monitoring of the Central Bank of Jordan or the Amman Stock Exchange.

BUSINESS AND POLITICS IN THE MUSLIM WORLD SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report

From 5 September to 12 September

Presentation, September 19, 2008

- Indonesia

Political front

- Parties pledge campaign peace in Indonesia's Aceh

Economic Front

- Indonesian parliament approves withdrawal from OPEC

Social Front

- Indonesia prepares to execute Bali bombers

Social Front

- Malaysia

Political front

- M'sian minister says PM Abdullah should hand over power earlier
-

Anwar in Malaysian politics:

- Anwar Reaffirms Bid to Take Over Malaysian Government

- Malaysia's Anwar challenges bid to transfer sodomy case to High

Economic front

- Malaysia looks to Vietnam for investment opportunities
- 'India-Malaysia trade set to grow'

Social front

- Malaysia fears the resurgence of racial tensions
- Thailand

Political/Social front

- Judges dismiss Thai PM and his Cabinet
- Fresh Thai turmoil as PM is forced out
-
- Thai ruling party moves to restore Samak as PM
- Thai ministers opt for referendum to settle crisis
- Iran satellite gets Thai help.

Economic Front

Social Front

- Singapore

Political Front

- Singaporeans in Bangkok unaffected by emergency rule
- PM Lee confident ISD will prove itself again amid new challenges

Economic Front

- Singapore keeps ranking as most business-friendly place in the world

Social front

- PM Lee says new Chinese language centre set to make S'pore a knowledge hub
- Philippine

Political, Social Front

- Philippines fears hard-line Muslim rebels could resort to terror attacks
- 30 feared dead in Philippines landslides
- U.S. military presence questioned in Philippines
- Manila sends 1,000 extra troops to Mindanao
- Vietnam
 - Vietnam supports peaceful settlement of conflicts

Political, Geo strategic

Economic Front

- Economic cooperation to lift Japan-Vietnam ties
- Vietnam, Philippines pledge mutual investment incentives
- Viet Nam needs more ICT investment
- Vietnam taps oil from fractured basement oilfields
- Businesses believe in Vietnamese economy's stability: VCCI
- Sustainable development policy a first for Vietnam

Social Front

- Laos

Economic Front

- Thai Glow Energy close to power plant deal in Laos
- Master course on economic, finance and banking opened in Laos

Social front

- Cambodia

Political/Geo Strategic Front

- Thai, Cambodian military to meet

Summary

Here in south East Asia is prevailing the same situation of economy and politics is going on in With a little bit chance some countries while some major changes in other. But there are also security issues existing in the countries of this issue that are mainly concerned with political stability just like in Indonesia, Cambodia but Thailand is more prominent country in this region now a days due to its worsen political instability. This country is again near the brink of coup Political scene is also showing the signs of instability in Malaysian. PAD who was protesting with a lot of support of different unions finally forced the PM to quit the office through a court decision. Government was blamed by two charges one from PAD of following the pattern of previous government and from court of breaking the constitution by hosting a Television show. While Cabinet is working on. Cambodia and Thailand are now at peace by a temporary agreement. Peace accord that has become a bone of contention among Muslims and Phillipinian government is shaking the peace of whole Philippine because there is a war like situation between Muslim rebels and Pilipino army. Rebels have approached to Malaysia to do some help for renegotiations over the issue and Malaysia has also responded positively. Now US troop's presences in Philippine and their offensive behavior towards rebels is worsening the situation further .At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability because it is making public more irritated. Important news about Indonesia is regarding the withdrawal from OPEC. Singapore is also declared a best place if business in world (survey). Also there are a lot of economy commitments plans on bilateral and multilateral levels among countries (especially between Cambodia and Australia, Between India and

Malaysia) to do the better for the betterments of country especially the economic commitments. At Social Front floods and Earth Quacks are hitting to Thailand Indonesia, Vietnam that are causing panic situation for people.

The summary of news item is as follows:

Indonesia

- **Parties pledge campaign peace in Indonesia's Aceh**

Political parties in Indonesia's Aceh province pledged peace Friday for the first national elections since government and rebel forces signed a deal to end decades of war. Their declaration came shortly after a report by the International Crisis Group (ICG) said Aceh is tense ahead of the elections, and the current peace should not be taken for granted.

- **Indonesian parliament approves withdrawal from OPEC**

The lower house of Indonesia's parliament Wednesday approved the withdrawal of the country's membership from the Organization of the Petroleum Exporting Countries (OPEC)

At a meeting at its headquarters in Vienna of Austria Tuesday

- **Indonesia prepares to execute Bali bombers**

SECURITY forces are on high alert but for tourists to Bali it is business as usual as Indonesia prepares to execute the three Islamists convicted over the 2002 bombings.

Malaysia

- **M'sian minister says PM Abdullah should hand over power earlier**

Malaysian Prime Minister Abdullah Ahmad Badawi should re-think his 2010 time frame to hand over the premiership to his successor, according to Malaysian Minister for International Trade and Industries, Muhyiddin Yassin.

Anwar in Malaysian politics:

- **Anwar Reaffirms Bid to Take Over Malaysian Government**

Malaysian opposition leader Anwar Ibrahim insists he is "on track" with his plan to topple the government of Prime Minister Abdullah Ahmad Badawi by September 16.

- **Malaysia's Anwar challenges bid to transfer sodomy case to High**

The high profile sodomy case against Malaysian opposition leader Anwar Ibrahim has been postponed till September 24, after his lawyers challenged the validity of the attorney general's order to transfer the case to the High Court.

- **Malaysia looks to Vietnam for investment opportunities**

Vietnam remains an investment target despite the stops and goes in the stock market, rising inflation and questions about the country's stability. Malaysia's RHB Capital has been given State Bank approval to buy a stake in Vietnamese brokerage firm Vietnam Securities Corporation, or VSEC.

- **Malaysia fears the resurgence of racial tensions**

The Malaysian government fears the resurgence of racial tensions in the country in the aftermath of the controversial remarks made by an Umno party state leader against the local Chinese community which led to his suspension by the party.

- **'India-Malaysia trade set to grow'**

Bilateral trade between Malaysia and India is expected to see an increased growth this year from the \$8.1 billion recorded last year, an official said.

Thailand

- **Judges dismiss Thai PM and his Cabinet**

All nine judges of Thailand's Constitutional Court ruled late yesterday that Prime Minister Samak Sundaravej's role as a commercial television chef violated the constitution and that he – together with his entire Cabinet – must resign.

- **Fresh Thai turmoil as PM is forced out**

The prime minister of Thailand's enthusiastic effort to mix food and politics has forced him to stand down from office - throwing his country into yet more turmoil and uncertainty.

- **Thai ruling party moves to restore Samak as PM**

Thailand's ruling party moved Wednesday to return Samak Sundaravej to power as prime minister, sidestepping a court ruling that forced him from office for taking part in TV cooking shows.

- **Thai ministers opt for referendum to settle crisis**

Thai ministers agreed in principle to hold national referendum to settle the country's continuing political impasse when they met in a special session yesterday.

- **Iran satellite gets Thai help**

TEHERAN / Thailand have helped Iran put a joint research satellite into space. It went into orbit yesterday after being launched atop a Chinese rocket.

Singapore

- **Singaporeans in Bangkok unaffected by emergency rule**

The street protests in Bangkok have had little effect among Singaporeans visiting or working there. Even though the Thai government has imposed emergency rule, vacationers said they have hardly noticed any difference. While some said they have made arrangements to return home earlier, most did not.

- **PM Lee confident ISD will prove itself again amid new challenges**

Singapore Prime Minister Lee Hsien Loong is confident the country's Internal Security Department (ISD) will prove itself again, especially in light of new security challenges, like those arising from the influx of foreigners into Singapore.

- **PM Lee says new Chinese language centre set to make S'pore a knowledge hub**

Singapore aims to position itself as an international center of excellence for the teaching of Chinese. And to do this, the republic is setting up a center to enhance teacher training and research in the language. Whether in business or in school, English is the most commonly used language in Singapore.

- **Singapore keeps ranking as most business-friendly place in the world**

Singapore has kept its top ranking for the third year in a row as the easiest place in the world to do business, the World Bank said in a report Wednesday.

Philippine

- **Philippines fears hard-line Muslim rebels could resort to terror attacks**

The Philippines military fears hard-line Muslim rebels could resort to terror attacks after a major flare-up of a separatist conflict in the south, the armed forces chief of staff said on Monday.

- **30 feared dead in Philippines landslides**

Two landslides triggered by heavy rains buried more than 20 houses in a remote gold-mining village in the southern Philippines, leaving at least 11 people dead and 19 others missing, officials said Monday.

- **U.S. military presence questioned in Philippines**

The U.S. troops have been in the Philippines` southern region of Mindanao for six years, rather than a ``temporary`` stay of six months in accordance with the Philippine Senate's deliberations on the agreement in 1999.

- **Manila sends 1,000 extra troops to Mindanao**

At least 1,000 troops have been sent to the southern Philippines to escort food shipments and protect residents in the renewed fighting between government troops and Muslim guerrillas

Vietnam

- **Vietnam supports peaceful settlement of conflicts**

Vietnam pursues a foreign policy for peace, stability, cooperation and development, and supports efforts towards peaceful settlement of conflicts, said Vietnamese Ambassador Le Luong Minh.

At a plenary meeting of the General Assembly on the UN Global Counter-Terrorism Strategy on Sept. 5, Ambassador Minh said Vietnam welcomed UN Secretary-General Ban Ki-moon's report on the activities of the United Nations system in implementing the Global Strategy.

- **Economic cooperation to lift Japan-Vietnam ties**

Economic cooperation between Japan and Vietnam will remain a focus to bring the two countries' relationships to new heights, Japanese Ambassador to Vietnam Mitsuo Sakaba told a Vietnam News Agency (VNA) reporter in an interview on the occasion of the 35th anniversary of the Vietnam-Japan diplomatic ties.

- **Vietnam, Philippines pledge mutual investment incentives**

Vietnam and the Philippines will expand cooperation and continue to give each other more priorities regarding investment

- **Viet Nam needs more ICT investment**

The Viet Nam Innovation Summit 2008 ended with the clear message that significantly more investment is necessary in information and communication technology (ICT) and its infrastructure.

- **Vietnam taps oil from fractured basement oilfields**

A pioneer in exploiting oil in fractured basement, Vietnam is still leading the world in exploring and tapping fractured basement oilfields with around 1.4 billion barrels per year.

Up to 90 percent of Vietnam's oil outputs come from such oilfields, earning billions of USD for the national economy each year.

- **Businesses believe in Vietnamese economy's stability: VCCI**

Many domestic and foreign enterprises said they believed that Vietnam, with its current policies, will maintain the economy's growth.

- **Sustainable development policy a first for Vietnam**

Holcim Vietnam, formerly Sao Mai Cement, said on Tuesday its new sustainable production and development policy, which will be overseen by a special division, was designed to ensure the company acted responsibly towards Vietnam's society, environment and its local workforce.

Laos

- **Thai Glow Energy close to power plant deal in Laos**

Thailand's Glow Energy PCL GLOW.BK, a subsidiary of French utility Suez SA (LYOE.PA: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), said on Wednesday it was close to concluding a deal to buy a 67 percent stake in a power plant in Laos from parent Suez.

- **Master course on economic, finance and banking opened in Laos**

The National Banking Institute in collaboration with Vietnamese Institute of Banking opened on 7 September the master course on economic, finance and banking.

Cambodia

- **Thai, Cambodian military to meet**

Officers from Cambodia's Military Region 5 and Thailand's Military Region 1 are to meet next week to discuss border security and procedures for dealing with Cambodians who try to enter Thailand illegally.

Detailed Monitoring Report

Indonesia

Political front:

- **Parties pledge campaign peace in Indonesia's Aceh**

Political parties in Indonesia's Aceh province pledged peace Friday for the first national elections since government and rebel forces signed a deal to end decades of war. Their

declaration came shortly after a report by the International Crisis Group (ICG) said Aceh is tense ahead of the elections, and the current peace should not be taken for granted.

Leaders of all but four of the 44 parties that will contest the national and provincial elections in Aceh next April read out their pledge in front of the grand mosque in Banda Aceh, the provincial capital. As part of efforts to secure what the declaration called "enduring peace" in the province, party leaders vowed to abide by electoral rules and not to engage in intimidation, provocation or violence.

Rebels from the Free Aceh Movement (GAM) signed a peace pact with the Indonesian government in Helsinki in 2005, giving up their fight for independence in return for broad-ranging autonomy.The deal ended almost three decades of violence that claimed more than 15,000 lives. A gubernatorial election in 2006 proceeded with relatively little trouble and a former rebel leader was named the winner.

Geo strategic

Economic Front

- **Indonesian parliament approves withdrawal from OPEC**

The lower house of Indonesia's parliament Wednesday approved the withdrawal of the country's membership from the Organization of the Petroleum Exporting Countries (OPEC)

At a meeting at its headquarters in Vienna of Austria Tuesday, the OPEC officially announced that Indonesia will cease to be a member of the oil cartel from 2009. 'Having become a net oil importer, it is not proper for Indonesia to remain in OPEC,' house committee chairman Airlangga Hartanto said. ' In its position as a net oil importer, Indonesia can no longer gain anything from OPEC. So, it is better to leave the organization.

'When Indonesia becomes a net petroleum exporter again, it could return to OPEC,' Antara news agency quoted Hartanto as saying. Indonesia had joined the organization in 1961. The OPEC will now be a cartel of thirteen countries comprising Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

Social Front

- **Indonesia prepares to execute Bali bombers**

SECURITY forces are on high alert but for tourists to Bali it is business as usual as Indonesia prepares to execute the three Islamists convicted over the 2002 bombings.

Local survivors and foreign visitors are united in their determination not to dwell on that October night when 202 people, mostly tourists including 88 Australians, were killed when bombs ripped through packed bars. 'The execution will deliver a message that the government is serious about upholding the law and that will convince more people to come and visit,' said tourist Paul Green, of Perth in Australia.

'The government must be extra careful with this kind of execution as it could have a lot of effects afterward,' he said as he browsed the souvenir shops. But once all considerations have been made and the decision is still the same, then there's no other way than to carry out the sentence. Justice must be done however hard it is.'

Environmental front

Malaysia

Political Front

- **M'sian minister says PM Abdullah should hand over power earlier**

Malaysian Prime Minister Abdullah Ahmad Badawi should re-think his 2010 time frame to hand over the premiership to his successor, according to Malaysian Minister for International Trade and Industries, Muhyiddin Yassin.

The minister was speaking to the media after addressing the Forbes Global CEO Conference in Singapore on Wednesday.

In his update on Malaysia's political and economic situation, Mr. Muhyiddin emphasized that the investment climate in his country remains strong, despite changes in the political landscape.

He also dismissed de facto opposition leader Anwar Ibrahim's plan to seize power by September 16. "I, from the very beginning, do not believe this would happen because being in the party for many years, I do not see any trend of exodus," he said. When asked

about PM Abdullah's leadership transition plans, Mr. Muhyiddin said the handover of power in 2010 is just a bit too long. He said prime minister's successor would need more time to prepare the party for the next general elections.

Anwar in Malaysian politics:

- **Anwar Reaffirms Bid to Take Over Malaysian Government**

Malaysian opposition leader Anwar Ibrahim insists he is "on track" with his plan to topple the government of Prime Minister Abdullah Ahmad Badawi by September 16.

Anwar made the declaration Wednesday outside a Kuala Lumpur courtroom, where a hearing was held on the sodomy charges brought against him. He is accused of having sexual relations with a former male aide. Anwar says the charges are politically motivated.

The former deputy prime minister says he is working to get 30 lawmakers belonging to the ruling party to defect to his three-party coalition. But around 50 lawmakers have been sent on an overseas tour.

Prosecutors asked the judge in Wednesday's hearing to transfer Anwar's case to a higher court, a move he opposes. The judge put off his decision until September 24, and extended Anwar's bail.

- **Malaysia's Anwar challenges bid to transfer sodomy case to High**

The high profile sodomy case against Malaysian opposition leader Anwar Ibrahim has been postponed till September 24, after his lawyers challenged the validity of the attorney general's order to transfer the case to the High Court.

There was a much smaller crowd at the Kuala Lumpur Sessions Court on Wednesday, with less than 100 Anwar supporters, but security was still tight. Hundreds of riot police including a water canon truck were on standby as the opposition leader arrived in court accompanied by his wife Wan Azizah, daughters and lawyers.

Anwar was released on bail after he was charged with having unnatural sex with his former aide, 23-year-old Mohd Saiful Bukhari, in June. His supporters had feared his bail may be revoked to put him behind bars. But the issue was not raised. Instead, the focus was on an order to move the case to the High Court. Anwar argued that the Attorney General, who is under investigation for tampering with evidence against him in 1998, has no right to sign the order. He also insisted that he is on track to form a new government by September 16 with the help of defecting MPs. "That will come; we are in the midst of serious negotiations over the next one or two days," said Anwar.

If convicted, Anwar can be jailed up to 20 years. At 61, analysts said that could effectively mean an end to his political career.

Economic front

- **Malaysia looks to Vietnam for investment opportunities**

Vietnam remains an investment target despite the stops and goes in the stock market, rising inflation and questions about the country's stability. Malaysia's RHB Capital has been given State Bank approval to buy a stake in Vietnamese brokerage firm Vietnam Securities Corporation, or VSEC.

Malaysian companies have been looking abroad recently for investment opportunities. For example, Malaysia's Maybank in March announced a plan to buy a 15% stake in Vietnam's An Binh Bank.

- **'India-Malaysia trade set to grow'**

Bilateral trade between Malaysia and India is expected to see an increased growth this year from the \$8.1 billion recorded last year, an official said.

For the first six months of the year, bilateral trade between the two countries stood at \$5.2 billion, Makkal Osai Tamil newspaper Thursday quoted B.N. Reddy, Counsellor (Economic and Education) at the Indian High Commission here as saying. India is a major importer of Malaysian palm oil and the two countries have ongoing projects in

various sectors. India, last week signed the Free Trade Agreement (FTA) with the Association of South East Asian Nations (Asean) of which Malaysia is a key member.

- **Malaysia inflation: 'The worst is over'**

THE worst for inflation is behind us and the consumer price index (CPI) will grow slower than July's 8.5 per cent in the following two months, Second Finance Minister Tan Sri Nor Mohamed Yakcop said. Malaysia's inflation rate grew at the fastest pace in 26 years to remain high in July after a 7.7 hike in June, as higher costs of food and transportation drove the CPI up.

But the government is convinced that the current high inflation rate is temporary and that raising interest rate may not be the best option to rein in price gains.

Social front

- **Malaysia fears the resurgence of racial tensions**

The Malaysian government fears the resurgence of racial tensions in the country in the aftermath of the controversial remarks made by an Umno party state leader against the local Chinese community which led to his suspension by the party.

Malaysian Prime Minister Abdullah Ahmad Badawi said the Cabinet discussed the race issue yesterday and was of the view that a race relation in the country was showing "not so good signs" which could cause tension. Abdullah said the Internal Security Act might be used "if needed" to curb racial tension. The police will not hesitate to take stern action against anyone inciting racial tension, said deputy inspector-general Ismail Omar.

Umno has suspended Bukit Bendera division Chief Ahmad Ismail from the party and stripped him of his posts for three years for calling the Chinese Malaysians 'squatters.'

Abdullah noted that a number of sensitive issues, which were not openly discussed before, were now being raised. Abdullah said the respective ministries had been directed to keep tabs on the situation, and act accordingly.

Thailand

Political, Social front

- **Judges dismiss Thai PM and his Cabinet**

All nine judges of Thailand's Constitutional Court ruled late yesterday that Prime Minister Samak Sundaravej's role as a commercial television chef violated the constitution and that he – together with his entire Cabinet – must resign. But the latter can administer the country for 30 days while parliament elects a new prime minister. Presiding judge Chat Chonlaworn said the prime minister, who took office on February 6 and whose opponents argue is a surrogate for deposed Prime Minister Thaksin Shinawatra, had “violated Article 267 of the constitution” and that “his position as prime minister has ended.” Article 267 prohibits a prime minister from holding any position in a partnership, firm or an organization carrying out business with the intention to share profits or income, or being an employee.

The embattled conservative, who resigned from his populist television show, Tasting, Grumbling, soon after he was appointed prime minister, told the judges he had not been paid for his appearances, except for expenses.

His producer supported the claim. But the ruling does not prohibit Samak Sundaravej from being re-elected prime minister and his ruling People Power Party together with its parliamentary coalition partners are likely to oblige as soon as Friday.

The Thai News Agency quoted People Power Party spokesman Kuthep Saikrachang as saying that all of its MPs had agreed unanimously to re-nominate the prime minister. The 73-year-old prime minister was not in court to hear the judgment but instead chaired a weekly cabinet meeting in northeastern Udon Thani Province.

- **Fresh Thai turmoil as PM is forced out**

The prime minister of Thailand's enthusiastic effort to mix food and politics has forced him to stand down from office - throwing his country into yet more turmoil and uncertainty.

A court ruled today that sometime chef Samak Sundaravej had broken the constitution by hosting a television cooking show while he was the country's premier. The ruling gave Mr Samak no option but to stand down immediately, but his cabinet will stay on in a caretaker position.

While he argued before the court that he had not broken the constitution because he was not paid by the television company that produced the show, the court believed differently. "His employment at the company can be considered an employment," said Mr Chat. .

The PAD argues that Mr Samak is merely a proxy for former prime minister Thaksin Shinawatra, who was forced from office two years ago by a military coup amid widespread allegations of corruption and is now living in exile. Mr Samak has never hidden his links to the ousted prime minister - until recently the owner of Manchester City - but insisted he was not taking orders from him

Thai ruling party moves to restore Samak as PM

Thailand's ruling party moved Wednesday to return Samak Sundaravej to power as prime minister, sidestepping a court ruling that forced him from office for taking part in TV cooking shows.

The Constitutional Court's verdict Tuesday heightened Thailand's political turmoil, which has seen protesters barricading the main government complex for more than two weeks and a state of emergency imposed across Bangkok. But the judges did not ban Samak from politics, and his People Power Party (PPP) said immediately after the ruling that they would re-elect him as prime minister.

The military deposed Thaksin in 2006 over claims of corruption involving his multi-billion-dollar telecom empire. Thaksin is now in exile in Britain to dodge the legal charges, which he claims are politically motivated. A military-backed constitution approved last year included strict limits on outside employment by government officials. Judges have now used that charter to force Samak from office over the cooking programmes that reportedly earned him no more than a few hundred dollars per show, which he said he used mainly to buy ingredients. In a nation accustomed to military coups, Samak is the first Thai premier stripped of his office by a court order - the most dramatic move yet by an increasingly muscular judiciary.

Thai courts once tended to side with whatever government was in office. The protesters, who call themselves the People's Alliance for Democracy (PAD), have already said that they will not leave Government House despite the verdict against Samak. They are pushing a broader agenda to trim back Thailand's democracy, saying only 30 per cent of seats in parliament should be elected - a move that would limit the influence of poor voters who back Samak.

- **Thai ministers opt for referendum to settle crisis**

Thai ministers agreed in principle to hold national referendum to settle the country's continuing political impasse when they met in a special session yesterday. Essentially, the referendum would ask the voters if they wanted government of Samak Sundaravej to continue administering the country. The embattled prime minister convened the meeting at the country's military headquarters after he reaffirmed on Radio Thailand that he would not resign or dissolve parliament but vowed to stay in office "to protect democracy."

The legislation was expected to go to the Senate next Monday. If the Senate approved referendum, the process could begin within 30 days or early October. The State Council would draft questionnaire. Opposition Democrat party chief whip Sathit Wongnongtoey argued that as the bill enabling the referendum had yet to be enacted, it would be better to dissolve the House of Representatives and hold a general election was the best way out to

defuse current political crisis. The prime minister said that he accepted the resignation of his newly appointed Foreign Minister Tej Bunnag.The advisor to King Bhumibol Adulyadej resigned after the prime minister declared emergency rule on Tuesday after fighting between his supporters and anti-government protesters killed one man and injured

- **Iran satellite gets Thai help**

TEHERAN / Thailand have helped Iran put a joint research satellite into space. It went into orbit yesterday after being launched atop a Chinese rocket.

Telecommunications Minister Mohammad Soleimani announced the launch on Iranian television. He said Iran, China and Thailand had worked together on the satellite, which was equipped with cameras and was aimed at boosting cooperation in coping with natural disasters such as earthquakes. In Bangkok, Information and Communications Technology Minister Mun Patanotai said Thailand cooperated with China, Iran, Pakistan, Mongolia, Bangladesh and South Korea to develop a small multi-mission satellite (SMMS) for non-military purposes. The satellite, with a low earth orbit and weighing only 510kg, has the capability of tracking natural resources, disasters, agriculture management, doing geographic surveys and scientific testing. Thailand was responsible for developing telecommunication equipment with a Ka-band frequency for the satellite.

The countries cooperated under the Asia-Pacific Multilateral Cooperation on Space Technology and Application pact. The Iranian announcement came only a few weeks after Iran said on Aug 17 it had put a dummy satellite into orbit on a domestically made rocket for the first time. US officials said the attempted launch was a failure. China is among six world powers seeking to convince Iran to halt nuclear work the West fears is aimed at making bombs, but it has been reluctant to consider steps that might hurt its energy ties with the world's fourth-largest oil exporter. The West believes Teheran is seeking to develop more advanced missile technology so it can launch atomic warheads. Iran denies any such intention and says its nuclear programme is peaceful.

President Mahmoud Ahmadinejad, who visited Beijing on Saturday, last month said Iran planned to launch a telecommunications satellite.

Economic Front

Social front

Singapore

Political front

- **Singaporeans in Bangkok unaffected by emergency rule**

The street protests in Bangkok have had little effect among Singaporeans visiting or working there.

Even though the Thai government has imposed emergency rule, vacationers said they have hardly noticed any difference. While some said they have made arrangements to return home earlier, most did not. Flight SQ975 touched down at Singapore's Changi Airport a little past 4pm on Tuesday and passengers on the flight said it was not full. Many of the holidaymakers were aware of the political crisis in Bangkok. But they said the protests were isolated and not widespread across the city and most of them came back as scheduled.

Passenger Allan Teng said: "In fact, we wanted to extend it. We didn't feel, at any point in time, that we were in danger because it was business as usual in the shopping areas." As for those working in Bangkok, it was business as usual. One of them, Suwito Kua, said: "I don't see much difference because the demonstration area doesn't affect where we come from. Of course, there's some worry. We're not sure whether the situation will always be in control or not." Another Singaporean in Bangkok, Shelia Leong, said: "No, it's not affecting me at all... nothing is really happening here. Life is normal; nobody has really told me that they are uncomfortable... "Singapore's Foreign Affairs Ministry (MFA) has advised people to postpone their travels to Bangkok to a later date.

- **PM Lee confident ISD will prove itself again amid new challenges**

Singapore Prime Minister Lee Hsien Loong is confident the country's Internal Security Department (ISD) will prove itself again, especially in light of new security challenges, like those arising from the influx of foreigners into Singapore.

Mr. Lee said the ISD will have to be watchful that foreign intelligence agencies do not use this inflow to smuggle in agents, to blend into Singapore's society and be activated later on. The department will also have to ensure that the foreign communities do not engage in problems of their home countries.

But Mr Lee said he is confident that ISD is a "competent outfit, well respected by friends and adversaries, even after Mas Selamat's escape." He added that the department "will get over the setback and prove (yourselves) again." Mr Lee's speech was only released about a week later on Monday, which reflects the undercover role of ISD officers. This point was also mentioned in Mr Lee's speech. He said ISD officers' identities, once leaked, could also cause harm to their families. However, the officers are willing to take risks for the overall good of the country.

Geo strategic front

Economic Front

- **Singapore keeps ranking as most business-friendly place in the world**

Singapore has kept its top ranking for the third year in a row as the easiest place in the world to do business, the World Bank said in a report Wednesday.

The Asian city-state edged out New Zealand and the United States in the "Doing Business 2009" ranking by the World Bank. New Zealand came in second place ahead of the United States. Filling out the rest of the list of the 10 easiest business environments were Hong Kong, Denmark, Britain, Ireland, Canada, Australia and Norway. The report, examining regulations and how they affect businesses, ranks 181 economies on the

overall ease of doing business in the countries. While Singapore was ranked highly in most of the categories, it showed room for improvement in areas such as ease of registering property and enforcing contracts.

Analysts said there are more challenges ahead as the global economy continues to head south.

Social front

- **PM Lee says new Chinese language centre set to make S'pore a knowledge hub**

Singapore aims to position itself as an international center of excellence for the teaching of Chinese. And to do this, the republic is setting up a center to enhance teacher training and research in the language. Whether in business or in school, English is the most commonly used language in Singapore.

Speaking at the 85th anniversary dinner of local Chinese daily newspaper Lianhe Zaobao on Saturday, Prime Minister Lee Hsien Loong said Singapore must make strenuous efforts to preserve the mother tongues and its cultural heritage. He added that Singaporeans must also remain bilingual and bi-cultural or risk becoming disadvantaged economically, with the rise of China, and lose part of its identity.

So Mr Lee said one way is to improve the teaching of Chinese here. He said: "Chinese teachers have a difficult task of inspiring their students to understand, appreciate and learn the language. We should provide them with a range of training opportunities to help them achieve the task. "Many modern teaching aids and materials have been developed in western countries for Maths, Science and English, but few have been developed to teach the Chinese language. We can do more to help our Chinese teachers."

And that is where the new centre on Chinese language will come in. In addition, it will be a test-bed for innovative ideas on teaching of Chinese language and the use of new technology and software in this area. All these will establish Singapore as a knowledge hub.

Philippine

Political, Social front

- **Philippines fears hard-line Muslim rebels could resort to terror attacks**

The Philippines military fears hard-line Muslim rebels could resort to terror attacks after a major flare-up of a separatist conflict in the south, the armed forces chief of staff said on Monday.

General Alexander Yano said military operations have reduced the fighting capability of two Moro Islamic Liberation Front (MILF) factions blamed for pillaging dozens of villages across Mindanao Island last month, leaving scores of civilians dead. "They have splintered into smaller units and are evading government troops and we anticipate that they might resort to terrorist acts or guerrilla (warfare) in small and splintered formations," Yano told reporters. "There are contingency situations (that) have to be anticipated and preparations have to be made, but definitely these cannot be announced," he said. The International Committee of the Red Cross has said the fighting has been the worst in five years, and that up to a half a million people have been affected, with many forced to flee their homes.

Fighting broke out between troops and the 12,000-strong MILF on August 10 after the Supreme Court blocked a draft peace agreement intended to create a political settlement to four decades of sectarian bloodshed. Manila has effectively suspended the peace talks and offered a 25 million-peso (535,000-dollar) bounty for three senior MILF leaders accused of leading the raids.

- **30 feared dead in Philippines landslides**

Two landslides triggered by heavy rains buried more than 20 houses in a remote gold-mining village in the southern Philippines, leaving at least 11 people dead and 19 others missing, officials said Monday. Small stone houses and huts at the foot of the mountain village of Masara were destroyed Saturday by falling mud and rocks, killing six villagers and injuring 17 others. Another landslide struck the village early Sunday, killing five more people.

The landslides, which cascaded down a mountainside with frightening booms, buried about 28 houses and forced up to 5,000 people in Masara and nearby villages to run for their lives, said Mayor Voltaire Rimando.

Rimando said he declared a state of emergency in Masara, which he described as a "no man's land" because of the danger and the devastation, to allow the rapid release of disaster relief funds from the town's coffers. Rimando said heavy rains made rescue work too dangerous Sunday, but rescuers resumed operations Monday. Army and police, backed by two air force helicopters and workers from a gold-mining company, battled heavy rains and mud to search for villagers reported buried, regional police Chief Andres Caro told The Associated Press by telephone. A landslide last year killed 10 people in the same village, prompting the Bureau of Mines and Geosciences to recommend that the landslide-prone area be abandoned. But many villagers, who depend on the local gold-mining industry for a living, refused to leave, Caro said.

- **U.S. military presence questioned in Philippines**

The U.S. troops have been in the Philippines' southern region of Mindanao for six years, rather than a "temporary" stay of six months in accordance with the Philippine Senate's deliberations on the agreement in 1999.

A leftist political coalition said Saturday that it will question the presence of "overstaying US troops" in the southern Philippines before the Southeast Asian country's Supreme Court later this month. The U.S. troops have been in the Philippines' southern region of Mindanao for six years, rather than a "temporary" stay of six months in accordance with the Philippine Senate's deliberations on the agreement in 1999, Bayan secretary-general Renato Reyes said in a statement. Bayan is a Philippine political coalition of more than 1,000 grassroots and progressive organizations. The Philippine Constitution says that with the end in 1991 of the Philippine-United States bases agreement, no more foreign bases, troops, or facilities shall be allowed in the Philippines, except under a treaty concurred in by the Senate and, when the Congress so requires, ratified by a majority of the people.

In Saturday's statement, Bayan also said "informal basing structures" were being created under the Philippines-United States Mutual Logistics Agreement (MLSA), a complimentary arrangement with the VFA. The MLSA allows US troops' use of Philippine facilities for whatever purposes they have during their stay there."The VFA and the MLSA are twin agreements which re-established US military presence in the country after the US bases treaty rejection of 1991. It's as if the Americans never left Subic and Clark. These agreements violate the Philippine constitution and the nation's sovereignty," Reyes said. Clark Air Base is a former United States Air Force base on Luzon Island in the Philippines, located 40 miles northwest of the country's capital of Metro Manila.

Philippine Defense Secretary Gilberto Teodoro on Saturday justified the continued stay of American forces in Mindanao, saying the presence of the U.S. troops in the Philippines was consistent with the provisions of the Visiting Forces Agreement and the Mutual Defense Treaty that provide for annual mutual training exercises as well as humanitarian assistance and disaster response, Philippine Daily Inquirer said in another report posted on its website.

Teodoro said that U.S. forces were prohibited from taking part in combat or even leaving their camps without clearance from the Philippine area commander or from the chief of staff of the Armed Forces of the Philippines.

- **Manila sends 1,000 extra troops to Mindanao**

At least 1,000 troops have been sent to the southern Philippines to escort food shipments and protect residents in the renewed fighting between government troops and Muslim guerrillas.

Agence France Press quotes military spokesman Brigadier General Jorge Segovia as saying two infantry battalions were redeployed in Mindanao during the past few days, said The deployment had been made amid reports that armed men have disrupted the supply of emergency food supplies to almost 300,000 displaced people. A spokeswoman for the United Nations World Food Programme said one of its food aid convoys was stopped near the town of Mamasapano on Wednesday by unknown armed men who

unloaded and carted away 28 bags of rice. United States troops have been in Mindanao for six years, rather than a “temporary” stay of six months in accordance with the Philippine Senate's deliberations on the agreement in 1999, says Bayan Secretary-general Renato Reyes in a statement.

MLSA allows U.S. troops the use of Philippine facilities for whatever purposes they have during their stay. “The VFA and the MLSA are twin agreements which re-established US military presence in the country after the US bases treaty rejection of 1991,” the statement says.” It’s as if the Americans never left Subic and Clark. “These agreements violate the Philippine constitution and the nation's sovereignty.”

.Bayan is a Philippine political coalition of more than 1,000 grassroots and progressive organizations. The United States ended almost a century of military presence in its former colony in 1992 when it left the Subic naval base after the Philippine Senate refused to renew the two countries' military bases treaty.

But about 200 U.S. Special Forces troops arrived in Zamboanga to train Philippine soldiers to fight “terrorists” on nearby Basilan Island as part of the Visiting Forces Agreement in 2002.

- **Peace talks with southern Muslims abandoned**

The Philippines government has abandoned its 11-year-long peace negotiations with the country's major Muslim entity, the Moro Islamic Liberation Front.

President Gloria Macapagal-Arroyo has also formally confirmed that her government will no longer sign a draft agreement that would have extended Muslim autonomy on the southern island of Mindanao.

Ironically, it was the government’s inability to sign the agreement as scheduled after 15 Supreme Court judges issued temporary restraining order against it that sparked the renewed fighting between Muslim guerrillas and government troops.

The restraining order had been sought by Christian members of the Philippines. “We are refocusing all peace talks from one that is centered on dialogues with rebels to

one of authentic dialogues with the communities,” the president said when announcing the decision.

“There will be no peace gained through violence, no peace agreement can and will be reached through intimidation or the barrel of a gun,” she said.

The decision is expected to jeopardize the five-year-old ceasefire between the government and the Moro Islamic Liberation Front.

It is also likely to end, for now at least, any possibility of attracting international investment to exploit the major deposits of nickel, gold and copper as well as offshore gas reserves and agriculture. Malaysia’s has been chairing the peace talks since 2001 and the Reuters news agency quotes its chief facilitator Othman Abdul Razak as saying: “If the peace process is to prevail, the process has to move forward through renewed format and perimeters agreed by both parties.

- **International Red Cross calls for help in Philippines**

Fresh fighting erupted in the southern Philippines yesterday as International Red Cross appealed for money help more than 500,000 people displaced by fighting between government troops and Muslim guerrillas.

Agence France Press reports brigade commander Colonel Marlou Salazar that two air force aircraft dropped bombs near the town of Datu Piang on Mindanao after Moro Islamic Liberation Front guerrillas fired on a military helicopter.

About 50 MILF rebels “fired at our air assets (and) that triggered the air strikes,” he said. Villagers reported shrapnel from the bombing killed four children, said municipal administrator Mosib Tan. But the colonel rejected the report saying: “Those who claimed there were children fatalities were not in the area, (there were) no civilians there except government troops and MILF rebels.

- **Flooding in Manila**

Thousands of people were stranded yesterday in flash floods in the Philippine capital amid heavy rains driven by Typhoon Sinlaku. Afternoon classes were suspended in several areas of metropolitan Manila as flood water rose to waist-high in some streets.

The National Disaster Coordinating Council said it had not yet received any reports of casualties. The weather bureau said it was expecting more rains in the capital and Northern provinces as the storm moves away from the Philippines.” Typhoon Sinlaku will continue to enhance the south-west monsoon and bring rains over Luzon and Visayas, particularly the western sections, which may trigger flashfloods and landslides,” it said.

Vietnam

Political /Geo strategic front

- **Vietnam supports peaceful settlement of conflicts**

Vietnam pursues a foreign policy for peace, stability, cooperation and development, and supports efforts towards peaceful settlement of conflicts, said Vietnamese Ambassador Le Luong Minh.

At a plenary meeting of the General Assembly on the UN Global Counter-Terrorism Strategy on Sept. 5, Ambassador Minh said Vietnam welcomed UN Secretary-General Ban Ki-moon’s report on the activities of the United Nations system in implementing the Global Strategy. “Vietnam always maintains that the measures to be taken against terrorism must be comprehensive, balanced and in compliance with international law, particularly the principles of national sovereignty, territorial integrity and non-interference in the internal affairs of States,” he stressed.

Vietnam emphasized the need to address the root causes of terrorism and insisted that terrorism cannot and should not be associated with any religion, nationality, civilization or ethnic group, he said.

Minh affirmed that Vietnam has and will continue its full support and constructive contribution to the work of the UN Security Council’s subsidiary bodies mandated to work in the field of counter-terrorism.

Vietnam is determined to strengthen the country's capacity and develop cooperative ties with countries in the region and throughout the world to fight terrorism, ambassador Minh affirmed

Economic front

- **Economic cooperation to lift Japan-Vietnam ties**

Economic cooperation between Japan and Vietnam will remain a focus to bring the two countries' relationships to new heights, Japanese Ambassador to Vietnam Mitsuo Sakaba told a Vietnam News Agency (VNA) reporter in an interview on the occasion of the 35th anniversary of the Vietnam-Japan diplomatic ties (September 21, 1973-September 21, 2008).

Like previous years, it will continue to focus on developing bilateral economic cooperation. The two sides will carry out the third phase of the Vietnam-Japan Joint Initiative (VJJI) in September, which aims to improve business and investment environment, thus, strengthen Vietnam's competitiveness.

This phase will focus on enhancement of the supporting industry because in the near future, Vietnam will open its market to ASEAN region and foreign enterprises in Vietnam must raise its competitiveness to survive. Additionally, we want the Vietnamese people to have better understanding on product quality and that, to make a high-quality product, it must be made of high-quality components.

Japan would like to support the human resource development and to build up the financial support mechanism for the supporting industry in Vietnam for the next five years.

- **Viet Nam needs more ICT investment**

The Viet Nam Innovation Summit 2008 ended with the clear message that significantly more investment is necessary in information and communication technology (ICT) and its infrastructure.

The US-based computer provider IBM gave this feedback at the summit on September 4 and 5, which aimed to review long-term collaboration activities between IBM and the Ministry of Science and Technology.

This collaboration has been established to help drive innovation, research and development initiatives to help shape the Viet Nam Innovation Agenda.

IBM also said that Viet Nam needed non-linear innovation systems made up of public and private enterprises and other organizations to adapt global knowledge to local conditions." The Government should build innovation systems which empower businesses through digital technologies," added the company, noting that the systems would focus on small- and medium-sized enterprises. Enterprises also participating in the summit helped to review other initiatives, including the Innovation Collaboration Platform and the Service, Science, Management Engineering/IT Service Curriculum (SSME/ITS) Academic Initiative.

- **Vietnam, Philippines pledge mutual investment incentives**

Vietnam and the Philippines will expand cooperation and continue to give each other more priorities regarding investment.

President of the Ho Chi Minh City Union of Friendship Organization Le Hung Quoc and Honorary Consul General Gerry T. Paglinawan reaffirmed the two countries' resolve at a ceremony in HCM City on September 10 to mark the 110th anniversary of Philippine Independence Day and the 32nd anniversary of their diplomatic ties.

Quoc said that the Plan of Action 2006-2010 to implement the Joint Statement on bilateral cooperation framework in the first 25 years of the 21st century and next period effectively helped strengthen trade and investment cooperation.

- **Nam Dinh urged to lift socio-economic growth**

Party General Secretary Nong Duc Manh praised Nam Dinh Province for high achievements in the past years, but emphasized the challenges ahead, during his visit.

Manh said socio-economic development in Nam Dinh Province had been increasing, resulting in fairly high growth rates. Last year saw the province yielding a growth rate of 11.5 per cent, but the figure was 9.15 per cent in the first six months of this year. Agricultural output has increased, but its commodities value is not high. Many agricultural products do not yet have trade names and the number of advanced production models remains very low.

Manh asked provincial authorities to speed up the province's socio-economic development while ensuring social welfare and social equality.

- **Vietnam taps oil from fractured basement oilfields**

A pioneer in exploiting oil in fractured basement, Vietnam is still leading the world in exploring and tapping fractured basement oilfields with around 1.4 billion barrels per year.

Up to 90 percent of Vietnam's oil outputs come from such oilfields, earning billions of USD for the national economy each year.

General Director of the Vietnam National Oil and Gas Group (PetroVietnam) Tran Ngoc Canh said the successful exploitation of oil in Bach Ho oilfield's fractured basement by the Vietnam-Russian oil and gas joint-venture (Vietsovpetro) is also an important contribution to the oil geological science. The exploration and pumping of oil in fractured basement formations is a difficult job that requires modern technology. At an international science seminar that is being held in southern coastal Ba Ria-Vung Tau province from Sept. 9-13, Director of Vietsov Petro's Science Research and Design Institute Dr Hoang Van Quy said that VietsovPetro will have an additional 5-6 million tonnes of oil each year if it can raise its oil recovery ratio from fractured basement oilfields by one percent.

- **Businesses believe in Vietnamese economy's stability: VCCI**

Many domestic and foreign enterprises said they believed that Vietnam, with its current policies, will maintain the economy's growth.

According to a recent survey on businesses' operation in Vietnam in the first half of the year conducted by the Vietnam Chamber of Commerce and Industry (VCCI), 42.1 percent of interviewed enterprises said the Vietnamese economy will remain stable while 30.6 percent of them expressed their belief that the economy will improve in the last months of the year.

Up to 3.7 percent of the interviewees even said they expect a spectacular comeback of the economy. According to the survey, FDI enterprises are more optimistic than those of other sectors. As many as 82 percent of them said they believed in the stability and growth of the Vietnamese economy in the coming time while 65.4 percent of private businesses and 71.8 percent of the state-owned agreed with this opinion. The survey shows that the businesses' operation results in the first six months of this year were better than 2007, reflected in an average revenue growth of 10.9 percent compared with last year's 5 percent. However, export enterprises face great difficulties from rising prices of input materials and fluctuations in the foreign exchange rate, says the survey.

- **Sustainable development policy a first for Vietnam**

Holcim Vietnam, formerly Sao Mai Cement, said on Tuesday its new sustainable production and development policy, which will be overseen by a special division, was designed to ensure the company acted responsibly towards Vietnam's society, environment and its local workforce.

The policy focuses on five principles: to conserve energy and power; respect the environment; develop young labor; optimize conditions for better health; and ensure safe working conditions, according to a statement.

The firm is financing 80 percent of the cost between now and 2012 and is also providing experts to the project, said Bao. Holcim Vietnam has an annual budget of US\$90,000 to finance other projects that support local communities, environment and employees.

Social front

Laos

- **Thai Glow Energy close to power plant deal in Laos**

Thailand's Glow Energy PCL GLOW.BK, a subsidiary of French utility Suez SA (LYOE.PA: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), said on Wednesday it was close to concluding a deal to buy a 67 percent stake in a power plant in Laos from parent Suez.

"This Friday our board will consider the plan to buy a stake in Hua Ho power plant. The investment is estimated at about 1.7 billion baht (\$49 million)", chief financial officer Suthiwong Kongsiri told reporters.

Suez holds 80 percent of the 138-MW Hua Ho hydropower plant. Thai industrial estate developer Hemaraj Land and Development PLC HEMR.BK is keen to buy the other 13 percent from the French firm, Suthiwong said..

The purchase in Laos, which should help boost the company's net profit by 3 percent, will be Glow's first foreign investment after Suez encouraged the Thai subsidiary to invest in Laos, Cambodia and Vietnam, the company has said.

Glow has the capacity to produce 1,708 MW of power, or 7 percent of Thailand's capacity, and 967 tones per hour of steam for industrial customers. It plans to boost power capacity by 50 percent by 2011 to meet rising demand.

- **Master course on economic, finance and banking opened in Laos**

The National Banking Institute in collaboration with Vietnamese Institute of Banking opened on 7 September the master course on economic, finance and banking.

Attending at the opening ceremony was Dr. Somkoth Mangnormek, Minister of Education and President of Lao-Vietnamese Friendship Association, Mr. Bang Tien Long, Deputy Minister of Vietnamese Education and Training, Mr. Phouphet Khampouvong, Governor of Central Bank of the Lao PDR and a number of senior officials from Laos and Vietnam. This is the first master course on economic, finance and banking opened in Laos in order to enhance and expanding the knowledge of Lao officials in economic-finance and banking sector. The course will be opened from October, 2008 with 40 students. The two years course will be instructed by Vietnamese teachers.

Political, Geo strategic

Economic Front

Cambodia

Political/Geo Strategic

- **Thai, Cambodian military to meet**

Officers from Cambodia's Military Region 5 and Thailand's Military Region 1 are to meet next week to discuss border security and procedures for dealing with Cambodians who try to enter Thailand illegally. "We will discuss border security, drug trafficking and cooperation between our two armed forces," General Bun Seng said. Cambodian man shot by Thai soldiers at the border and a second man who was injured," he said. The meeting is to take place in Thailand.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 6th September to 12 September

Presentation: 19 September 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Sri Lanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar.

BANGLADESH:

POLITICAL:

- Khaleda walks to freedom
- Tentative date of parliamentary polls to be announced
- LDP, JP demand end of emergency, holding of JS polls first
- Politics at crossroads

SOCIAL:

- Outbreak of diarrhoea and water-borne diseases reported from flood affected areas
- NGOs not cooperating in implementing govt rehabilitation projects

ECONOMIC:

- Gas crisis threatens to derail Bangladesh economic growth
- Govt to formulate policy for setting up Merchant Power Plant soon
- FBCCI president blames wholesalers for price rise of essentials

GEO-STRATEGIC:

- Kuwait assures of resolving problems of Bangladeshi workers

Khaleda walks to freedom

BNP Chairperson Begum Khaleda Zia will be released from sub-jail today (Thursday) as bail bonds in all four graft cases against her have been communicated to the jail authorities. In other words, the former Prime Minister is set to walk to freedom after over one year. She was arrested on September 3, 2007 and later made accused in corruption cases. All along this period she was kept in confinement at sub-jail very close to another one where another Prime Minister

Sheikh Hasina was detained similarly on corruption charges until June 11 last when she was released under an executive order for treatment.

Outbreak of diarrhoea and water-borne diseases reported from flood affected areas

Outbreak of diarrhoea, skin, eye and other water-borne diseases has been reported from flood affected areas including low laying areas of capital Dhaka with the situation improving. Diarrhoea has taken a serious turn. In the capital some 1900 people infected with diarrhoea have been admitted to ICDDR,B hospital in the last three days. Talking to The Bangladesh Today an official of ICDDR,B said during the last few days the hospital has been witnessing heavy rush of diarrhoea infected patients and this number may increase as flood water has started receding fast from the affected area. Meanwhile, according to Flood Forecasting Warning Centre (FFWC) overall flood situation of the country will largely be over by the end of this week.

Tentative date of parliamentary polls to be announced

Chief Election Commissioner (CEC) ATM Shamsul Huda has said the possible date of long stalled ninth parliamentary election is going to be announced on 14 September 2008. On the basis of recommendations and proposals made by apex leaders of different political parties during the Election Commission (EC) sponsored four-day-long third round talks, EC will announce a possible date of the next parliamentary election on Sunday. But it is impossible to publish the election schedule within this time because voter lists with photographs are yet to be completed. Referring to BNP's decision to boycott the talks, the CEC said the release of detained former premier Begum Khaleda Zia is a matter of time. After her release the EC expects that the BNP will take part in the dialogue immediately.

LDP, JP demand end of emergency, holding of JS polls first

Liberal Democratic Party (LDP) and Jatiya Party (Monju) demanded immediate withdrawal of emergency completely and holding the long stalled general election first. They also demanded the simultaneous announcement of the schedules for national, upazila and Dhaka City Corporation elections. Meanwhile, other two party Jamaat-e-Islami Bangladesh and Islami Oikya Jote (IOJ) boycotted the schedule dialogue expressing no confidence in the EC. A four-member delegation of Liberal Democratic Party (LDP) led by party president Colonel (Retd.) Oli Ahmed

urged the EC to dispel the confusion created in people's mind over holding the national election through announcing schedule for general elections. In a clear shift from their earlier stance, JP said the EC should avoid confrontation with the major political parties and hold elections on the basis of their (political parties) opinions.

Gas crisis threatens to derail Bangladesh economic growth

An acute gas supply crunch caused by lack of hydrocarbon exploration is threatening to derail Bangladesh's record industrial expansion, officials say. The South Asian nation's economy has been growing by more than six percent annually over the last four years—its strongest pace since independence in 1971—thanks to unprecedented double-digit manufacturing growth. But industrialists say trouble looms as a severe gas crisis has left scores of big factories without power and halted some of the impoverished country's most ambitious industrial projects. Bangladeshi factories have been installing gas-fired generators and small power plants at a furious rate as the state-owned power company can meet only 60 percent of the nation's daily electricity needs. In the nine months to March, at least 211 manufacturers installed gas-fired generators, up from 35 in the previous 12 months, said Jalal Ahmed, chairman of state-owned gas supply monopoly Petrobangla. As a result of increased industrial use, the country is experiencing a shortfall of around 250 million cubic feet of gas a day with overall daily demand of two billion cubic feet, Ahmed said. Hydrocarbon-rich Bangladesh had proven gas reserves of 15.37 trillion cubic feet, an amount which the government had considered enough to last until 2025.

NGOs not cooperating in implementing govt rehabilitation projects

The leading NGOs of the country like Grameen Bank and BRAC are not co-operating with the government in implementing different employment and rehabilitation projects. According to sources in the Ministry of Labour and Employment, the government sought help from the country's three prime non-government organizations with a view to conducting its micro credit programme under the Project for Eradication of Employment of Children in risky jobs. But the NGOs did not respond in this regard. The NGOs are Grameen Bank, BRAC and Palli Karma Sahayak Foundation (PKSF). Sources said, with the goal of eradicating child labour and employment of children in risky jobs in the country, the government set up a project to rehabilitate around 30,000 children who are engaged in different risky jobs. The Ministry of Labour and Employment decided to implement the project in phases. At the first stage, the government provided Tk 3.56 crore loan to the families of children who are engaged in different risky jobs. Bangladesh Karmasangstan Bank disbursed the loans throughout the country before the year 2005. But a large portion of the loans could not be recovered later on. So, the Bangladesh Karmasangstan Bank did not agree to disburse Tk 20 crore loans to the families of 30,000 child labourers at the second stage. As a result, the ministry asked the authorities of

Grameen Bank, BRAC, PKSF and Bangladesh Rural Development Board (BRDB) to cooperate with the government in implementing the second phase of the project. But the Grameen Bank and BRAC authorities did not respond to the government at all in this regard. However, the PKSF said they will cooperate with the government in implementing the rehabilitation project by disbursing the loans among the families of those children engaged in risky jobs if it is allowed to receive at least 12.50 per cent interest from the families. Later on, the PKSF refused to participate in implementing the child labourers' rehabilitation project as the ministry did not allow it to take 12.50 per cent from the families.

Politics at crossroads

The country's politics has reached a crossroad and is set to enter a new phase as vital political issues are likely to be dealt with seriously by the government with the political parties during the coming week. As things stand now the government as well as the Election Commission is bent on holding the upazila election by October and national election by December under emergency while the political parties including specially AL and BNP are equally determined not to participate in any election under emergency or accept upazila polls before the national polls. Against this backdrop, however, there is some prospect of the crisis being resolved as the EC is sitting with the political parties from to discuss and resolve the persistent political deadlock. According to sources during this discussion a face saving formula may be found out under which the government will be able to arrange both upazila and national elections with political parties willing to join those. However, any consensus on this issue will depend much on permanent release of Awami League (AL) President Sheikh Hasina and release of Begum Khaleda Zia from detention. Meanwhile, observers feel that the country may plunge into a grave crisis if no consensus is reached between the government and political parties shortly on the issues of lifting of emergency, timing of upazila poll and holding of national election.

Govt to formulate policy for setting up Merchant Power Plant soon

Government has decided to formulate policy for establishing Merchant Power Plants in the country without guaranteeing them the supply of gas and fuel. The proposed policy will aim at easing the persistent power crisis in the country. Sources said under the proposed Merchant Power Plants policy the government will not play any role to settle the price of electricity which will be fixed by the owners of the plants in consultations with the consumer's representatives on the basis of market price. Government does not want to re-invest in the country's old power plants. It is now trying to hand over those to the private sector so that the private investors generate power. The proposed policy will be for those private investors who are interested to invest in the government power plants. Besides they can establish new power plants and jointly invest in the old power plants with government. But government does not give any assurance to the investors as to how gas and fuel will be supplied to the company to generate power. If any

investor can ensure them that they can manage gas from any company then they can use it.

FBCCI president blames wholesalers for price rise of essentials

President of the Federation of Bangladesh Chambers of Commerce and Industry Annisul Huq has laid the blame for unbridled price rise of essential items on the wholesalers while talking to journalists after visiting the city's Gulshan-2 kitchen market and Mohammadpur kitchen market in. Members of 'FBCCI Market Price Monitoring Taskforce' and other business leaders were with him. He said, there is a big difference between the prices of essentials in the city's Shyambazaar and Kawran Bazaar wholesale markets. The merchants of Kawran Bazaar wholesale market are making excess profit resulting in unusual price rise of essential goods in the kitchen markets of the capital. He asked the leaders of the city's kitchen market traders associations not to allow sellers to sell their goods if they cannot show any purchase receipt for goods purchased from the wholesalers. He also asked the retailers not to buy any item from those wholesalers who will not write sales slips to them.

Kuwait assures of resolving problems of Bangladeshi workers

Adviser for Foreign Affairs Dr Iftekhar Ahmed Chowdhury, said that the Kuwaiti authorities have assured him of every effort to resolve the problems faced by Bangladeshi workers there. The Foreign Adviser, who is also in charge of the Ministry of Expatriates' Welfare and Overseas Employment, returned after a two-day visit to Kuwait, said a press release. Dr Iftekhar held talks with the Prime Minister of Kuwait Sheikh Nasser Al-Mohammad Al-Ahmed Al-Sabah, Deputy Prime Minister Sheikh Mohamed Sabah Al-Salem Al-Sabah, Labour Minister Bader Fahed Ali Al-Duwailah and other senior officials. He had also held two rounds of discussions with the members of the Bangladeshi community. "The Kuwait authorities assured that a minimum wage of KD 40 is being fixed for workers. Their living conditions would be improved. The question of compensation of deported labourers would be speedily addressed and Kuwait will also take stern action against the companies who have exploited Bangladeshis", the Foreign Adviser said. He also informed that the Kuwaiti Parliament will meet in an emergency session on September 10 to discuss the crisis with regard to foreign workers, including Asians and Bangladeshis. Dr Iftekhar Chowdhury further observed that the Kuwaiti authorities see Bangladesh as "a great friend who stood by them at the hour of their greatest need during the Iraqi occupation.

SRILANKA:

POLITICAL:

- **Chinese Foreign Minister pays an official visit to Sri Lanka**
- **China thanked Sri Lanka for its unshaken support for 'One China Policy'**
- **Tamil Tigers' connotation**

- **Foreign Minister Bogollagama highlights Sri Lanka's people-centric Foreign Policy**
- **UN Secretary emphasizes the importance of a negotiated settlement to the political problems confronting Sri Lanka.**
- **Contradictory claims: by LTTE of causing heavy damage**
- **Challenges**
- **A need for real Tamil leadership**
- **Give up differences behind: Contribute in the battle of unite the country**

SOCIAL:

- **Development of New Export Culture**
- **Sea Tiger leader's relative launches Valary TV**

ECONOMIC:

- **Sustainable Development and Poverty Reduction, CSR to the fore**
- **In Sri Lanka, Investors are offered a constitutional guarantee by the government**

GEO-STRATEGIC:

- **Sri Lanka makes flood relief donation to Nepal**

China thanked Sri Lanka for its unshaken support for 'One China Policy

The Chinese Foreign Minister stressed the importance of continuing the strong and good relations between China and Sri Lanka. He was appreciative of Sri Lanka's unshaken support for 'One China Policy' and thanked the President for continued support on the issues of Taiwan and Tibet that are matters of China's core national interests. Chinese Foreign Minister Yang Jiechi who is on a two-day official visit to Sri Lanka called on the President Mahinda Rajapakse at the President' House yesterday expressed China's confident under the leadership of President Mahinda Rajapaksa and said Sri Lanka will play an important role in promoting and ensuring peace and stability in Sri Lanka and South Asia.

Tamil Tigers' connotation

To create another appalling humanitarian crisis in the Vanni region, the Liberation Tigers of Tamil Eelam, made use of the entry – exit point at Omanthai, to attack the Security Forces Headquarters and the Air Force Base located in Vavuniya. Basil Rajapakse MP and a senior

advisor to Sri Lanka President Mahinda Rajapakse said that Omanthai entry – exit point was kept open for the goods and essential food items to move into the Vanni region and the people in Vanni to enter into the Government area to go to hospitals, banks, to travel abroad and to attend to their needs. Making use of this situation, the Tamil Tigers moved their heavy guns very close to the entry exit point to attack the Security Forces Headquarters in Vavuniya, he pointed out.

Foreign Minister Bogollagama highlights Sri Lanka's people-centric Foreign Policy

Minister of Foreign Affairs, Rohitha Bogollagama has emphasized the need for diplomats who are posted abroad to represent Sri Lanka, to have a thorough knowledge of the country's system of local administration and the day to day problems confronting the people. Hence, he has decided that all Heads of Mission and Foreign Service officers should serve a period of orientation attached to a District Secretariat, prior to their departure, in order to gain an understanding of the range of services provided by the Government to the people at the grassroots level including Samurdhi welfare, and various development programmes initiated by the Government.

UN Secretary emphasizes the importance of a negotiated settlement to the political problems confronting Sri Lanka.

The United Nations Secretary-General Ban Ki-moon has expressed his deep concern over the increased hostilities in northern Sri Lanka, and the grave humanitarian consequences for civilians. A press statement attributable to the Spokesperson for the Secretary-General said that he has emphasized strongly the importance of a negotiated settlement to the political problems facing Sri Lanka. In the light of the Government's request for the relocation of UN humanitarian staff in affected areas, he reminds all concerned of their responsibility to take active steps to ensure the safety and freedom of movement of civilians, allowing humanitarian organizations to do their work in safety, as well as to reach persons affected by the fighting who need humanitarian assistance.

Development of New Export Culture

The Business Community in Sri Lanka was highly pleased to witness the presentation of prestigious Presidential Export Award of the 17th Presidential Export Award Celebration held on September 09, 2008 at the Presidential Secretariat under the patronage of His Excellency the President Mahinda Rajapaksha and Hon. Prime Minister Ratnasiri Wickramanayake. It was a highly deserved tribute to the exporters for their exemplary record of performance displayed during the period over last few years.

Contradictory claims: by LTTE of causing heavy damage

Government of Sri Lanka said the security forces have successfully repulsed the LTTE attack made on the Air Force camp in Vavuniya on Tuesday. The Air Force has managed to destroy the LTTE's light air craft that came to carry out the attack. Their aim was to destroy the air force

radar network established in Vavuniya by attacking both by land and air. However, their mission was fruitless, Minister Keheliya Rambukwella, Media spokesman for National Security said. But on the other hand Rasiah Marshall, Military Spokesperson for Liberation Tigers of Tamil Eelam in a press release claimed the LTTE pre-dawn attack has caused great destruction to the Government Air Force camp in Vavuniya.

Sri Lanka makes flood relief donation to Nepal

The Government of Sri Lanka as a mark of a solidarity with the people of Nepal has donated a sum of US\$ 25,000 as relief assistance for victims of the recent floods. A cheque for this amount was handed over to Rt.Hon.Pushpa Kamal Dahal, Prime Minister of Nepal by Mr. Ranawaeera Banda, Charge d' Affaires of the Sri Lanka Embassy in Kathmandu.

Chinese Foreign Minister pays an official visit to Sri Lanka

Chinese Foreign Minister Yang Jiechi will be in Colombo today on a two-day visit. He is making an official visit to Sri Lanka on the invitation of Sri Lanka's Foreign Minister Rohitha Bogollagama. The Chinese Foreign Minister will hold bilateral talks with Minister Bogollagama at the Ministry of Foreign Affairs. He is also scheduled to pay courtesy calls on President Mahinda Rajapaksa and Prime Minister Ratnasiri Wickramanayake during his stay in Sri Lanka.

Sustainable Development and Poverty Reduction, CSR to the fore

A MoU was signed between the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL), and Oxfam GB, with the aim to enhance the positive impact of CSR on poverty. The initiative explores as to how to incorporate Corporate Social Responsibility more strategically into Sri Lanka's private sector. It will undertake a mapping of the current scale, scope and effectiveness of CSR, and will provide practical guidance for the private sector on how to embed CSR into core business practices.

Challenges

The Army had reiterated that its Northern operations are on track despite the recent 'setbacks' on the Vanni front. In the last week the Tiger resistance seems to have stiffened; that and the inclement weather seem to have slowed down the momentum of the Lankan offensive. Whether the LTTE's resistance is strong and durable enough to create a situation of stalemate on the Northern Front or whether these are the last attempts of a dying Tiger (as the government would have us believe) remains to be seen. Though the LTTE is weak it is safe to assume that Vellupillai Pirapaharan still has a couple of aces up his sleeve, such as Air Tigers, Black Tigers and a combination thereof, Black Air Tigers (yet to be experienced). None of these can enable the LTTE to win the war; but by acting as force multipliers they can help the Tigers to avert a defeat by grinding the Lankan offensive to a halt.

Sea Tiger leader's relative launches Valary TV

A close relative of the Sea Tiger leader Soosai has launched a new television channel for LTTE propaganda in Europe. Named Valary TV, the new television channel will start telecasting from the French capital on September 6, 2008, according to Tamilnatham.com. This was also

announced in the Thendral TV, another LTTE-connected television channel launched by Dr Nalliah Sivanathan of Thendral Medical Centre in London. The Valary TV is headed by A C Taricisicus, who is a close relative of Soosai, the head of Sea Tigers, who is currently in an unenviable position after loosing almost all Sea Tiger bases in the north.

A need for real Tamil leadership

The war has reached a significant phase” so says most international media channels. We cannot be naïve to the fact that regaining lost territory & winning the battle will finally put to rest 30 years of calamity. While the army surges ahead it is time for the people of Sri Lanka to start working upon a change in mindset away from extremes & not allow the past to haunt the decisions that should create a fresh start for the entire country. Only then can we expect changes for the better. It is in this scenario that we need to look at the present leadership of the Tamil people & wonder what ails its present existence & why they are not suited to continue to function as the representatives of the Tamil people.

In Sri Lanka, Investors are offered a constitutional guarantee by the government

Sri Lanka is at the threshold of a decisive phase in her history. The security forces are engaged in operations to clear the last hideouts of terrorists. The government has embarked upon a comprehensive program to extend governance; we take for granted, to all parts of the country and restore democracy and civilian administration. “After the successful military campaign to free the Eastern Province from the LTTE stranglehold, the civil administration has been further enhanced with the holding of elections in the Eastern Province. The Government has allocated USD 200 Million for the development of the East,” said Dr. Palitha Kohona.

Give up differences behind: Contribute in the battle of unite the country

President called on the nation to leave petty differences behind them and contribute to the battle of uniting the country. President made these observations at the swearing in ceremony of newly elected members of Sabaragamuwa and North Central Provincial Councils held at the Presidential Secretariat today. Maithreepala Herath and Berty Premalal Dissanayake have been sworn in as Chief Ministers of the Sabaragamuwa and North Central Provincial Councils respectively. President assured to set up the ninth Provincial Council soon in North and commended the service rendered by the security forces to liberate the country from the clutches of the terrorists

Nepal:

POLITICAL:

- All-party discussion on PM's India
- UML for new Koshi accord
- Govt policies, programmes drive mixed reaction
- Set common agenda for PM's India visit
- Amnesty for 50 Nepalis in Saudi
- Ruling parties continue discussion on CMP
- PM's India visit will focus on lopsided treaties

- PM assures return of seized land, property

SOCIAL:

- **UN approves 10 million dollar to Nepal for peacebuilding**

ECONOMIC:

- **Trade deficit with India crosses Rs 105b**
- **Govt okays Rs 3b bailout plan for NOC**

Trade deficit with India crosses Rs 105b

Nepal's trade deficit with India has more than doubled over the last four years, and swollen to a mammoth Rs 105 billion in 2007/08, as major Nepali exports faced major impediments despite a preferential bilateral trade treaty. The deficit with the trading partner in the south, which accounts for two-thirds of Nepal's external trade, widened by 42 percent in 2007/08 alone, shows statistics of Nepal Rastra Bank. Over this period, the country's exports to India stagnated. In fact, the NRB data shows that they dropped to Rs 38.62 billion in the last fiscal year, compared to Rs 38.91 billion in 2004/05. The treaty was supposed to help Nepal bridge the trade gap by giving impetus to its exports. Instead, in 2007/08, it declined by 7.4 percent. Imports from India, on the other hand, posted double-digit growth on average over the four-year period and touched Rs 144 billion in the last fiscal year, compared to Rs 88.67 billion in 2004/05. Data shows growing India with a population 35 times larger than Nepal, did not consume more than what it did from treaty-privileged Nepal in the four years. Interestingly, Nepalis bought more Indian products than Indians bought from Nepal. Traders point to three major reasons for the treaty not functioning. One is high non-tariff barriers, including unfriendly arrangements for quarantine and quality certification. These have added to the cost of doing business and also imposed heavy psychological barrier on traders. The second is India's direct disrespect of the treaty, said another trader. It has time and again imposed duties and additional duties on Nepali exports, which is against the provisions and spirit of the treaty. The third reason is falling popularity of Nepali products along with India's tariff liberalization and also its free trade drive with other neighbors. In such a context, traders said Nepal and India must change their attitude to each other and also overhaul the trade treaty in order to create mutually beneficial trade.

All-party discussion on PM's India

The government is due to hold discussion on Prime Minister Pushpa Kamal Dahal's visit to India with the political parties in the Constituent Assembly (CA). The consultation scheduled for later at Singha durbar will dwell on the agendas for India visit. The Prime Minister is leaving for India on September 14. The meeting will also collect suggestions

on the temporary and permanent agendas to be forwarded to the Indian authorities. The meeting will also discuss the budget for fiscal years 2065/66 based on the government's policies and programmes, which was publicised. Meanwhile, major eight parties will hold separate discussion on Prime Minister's India visit, prior to the meeting of the CA parties. The consultation comes at a time after Nepali Congress urged the government to set a national agenda to be taken up during Prime Minister Dahal's India visit through comprehensive discussions

UML for new Koshi accord

The second largest ruling party CPN-UML, which also holds the Water Resources portfolio, has officially demanded a new agreement with India to replace the 54-year-old Koshi Agreement. Terming the agreement "unequal and benefiting only one side", the UML has pressed the government to immediately review the agreement. A new agreement should be reached on equal footing based on the principle of mutual benefit," the party said in its statement issued at a press meet. UML General Secretary Jhala Nath Khanal made public the decisions of its central committee meeting, which concluded. The government of India should pay annual royalty to Nepal government for using the bridge built on Nepali territory, for making use of water from Nepal, and for using Nepali land, the party said. "Nepal government should have control over the bridge, barrage and Nepali territory," the party said. The party has suggested that the government establish an office at Chatara to look after matters relating to the Koshi. "Nepal government should take over managerial control of Koshi barrage - its supervision, repair and maintenance, as well as monitoring work from the office itself," the statement said.

Govt policies, programmes drive mixed reaction

Shortly after the government publicised its policies and programmes for the fiscal year 2065/66 on Wednesday, various political parties, lawmakers and private sector expressed diverse views. Some opined that the programmes are timely and logical for transformation, while others remarked believed that the implementation part will be easier said than done. CPN-UML leader Bharat Mohan Adhikari said that the government's policies and programmes indicate a beginning of a new era. He, however, added that the government failed bringing strong programmes concerning peace and security. Likewise, Nepali Congress (NC) leader Dr Narayan Khadka criticised that phantasmal programmes have been forwarded only to gain popularity. The 'two-year programmes' could be implemented only in the next 20 years, he added. Another industrialist and lawmaker Moti Dugad said that programmes have not prioritised the economic sector as expected—notwithstanding positivism on utilization of the available infrastructure. He accused that the policies and programmes keep mum regarding the issues of controlling soaring market prices and solving fuel shortage in the country.

UN approves 10 million dollar to Nepal for peacebuilding

United Nations (UN) approved 10 million dollars in assistance to Nepal. Secretary General Ban Ki-moon approved the aid in assistance to Nepal from the United Nations Peacebuilding Fund. A press statement issued by the UN today quoted Ian Martin, special representative of the Secretary General and chief of the United Nations Mission in Nepal (UNMIN), that the peacebuilding contribution was at the core of the United Nations response strategy. According to the statement, assistance from the Peace-building Fund will be channelled through an existing funding mechanism – the United Nations Peace Fund for Nepal, which is governed by an executive committee consisting of the special representative, resident coordinator and representatives from the Nepal government and the donor community. To spend the aid, the UN has identified some priority areas including support to the Constituent Assembly and promotion of human rights and protection and recovery of communities and areas affected by conflict. Also, other priority areas are school feeding projects, skills training for youth and other initiatives that accelerate the tangible benefits of peace and development; and conflict prevention and reconciliation issues including assistance to cantonments and reintegration of former combatants and internally displaced persons or support to land and property mediation. The Peacebuilding Fund is a strategic instrument of the Secretary General to address immediate financial gaps in support of peace-building efforts.

Set common agenda for PM's India visit

Nepali Congress has urged the government to set the national agenda to be taken up during Prime Minister Pushpa Kamal Dahal's India visit scheduled early next week through comprehensive discussions. "The government should call an all-party meeting to decide the national agenda," said NC leader Dr Prakash Saran Mahat while speaking at Reporters Club Nepal. "The PM, during his bilateral talks with India, should take up issues finalized through all-party consensus." Mahat alleged that the government has not yet taken any initiative to call an all-party meeting to share its views on what it is going to discuss with India. He also said that there should be detailed homework on revising the Nepal-India Peace and Friendship Treaty of 1950 and other agreements and a common position of all parties should be developed. "It is essential for us to carry out comprehensive exercise before sitting for dialogue with India if we want to safeguard our national interest," said Mahat, who is also a former minister of state for foreign affairs.

Amnesty for 50 Nepalis in Saudi

The government of Saudi Arabia, on the occasion of Muslim festival Ramadan, has declared amnesty for foreign nationals who have already served nine months in prison after being given one-year sentence on normal charges. According to Pushpa Bhattarai, Third Secretary of Nepali Embassy here in Riyadh, around 50 Nepalis serving prison terms will benefit from this decision. "Around 22 of the 32 Nepalis who are at Alhasa prison will get amnesty. Investigation is underway on other Nepalis as well," Bhattarai said after completing field visits to several regions in Saudi Arabia.

Ruling parties continue discussion on CMP

Parties continued discussion regarding finalisation of the Common Minimum Programme (CMP) proposed by the partners of the ruling coalition. The proposal put forwarded by the CPN-Maoist on behalf of the government at the meeting of the ruling parties for the government's policy and programme reflected the issues mentioned in the commitment paper publicised by the Maoists during the Constituent Assembly (CA) elections. The 69-point policy and programme includes the drafting of a new constitution within next two years, institutional development of the federal democratic republic and relief programme for the Koshi flood victims. While the second largest party in the ruling coalition, CPN-UML presented a separate suggestion for the government's policy and programme.

PM's India visit will focus on lopsided treaties

CPN-Maoist leader CP Gajurel said that Prime Minister Pushpa Kamal Dahal's visit to India scheduled for next week will focus on lopsided treaties between Nepal and India. Addressing a programme in the capital today, Gajurel who is foreign bureau chief of the Maoists said that the issue of the 1950 Nepal-India Treaty will be raised. "However, it will take some time for the review," he added. He said, "We are of the opinion that the issue of whether to review the Treaty should be raised. We have to reach a decision

PM assures return of seized land, property

Prime Minister Pushpa Kamal Dahal assured that his party would return captured land and property to their respective owners soon. "The policy and program on returning captured lands and properties will be implemented soon, It may be recalled that the Prime Minister's party had committed time and again in the past to return land and property captured during the ten-year old Maoist conflict to the respective owners. However, the party has not lived up to its commitment, making other political parties suspect their motive.

Govt okays Rs 3b bailout plan for NOC

Consumers long suffering from the fuel crisis may find their problems solved during the festive season, if the government seriously implements loan decisions it made last week. The government last week endorsed, through a cabinet decision, loans amounting to Rs 3 billion to the Nepal Oil Corporation (NOC) from financial institutions to finance imports. The NOC, however, has argued that making up its losses is important because it will establish that subsidies are being provided by the government, not the NOC. "And it will correct the ambiguity

in the current policy on who should bear the subsidy,” said Jha. The NOC has further argued that a clear policy on oil subsidies was also essential to force the government realize the importance of switching to an automated pricing mechanism (APM).

BHUTAN:

POLITICAL:

SOCIAL:

- **SAMSN strategy meeting concludes**

ECONOMIC:

SAMSN strategy meeting concludes

Member of the South Asian Media Solidarity Network (SAMSN), the forum of South Asian media organisations affiliated to International Federation of Journalists (IFJ) concluded their regional strategy meeting in Kathmandu. The three-day meeting ended up with adopting a charter and action plan to improve the situation of press freedom in the region alongside ensuring democratic media environment. The media rights activists also expressed commitments to strengthen the trade unions of the journalists across South Asia. I. P. Adhikari, president of the Association of Press Freedom Activists (APFA) Bhutan represented Bhutan in the regional meeting that takes place every two years. The meeting expressed concern over the circulation Bhutan InfoCom and Media Authority made to radio stations in Thimphu last month, increasing number of attacks on journalists in Jammu & Kashmir state of India, increasing number of violence against media in Nepal, Pakistan and Sri Lanka.

MALDIVES:

POLITICAL:

- **First election date set by EC failed**
- **Majlis sends Presidential Election Bill to Committee**
- **Members raise doubts on achieving Oct 10 election deadline**
- **Maldives to hold presidential elections on October 4**
- **Maldives appoints first ever Prosecutor General**
- **Maldives elected to IPPC**

SOCIAL:

- **Disaster Management Center commence distributing food aid**

ECONOMIC:

- **STO reduce fuel prices**

First election date set by EC failed

Presidential Elections slated for October 4 by Interim Elections Commission (EC) formed under the constitution ratified on August 7 this year, will no longer go ahead as planned as the People's Majlis has failed to complete two important pre election Bills. The newly formed Interim election Commission on Monday had said that presidential elections will go ahead on October 4 th if the Majlis is able to complete, presidential elections bill and general elections bill by the end of this week.

Majlis sends Presidential Election Bill to Committee

People's Majlis at its 50 th sitting of the second session held yesterday passed to accept the Bill on Presidential Election Bill and sent it to the Majlis Committee on Public Affairs. During the plenary debate of the bill, thirteen members spoke on the subject. Following the plenary debate the bill was to put to vote to ascertain whether it be accepted or rejected by the Majlis. People's Majlis passed to accept the bill by 32 members voting in favor out of 34 in attendance. After the bill was accepted by the Majlis, the speaker announced the committee stage of the bill. The bill was ruled to the Committee on Public Affairs, as this was the only proposal, put forward during this stage. The proposal was by submitted by Presidential Appointee Mohamed Saleem. The presidential election Bill was formed to ensure the presidential elections held in the country follows democratic principles with the full participation of the people as well as to ensure that such elections are held in a free, fair and transparent manner. Further the bill also lays down the legislative frame work for such elections and provides for rules and regulations governing the presidential elections. MP for Dhaalu atoll said free and fairness of the forthcoming elections are questionable. He said at this juncture, it was important to check on the arrangements and planning made for the elections.

Members raise doubts on achieving Oct 10 election deadline

At the Majlis sitting held yesterday morning members have raised questions on the viability of holding the presidential elections 2008 prior to the deadline October 10 deadline imposed by

the constitution ratified on August 7 this year, in light of the slow progress in completing the pre election bills and establishing the Supreme Court. The questions arose when Majlis failed to complete the 2 important pre election Bills, the Presidential Election Bill and the General Elections Bill. While the Majlis yesterday accepted the Presidential Elections and sent it to the Majlis standing committee on Public Affairs for evaluation, the General Election Bill is still at the committee stage. Nominations for Supreme Court judges have not been submitted to the Majlis as yet. The newly appointed Commissioner of Elections Mohamed Ibrahim speaking at the media briefing held a press room Fansavees / Dharubaaruge on Monday said that if the pre election bills, the Presidential Election Bill and the General Election Bill are completed this week and Supreme Court established, he intends to slate the presidential elections for the October 4. In addition he said if the pre election bills are ratified this week he will announce the elections early next week. According to Speaker Mohamed Shihab, Public Affairs Committee will be able to present the two Bills to Majlis floor sometime next week and that he hoped to receive the nominations for the Supreme Court judges next week as well. Members at the Majlis yesterday raised concerns on not being able to hold the presidential elections as specified in the constitution. While members expressed concerns on not being able to hold elections as called for in the constitution others expressed that it is vital to follow the constitution.

STO reduce fuel prices

State Trading Company (STO) has revealed the company has reduced the prices of diesel and petrol effective as of yesterday. STO reduced the price of diesel by Rf.075 per liter and petrol by Rf0.50 per liter. According to the statement issued by the company yesterday, the price of diesel now stands at Rf16.50 per liter and the price of petrol now costs Rf14.50 per liter. STO, however, did not bring about any change to price of kerosene this time and the price of kerosene remains the same. This is the second time that STO reduced prices since global oil prices came down. The Company on 13th of last month reduced Rf0.25 from a diesel liter and Rf0.25 from a kerosene liter. When the world oil prices were at its peak, a liter of petrol in Male' was at Rf15.25 and diesel liter stood at Rf17.50.

Maldives to hold presidential elections on October 4

Maldives will be holding its first ever multi-party presidential elections on Saturday 4 October, new Election Commissioner Mohamed Ibrahim has announced at a news conference in Male' today. Mohamed Ibrahim who resigned from the post of Deputy Minister of Construction to become a member of the transitional election commission, said the commission is hoping to invite prospective candidates for the upcoming presidential election to file their candidatures next week and he hopes to hold the election on 4 October. Election Commissioner elaborated there are three important tasks to be completed before the date is finally fixed, that is enacting law on elections and law on presidential election which are under consideration by the People's Majlis. The Supreme Court must also be appointed during this process. If these three tasks can be completed next week, then presidential elections will be held on 4 October before the

deadline set in the Constitution, Mohamed Ibrahim said

Maldives appoints first ever Prosecutor General

Ahmed Muizzu has been appointed by President Maumoon Abdul Gayoom as the first Prosecutor General of the Maldives. The nomination of Muizzu was submitted to the People's Majlis last week for scrutiny and approval according to the Constitution. Nomination for the post requires two third majority of the Majlis before being appointed. Muizzu received 41 votes in favour which is larger than the required majority. Muizzu took oath of Prosecutor General before senior Judge Ahmed Faiz Hussain who is in charge of Judiciary. Later President Gayoom delivered him the letter of appointment for post. Muizzu is one of the prominent lawyers of the country who has earned high respect for his professional ability and dignity. He is a staunch advocator of good governance and accountability. He has courageously fought against corruption. Though he is a relative of President Gayoom, Muizzu has very often criticized the government citing several cases of high corruption and abuse. He was one of the two MPs who voted against the amended Constitution adopted in 1998.

Maldives elected to IPCC

Amjad Abdulla, Director General at the Ministry of Environment Energy and Water has been elected to the new Bureau of the Intergovernmental Panel on Climate Change (IPCC) during elections held in Geneva, according to a statement from Foreign Ministry. According to foreign ministry Amjad Abdulla beat off strong competition from other Asian countries to take one of the Vice-Chair positions in Working Group II which focuses on Climate Change Impacts, Vulnerability and Adaptation. The election took place during the 29th Plenary Session of the IPCC in Geneva, Switzerland, and was chaired by IPCC Chair, Dr. Rajendra K. Pachauri. The IPCC is a scientific intergovernmental body created to provide the world's policymakers and climate change negotiators with an objective source of information about the causes of climate change, its potential environmental and socio-economic consequences, and the adaptation and mitigation options to respond to it. In December last year, the IPCC together with Al Gore, was awarded the prestigious Nobel Peace Prize for its vital role in bringing the reality of climate change to the world's attention and in moving the world towards a solution, foreign ministry said.

.Disaster Management Center commence distributing food aid

National Disaster Management Center has revealed that distribution of essential food items needed by the 2004 tsunami victims for the month of Ramazan is ongoing. Disaster Management said essential food requirements were first distributed to tsunami victims from aid from World Food Program after which food requirements were met with assistance from Islamic Development Bank. Further from 2007 onwards food requirements of the tsunami victims were met directly from the government's budget and that all essential food items were supplied on a monthly basis. In this regard the Disaster Management Center said distribution for the month of Ramazan began on the 28 th of August 2008. The Center revealed that distribution of food items

to tsunami victims living in South Maldives has been completed and supply for the victims in the North will be dispatched from Male.

Myanmar:

POLITICAL:

- **Opposition denies junta's accusation of terrorism**
- **Samak to ask Burma to let UN play a role in elections**
- [Bomb blast destroys hydropower generator in Myanmar](#)
- **UN to consider request for Myanmar junta's seat**
- **Eight S. Korean, 13 Burmese sailors kidnapped off Somalia**

SOCIAL:

- **Border markets closed due to flooding**
- **Government of Canada Helps Victims of China Earthquake and Burma Cyclone**
- **U.S. needs to focus more on ethnic groups**
- **Junta sets new target for overseas job placement**

ECONOMIC:

- **Myanmar, Russia to jointly explore oil, gas**
- [Myanmar sets up international trade for beans](#)

GEO-STRATEGIC:

- **Dhaka proposes road links with Thailand through Myanmar**
- **Bangladesh Seeks to Solve Border Dispute with Burma**
- **Strong and ancient links with Burma**

Opposition denies junta's accusation of terrorism

Burma's main opposition party, National League for Democracy (NLD), on Monday denied the ruling junta's claim that members of the party are responsible for bomb blasts in the country. During a rare press conference on Sunday, the country's Police Chief, Brigadier General Khin Yi, told reporters that it had arrested several opposition activists,

including members of the NLD, in connection with planting bombs and conducting subversive activities. Khin Yi said NLD members Yan Shwe, Zaw Zaw Aung and Myint Aye, that last of whom is also a member of the Human Rights Defenders and Promoters Network (HRDP), were arrested with explosives and accused of the blasts at an office of the Union Solidarity and Development Association (USDA) – a junta-backed civilian organization – in Rangoon’s suburban township of Shwepyithar

Myanmar, Russia to jointly explore oil, gas

Myanmar's oil company and a Russian one will jointly explore oil and gas in two onshore areas in Myanmar, the state-run newspaper New Light of Myanmar reported. According to a production sharing contract signed last weekend between the state-operated Myanmar Oil and Gas Enterprise (MOGE) and the Closed Joint Stock Oil Company "Nobel Oil" of the Russian Federation, the exploration will be done in Hukaung and U-ru regions. Other three Russian oil companies have been engaged in oil and gas exploration in Myanmar under respective contracts since 2006. The first, which is JSC Zarubezhneft Iteraaws along with the Sun Group of India, has been exploring oil and gas at block M-8 lying in the Mottama offshore area. The other two Russian companies -- Silver Wave Sputnik Petroleum Pte Ltd and the Silver Wave Energy Pte Ltd of Kalmykia have been drilling Zeebyutaung test well-1 at the inland block B-2in Pinlebu township of northwestern Sagaing division under similar contract reached in March 2007.

Samak to ask Burma to let UN play a role in elections

Thailand will try to convince Burma to allow the United Nations to play a role in its general elections scheduled for 2010, Prime Minister Samak Sundaravej said. Mr Samak, speaking at the Foreign Ministry yesterday, said the UN's experience in organising elections in Cambodia and East Timor could help Thailand's neighbour return to democracy. The prime minister did not go into detail about what role the UN could play in the elections in Burma. However, he stressed he would not mention the position of opposition leader Aung San Suu Kyi when he talks with the Burmese generals. Thailand's proposal to Burma is expected to be tabled at the summit of the Association of Southeast Asian Nations (Asean) in Bangkok in December. Thailand is now chairman of the 10-nation grouping. The government is waiting for a new foreign minister to replace Tej Bunnag, who resigned from his post last week.

Border markets closed due to flooding

Markets in the towns of Tachelik and Mae Sai on the Thai Burma border have been closed in anticipation of flooding due to heavy rain locals said. A Tachelik shopkeeper said border checkpoints between Tachilek in Burma and Mae Sai in Thailand had also been shut as the water level of the Mae Sai river had risen up to the two friendship bridges linking the towns. The shopkeeper said while the Thai government had put in place emergency measures in Mae Sai, the Burmese authorities had not done yet anything about the situation in Tachelik.

Dhaka proposes road links with Thailand through Myanmar

Bangladesh has proposed direct road links with Myanmar and Thailand to improve its business ties with the nations of Southeast Asia. The proposal was made by Bangladesh Foreign Adviser Iftekhar Ahmed Chowdhury to the Myanmar and Thai foreign ministers during the latest Bay of Bengal Initiative for MultiSectoral Technical and Economic Cooperation (Bimstec) meeting in New Delhi, India. An official report from Bangladesh stated that Foreign Adviser Iftekhar Ahmed Chowdhury made the proposal on August 29 during his meetings with Myanmar's Foreign Minister, U Nyan Win, and Thai Foreign Minister Tej Bunnag. The 10th Bimstec Ministerial Meeting was convened in New Delhi on August 29 with the intent to forge stronger ties and map out transportation and trade links between countries. Foreign ministers from Bangladesh, Myanmar, India, Thailand, Bhutan, Nepal, and Sri Lanka attended the meeting. Bangladesh has plans to build a road linking it with Myanmar, but the plan has yet to be implemented, even though the agreement between the two countries was made over five years ago. Bangladesh believes that the road link will also provide access to China, eventually building connections between Bangladesh, Myanmar, Thailand, and China.

Government of Canada Helps Victims of China Earthquake and Burma Cyclone

The Honourable Jason Kenney, Secretary of State Multiculturalism and Canadian Identity, representing the Honourable Beverley J. Oda, Minister of International Cooperation, announced today that Canada has matched nearly \$30 million in private donations to assist victims of the earthquake that struck Sichuan, China in May. In addition, over \$11.6 million was raised for people affected by Cyclone Nargis in Burma. These matching funds will be channeled to humanitarian organizations, including Canadian NGOs and international agencies, to directly help the people in greatest need. The Sichuan earthquake in May killed nearly 70,000 people, while 18,000 are still missing. Recognizing the need for specialized assistance, China sought help from the international community. Canadians donated nearly \$30 million to several non-profit

organizations, ranging from humanitarian agencies to Chinese-Canadian organizations. Following a review of proposals from Canadian and international humanitarian organizations, the Through the Sichuan Earthquake Relief Fund, the Canadian International Development Agency (CIDA) is contributing to 10 projects that deliver timely, effective, and appropriate humanitarian assistance in China.

U.S. needs to focus more on ethnic groups

A long-time American voice of reporting and analysis on international affairs and relations concludes that the best hope for a future Burma and the securing of American interests lies in a renewed emphasis on the part of the White House in support for Burma's ethnic communities. Writing in the September issue of *The Atlantic*, Robert D. Kaplan chronicles his recent experiences on the Thai-Burma border and his encounters with four Americans long involved in Burma's continuing saga, judging that future international influence in the Southeast Asian country "may, alas, come down to who deals more adroitly with the Burmese hill tribes." The theme of Kaplan's analysis is that present and past American policy as directed toward Burma excuses the United States from the playing field, thereby leaving the game to the sole purview of rival powers in the region such as China, Thailand and India.

Bomb blast destroys hydropower generator in Myanmar

A bomb blast in Hpa-an township, Myanmar's northeastern Kayin state, Saturday destroyed a hydropower generator, the official newspaper *New Light of Myanmar* .

Bangladesh Seeks to Solve Border Dispute with Burma

Bangladesh is pushing to resolve offshore territorial boundary disputes with both Burma and India. The Dhaka government sent a delegation to Burma this week in a bid to break a deadlock that is blocking exploration of potential oil and gas deposits in the Bay of Bengal. Bangladesh and Burma lay claim to sea areas where both countries have development ambitions. Resumption of negotiations this year after years of inaction has been prompted by efforts by Bangladesh's state agency. When Burma and India objected to Dhaka's activity, the Bangladeshis proposed a general moratorium on Bay of Bengal exploration, which no one has agreed to.

Strong and ancient links with Burma

Scotland g had strong links with Burma, dating from the late 19th and early 20th centuries and Paul Strachan would like to see a revival in that relationship. He described Burma as "the great

Scottish colony", the area carved up by four Scottish companies and run by Scots. Many early travelers on Mr Strachan's Pandaw vessels – the first of which was a Clyde-built steamer were elderly passengers with connections to Burma, he said There's this other side to Burma with a rich culture that people are missing out on. Culture is a great way to build bridges.

Myanmar sets up international trade for beans

Myanmar is about to set up its first international-level beans and pulses wholesale centre. Myanmar beans and pulses do well on the international market and Myanmar authorities have urged boosting export through extensive cultivation of quality strains of crops and use of fertilizers and pesticide. The Myanmar authorities have called for extended cultivation of marketable beans and pulses in all the states, which are already extensively growing beans and pulses that are marketable at home and abroad. Beans and pulses are among the 10 major items of agricultural crops that Myanmar grows. Among the varieties are green gram, lablab bean, pigeon pea, butter bean and soya bean.

Junta sets new target for overseas job placement

Burma's Ministry of Labor has set a new target for overseas employment agencies, looking for each registered agency to place 300 Burmese workers abroad per year, according to placement agencies. While the Ministry earlier set the target at just 100 positions for each agency, the new instruction, given in April, is causing panic among overseas placement agencies, as the Ministry also warned that failing to reach the new target could result in a delay or the inability to renew their company license. "If we are short of just a few placements to meet the target, there should not be much problem, but if we are far short of the target our license could be revoked," commented an official at a Rangoon-based overseas employment agency. While there are at least 200 registered overseas job placement agencies, the number of people seeking overseas jobs through such agencies is on the rise, as there are fewer and fewer job opportunities in the domestic labor market. Overseas job placement agencies typically demand a down payment from clients, but now they are asking for only half as much in advance as they used to for their services. Of the many countries that Burmese find themselves working in, Thailand, Malaysia and Singapore are the most common destinations, according to job placement agencies.

UN to consider request for Myanmar junta's seat

Secretary-General Ban Ki-moon will ask a committee to consider a request from the winners of Myanmar's 1990 elections to replace the country's current military junta representatives at the United Nations, the U.N. said. The letter from pro-democracy candidates elected to parliament 18 years ago challenged the legitimacy of the military government that refused to cede power after a landslide victory by opposition leader Aung San Suu Kyi's National League for Democracy. The junta has ruled Myanmar, also known as Burma, ever since. Montas said any decision on who should represent a country at the United Nations is up to the General Assembly's Credentials Committee, which will meet soon after the 63rd session of the assembly opens on Sept. 16. World leaders will arrive the following week for their annual ministerial meeting. The military has ruled Myanmar since 1962 and has been widely criticized for suppressing basic freedoms. The current junta, which took power in 1988 after crushing pro-democracy demonstrations, held general elections in 1990 but refused to cede power to Suu Kyi's NLD. Since then, the country has been in political deadlock. Suu Kyi has been in prison or under house arrest for more than 12 of the past 18 years. For about the last three weeks, the 63-year-old Nobel Peace Prize winner has refused daily food deliveries to her home to protest her ongoing detention, according to her political party.

Eight S. Korean, 13 Burmese sailors kidnapped off Somalia

Eight South Korean sailors and 13 Burmese crewmember on a cargo ship were kidnapped by pirates off the coast of Somalia on South Korea's Yonhap News Agency reported. The 15,000-ton South Korean-flagged vessel was captured at around 0700 GMT and all the kidnapped sailors "seem to be safe now," Yonhap quoted South Korean diplomat as saying.

Business and Politics in Muslim World

India

Sadia Khanum

6th September to 12th September 2008

Presentation: 19th September 2008

Political front:

- India may have lost right to N-tests: BJP
- India to march with developed nations in N energy sector: Sonia
- BJP to look for winning poll strategy at leadership meet
- BJP slams Jaya's remark

Domestic situation:

- Bihar flood victims find shelter in Nepal
- Floods: Assam government asked to submit report on funds utilization

- Maharashtra, Tamil Nadu will benefit first

Economic Front:

- 'Fruitful' talks but no deal to save India's cheap-car plant
- India's gold imports jump 45%
- Coal India to import 4 m tones
- Deal reached to save India's cheap car plant
- End To India Nuclear Isolation Opens Huge Market
- Official: India inflation moderating

Geo-strategic developments:

- Delegates: 45-nation group OKs US-India nuke deal
- India to take up the letter issue with US
- India exultant over end to nuclear isolation
- U.S. to sell Harpoon missiles to India
- Pranab: no legal barrier to deals with Russia, France
- Rice Presses U.S. Congress on India Accord With Stream of Calls

Kashmir

- What freedom means in Kashmir
- Hurriyat (G) To UN: Press India On Plebiscite

Social front

Foreign Relations

- Triumphant day for India: Mulford
- Beijing 'disappoints' Delhi
- US agency wants India to quell violence in Orissa
- India proposes Oct 1 for start of LoC trade
- India and Nepal play blame game over Bihar floods
- 'Canada to focus on free trade pact with India'
- China-Pak nuclear deal not possible: India
- Stable Pakistan not in India's interest : Capt. Bharat Verma
- India, China should work for peace and stability in Asia
- Ghana-India Relations: So Far So Good
- India's Manmohan Singh Seeks Close Partnership With Pakistan
- Australia says no change to India uranium ban
- India to take up dam projects with Prachanda

Political front

India may have lost right to N-tests: BJP

Pushed on the back foot by the government's success in wresting the NSG waiver, BJP reacted to the development in Vienna by expressing the suspicion that the trade off could spell India giving up its options to ever conduct a nuclear test. Senior party leader and former foreign minister Yashwant Sinha said: "The NSG waiver has come after so many deliberations that there has obviously been some give away on the part of India, because the NSG guidelines are as stiff and tough as the Hyde Act."

India to march with developed nations in N energy sector: Sonia

Exuding confidence that the Indo-US nuclear deal will allow India to meet its future energy needs, Congress President Sonia Gandhi today said the pact will put the country in the league of elite nations which dominate the atomic power sector. "Prime Minister Manmohan Singh's achievement on Indo-US nuclear deal is historic as India would be fulfilling its energy needs in near future."

BJP to look for winning poll strategy at leadership meet

The Bharatiya Janata Party's (BJP) national executive meets here Friday to discuss a winning strategy for the next Lok Sabha polls as it looks for issues that would find resonance with voters in the face of a triumphant Congress that is seeking to highlight its policy successes over the India-US nuclear deal. "We will discuss the political, economic and social situation in the country apart from the preparation for the Lok Sabha elections," state BJP spokesperson and former Lok Sabha member Dhananjaya Kumar said. "The agenda, however, will be fixed by the central leadership," he added.

BJP slams Jaya's remark

Navnirman Sena (MNS) and said actor Jaya Bachchan's remarks were inappropriate. Speaking to the press here, BJP national general secretary Gopinath Munde said that while Hindi was the national language, there was no need to insult Marathi. Why did Ms. Bachchan have to specify she was going to speak in Hindi because she was from Uttar Pradesh, Mr. Munde asked. She had insulted Marathi, he added.

Domestic situation

Bihar flood victims find shelter in Nepal

Hundreds of villagers swam against the tide to safety on the high ground in upstream Nepal. "The sudden rush of water cut us off from India... We waded and swam to Nepal," Latifur Rahman from Bela Tinkamba village in Araria district said. Rahman found refuge at a Nepalese relief camp at Bhokraha village, along with nine family members. The Rahman family is among hundreds from India to have found shelter in camps at Sunsari. Bihari Ram of Banaili-Patti village in Supaul district said. Ram and his co-villagers had the presence of mind to cut through eight km of rushing waters to reach the high ground in Sunsari district. The saga of the Rams and Rahmans is of incredible resilience just as their Nepalese hosts reinforce age old ties of roti and beti. The Kosi has just drowned the political boundary and the firm cross-border social fabric is a flag fluttering above the misery of these flood waters. At camps set up across Sunsari, victims from both countries together find fortitude in fatalism. Humanity's intrinsic hope is reflected in the relief and succour at these camps sans any discrimination of nationality. This logistical convenience of reaching Nepal has been bolstered by traditional kinship networks with Madhesi activists immediately beseeching the local administration to provide aid to victims from India equally. Many, instead of reaching relief camps, have taken shelter at their relatives place in Nepal.

Floods: Assam government asked to submit report on funds utilization

Though Assam has been allocated Rs. 210.62 crore under the Calamity Relief Fund for the year 2008-09, the Finance Ministry has not released the first installment of the central share (Rs. 78.78 crore), due to be released in June, owing to non-submission of an utilisation report by the State government. This was disclosed in a letter written by Minister of State in the Ministry of Home Affairs V. Radhika Selvi to Asom Gana Parishad (AGP) MP from the Lakhimpur Lok Sabha constituency Arun Kumar Sharma. The letter was in response to the MP's letter to Prime Minister Manmohan Singh on June 14. Ms. Selvi said the State government had been requested to expedite the submission of an utilisation report to the Finance Ministry to enable them to release the said amount. The government had not submitted any memorandum seeking additional assistance from the National Calamity Contingency Fund in the wake of floods during 2008, she pointed out. Dr. Sharma, who distributed copies of Ms. Selvi's letter to journalists here on Wednesday, alleged that the letter exposed the Congress-led State government's indifference to the woes of the flood affected people.

Maharashtra, Tamil Nadu will benefit first

With India getting waiver from the Nuclear Supplies Group, the immediate beneficiaries of nuclear power generation will be Maharashtra and Tamil Nadu, where mega plants have been planned. In a related development, the Congress government in Haryana, trying to cash in on the euphoria over the India-U.S. nuclear deal, has submitted a proposal to the Centre for setting up a plant. "The proposal "will receive active consideration. A number of other States have also shown interest in setting up nuclear power plants for clean energy and proposals are likely to flow once the U.S. Congress gives its nod for the deal," Minister of State for Power Jairam Ramesh said.

Economic Front

'Fruitful' talks but no deal to save India's cheap-car plant

Talks to end violent protests over a factory in eastern India to manufacture the world's cheapest car ended Saturday with no breakthrough. But West Bengal's opposition Trinamool Congress party, which has been spearheading opposition to the plant, was hopeful an agreement could be reached in further talks with the Marxist state government. It said a new round of discussions might be held either Sunday or Monday in hopes of clinching an agreement. The opponents of the Nano plant claim farmers were forcibly evicted by the state government to make way for the facility and are demanding that land be returned. West Bengal industry minister Nirupam Sen said before entering the discussions that the government was "offering a package that will help all farmers whose land was acquired." The Nano, with its innovative lightweight engineering, was conceived by Ratan Tata to get poor Indians off motorcycles and into safer cars.

India's gold imports jump 45%

India's gold imports in August jumped 45 percent from a year ago, the first annual rise this year, as lower prices and upcoming festivals drove demand in the world's leading consumer, a trade body chief said. Local demand for the precious metal picked up after domestic prices tracked global rates lower from a record above 13,800 rupees (\$312) per 10 grams in mid-July, triggering imports of about 100 tonnes in August. "The rise in demand is mainly because of the fall in gold prices," the president of the Bombay Bullion Association, Suresh Hundia, told Reuters. India imported about 69 tonnes of gold in August 2007. In July this year, it bought just 22 tonnes, Hundia said, against 64 tonnes in the same month a year ago.

Coal India to import 4 m tonnes

For the first time in its history, Coal India Ltd. (CIL) is set to import coal. This may start with an import of four million tonnes within this fiscal year. The power sector, which imported about 15 million tonnes of coal in 2007-08, was supposed to import about 20 million tonnes this fiscal and half of it was to have been imported by now.

Deal reached to save India's cheap car plant

Opposition activists in eastern India on Monday called off their siege of a Tata Motors factory set to build the world's cheapest car after striking a deal to end violent protests against the plant. West Bengal state's Trinamool Congress party, which has been spearheading opposition to the plant, hailed a local government pledge to return seized land as "a big victory" for evicted farmers. Tata Motors can now press ahead with plans to make the world's cheapest car at the factory in eastern India. The plant in Singur is 90 percent complete, and Tata Motors India's largest vehicle maker has said it aims to launch the Nano in October, in time for the big-spending annual Hindu festival season. West Bengal's Marxist state government had

energetically wooed Tata Motors, part of the tea-to-steel Tata Group, to set up the plant. It is hoping the factory could lead the way for the state's industrial resurgence and create new jobs. "The government has taken the decision to respond to the demands of those farmers who have not received compensation," Gandhi told reporters at the press conference.

End to India Nuclear Isolation Opens Huge Market

The end to India's nuclear pariah status paves the way for atomic fuel and technology sales worth tens of billions of dollars and companies are racing to exploit the market, officials say. A host of companies - from Westinghouse Electric Co. and General Electric Co. (GE), and France's state-controlled Areva (CEI.FR) to Russia's atomic energy agency Rosatom - have been jockeying for a slice of India's lucrative civilian nuclear technology market and more are poised to join the fray. "This is a huge business opportunity for India as power is a booming sector requiring maximum investment," Venugopal Dhoot, who heads consumer goods-to-energy firm Videocon Group, told reporters Monday. The U.S.-India Business Council, one of the champions of the nuclear pact between New Delhi and Washington, said the NSG's decision could unlock nuclear energy investment in India worth more than \$100 billion.

Official: India inflation moderating

India's record-breaking inflation has moderated, but it is too early to say whether it has peaked, the new governor of India's central bank said Tuesday. "We've seen some moderation but I'm not sure we can see a discernible trend yet," Duvvuri Subbarao, who took over Friday as the new governor of the Reserve Bank of India, told reporters. "For sustained economic growth, it is essential that inflation and inflation expectations be contained," he added. In the last two weeks, India's inflation, which is running near 13-year highs, has steadied. The nation's benchmark wholesale price index gained 12.34 percent in the week ended Aug. 23, slightly lower than the prior week. This time last year, annual inflation was just 3.94 percent. Subbarao takes office as policy makers across the region struggle to sustain economic growth while battling rising prices, which have been largely imported in the form of high fuel, commodities and food costs.

Geo-strategic developments

Delegates: 45-nation group OKs US-India nuke deal

The Nuclear Suppliers Group approved a contentious U.S. plan to sell peaceful nuclear material technology to India, delegates at the 45-nation talks said Saturday. The talks overcame misgivings expressed by Austria, Ireland and New Zealand. One delegate said Saturday's session produced "a total consensus" on the deal, which would reverse more than three decades of U.S. policy toward India. India has tested atomic weapons and refused to sign international nonproliferation treaties. The U.S. needed approval from the nuclear group, which governs the legal trade in nuclear components and technology. The deal still also needs authorization from U.S. Congress, and the Bush administration has been racing to get acceptance before lawmakers recess for the rest of the year to devote time to their re-election campaigns. Austria issued a

statement saying it lifted its objections after India pledged Friday not to touch off a new nuclear arms race or share sensitive nuclear technology with other countries. Austria's government called that pledge "decisive." Before the nuclear group approved the deal, U.S. officials had contended that selling peaceful nuclear technology to India would bring the country's atomic program under closer scrutiny and boost not undermine international nonproliferation efforts.

India to take up the letter issue with US

India will take up with the US the controversial letter written by the State Department to the Congress stating that it would stop fuel supplier to India in case of a nuclear test by that country. "I think that letter contains certain issue which we will take up with the US....," National Security Adviser (NSA) M K Narayanan told NDTV. He said India has made it clear where it stands. "We have the 123 Agreement with the US, which is awaiting signature. Now the NSG waiver is through we will go through the signature procedure," the NSA said.

India exultant over end to nuclear isolation

Indian government exulted over a decision by nuclear supplier nations to end the decades-old ban on trading with the country, and open up a reactor market worth bn of dollars. The government called the nuclear trade waiver a "momentous" milestone in its quest to achieve energy security and meet the challenge of global warming.

U.S. to sell Harpoon missiles to India

The United States on Wednesday announced the sale of two dozen Harpoon II anti-ship missiles to India. The deal, worth over \$170 million, was made public as Defence Minister A.K. Antony began a high-level visit to the U.S. This would be the first sale of American missiles to India. The Pentagon has notified Congress of a possible sale to India of the Harpoon Block II missiles, which would arm squadrons of the maritime-role version of Jaguar warplanes of the Indian Air Force. The Pentagon's Defence Security Cooperation Agency said India had sought 20 AGM-84L Harpoon missiles, which are fired from fixed-wing aircraft, and four ATM-84L Harpoon Block II Exercise missiles, containers, training devices, spare and repair parts. If the Harpoon deal goes through, it would be the fourth major U.S. arms sales to India over the last three years. Washington has already sold to India ANTPQ37 weapon-locating radars, six Hercules C-130J transport aircraft and eight maritime P-8 reconnaissance aircraft. India has also asked for supply/technical support, support equipment, personnel training and training equipment, technical data and publications, U.S. government and contractor engineering and logistics support services, the DSCA said.

Pranab: no legal barrier to deals with Russia, France

Clarifying the impression created to the contrary by media reports of his remarks two days earlier, External Affairs Minister Pranab Mukherjee said on Tuesday that there was no "legal" barrier to India entering into nuclear agreements with Russia and France immediately following the Nuclear Suppliers Group's waiver last week. In an interview to CNN-IBN, Mr. Mukherjee said he was

giving a "clarification in very clear and unmistakable terms." Nuclear trade with the U.S. cannot begin unless the 123 agreement is ratified by the U.S. Congress. Mr. Mukherjee was quoted as saying India would have to wait for the 123 agreement to be ratified before it could enter into agreements with other countries.

Rice Presses U.S. Congress on India Accord With Stream of Calls

Secretary of State Condoleezza Rice plans to meet with the leadership of the U.S. House and Senate and has urged them to clear the way for a nuclear agreement with India this year. "We are reaching out to everybody, supporters as well as those who may be on the fence, those who oppose," State Department spokesman Sean McCormack told reporters in Washington. "We're going to do everything we possibly can to move the deal forward with Congress."

Kashmir

What freedom means in Kashmir

The newspaper headlines in the mainly Muslim valley in India-administered Kashmir say it all. 'Freedom is sweet, no matter how it comes', says one. 'People pray for freedom,' chimes another, reporting on Friday prayers in the valley. A row over transferring land for a Hindu pilgrimage escalated into a nationalist upsurge in the valley in recent months. Some 30 people have died after security forces fired on protests here. Many say the relative calm at present is just the lull before another storm. In the eye of the storm is the demand for azadi (freedom) for people living in the valley; the latest bout of unrest has brought the contentious issue back into the limelight again. For many of the majority Muslims living in the valley, freedom is the only way to get their pride back. It is the only way, they say, India can redeem itself in the hearts and minds of the Kashmiri. People have waved Pakistani flags and belted out pro-Pakistani slogans although, as Booker-prize winning writer Arundhati Roy says, it "would be a mistake to assume that the public expression of affection for Pakistan automatically translates into a desire to accede to Pakistan". Across town, in the bustling Dalgate area, Sayed Zubair, a government school teacher, is seething after the security forces shot down his elderly neighbour during a recent curfew. "We live in fear. A free Kashmir is the only solution to make us feel safe," he says. His neighbour, Hilal Ahmed, a bank manager, says freedom can help Kashmiris get rid of a twin "stigma". "India says it is the biggest democracy in the world. Living in Kashmir, we do not get any sense of that. Being a Kashmiri is a curse, being a Muslim is a crime. So we are doubly disadvantaged in these troubled times. "The only way to set things right is to India get out of our lives and leave us free." Many analysts say that the autonomy that Kashmir enjoys under the Indian constitution has been eroded considerably and it is time that the Indian government worked out a new deal for its people. Dr Noor Ahmed Baba says that when most Kashmiris say they want freedom, they do not necessarily mean seceding from India. "The overwhelming people here want independence. But it does not mean a sovereign state. It could be a higher degree of autonomy rooted in a larger understanding with India and Pakistan, both of whom

who would pledge not to interfere. "For us freedom also means more choices about reviving our old trade, cultural and economic roots. We want to come out of seclusion," he says.

Hurriyat (G) To UN: Press India On Plebiscite

The Geelani-led faction of the Hurriyat Conference has appealed to the United Nations to exert pressure on India to implement the democratic formula of the right of self-determination in view of the "referendum" given by the Kashmiri people in the recent demonstrations. Hurriyat (G) chairman, Syed Ali Shah Geelani, headed a crucial meeting of the faction at his Hyderpora residence to discuss what it described as India's brutal military measures to suppress the public movement in Kashmir. Lauding the public resolve for freedom, the Hurriyat (G) said that people would rest only after taking the current movement to its logical conclusion, and would defeat all Indian conspiracies aimed at sabotaging unity in Kashmir.

Foreign Relations

Triumphant day for India: Mulford

United States Ambassador David C. Mulford on Saturday welcomed the consensus of the Nuclear Suppliers Group (NSG) and congratulated the government and people of India on the historic agreement that would end India's nuclear isolation. Hailing the September 6 development as a "triumphant day" for India, Mr. Mulford said: "The Nuclear Suppliers Group consensus reached in Vienna today [Saturday] is the culmination of years of hard work and cooperation between India and the United States to bring India into the global civil nuclear mainstream."

Beijing 'disappoints' Delhi

China almost spoilt India's party. That will remain the lasting memory of Beijing's strategic miscalculation in opposing India's waiver at the NSG meeting. In Delhi, National Security Adviser MK Narayanan expressed disappointment. "The Chinese foreign minister will come here and we will, of course, express disappointment. We will say that we did not expect this," Narayanan told Times Now. He added that India was surprised at China's behavior because President Hu Jintao and PM Wen Jiabao had assured Manmohan Singh Beijing would play a constructive role. But it was a sign the Chinese whispers in Vienna could have implications for bilateral ties because a government long accused of winking at Beijing's transgressions decided to go public with its disappointment. While reeling off a list of countries India was grateful to, Pranab Mukherjee pointedly did not mention China.

US agency wants India to quell violence in Orissa

The US agency monitoring religious freedom across the globe says Indian government should "develop preventive strategies" to ensure that religious violence does not repeat in the country. The statement of the United States Commission on International Religious Freedom (USCIRF)

comes in the wake of continuing anti-Christian violence in Orissa that began Aug. 24. "The continuing attacks targeting Christians represent the second major outbreak of religious violence in Orissa since December which underlines the pressing need for Indian government to develop preventive strategies," said. Christian leaders say police and other administrative set up in the state failed to quell the violence that continued for 10 days and killed at least 25 people. The Hindu fanatic violence also destroyed and burnt down some 40,000 Christian homes, over 50 churches and convents besides severely wounding clergy and sexually assaulting nuns. "The current conflict shows that the Orissa government has again failed to protect members of religious minorities," said Gaer.

India proposes Oct 1 for start of LoC trade

India on Saturday suggested Pakistan open the Srinagar-Muzafarabad route for trade from October 1. India also expressed its willingness to open new routes to boost trade across the Line of Control (LoC).

India and Nepal play blame game over Bihar floods

Officials in India and Nepal are blaming each other for the devastating floods in Bihar. the floods have left more than three million people homeless. India has long been responsible for maintaining the embankment to protect people living down stream in Bihar. Nepal says the Bihar flooding is the result of India neglecting its duty. An Indian Embassy spokesman from Katmandu says engineers knew there was a problem in the flood defences in April but Nepalese officials physically prevented them from fixing it. Local activists and the group Transparency International say widespread bribery and corruption on both sides is to blame.

'Canada to focus on free trade pact with India'

Calling his country's backing for India in getting the waiver from the Nuclear Suppliers' Group (NSG) last week a "turning point" in bilateral ties, Canadian foreign affairs parliamentary secretary Deepak Obhrai has said his country will now focus on a free trade agreement with New Delhi. Canada broke its 34-year-old freeze on nuclear trade with India by not opposing the NSG waiver which allows India to resume nuclear trade after the 1974 Pokhran explosion.

China-Pak nuclear deal not possible: India

Amidst reports that Asif Ali Zardari, the president-elect of Pakistan, will visit China next week to negotiate a nuclear deal similar to the one between India and the US, govt sources have said that India is confident that the Sino-Pak deal will not happen. Pakistan's poor non-proliferation record will make it difficult for the deal to get through NSG or IAEA; sources said adding that A Q Khan's record will also make it difficult for the country.

Stable Pakistan not in India's interest: Capt. Bharat Verma

Many conveniently propose the myth that a stable Pakistan is in India's favour. This is a false proposition. The truth is that Pakistan is bad news for the Indian Union since 1947—stable or otherwise. Islamabad has enjoyed brief periods of political stability since the birth of Pakistan. But even during these interludes, it continued to export terrorism, fake currency and narcotics to India. It continued its attempts to change the demography along our borders, and cultivated sleeper cells and armed groups inside our territory to create an uprising at an appropriate time. Also, it aligned with Beijing and other powers, in a mutually beneficial scheme, to tie-down and ultimately cause a territorial split of the Union. With Pakistan on the brink of collapse due to massive internal as well as international contradictions, it is matter of time before it ceases to exist. Multiple benefits will accrue to the Union of India on such demise. The self-destructive path that Islamabad chose will either splinter the state into many parts or it will wither away—a case of natural progression to its logical conclusion. In either case Baluchistan will achieve independence. For New Delhi this opens a window of opportunity to ensure that the Gwadar port does not fall into the hands of the Chinese. In this, there is synergy between the political objectives of the Americans and the Indians. Our existing goodwill in Baluchistan requires intelligent leveraging. Sindh and most of the non-Punjabi areas of Pakistan will be our new friends. Pakistan's breakup will be a major setback to the Jihad Factory, which functions with the help of its army and the ISI. This in turn will ease pressures on India and the international community. With China's one arm, i.e. Pakistan disabled, its expansionist plans will receive a severe jolt. With Pakistan gone, the chances of Central Asia getting infected with the Jihadi fervour will recede. Afghanistan will gain fair amount of stability. India's access to Central Asian energy routes will open up. With disintegration of ISI's inimical activities of infiltration and pushing of fake currency into India, from Nepal and Bangladesh will cease. Within the Union social harmony will improve enormously. Export of Islamic fundamentalism, with its 360-degree sweep from Islamabad, will vanish. Even a country like Thailand will heave a sigh of relief. Above all, the gathering threat from a united group of authoritarian regimes along our 14,000 km borders orchestrated and synchronized by Pakistan, will dissolve. At the height of the recent disturbances in the Valley, when a general asked me for a suggestion to resolve the issue, I said: "Remove Pakistan. The threat will disappear permanently." Today the collapse of Pakistan as a state is almost certain. All the King's men cannot save it from itself. Looking ahead, New Delhi should formulate an appropriate strategy for 'post-Pakistan scenario' to secure India's interests in Central Asia. It is intriguing, therefore, to hear New Delhi mouthing the falsehood that stable Pakistan is in India's favour. Perpetuation of such illogic for vote-bank politics is harming the consolidation and integration of the Union. Short-sighted politicians as usual are overlooking the national interest for the short-term personal gains of a few votes.

India, China should work for peace and stability in Asia

Chinese Foreign Minister Yang Jeichi today said India and China should work "shoulder-to-shoulder" in bringing about peace in the region and observed that the rise of the two countries was a "good omen" for Asia."The rise of China and India is a very good omen for Asia. India and

China should work shoulder-to-shoulder with each another in bringing about peace in the region," Jeichi told reporters here

Ghana–India Relations: So Far So Good

India's role in international relations with particular reference to Africa has come of age. The special relationship between India and Africa was strengthened at the India-Africa summit held in April 2008 in New Delhi. India's quest to compete with the West and other Asian countries for trade and development of Africa is not only commendable but inspirational to the African countries. Indo-Ghana relationship has traditionally been warm and friendly. The strong foundation was built by India's first Prime Minister Jawaharlal Nehru and Ghana's first President Kwame Nkrumah; the two great leaders enjoyed a special kind of friendship. Both were influential in the formation of the Non-Aligned Movement in 1961. The Ghana Investment Promotion Council recently reported that India has the highest new large projects in Ghana. This should be good news to all Ghanaians; it shows the confidence that India has in Ghana's economy. There are a lot of companies in Ghana which are owned by Indians and are doing very well on the local and international market. Indians have investments in agricultural, manufacturing and other sectors of the economy, most of our pharmaceutical companies are collaborating with Indian firms to manufacture and supply quality and affordable drugs to our health sector. The employment of Ghanaians by these companies has also helped to lessen the burden of unemployment in the country. This amply demonstrates the level of commitment India has in the developmental agenda of Ghana. Indians are not only investing in the manufacturing and commercial sectors of the country, they are also investing in the financial sector. Bank of Baroda, one of the reputable banks in India just established a branch in Ghana and hopefully it would expand its operations in other parts of the country very soon. The IT sector is also one of the areas with a lot of Indian investment.

India's Manmohan Singh Seeks Close Partnership with Pakistan

Indian Prime Minister Manmohan Singh said the South Asian nation wants to build close ties of friendship and partnership with neighboring Pakistan. "The ushering in of democracy in Pakistan opens new opportunities for us to work together to bring the fruits of peace, prosperity and development to our region," Singh said in a message to Asif Ali Zardari, who was elected president of Pakistan.

Australia says no change to India uranium ban

Australia will not reverse its ban on the sale of uranium to India but would be open to sharing nuclear technology for civilian uses, Australian Foreign Minister Stephen Smith said on Tuesday. Australia, a member of the NSG and which has 40 percent of the world's known uranium reserves, has consistently rejected India's pleas to buy nuclear fuel. They say strict laws prohibit them from selling uranium to countries like India which have not signed the NPT. "Just as India

has a long-standing, complete policy position of not joining the NPT, Australia also has a long-standing policy of not exporting uranium to any country which is not a member of or party to NPT," Smith told a news conference. "That is something both our nations know well. It is not something that is aimed at India," Smith said in the southern city of Chennai on the second day of a five-day visit to India.

India to take up dam projects with Prachanda

With a sense of urgency, India will take up with Nepal Prime Minister Pushpa Kamal Dahal (Prachanda) the issue of construction of the Saptakosi and Sunkosi dam projects in upstream Nepal to tame the Kosi in Bihar. He is arriving on Sunday. The multipurpose Saptakosi dam will substantially reduce the flooding in Kosi, which caused unprecedented havoc in Bihar this year. Indian government would request Nepal to help with logistics and security for preparation of Detailed Project Reports (DPRs) so that dam construction could be expedited.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

September 26, 2008

Ashia Rehman:	Report on Fertile Crescent	367
Tatheer Zehra:	Report on South East Asia	398
Ghashia Kayani:	Report on South Asia	438
Sadia Khanum:	Report on India	457

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

Weekly Report from 13 September to 19 September 2008

Presentation: 26 September 2008

The report is comprised of two parts. First part is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia and Fertile Crescent from 13 September to 19 September as have been collected by interns; while second part of the report aims to review four articles, in context of India.

PART I

Summary

South Asia:

To begin with Bangladesh, despite Khaleda Zia's agreement to start negotiations with her opponent party's leader; AL stood by its demand of Sheikh Hasina's release as a condition to hold talks. Chaos and mayhem in Srilanka compelled various states to express their concern regarding the situation. In this regard Australia based Society for Peace Unity and Human Rights demanded immediate release of all civilian captives in LTTE areas. Likewise India also asked Srilankan government to ensure security of Tamil civilians captured in LTTE held areas. Chinese foreign Minister also supported Srilankan sovereignty and territorial integration. On the other hand the Tamil National Alliance Parliamentary Group also urged the international community to help evict the Sinhala Forces from the Tamil Homeland and recognize the right for self-determination of the Tamils. In Nepal situation is still vague as government does not seem to be tolerant for the opposition. Meanwhile some controversial remarks made by PM Pushpa Kamal Dhal regarding new political system have raised concerns of National Congress leaders. Moving towards Maldives, accepting 6 out of 26 recommended amendments, crucial Presidential elections bill has passed by people's Majlis. In accordance with that EC has announced to hold elections on October 8 this year. Ruling party seems to be satisfied with their Presidential candidate's (i.e. Maumoon Abdul Gayoom) popularity within and out of the country. On the other hand opposition party has even challenged his eligibility to contest elections to become president of an Islamic country. Two positive developments at Burmese political front include governments recent concessions for Aung Sun Su Ki regarding delivery of international magazines and her e-mail to her and recent cease-fire agreement between government and 15 insurgent groups; though having diverse objectives. Bhutanese government has announced to start 42-days lavish celebrations on 6 November; at the occasion of monarchy's 100 years, despite their claim to celebrate occasion with simplicity.

In India, political instability caused by terrorist attacks has brought severe condemnation for the government. BJP has been trying to use these security lapses to exploit UPA's image in order to run their political campaign. Government suspected Pakistan's involvement in recent blasts in New Delhi as Indian Mujahideen have claimed responsibility. Meanwhile Communist party has warned India to bring economic reforms or it will have to suffer from economic crisis as is being faced by the United States. As far as Kashmir is concerned government has imposed curfew in various parts of the valley as agitations are still going on in some areas. Economy and tourism has badly suffered from recent crisis in Kashmir. All the while central government has also deployed fighter jets in the region.

At geo-strategic development Bangladesh has started negotiations with India about their water dispute and with China regarding Chinese offer to provide them with nuclear energy to meet problem of electricity shortage. Srilanka and Maldives have strongly condemned recent bomb blast in New Delhi. In case of Nepal, Indian PM has agreed to review its treaty of friendship with Nepal during Nepali PM's official visit to India. Meanwhile national People's front launched protest against Indian troops that entered floods effected area of Nepal. Till now no statements by Indian officials have been recorded in this regard. Meanwhile India and Myanmar have started efforts to further facilitate trade between the two countries. India has also given green signal to France regarding her intention to sign peaceful nuclear deal with later even prior to the passage of 123 Agreement. Meanwhile Indo-Pak dispute over the issue of Chinab River led India to ask Pakistan for negotiations as Pakistan has warned to take this issue in the World Bank. Meanwhile India has declared China to be unpredictable mainly because of its attitude in NSG meeting.

At economic front substantive increase in foreign exchange reserves and WB's announcement to provide assistance to meet food crisis appear to be the two positive developments. Meanwhile decrease in remittances by expatriates and threat to garment factories has still kept Bangladeshi economy in doldrums. Political stability in Nepal has started attracting foreign investments. Despite Asian Development Bank's projection of likely decline in Bhutan's growth rate in the next year, Bhutan still leads the whole region in terms of its growth. Being one of the fastest growing economies, Indian PM assures his people that economic growth would remain at 8% even amidst severe economic crisis faced by the whole world. Inflation in India has also moderated to a great extent.

At social front Srilankan government has condemned BBC for making pro-LTTE statements. Drug-addiction, being a potent social issue in Myanmar, has brought severe condemnation by the US. Bomb blast in India is expected to adversely affect tourism in India. Minorities' deprivation has been pointed out as main factor behind blasts and other such activities.

East Asia:

At political front Malaysia, Thailand and Philippines seem to be badly stuck in crisis situation. In case of Malaysia, withdrawal of Sabah Progressive Party (SAPP) from governing coalition has further weakened Abdullah Badawi's position. Meanwhile opposition leader Anwar Ibrahim has also warned to topple his government as soon as is possible. Thai governing regime have nominated new premier as former one had to leave the seat following court's order. Right now an interim PM has taken hold of the seat. Moving towards Philippines, cancellation of peace deal between the government and Muslims has still grabbed the attention all across the globe.

In this regard EU and Australia (despite giving huge humanitarian aids to the country) have urged both parties to restart negotiations. Meanwhile government has stopped deploying further US troops in Mindanao as it had created adverse impact on the situation (this can easily be observed by statements made by Alliance-Philippines declaring presence of the US troops in the region to be the main cause of unrest).

The only attention grabbing development at geo-strategic front is Cambodian agitation against Thailand because of recent movement of its troops in temple area. Future of negotiations has become vague amidst recent development.

At economic front Thai exports have reached at satisfactory level; despite on-going political crisis. Meanwhile ADB has expressed serious concerns about Vietnam's inability to control inflation amidst growing economy.

At social front strong earthquake in Indonesia, devastating impacts of climate change in Philippines, PM's urge to fight against corruption and crimes in Vietnam and bird flu in Laos remained potent issues.

Fertile Crescent:

At political front, Iraqi federal government and Kurds have successfully drafted an agreement of four points to resolve issue of Kirkuk region. Despite this agreement government is still facing opposition at various aspects. In this regard lawmakers have threatened to boycott elections and to launch civil disobedience movement if political forces fail to agree on election bill. Meanwhile Kurdistan Coalition has asked government to remove Article 23 of the long-term security agreement that is scheduled to take place between Iraq and the United States considering it being not in the interest of Iraq. Another significant issue being faced by Iraqis is uncertain future of those trained Sunni militia's who left Al-Qaeda and joined the US forces; now US has started giving their record to Shiite dominated regime in order to include them in Iraqi forces. But Shiite's being scared of Sunni militias have started applying delaying tactics in order to avoid their inclusion in forces holding arms. The National Current Bloc in Jordan has formed a committee in order to discuss various issues with different blocs as a preparatory step for upcoming elections. In Lebanon President launched the Conference on National Dialogue with a call to adopt a defense strategy. Its details would be disclosed soon. In Israel, Foreign Minister Tzipi Livni won the Kadima Party's primary election for its leader. With her success within party it is hoped that she would become Israeli first female PM after getting success in elections.

At geo-strategic front likely visit of Kuwaiti PM is being considered as historic by many in Iraq. Likewise Iran's emphasize on Iraq's sovereignty during its fourth round of talks with the US also grabbed attention. Jordanian King emphasized on the role of EU and Russia to bring peace and stability in the region. He further stressed that these countries should adopt effective measures to resolve Israeli/Palestinian issue. Meanwhile responding to Iranian claims Jordan denied any ties with Iranian opposition movement. Two Syrian Commando battalions have been reported to cross Lebanese border by Israelis. Lebanon though has confirmed Syrian intrusion yet exact number has not been given by them. As far as Israel is concerned Iran has explained that its hostility is towards Israeli regime and not common people. Ahmadinejad's stance has been perceived as his softening tones vis-à-vis Israel. Lastly, growing Spanish ties with Syria and emphasize of EU over the importance of Syrian role to bring peace and stability in the region appear to be the most significant developments at geo-strategic front.

At social front, deaths of thousands of people by cholera and internal displacement of hundreds of Christians being persecuted by Islamic militants remained potent developments in Iraq. Israel has offered cash to Jew settlers to evacuate parts of west Bank that have to be annexed with Palestine.

At economic front, Jordanian Stock exchange dropped remarkably yet people expect its rise by the end of Ramadan.

PART II

This part of the report is based on review of few articles related to India. In this part I would try to discuss basic ideas of all these articles in terms of recent developments in the respective region.

Articles Review:

Number 119 June 10, 2008

India in Africa: Moving beyond Oil

Vibhuti Haté

CSIS, South Asia Monitor

This article discusses Indian growing interest in Africa aimed at holding major energy resources in the region. It also highlights Indian role in developing African countries, areas of co-operation for both, Indian-Chinese rivalry in the region and US likely perspective regarding Indian role in Africa.

Article begins with the point that growing energy needs of India have compelled her to look for new suppliers. In this regard Africa is thought to be the main destination for India. Even today India imports 15% of oil from Nigeria. Meanwhile Indian oil and gas corporations have started efforts to explore African markets. In return India has got engaged in many developmental projects in the region. Indian pharmaceutical companies as well as its telecommunication companies have invested a lot in Africa in order to help that region to counter health and communication issues. India is also one of the major aid donors to the region to help it to come out of poverty. Meanwhile India has taken significant measures to engage African countries in political activities. Indo-African Summit, April 2008, is thought to be an important step in this regard. Besides that Indo-African collaboration in Doha talks, trade issues and the issue of climate change have also played effective role in bringing India and Africa closer. Trade ties between the two have also boosted remarkably. It is commonly assumed that India wants to win African support to get permanent seat in UNSC.

While highlighting Indo-Chinese competition in Africa, writer considers China to be in a much better position than India. Sino-African trade has reached \$60billion per year double than that of India with the same region. Energy is pointed out as the main source of attraction for both India and China; former though has lost many lucrative oil deals to China. Chinese presence on the African rim of Indian Ocean has also contributed a lot in Indian discomfort even than Indo-Chinese collaboration in common areas of interest has been observed time and again. Though Africa is still a relatively small part of Indian foreign policy this is an area where it can position itself as a leader, a supplier of investment, and an aid donor. At the end article points out possible US concern regarding Indo-African ties mainly over the issues like trade policy and climate change etc that can cause strain in Indo-US ties yet it claims that the US being close partner of India should understand Indian goals and hopes in various parts of the world.

Number 121

August 01, 2008

Running on Empty: South Asia's Food and Fuel Crisis

***Krishna Sutaria and Jonathan Robins:* (Research interns with the South Asia Program at the Center for Strategic and International Studies in Washington, D.C)**

CSIS, South Asia Monitor

This article focuses on impact of economic crisis on the whole region of South Asia with special emphasis on India and Pakistan. Writers discuss these countries dependence on oil imports to be the main reason of current energy and economic crisis. Meanwhile, lapses in agriculture sector have also adversely effected production of food products causing substantive increase in the prices of food commodities. Article also points out political repercussions of current economic crisis on these countries as well as rest of the region. Lastly it highlights practical options left with these states and their effectiveness.

Both India and Pakistan are considered to be growing economies; though India being far ahead than the later. Hence both countries need energy resources to fulfill their needs. For this, both mainly depend on different energy sources i.e. coal and natural gas respectively. Meanwhile oil being the secondary yet significant source has made both these countries vulnerable because of current increase in oil prices. As both depend upon oil producing countries to meet their growing needs hence a large part of their budget is located for balance of payment to major importers of oil. Likewise rising oil prices also feed both countries' budget deficit. Increase in oil prices has also led to rise in the prices of basic fuels including kerosene, diesel etc. All this in return has caused inflation in both countries as Indian wholesale prices in mid-June were about 11 percent higher than last year, while Pakistan's inflation rate hit 20 percent year on year in May. Stock markets in Mumbai and Karachi have also suffered dramatic losses across the board.

Rising cost of basic fuels has increased prices of fertilizers leading to price hike in food items. Meanwhile neglect of agriculture sector by both countries recently as well as lack of required rain fall added more to the mix. As a result it has become difficult for common public to survive as they devote major part of their income to food items. Food crisis has also led these countries to impose ban on food export in areas where they are independent e.g. rice and wheat respectively. Inflation has caused political instability hence has shaken ruling regimes of these countries. In this regard defeat of President Musharraf's party in Pakistan and opposition being faced by Indian PM substantiate the argument. While pointing out impact of economic crisis in rest of the region, this article takes Bangladesh, Nepal and Afghanistan as examples. All these

countries have equally suffered from global economic crisis. Governing regimes over there have to face consequences as well.

In the end writers discuss likely strategies to deal with this issue. According to them developed states plus oil producing countries can help these crisis-stuck countries by providing economic assistance either by mean of cash or by lowering oil prices for them at least temporarily. This strategy actually worked to lessen impact of 1970s energy crisis. Meanwhile all this would burden these states with debts that will take years and years to be returned. Another way is to stop conversion of crops into bio-fuels globally as it has been considered as one of the key reason behind price rise in food items. As it is a global phenomenon hence its implementation seems to be quite tough and time taking. Writers conclude by declaring India to be in a better position to survive this economic crisis in comparison with rest of the states.

September 04, 2008

Kashmir and the Idea of India

***Arpita Anant* (Associate Fellow at the Institute for Defence Studies and Analyses, New Delhi)**

IDSAs Strategic Comments

This article discusses recent uprising in Kashmir, even without any outside support, leading to a number of people asking government to liberate Kashmir. Writer points out three kinds of arguments that are usually being given to justify Kashmiris' demand of independence. After discussing those entire arguments writer highlights their inherent weaknesses and asks India to adopt appropriate measures to deal with Kashmir issue inspite of giving them independence.

According to writer the most commonly used argument in favour of Kashmir's azadi is that freedom struggle of Kashmiris against India can be equated with that of people of subcontinent against their British rulers before 1947. Therefore India should respond to their demand and should not compare this case with militant insurgencies in Punjab and North East. Second argument is that Kashmiris' demand goes in line with the very "idea of India" based on the principle of democracy and secularism. India therefore should consider Kashmiris' agitation to be a kind of referendum hence should allow them to declare independence. Third and the last argument is that India should realize the fact that despite military use as well as periodic elections, India has failed to get support of Kashmiris it therefore needs to identify them as separate state.

Writer invalidates all these arguments one by one. He begins his point by declaring comparison between Gandhian movement and that of Kashmiris to be inappropriate. As the previous one remained non-violent through out however its not the case of the later one. Besides that Pakistan's frequent involvement in Kashmir has also changed its position. Besides that writer disagrees with the point that Kashmiris have developed consensus over the issue of 'Azadi' as people in Kashmir have variety of view points. There are few who want to be independent, few others want annexation with Pakistan yet many others want respect and security even within Indian border. Meanwhile writer claims that independence of Kashmir can not be related to the 'idea of India' as such decision can lead to Indian disintegration. Besides that India has not occupied Kashmir forcefully rather got hold of the state with the approval of substantive number of Muslims including Sheikh Abdullah, the leader of the National Conference.

After negating all above mentioned arguments in favour of Kashmir's independence, writer points out the fact that India should give concessions to Kashmiris by ending use of force over there and by providing them with their due share of resources. To sum up India needs to revise and reformulate its policies vis-à-vis Kashmir in order to bring stability in the valley.

Pac Net Number 46 September 8, 2008

NSG Waiver for India

Anupam Srivastava (director of the Asia Program at the Center for International Trade and Security at the University of Georgia)

Pacific Forum CSIS

This short article discusses Indo-US nuclear deal in the light of NSG's approval to the deal after 3days of negotiations. 45 nations NSG finally approved Indo-US nuclear deal on September 6, 2008 by getting consensus of all member states excluding China that did not attend third day of meeting. Writer claims that seven states raised objections to the draft of the deal on first day of negotiations but Defense secretary's convincing arguments by the end of the day reduced the number of critics to three on the next day. China remained concerned with various issues particularly regarding probability of future nuclear tests by India. It emphasized on the need to cut all sort of nuclear collaboration if it goes for a test in future. The US President talked to Chinese counterpart in order to convince him yet later ended in walk out from the meeting. Third day therefore proved to be decisive as deal got approved in accordance with Indian terms and

conditions primarily because of clear Indian record in this regard. Its final approval from the US Congress is still needed yet it already seems to be done now.

After discussing NSG's approval to the deal writer highlights key points of the deal that would further strengthen non-proliferation regime even without Indian adherence to NPT. According to him Indian agreement to put 14 out of 22 nuclear reactors under IAEA safeguards by declaring them to be civilian reactors plus Indian promise to convert almost 90% of its reactors to civilian reactors in near future can be considered as effective measures towards non-proliferation. While talking about issue of testing writer claims that draft gives India enough space to operate. Hence India, in case, carries nuclear tests as a measure of self-defence, it can negotiate that issue with the US and other states with whom it would sign such deals; finally it would be left to the other state to determine future of deal. Writer concludes by calling BJP and communists' opposition to the nuclear deal to be an expected reaction. Meanwhile he also points out negative sentiments that prevail in various sectors of the US by proponents of non-proliferation and considers it to be natural reaction; yet he appreciates this remarkable deal by claiming that it would help India to meet its energy needs and to operate in international society in more effective manner.

BUSINESS AND POLITICS IN MUSLIM WORLD

Fertile Crescent

Aisha Rehman

From 12th Sep. to 19th Sep 2008

Presentation Date 26th of September 2008.

Fertile Crescent

OUTLINE

Iraq

Political front:

- U.S.-sponsored Sunni militia face uncertain future
- Agreement of four points to solve Khanqeen cause
- Consensus solution about Khanaqin achieved – lawmaker
- Security folders of Babel, Wassit to be received within two weeks – MOD
- VP welcomes transfer of Sahwa file to govt.
- Political parties reject applying last elections law
- Government Offers Big Efforts to meet Services, Masliki Says
- Parliament seeks to activate its monitoring role
- Shabak's representative in parliament demands the government to save them
- KC says opposes any security pact that threatens Iraqi interests

Geo strategic front:

- Bush to meet Petraeus this week
- Kuwait PM's visit to Iraq will be historic -- Al-Hakim
- Iraq punishes MP for visiting Israeli conference
- Gates meets Maliki, underlines improvement of Iraq's security
- Iranian Foreign Ministry stresses Iraq's sovereignty

Social front:

- 1,000 feared dead of Cholera in Iraq
- Christians in Iraqi Kurdistan say they will not return to Baghdad
- 8000 Displaced Families Return Home in Baghdad
- Lawmaker threatens to conduct civil disobedience

Jordan

Political front:

- National Current bloc prepares for upcoming Lower House session

Geo strategic front:

- EU role in Mideast essential - King
- EU-Jordan partnership strengthens institutional reform
- Kingdom seeks further support for peace
- New coalition to convene today

Economic front:

- Inspectors register marked reduction in violations
- Ministry, Korean firm discuss largest power plant deal
- ASE expected to recover as of next week
- 6 more firms referred to SSC
- IAF warns against 'Jordan option'
- Parallel markets fail to take hold in Zarqa

Social front:

- Position on Mujahedeen-e-Khalq unchanged'
- PSUT president calls for greater focus on R&D
- Workshops seek to promote positive attitudes towards work
- New Traffic Law to go into effect this week
- Increasing number of assaults on doctors leading to brain drain
Lebanon

Political front:

- Suleiman calls for a strategy that combines strength, diplomacy
-

Geo strategic front:

- Syrian commandos deploy in north Lebanon
- US refuses to give Israel aid package to attack Iran
- Hezbollah taking steps towards reconciliation with Future & PSP

Social front:

- Lebanon bids farewell to slain Druze politician
Israel

Political front:

- Exit polls: Livni clear winner in Israeli primary

Geo strategic front:

- Iranian leader says he opposes Israel, not Israelis
- Press Conference Plans for Future Russian Jewish Museum in Moscow
- At least 4 Russian Jews killed in Aeroflot crash
- Israeli government debates settler evacuation
Syria

Political front:

- Weekly Cabinet Meeting- Decisions and Endorsing Draft laws
- Minister Sweid Highlights Consultative Council of Expatriates

Geo strategic front:

- Moratinos arrives in Damascus to hold talks on relations and peace
- European Foreign Ministers Affirm Impossibility of Peace Without Syria
- President al-Assad Discusses with Moratinos Syrian-Spanish Relations

Iraq

U.S.-sponsored Sunni militia face uncertain future

As the U.S. continues transferring security files one after another to the Iraqi government, the fate of tens of thousands of Sunni militias it trained and financed has turned into a thorny issue. To these Sunni tribal fighters the government and the U.S. owe most of the relative quiet which the country enjoys now. These militiamen, many of whom were active resistance fighters allied with al-Qaeda, dropped their armed struggle and joined U.S. forces in the fight against terrorism. Al-Qaeda responded with bloody attacks and car-bombings targeting the U.S.-supported Sunni militias and their leaders. But the U.S. wants to hand over the responsibility of the Sunni militias to the Iraqi government which has always viewed their training and financing as a threat to its existence. The Shiite-dominated government has stalled on a U.S. demand to have the nearly 100,000-strong militia force integrated into the Iraqi army and security forces. But the al-sahwat's dream of turning joining the armed forces is hard to realize. The government may eventually agree to employ most of them as civil servants on government payroll if they agree to disarm.

Bush to meet Petraeus this week

President George W. Bush will meet with Army General David Petraeus to discuss his duties as commander of all U.S. forces in the Middle East and South Asia, the White House announced. "The president is seeing General Petraeus tomorrow," said national security spokesman Gordon Johndroe. "It's an appropriate time to meet with him as he takes on the challenges of the broader Middle East." Petraeus, who oversaw the troop surge strategy that the White House credited with improving security in Iraq, has been named to head U.S. Central Command, which oversees U.S. military operations in the region, including in Iraq and Afghanistan.

Bush spoke last week with Army General Raymond Odierno, who formally took over from Petraeus on Tuesday as commander of U.S. forces in Iraq, Johndroe said.

1,000 feared dead of Cholera in Iraq

At least 1,000 people have died as a result of the recent outbreak of cholera in Iraq, Iraqi members of parliament said. Nawzad Rifaat, chairman of parliament's Health Commission, accused the government of hiding the "the real figure of cholera cases" urging the Health Ministry to provide detailed statistics on deaths and cases without delay. Parliamentary sources said they feared the disease was already out of control and the government had failed in efforts to have it contained.

MPs spoke of at least 1,000 deaths so far. Officials say thousands of cases have been reported in other provinces in addition to Babil. Hospitals in the provinces of Diyala, Najaf and Karbala were strapped for resources to treat patients. A severe form of the disease causes sudden diarrhea, leading to dehydration and death within minutes.

Contaminated water is believed to be the main cause for transmitting the disease due to rusty and broken pipes through which sometimes heavy water is carried to household taps. Last year there were more than 4,000 confirmed cholera cases in Iraq – the vast majority in the Kurdish-controlled northern region.

Kuwait PM's visit to Iraq will be historic -- Al-Hakim

Vice President of the Supreme Islamic Council in Iraq Ammar Abdul Aziz al-Hakim underscored here that the prospected visit of His Highness the Prime Minister of Kuwait Sheikh Nasser Mohammad Al-Ahmad Al-Sabah to Baghdad would be "historic".

The Iraqi official asserted the Iraqi government and parliament's respect for the Kuwait sovereignty. He explained that his meeting with Al-Kharafi touched extensively on the political, security and economic conditions in Iraq and Arab openness toward the country. He pointed out that he also discussed with Al-Kharafi the Kuwaiti-Iraqi ties "which we are working hard to promote day after day especially as we see clearly the political will of the two countries for the development and strengthening of the special relationship." Al-Hakim said the State of Kuwait stood at an early date to support the Iraqi people since 1991 because the Kuwaiti and Iraqi peoples were affected by the previous regime in Iraq. He expressed hope that Kuwaiti companies and investors come and invest in the restructuring of Iraq. In regard to Iraqi claims to call off debts owed to the state of Kuwait, Al-Hakim said "We are talking about the fraternal relationship between the two neighbors and such an issue would require a consensus" noting that the government and parliament of Kuwait are the sole bodies to decide this matter.

Christians in Iraqi Kurdistan say they will not return to Baghdad

In Mosul, in northern Iraq, Islamic militants continue to target Christians, forcing them from their homes. Several months ago, an archbishop in Mosul was kidnapped and killed. In Baghdad, after being threatened by insurgents in 2004, thousands of Christians left the Iraqi capital. Many fled to neighboring countries, but others have settled in Iraqi Kurdistan where it is safer. People pray for peace at this Christian church in Zakho in Iraq's semi autonomous Kurdish region. Many came from Baghdad after Islamic insurgents set churches on fire, destroyed property and kidnapped and killed Christians.

Some Christians have gone to the village of Sharanish on the Iraq-Turkey border. Christians in the village of Qarola came back to their ancestral homeland to start a new life and they built a new church. A Kurdistan government office helps build homes in Qarola and gives each family a small monthly stipend for living expenses. With better security in Baghdad in recent months, Christian areas have also become safer. But after a priest was killed in a drive-by shooting in April, some Christians wonder if the security will last. Iraqi Prime Minister Nouri al-Maliki wants the Christians to return to their homes in Baghdad and he has pledged more security for them. Humanitarian groups say it is not safe enough yet for them to return.

Agreement of four points to solve Khanqeen cause

Head of the Security and Defense Committee at parliamentarian council, MP Hadi al-Amari has unveiled the reaching of central government and Kurdistan region government to harmonious agreement for Khanqeen cause. Al-'Amari said: we had reached a solution and we are about to implement this solution because we don't want to enter military army to Khanqeen and we don't have military forces to enter all cities, noting that there is accord with Kurdish on this respect.

Iraq punishes MP for visiting Israeli conference

Iraqi legislators said that parliament had voted to lift the immunity of a Sunni Arab lawmaker who visited Israel. The parliament has also banned Mithal al-Alusi from traveling outside Iraq or attending parliamentary sessions, they said. punishment was confirmed by Osama al-Nujeif, a Sunni Arab lawmaker, and Haider al-Ibadi, a Shi'ite lawmaker. The two men said Alusi's trip was illegal and a humiliation for Iraqis who see Israel as a historical enemy. Without parliamentary immunity, Alusi could be subject to prosecution. Alusi, chairman of Iraq's Democratic Party, Mithal al-Alusi, surprisingly arrived at a conference on terror in Herzliya last Wednesday, calling for the establishment of a joint intelligence network with Israel and the United States.

Gates meets Maliki, underlines improvement of Iraq's security

U.S. Defense Secretary Robert Gates has called on Iraqi Prime Minister Nouri Al-Maliki to discuss the security situations in Iraq. Gates, who started his ninth unannounced visit to Baghdad in his capacity as secretary, noticed a great improvement of the security in Iraq since his first visit to the Arab country two years ago, according to a statement issued by the Iraqi government. The improvement is the fruit of effective cooperation between the Iraqi forces and the Multi-

National Forces in Iraq, the statement quoted Gates as saying during the meeting. The two sides share the goals of stabilizing Iraq, uprooting the terrorist organizations and rebuild the Iraqi armed forces, he pointed out. Gates is scheduled to preside over a ceremony to hand command of U.S.-led MNF to Lt. Gen. Raymond Odierno from Gen. David Petraeus whose term in office has expired.

Consensus solution about Khanaqin achieved – lawmaker

Head of the Iraqi Parliament's defense committee said that the federal government and Kurdistan regional cabinet achieved a consensus solution about Khanaqin's case, according to a release issued by the Supreme Islamic Iraqi Council (SIIC).

"A consensus solution has been achieved regarding Khanaqin's case, between the federal government and Kurdistan's regional cabinet," Hadi al-Amiri, member of the SIIC and the Unified Iraqi Coalition Shiite parliamentary bloc (83 out of 275 seats in the Iraqi council of representatives), said according to the release that was received by Aswat al-Iraq. "We are in the process of ratifying this agreement," he said.

"The federal government does not want to have a military presence in Khanaqin, and does not have enough forces to have a military presence in every city," he added.

"There is a consensus with our brothers the Kurds that the federal government has the right to enter any place to arrest any wanted person at any time it wants," he explained.

"The agreement includes that the Iraqi army 34th brigade will withdraw from Khanaqin, the Iraqi army will not enter the city, and that wanted people will be arrested by army and police in coordination with Khanaqin suburb's local police" he proceeded.

"The Iraqi army has no intentions to enter Khanaqeen," he asserted.

"I believe that Khanaqin's crisis is heading for a final solution," he said.

8000 Displaced Families Return Home in Baghdad

Immigration ministry reported later returning back of almost 8000 displaced families to their homes in Baghdad. A source at the ministry said that PM donation for these families (ID 1 M) from last April to current September showed returning back of 8000 families in Baghdad besides returning 860 families from other provinces. He added that the families whom received lands in

14 provinces till last May reached 68294 families, besides other 140 000 families whom received ID 1M as PM donation.

Security folders of Babel, Wassit to be received within two weeks – MOD

The official spokesperson for the Iraqi Ministry of Defense (MOD) said that Iraq's security forces will receive the two security folders of Babel and Wassit provinces from the Multi National Forces (MNF) during the coming two weeks. "Preparations are underway to receive the security folders of Babel (100 km south of Baghdad) and Wassit (180 km southeast of Baghdad) during the coming two weeks or on early October," Staff General Mohammed al-Askari told "Receiving the security folders of those two provinces will be through official ceremonies," he said. Iraqi security forces are currently responsible for the security folders of 11 of the Iraqi provinces.

VP welcomes transfer of Sahwa file to govt.

Iraqi Vice President Tareq al-Hashimi on Monday welcomed the transfer of the Sahwa (Awakening) tribal forces' file to the Iraqi government pertaining to proposals to incorporate them into security forces. Hashimi's statements came during a meeting with Lt. General Lloyd Austin of the Multi-National Force (MNF) in Iraq to discuss the Iraqi Sahwa forces issue, according to Hashimi's official web site.

The Sahwa councils were set up in a number of Iraqi provinces such as al-Anbar, Diala, Ninewa, and Salah al-Din with the aim of bolstering political and local tribal powers to fight armed groups, particularly al-Qaeda network, in those areas.

These councils are usually led by tribal chiefs or notables in the provinces.

The Sahwa fighters managed to flush out armed groups from a number of areas once considered strongholds of gunmen for years. Abu Risha, however, was killed in an improvised explosive device (IED) attack that targeted his house in al-Ramadi, capital of the predominantly Sunni Anbar. The attack also left his bodyguard and two other escorts killed and his nephew seriously wounded. Ali al-Dabbagh, the official spokesman for the Iraqi government, had said early last month that the government would start paying Sahwa fighters' salaries as of October 1, 2008.

General Austin said the agreement with the government would bring about acceptable guarantees, adding he was keen on following up this issue with the Iraqi prime minister, who

pledged in more than one occasion that the Iraqi government will provide special care for the Sahwas in all fields.

Iranian Foreign Ministry stresses Iraq's sovereignty

A spokesperson for the Iranian Foreign Ministry called to preserve Iraq's full sovereignty in the negotiations over the security agreement that is scheduled to take place with Washington.

A fourth round of U.S.-Iranian talks on Iraq were scheduled to take place in early 2008, but were called off because of the absence of the U.S. delegation. A declaration of principles was signed between U.S. President George W. Bush and Iraqi Prime Minister Nouri al-Maliki in December 2007. The declaration was scheduled to be ratified on July 31, 2008 and to come into force as of January 1, 2009.

The agreement governs the presence of U.S. forces in the country after 2008 and will not come into force without the approval of the Iraqi Parliament, which has 275 members from five blocs, in addition to the Sadrist movement and al-Fadhila party. The U.S. troops' presence currently relies on a mandate by the United Nations and is annually renewed at the request of the Iraqi government.

Political parties reject applying last elections law

Parliament's chairmanship set date to offer final report about Presidency's veto on local elections law and reaching to accord solution that satisfies all sides. Speaker Mahmood Almasghadani declared dissolution mini committee that formed to discuss that veto because it didn't solve this problem. Yesterday's session saw many discussions about UN representative's proposals about Kirkuk's elections, as many MPs considered these proposals as base of talks and beginning dialogues about guarantees.

Government Offers Big Efforts to meet Services, Masliki Says

PM emphasized that the government offers big efforts to save the principle services as electric, oil productions and ration cards. Maliki said through his visiting to Karbala that the

government appreciates the citizens suffering from services sector since destroyed early after the falling of ex bad regime.

He asked the provinces to suffer their responsibilities in the field of activating the investment and building, adding that the government passed through many crisis by visiting many states and signing with them many contracts to build electric stations and to improve the other

Parliament seeks to activate its monitoring role

The Iraqi Parliament will debate during its session means of activating its monitoring role, an MP from the Shiite Unified Iraqi Coalition (UIC) said. "This monitoring role has been largely suspended in light of the restrictions on communication between parliamentarians and Iraqi ministries," Qaddo noted. "This greatly influences the monitoring process, one of the main functions of the Parliament that is supposed to rectify deviations and practice a monitoring role on security apparatus and ministries, particularly over services and security ministries," the parliamentarian added.

The Shiite coalition, the largest parliamentary bloc, holds 83 seats in the 275-member Parliament.

Lawmaker threatens to conduct civil disobedience

The head of the Arab Bloc for National Dialogue threatened to boycott the provincial elections and to impose a civil disobedience, in case Iraqi political forces failed to agree on new elections bill and decide to adopt the old provincial elections law.

On September 10, 2008, the Assembly of Parliamentary Coordination called on the Presidential Board to go back on its revocation of the provincial council elections law, threatening to appeal against it before the federal court.

Shamry threatened to appeal against the revocation before the federal court, stressing the assembly's adherence to Article 24 of the provincial council elections law and its insistence on conducting elections this year.

The assembly is comprised of several political blocs, including the Sadrist bloc, the Iraqi National List (INL), the Islamic Fadhila Party, and the Arab Bloc for National Dialogue.

On July 22, the Iraqi Parliament, with the approval of 127 deputies out of 140 who attended the session, passed the law on provincial council elections, which includes an article postponing the elections in the city of Kirkuk.

Lawmakers from the Kurdistan Coalition (KC) had withdrawn from the session in protest against Speaker Mahmoud al-Mashhadani's decision to have a secret balloting over article 24 of the law, pertaining to the status of Kirkuk. Balloting over all the other paragraphs of the law, however, was open.

A law wording that is acceptable to all parties could not be reached by the Parliament, urging its speaker end an extraordinary session on August 6 and to order the formation of a committee comprising the heads of parliamentary blocs to achieve a consensus.

Kirkuk, 250 km (156 miles) north of the Iraqi capital Baghdad, sits on the ruins of a 5,000-year-old settlement. Because of the strategic geographical location of the city, Kirkuk was the battle ground for three empires, Assyria, Babylonia and Media which controlled the city at various times. Kirkuk is the center of the northern Iraqi petroleum industry. It is a historically and ethnically mixed city populated by Assyrians, Kurds, Arabs and Iraqi Turkmen. The population was estimated at 1,200,000 in 2008.

Shabak's representative in parliament demands the government to save them

Representative of Shabak in the Iraqi Parliament demanded the government to save his people from what he called "mass elimination," which he considered Ninewa Operations Command responsible for. "Ninewa Operations Command bears the full responsibility for what the Shabaks suffer," Haneen al-Qado, lawmaker from the Unified Iraqi Coalition (UIC) Shiite parliamentary bloc told "I demand the government to intervene to rescue Shabak from this elimination," he said. Shabak are considered a very small Shiite group in Ninewa, which is a Sunni dominated province. Mosul, the capital city of Ninewa Province, lies 405 km north of Baghdad.

KC says opposes any security pact that threatens Iraqi interests

The deputy leader of the Kurdistan Coalition (KC) called to remove the second paragraph of Article 23 of the long-term security agreement that is scheduled to take place between Iraq and the United States, saying "it does not serve the interests of the Iraqi people." "The coalition was informed about the (content of the) agreement between Baghdad and Washington from the media. We call to remove the second paragraph of Article 23 of the agreement....," Saadi al-Barzanji told. The paragraph stipulates that Iraq has the right to make similar security agreements with other countries and in all fields. The Kurdistan Coalition, led by Fuoad Massoum, is the second largest bloc with 53 seats in the 275-member Parliament. A declaration of principles was signed between U.S. President George W. Bush and the Iraqi premier in December 2007. The declaration was scheduled to be ratified on July 31, 2008 and to come into force as of January 1, 2009.

Jordan

Political front:

National Current bloc prepares for upcoming Lower House session

In preparation for the upcoming Parliament session, the National Current bloc has formed a special committee to outline its stance on several issues, a bloc official said. The committee comprises Mohammad Abu Hdeib (head of the Lower House Foreign Affairs Committee) Mefleh Rheimi, Atef Tarawneh, Sharaf Haijneh, Mohammad Zreiqat and Habes Shabib, according to Abu Hdeib, the bloc's spokesman. The 56-member bloc is the largest in the 110-deputy Parliament, with many members occupying influential seats in various House committees. Lower House Speaker Abdul Hadi Majali formed the bloc earlier this year as a first step towards forming a centrist political party.

the National Current bloc will push for a smooth election process after holding talks with other blocs. These include the 19-member National Brotherhood, which has vowed to work with other MPs to make the Chamber of Deputies run more efficiently. Sources told that the 15th Parliament's second ordinary session is expected to start in the first week of October, following the Eid Al Fitr holiday. Legislation expected to top the agenda includes the draft income tax law, and the real estate and societies laws.

Geo strategic front:

EU role in Mideast essential - King

His Majesty King Abdullah underscored the significance of the EU role during the coming few months in supporting security and stability in the Middle East. The King urged the Europeans to back efforts to bring about peace between the Palestinians and Israelis, which he reiterated should lead to a Palestinian state. King Abdullah also stressed at a meeting with EU foreign policy Chief Javier Solana the need to enhance ties between the Middle East and the EU. The continuation of the settlement activities in the Palestinian territories and attempts to change

the features of Jerusalem undermine peace efforts, the King told Solana, according to a Royal Court statement. Solana stressed the importance of continued support by the international community to efforts seeking to realise a political settlement between the Palestinians and Israelis. On bilateral ties, Solana said “Jordan is a very important country for the EU, which is seeking further cooperation with the Kingdom” in various fields.

Bashir and Solana emphasised the importance to seize the momentum created following the Annapolis meeting last year to realise a tangible progress during this year, saying the coming meeting of the UN General Assembly in New York is an opportunity for all to assess the situation and look into mechanisms to decide the course of action. Regarding the Iranian nuclear standoff, Solana briefed Bashir on EU efforts to reach a diplomatic solution in this regard.

EU-Jordan partnership strengthens institutional reform

The EU and Jordan on Sunday marked the successful completion of a project designed to strengthen the institutional capacity of the Ministry of Justice and improve its efficiency in line with the Judicial Upgrading Strategy.

The 1.1 million euro “Technical Assistance for Institutional Strengthening of the Ministry of Justice” was funded by the European Union, according to a statement released by the Ministry of Planning and International Cooperation, which supported the project.

Al-Ali also noted that the executive programme of the National Agenda and the We are All Jordan initiative set specific recommendations and proposals aimed at reforming and modernising the judicial sector. She said extensive work has been undertaken by the government to translate these recommendations and proposals into policies, programmes and projects aimed at developing a judicial system that is based on integrity, transparency and autonomy. The government is also working to simplify judicial procedures and train and rehabilitate judges and administrative staff to further enhance their efficiency, productivity and performance, the planning minister added.

Implementation arrangements will involve cooperation with the United Nations Office on Drugs and Crime, as well as administrative twinning with European member states. In addition, the Judicial Institute of Jordan will shortly be receiving support under the ongoing EU-funded programme for building the professional ability of judges in the field of human rights, she said.

Kingdom seeks further support for peace

His Majesty King Abdullah emphasised the importance of an effective Russian role in peace efforts between the Palestinians and Israelis. The Monarch stressed the significance of Russia's role in efforts to reach a just and permanent solution to the Palestinian issue, leading to the establishment of an independent Palestinian state.

King Abdullah made his remarks at a meeting with Russian Deputy Foreign Minister and Middle East Envoy Alexander Sultanov, who is currently on a visit to the Kingdom to follow up on a recent visit by King Abdullah to Russia and talks with Russian President Dmitry Medvedev last month. The Monarch stressed Jordan's commitment to enhancing political and economic ties with Russia.

On bilateral ties, King Abdullah stressed the need for further cooperation, particularly in the economic field. Moratinos briefed the Monarch on his tour, which also included Egypt, the Palestinian territories and Israel, and discussions he held on means to push the peace process forward. Jordan's support for efforts to revive negotiations between the Palestinians and Israelis Dahabi emphasised the need for continued negotiations between the two sides regardless of the expected political changes in the US or Israel, highlighting the key role Spain can play at the international and European levels to render the peace process a success. On Iraq, the two sides emphasised the need to support the Iraqi government's efforts to enhance the security situation. On Lebanon, the two sides discussed the latest developments in the country, emphasising the importance of continued support to national reconciliation efforts.

New coalition to convene today

A new coalition of NGOs formed to enhance access to information will hold its first meeting, according to activists. The Jordanian Alliance for the Freedom of Information and Transparency (JAFIT), which was established by the Al Urdun Al Jadid Research Centre (UJRC) last week, will convene today to set out bylaws and a two-year strategy, according to UJRC Deputy Director May Al Taher. Some 15-20 NGOs ranging from women's rights groups to charities will focus not only on the 2007 Access to Information Law, but also on other legislation governing the sector, she said. In addition to carrying out surveys and studies on journalistic freedoms, the coalition will carry out awareness workshops to train citizens and institutions on how to better utilise the law, she said. The coalition will be formally launched on September 28, which marks International Access to Information Day and the 60th anniversary of the Declaration of Human Rights. In August 2008, UJRC joined with four other leading Arab NGOs to form the Arab Freedom of Information Network to facilitate the right to access of information in the region. Headed by the Centre for Media Freedom in the Middle East and North Africa in Morocco and represented by NGOs from Bahrain, Tunisia, Jordan and Egypt, the coalition will work to promote a culture of citizenry right to access of information, according to the UJRC.

Economic front:

Inspectors register marked reduction in violations

Intensified efforts to improve food safety and hygiene conditions in the country's eateries have brought about a marked reduction in violations, a health official said. Fathi Saleh, director of the Jordan Food and Drug Administration (JFDA) food directorate, said key problems that plagued food outlets, particularly shawerma restaurants, have been effectively addressed. The JFDA official told The Jordan Times that inspectors have focused much of their attention on detailed checks of shawerma eateries, but acknowledged that similar evaluations of other food establishments are not as stringent.

Saleh said the JFDA has increased the number of food inspectors, standardised their work procedures and improved lab operations. He added that the administration also hired 35 new employees in the past four months, including lab technicians and food inspectors as well as bringing on board veterinary and agricultural engineers.

Ministry, Korean firm discuss largest power plant deal

The largest power plant to be built in Jordan by the private sector is expected to be operational by the year 2011 with Korean help. Negotiations are under way over the plan between the Ministry of Energy and Mineral Resources and the state-run Korea Electric Power Corp. (KEPCO), the ministry's spokesperson, Mahmoud Eis, said. "KEPCO was one of four companies interested in the construction of the 400-megawatt, \$500 million plant which will be established in Qatraneh on a build-operate-own basis," Eis told adding that KEPCO's offer was the best among the four bids submitted to win the deal.

He added that the ministry invited officials from KEPCO last Monday for talks over the construction of the country's largest private sector natural gas-powered plant, adding that this project will enhance the capabilities of the Kingdom's electric sector. He noted that this project is the second to be implemented by the private sector after the Amman East Power Plant, which was implemented in a joint venture between a consortium of AES Oasis and Mitsui and Co. Ltd., constructed over 200 dunums in Al Manakher area with a total generation capacity of 370 megawatts.

Jordan imports 95 per cent of its energy needs and has an annual water deficit of more than 500 million cubic metres, likely to be partially offset with nuclear energy at hand for seawater desalination. Jordan has already signed memoranda of understanding with the US, Canada, France and the UK. An agreement is expected with Russia this summer.

Officials are optimistic that nuclear production will start in 2016, but success hinges on the country's ability to keep full thrust and maintain the support provided by international parties.

ASE expected to recover as of next week

Brokers and analysts expect the downward trend at the Amman Stock Exchange (ASE), which dropped by about 13 per cent over the past 10 days, to rebound as of next week with rumours starting to spread about companies' profits in the third quarter. The ASE dropped by 12.7 per cent in the September 4-16 period, driven by heavy sales on leading shares such as the Arab Potash Company (APC) and the Jordan Phosphate Mines Company (JPMC) by foreign companies and a significant decline in the performance of stock markets in the Gulf countries in particular and the rest of the world. In addition, the market plunged and trading volume dropped due to "illogical" speculation on blue chips that increased the market value by about 45 per cent during this year, financial crises at the world level and a large drop in prices of raw materials such as steel, phosphate, fertilisers, potash, cement and others, experts said. However, analysts and brokers expected a rebound in the market's trend as of next week and a strong and extensive purchase of shares by the end of Ramadan.

6 more firms referred to SSC

Prime Minister Nader Dahabi referred six new companies dealing in foreign exchange and investments in financial markets abroad to the attorney general at the State Security Court (SSC). The move, he told lawmakers and columnists, came after nine cases were filed against these companies with prosecution offices in Irbid and Jerash. decision brought up the number of the companies referred to the SSC for "committing economic crimes" to eight. Dahabi said his intervention was in pursuance of the authority vested in him to refer such cases to the SSC due to their special nature, adding he could have not been able to take the move had people involved not filed suits against the firms.

By referring them to the SSC, there is the possibility to issue a decision in these cases faster and to regain people's financial rights at a faster pace, the premier told a meeting attended by the heads of the financial committees at the House and the Senate and economic analysts.

Dahabi also assured the lawmakers and opinion leaders at the meeting that these companies have nothing to do with the companies listed on the Amman Stock Exchange, underlining the stability and sound regulations governing ASE.

In response, the companies in question went for voluntary liquidation, a move that would mean huge losses for citizens, Dahabi told the meeting, underling the necessity for government intervention in these cases.

IAF warns against 'Jordan option'

The Islamic Action Front (IAF), the political wing of the Muslim Brotherhood, has warned against what it called "dubious" proposals to solve the six-decade-old Arab-Israeli conflict. In a statement released, the party referred to recent international and local media reports indicating that world leaders are considering several proposals including the "Jordan option", calling the measure a "direct threat to Jordan and its security and stability". There are around 4.5 million Palestinian refugees across the region with 1.9 million refugees registered in Jordan, according to UN statistics. Israel claims that an influx of Palestinians would mean the end of its existence as a Jewish state. He added that he would demand that Israel allow a "reasonable number" of refugees to return and accept responsibility for the crisis.

Parallel markets fail to take hold in Zarqa

Despite the government's efforts to provide the public with alternatives for essential commodities at low prices, parallel markets have not taken off in Zarqa, where some designated sites have been converted into parking lots. At the beginning of Ramadan, the Zarqa Municipality established two parallel markets to provide the public with an opportunity to buy directly from traders and farmers, municipality director of investment Bilal Khatib told. Khatib said, adding that the prevalence of local vegetable stands may be a factor behind the parallel markets' lack of popularity. Parallel markets are fairing much better in Irbid, where vegetables are offered for 30-50 per cent less than those on the regular market. Although business has been steady, traders claim that they are sustaining losses through the scheme. Last week, the Ministry of Municipal Affairs announced that a total of 25 temporary parallel markets across Jordan will become permanent before the end of 2009 at a total cost of JD8 million due to their apparent success, which was determined by the number of customers served.

Social front:

Position on Mujahedeen-e-Khalq unchanged'

Jordan reiterated on that it has no ties with the Iranian opposition movement "Mujahedeen-e-Khalq". Foreign Ministry Spokesperson Nassar Habashneh rejected repeated Iranian official protests against participation of some Jordanians in a conference organised by the organisation. He reaffirmed that Jordan has not changed its position on Mujahedeen-e-Khalq, and stressed that the participation of Jordanians in the movement's conference was an individual decision and does not reflect the official Jordanian stand. He indicated that Foreign Minister Salah Bashir has also clarified this position to his Iranian counterpart on the sidelines of the recent

Non-Allied Countries Conference held in Tehran. Habashneh said that the Iranian side should understand that “our Constitution safeguards the right of expression and free travel for all Jordanians”.

PSUT president calls for greater focus on R&D

A senior academician has called on the government and the private sector to invest in research and development (R&D) and for educational authorities to form a comprehensive strategy for the sector, which he warned is “falling behind”. In a recent interview Princess Sumaya University for Technology (PSUT) President Hisham Ghassib lamented the lack of funding for research, noting that the partnership between the private sector and educational institutions is not strong enough to support scientific advancement.

With a majority of higher education institutions working as teaching universities, the higher education sector will continue to regress, he warned. Another challenge facing higher education, according to the academician, is a lack of coordination and planning at the governmental level. One of the reasons behind the lack of a clear strategy, according to Ghassib, is societal pressures forcing the government to stretch universities beyond their resources and accept too many students for faculties and specialties that are not in demand in the labour market. Another challenge facing the sector, according to Ghassib, is double standards for private and state universities. Despite the financial setbacks, he pointed out that PSUT has not raised tuition fees and has continued to focus on scientific developments and exchanges with other universities, highlighting recent agreements signed with the universities of Illinois, Florida, Malaysia Perlis and Bridgeport among others.

Workshops seek to promote positive attitudes towards work

Some 256 unemployed men and women from the impoverished town of Mallaha are currently taking part in workshops designed to help improve their preparedness for entering the workforce. The initiative, undertaken by the Ministry of Social Development (MoSD), the Ministry of Labour and Save the Children's "Najah" programme, began in Deir Alla last week. MoSD Director of Social Awareness Fawaz Ratrout said these workshops are necessary to promote positive attitudes towards work and to render this segment better informed of their rights. He said the workshops are held twice a week at the Tal Al Mantah Community Development Centre to help citizens realise their value as contributors to their families, while informing them of labour rights and encouraging employment. The town's 425 families suffer from high rates of unemployment and harsh living conditions. Ratrout said the impact evaluation of the first two workshops last week indicated that females were more responsive

than males. He said this could signal the potential for more women than men to accept factory jobs.

New Traffic Law to go into effect this week

The new Traffic Law is expected to go into effect September 16 after it passes through the required constitutional channels cancelling previous temporary traffic laws, Minister of Interior Eid Fayez said. He added that the 2008 Traffic Law, which was prepared after lengthy deliberations between relevant public and private institutions concerned with traffic safety, imposes an additional JD5 fine for citizens who cause accidents, the Jordan News Agency, Petra, reported. The new law allocates 15 per cent of licence renewal fees to traffic department employees, 40 per cent to municipal councils, while 5 per cent of the revenue will be earmarked for the development of Public Security Department (PSD) traffic departments, according to the minister. In addition, the law allocates 5 per cent of traffic ticket revenues to institutions concerned with traffic policy making in the Kingdom, Fayez said. The Traffic Law is seen as a starting point for curbing the rising number of traffic accidents across the Kingdom and a means to change negative behaviours on the roads such as speeding and reckless driving which have caused hundreds of fatalities and thousands of injuries every year. The law grants police the power to immediately arrest drivers who inflict physical injuries on other people, drive under the influence of alcohol or drive 50km per hour over the speed limit, among other dangerous violations.

Increasing number of assaults on doctors leading to brain drain

More than 40 doctors were assaulted over the past year, according to the Jordan Medical Association (JMA), but the actual number is much higher as several cases went unreported. "The problem is larger than the reported figures. Tens of doctors are assaulted, insulted and threatened every month, but they do not file a complaint because it will be considered as a brawl where both the doctor and the assailant will be held in custody," JMA President Zuheir Abu Fares told. During the first week of Ramadan, three assaults on doctors were reported. According to Abu Fares, about 95 per cent of the attacks are on public sector doctors. Some 3,500 doctors work in the public health sector, 4,000 in the private sector and more than 1,500 abroad.

Lebanon:

Political front:

Suleiman calls for a strategy that combines strength, diplomacy

President Michel Suleiman launched the Conference on National dialogue with a call to adopt a defense strategy "based on our armed forces and benefiting from the resistance capabilities." He called the conferees to work out a "framework for dialogue in a way that shows that nothing is closed" to discussion. "Failure is banned," Suleiman declared. He urged the conferees to "make sacrifices and concessions ... for Lebanon." Israel, according to the president, remains Lebanon's basic enemy. "Israel still occupies part of our land, violates UN Security Council resolutions and deprives Palestinians of their legitimate rights and continues to threaten us". The meeting was seen as an attempt by the president to facilitate reconciliation between Hezbollah and Mustaqbal. Moussa also held a meeting with Siniora prior to the formal session. Moussa is to address the closed session, apparently with the aim of briefing the conferees on regional developments and threats that require reconciliation among the various Lebanese factions.

Observers believe the conferees would not tackle in the first session any of the topics listed on the dialogue agenda, mainly the national defense strategy. Deliberations would focus mainly on settling the controversy over the list of participants and topics on the agenda. The Hezbollah-led alliance also wants to add further topics to the agenda, including economic issues.

Geo strategic front:

Syrian commandos deploy in north Lebanon

Two Syrian commando battalions have crossed into Lebanon during the last 48 hours and taken up positions in seven Alawite-controlled villages in north Lebanon, an Israeli website reported.

The Israeli DEBKAF website, citing military sources, said the battalions were accompanied by reconnaissance and engineering units.

Lebanese sources have also confirmed that Syrian commandos have crossed the border and began operating around the Lebanese village of Hekr Al Dahr near the Mediterranean Sea. The

sources said the commandos were supported by Syrian helicopters and main battle tanks along the Lebanese border.

It is the largest Syrian force to "invade" Lebanon since Damascus was forced to end its occupation of the country in May 2005, three months after ex-Premier Rafik Hariri was assassinated, DEBKAfile said.

It said the Syrian incursion coincided with the expected arrival of Russian naval and engineering experts in Tartus, the Syrian port 40 kilometers north of Tripoli, to serve as the Russian fleet's first permanent Mediterranean base.

Lebanese military and security sources denied that two Syrian commando battalions have crossed into Lebanon and taken up positions in seven Alawite-controlled villages in the north. The Israeli DEBKAfile website and International Analyst Network, a web site that deals with Counter-terrorism, have reported on the Syrian deployment

US refuses to give Israel aid package to attack Iran

Israeli newspaper reported that the United States has refused to give Israel the security aid package out of concern that Israel would use it to attack nuclear facilities in Iran. The aid package included a large number of "bunker-buster" bombs, permission to use an air corridor to Iran, an advanced technological system and refueling planes.

Officials from both countries have been discussing the Israeli requests over the past few months. Their rejection would make it very difficult for Israel to attack Iran, if such a decision is made.

About a month ago, the Bush administration had turned down an Israeli request for certain security items that could upgrade Israel's capability to attack Iran. The U.S. administration reportedly saw the request as a sign preparations were moving ahead for an Israeli attack on Iran. The Israeli requests were discussed during President George W. Bush's visit to Israel in May, as well as during Defense Minister Ehud Barak's visit to Washington in July. In a series of meetings at a very senior level, following Bush's visit, the Americans made clear to the Israelis that for now they are sticking to the diplomatic option to halt the Iranian nuclear project and that Jerusalem does not have a green light from Washington for an attack on Iran. However, it appears that in compensation for turning down Israel's "offensive" requests, the U.S. has agreed to strengthen its defensive systems.

During the Barak visit, it was agreed that an advanced U.S. radar system would be stationed in the Negev, and the order to send it was made at that time. The system would double to 2,000 kilometers the range of identification of missiles launched from the direction of Iran, and would be connected to an American early warning system. The system is to be operated by American

civilians as well as two American soldiers. This would be the first permanent U.S. force on Israeli soil.

Prime Minister Ehud Olmert, in private discussions, even raised the possibility that the U.S. was considering an attack in the transition period between the election in November and the inauguration of the new president in January 2009. However, Jerusalem now assumes that likelihood of this possibility is close to nil, and that Bush will use the rest of his time in office to strengthen what he defines as the Iraqi achievement, following the relative success of American efforts there over the past year and a half.

Hezbollah taking steps towards reconciliation with Future & PSP

Hezbollah's decision to dispatch the head of its politburo Sheikh Ibrahim Amin al-Sayyed, as the official representative of Sayyed Hassan Nasrallah, to the funeral of slain Druze official Saleh Aridi was seen as a step toward reconciliation between Hezbollah and MP Walid Jumblat's Progressive Socialist Party. Sources, said both sides have expressed their desire to "upgrade the present security coordination formula" between Hezbollah's Wafiq Safa and PSP's Akram Shehayeb.

It said serious backstage efforts continue in this regard between Hezbollah and Mustaqbal (Future) Movement in a bid to achieve reconciliation. Today Sheikh Naim Kassem, deputy of Hezbollah chief Sayyed Hassan Nasrallah said: The Future movement did not make its political decision yet about a meeting between Nasrallah and Hariri . Such a meeting could resolve 90 % of the problems and the remaining 10 % could be resolved through dialogue" Hezbollah arms remain the key issue for the ruling majority. Prime Minister Fouad Siniora said national dialogue meetings will be held under the title of "the defense strategy."

Social front:

Lebanon bids farewell to slain Druze politician

Huge crowds gathered in Baysour for the funeral of Druze politician Saleh al-Aridi whose assassination in his home town of Baysour outraged the Lebanese people especially at a time when the country is heading towards reconciliation and dialogue.

Aridi was killed in car bomb explosion. 6 people who were near the scene of the explosion were wounded.

No-one has claimed responsibility for the explosion , but most analysts and politicians agreed that the assassination was "a bloody message" aimed at igniting violence between the rival Druze factions. This is what prompted Progressive Socialist party leader MP Walid Jumblatt to rush to Baysour shortly after the explosion to show solidarity with Minister Arslan and to offer condolences to the relatives of the victim.

Arslan who cut short his trip to Bielo Russia returned to Lebanon and immediately went to Baysour . He told the mourning crowds in Baysour: "What Saleh and I have started together on May 7 shall continue for the sake of the mountains and the nation". He added ' "Aridi's assassination was aimed at sowing discord and destroying the mountain (Druze strongholds of Mt Lebanon) and its unity."

Al Hayat newspaper has reported based on security sources that the bomb that killed Aridi weighed 700 grams (about 25 OZ) of TNT, was magnetically attached to the car structure from outside near the left tire under the pedals and remotely detonated from a nearby location. This was similar to the bombs used in the assassination of anti Syrian leaders George Hawi and Samir Qassir in 2005 and in the attempted assassination of LBC TV anchor May Chidiac. Both Druze leaders Arslan and Jumblatt attended the funeral and both addressed the mourners .

Israel

Political front:

Exit polls: Livni clear winner in Israeli primary

Foreign Minister Tzipi Livni won the Kadima Party's primary election for its leader, TV exit polls said, putting her in a good position to become Israel's first female leader in 34 years and sending a message that peace talks with the Palestinians will proceed.

Livni needed 40 percent of the vote to avoid a runoff next week, and her supporters hugged each other and shed tears of joy. "It's the beginning of a new period in Israeli politics," Moshe Conforti said amid the celebration.

Livni will have 42 days to form a new ruling coalition. If she succeeds, she will become Israel's first female prime minister since Golda Meir. If she fails, the country will hold elections in early 2009, a year and a half ahead of schedule. Olmert will remain as a caretaker leader until a new coalition is approved by parliament.

Two other candidates, Cabinet minister Meir Sheerit and former Shin Bet security service director Avi Dichter lagged far behind in the polls. Israeli political science professor Gadi Wolfsfeld predicted Livni could use a peace deal to win a national election.

Geo strategic front:

Iranian leader says he opposes Israel, not Israelis

The Iranian president, Mohamoud Ahmadinejad, took the unusual step of explaining that while he strongly opposed the state of Israel, his hostility did not extend to the Israeli people. "We have no problem with people and nations," he said. "Of course we do not recognize a government or a nation for the Zionist regime." Ahmadinejad has long been seen as a threat to Israel, especially since he angered the West and Jews worldwide in 2005 when he repeated a slogan from the early days of the revolution, saying "Israel should be wiped off the map." he defended his vice president for tourism, Esfandiar Rahim Mashai, who created a storm of protest among legislators and senior clerics over the summer when he said that Iran was a friend of the Israeli people.

Analysts viewed Ahmadinejad's public support for Mashai's remarks as a sign that Iran might be softening its position amid increasing pressure by the West over its nuclear program. Ahmadinejad backed up the comments at a press conference, arguing that what Mashai said was "the position of the government." Ahmadinejad made clear his opposition to Israel, saying that while "some say the idea of Greater Israel has expired, I say the idea of lesser Israel has expired too." He also called the Holocaust a "fake" and accused Israel of perpetrating a holocaust on Palestinians. But he added that the people who lived in Israel were tricked to move there, and that the Zionist government used them as a shield to protect itself. Mashai is a close political ally of Ahmadinejad and his daughter is married to Ahmadinejad's son. Ahmadinejad's comments came ahead of his trip next week to New York to address the United Nations General Assembly. Jewish groups have said they would hold an anti-Ahmadinejad rally to coincide with his trip.

Press Conference Plans for Future Russian Jewish Museum in Moscow

A press conference was held in Moscow's historical Bakhmetevsk Garage, the site of the future Russian Jewish Museum of Tolerance. The gathering was dedicated to the 155-year anniversary of one of Russia's most renowned architects – Vladimir Shukhov – a co-founder of this structure,

and the Federation of Jewish Communities of Russia's future plans for the reconstruction of this monument of constructivist architecture.

Alexander Boroda, the President of the FJC Russia, told participants that the FJC Russia received the territory of this former bus park in 2001, for the purpose of building an educational-cultural-leisure complex here. Over the past few years, this program was realized and on this site, the large 'Beit-Shvidler' Educational Complex was built, in addition to the 'Shaarei Tsedek' Charity and Leisure Complex.

In terms of the Bakhmetevsk Garage, at the present time, only the first stage of its reconstruction has taken place. The second stage will begin once the structure has been strengthened to accommodate the Russian Jewish Museum of Tolerance.

At least 4 Russian Jews killed in Aeroflot crash

Parents, their two children among 88 casualties in passenger jet crash in Ural mountains. Chief rabbi of Perm: This is a great tragedy. Russian citizens Ephraim and Golda Nachumov and their two small children, Eliyahu and Chava, were killed early Sunday in a passenger jet crash in the Ural mountains, the Chabad movement reported.

The Foreign Ministry has yet to receive any information on the presence of Israeli citizens on the flight.

Russian news agencies reported that Flight 821 operated by an Aeroflot subsidiary carried 82 passengers and six crew members, who were all killed in the crash. The plane was traveling from Moscow to the Ural Mountains city of Perm and crashed near residential buildings as it was preparing to land. A delegation on behalf of the Federation of Jewish Communities of the CIS, headed by Russia's Chief Rabbi Berl Lazar and Chevra Kadisha representatives, left Moscow on Sunday morning towards Perm along with the family's relatives in order to handle the burial arrangements of the four family members.

Israeli government debates settler evacuation

Israel's government had its first discussion a plan to offer West Bank settlers cash to leave their homes, a largely symbolic step taken as the prime minister approaches the premature end of his term. The plan would pave the way for a large-scale pullback after a peace agreement with the Palestinians. But both sides say such a peace accord, or even a partial agreement, are far from completion.

Israel is pushing for adjustments in the line between the West Bank and Israel, allowing it to keep main settlement blocs where most of the nearly 300,000 Jewish settlers live and offering to trade Israeli land for the blocs. The Palestinians have not accepted the idea.

Yishai Hollander, spokesman for an umbrella group representing settlers, called the evacuation plan "unrealistic" and said most settlers wouldn't take it seriously.

The politician behind the offer to compensate settlers, Vice Premier Haim Ramon, believes only about 62,000 would have to move from 72 locations deep in the West Bank that would be turned over to the Palestinians as part of their state.

For now, at least, the plan is theoretical because of lack of apparent progress in peace negotiations that were restarted with great fanfare last November, when a target date of January 2009 was set for an agreement. The average payment under the plan would be \$300,000 to every family that leaves the West Bank, with bonuses for moving away from the heavily populated center of the country. The plan would apply to areas east of the separation barrier Israel is building along the West Bank. Israel initially claimed that the barrier was a security measure that had no political significance, but Ramon said the barrier marked Israel's future border.

Palestinians charge that the route of the barrier is an Israeli land grab in the West Bank, cutting many Palestinians off from their fields and services. Although the Cabinet took no action on the proposal, Olmert said it marked an important step in preparing the nation to withdraw from occupied land. Olmert took a shot at the West Bank settler movement during the Cabinet meeting, ridiculing those who think Israel can hold on to all of the territory in the long run.

Syria

Political front:

Weekly Cabinet Meeting- Decisions and Endorsing Draft laws

The Cabinet decided in its weekly meeting headed by Prime Minister Mohammad Naji Ottri to raise the price of wheat and barley bought by the state from the Syrian farmers as part of President Bashar al-Assad's directives to support the agriculture sector. The decision set the new price of hard wheat at S.P. 20, the soft at S.P. 19.50 and the barley at S.P. 16. The new pricing policy was adopted to adequately compensate for the costs of production and allocating a 25-percent margin of profit.

The Cabinet then endorsed into law the agreement of loan dedicated to fund the project of modernizing and overhauling the Iron factory in the central governorate of Hama as signed between Syria and Export-Import Exim Bank of India. The cabinet also endorsed

into law the agreement on mutual investment between Syria and Romania to encourage joint investments and enhance economic relations between the two countries.

Minister Sweid Highlights Consultative Council of Expatriates

Minister of Expatriates Joseph Sweid highlighted the important role of the Expatriates Consultative Council (ECC) as an advisory body that helps providing visions on issues of the expatriates and how to get use of their expertise and human resources. Meeting member of the ECC and head of the Syrian community in Russia Dr. Azzam Al Rashi, Minister Sweid said his Ministry's most important priorities is to further consolidate communications with the Syrian young generations abroad. Minister Sweid was briefed by Dr. Al Rashi on the situations of the Syrian community in Russia and its neighboring countries, pointing out to the constructive role played by them to strengthen existing friendship between Syria and Russia.

Geo strategic front:

Moratinos arrives in Damascus to hold talks on relations and peace

Spain's Foreign Minister Miguel Angel Moratinos underlined the important role of Syria and its continuous serious efforts to achieve peace in the Middle East. "Talks in Damascus will deal with bilateral relations between Syria and Spain, the peace process and Syria's constructive and positive role in it," Moratinos said in a statement upon arrival at Damascus international airport. He added Syria is a pivotal country and basic in issues related to peace in the Middle East, it plays a very constructive role in the regional issues.

Moratinos came from Beirut where he met the Lebanese President Michel Sleiman on the latest developments in Lebanon. The Spanish Minister expressed his country's support to Lebanon in all domains. He also showed support to liberate the occupied Sheba'a Farms and to the Palestinians' right to return home.

Speaker of the Lebanese Parliament also discussed with Moratinos in a separate meeting the Lebanese national dialogue and the peace process in the Middle East. Talks during the meeting dealt with the mission of the Spanish battalion working within UNIFIL in south Lebanon in light of the Israeli continued violations of Lebanese airspace and the international resolution 1701. Moratinos expressed relief over the developments in the Syrian-Lebanese relations and the Syrian constructive role in Lebanon.

European Foreign Ministers Affirm Impossibility of Peace Without Syria

European Foreign Ministers underlined importance of Syria's role, stressing the impossibility of achieving peace in the Middle East with out Syria.

Italian Foreign Minister Franco Frattini, in a statement to the Syria television, expressed his conviction in impossibility to reach a real peace without the Syrian role, pointing out to the European consensus on the necessity of returning the occupied Golan to Syria.

For his part, Finland's Foreign Minister Alexander Stubb said: " We have to comprehensively look at peace in the Middle East and not on one track and attentively look to the Syrian-Israeli track...Foundations of the European Union must look to peace in the region as a basis for security in Europe and this peace would not be achieved without Syria." In turn, Luxembourg Foreign Minister Jean Asselborn confirmed that nobody in Europe can deny the Syrian role.

President al-Assad Discusses with Moratinos Syrian-Spanish Relations

President Bashar al-Assad's talks with Spanish Foreign Minister, Miguel Angel Moratinos this morning dealt with the growing relations of friendship and cooperation between Syria and Spain and with the expected visit of Spanish Prime Minister, Jose Rodriguez Zapatero to Syria. President al-Assad and Moratinos expressed satisfaction over the distinguished relations between Syria and Spain and the incessant efforts which are being exerted to strengthen and expand these relations in all fields.

During the meeting the issue of the indirect peace talks between Syria and Israel through the Turkish mediation was discussed, and Moratinos expressed Spain's support to these negotiations, praising Syria's seriousness in this regard and to her commitment to everything that may lead to peace and stability in the Middle East.

In this regard , president al-Assad underlined the importance of Madrid reference and commitment to international resolutions as far as peace talks are concerned. The results of the Syrian-Lebanese Summit , and of the Quartet Summit which held recently in Damascus , were also discussed. The two sides welcomed the start of the dialogue among the Lebanese parties , expressing hope that the sessions would lead to an agreement that would preserve security and stability in Lebanon.

Moratinos praised Syria's constructive role in building strong relations with Lebanon. During the meeting , the necessity for attaining the unity of the Palestinian ranks , and for the restoration of the Palestinian legitimate rights , was stressed. The president welcomed the growing European role in the region. The talks also dealt with the project "united for the Mediterranean , and with the necessity for such a project to initiate cooperation between the two banks of the Mediterranean in all fields.

During the Press conference, Moratinos underlined the importance of bilateral relations between Syria and Spain in all fields. He added his talks with President al-Assad dealt with bilateral ties between the two countries, the peace process and the Euro-Med partnership. He

praised the constructive role played by Syria in facilitating dialogue and achieving consensus among the Lebanese and the recommendations presented to Spain, Italy and France to help in this domain, saying "we can now aspire for Lebanon's future with great optimism." As for the indirect peace talks between Syria and Israel under Turkish mediation, Moratinos said "I exchanged with the Syrian officials the impressions on the general atmosphere of this process and how could the political developments in Israel affect this process."

He expressed his country's support of the role played by Turkey, the future member in the EU, in those negotiations. On the possibility of Spain to host the coming rounds of talks between Syria and Israel, the Spanish Foreign Minister said his country is always ready to receive any peace conference, but the most important thing is the seriousness and firmness of all tracks. As for the situation in Lebanon, Al-Moallem expressed Syria's satisfaction over the start of the national dialogue conference yesterday in Beirut, saying "President al-Assad has repeatedly announced that we support what the Lebanese agree upon and Syria always calls for national unity and reconciliation in Lebanon."

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report

From 12 September to 19 September

Presentation: September 27, 2008

- Indonesia

Political Front

- Indonesia seeks Australia help on defence equipment

Economy

Social Front

- Strong earthquake hits eastern Indonesia

Malaysia

Political Front

- Party exits ruling coalition
- *ABDULLAH: Anwar's letter not about power transfer*

Social Front

- A Racist Start to Holy Month of Ramadan in Malaysia
- Malaysian opposition seeks international help to release detainees

Environment

- Indonesian govt "gives up" on stopping mud volcano
- Thailand

Political Front

- Thailand crisis drags on as PM lifts state of emergency

Economic Front

- Thai exports booming despite political crisis'
- Singapore

Political Front

- Singapore to amend Constitution to draw more income

Economic Front

- Philippine

Political Front

- Malaysian PM "disappointed" by failure of Philippines peace deal

Geo strategic

Economic Front

Social front/Political

- EU urges Philippines, rebels to resume stalled peace talks
- Philippine Muslims still searching for homeland
- Australian diplomat urges Manila back to peace talks
- EU condemns Philippines separatist violence
- PHILIPPINES: Suspend US Military Deployments to Mindanao

- US Troops Out of Mindanao; Genuine Self-Determination for Moros Now
- Philippines: Development funds used to combat extremism, says official
- Australia provides humanitarian assistance to southern Philippines
- Situation remains 'grim' in Philippines
- Eight Dead In Muslim Rebel Attacks In Philippines - Military
- Philippines MILF chief warns of war
- Intense fighting has displaced more than half a million people
- UN official alarmed over number of people displaced by fighting
- Alliance-Philippines (AJLPP) Blames Direct US Intervention For the War in Mindanao

Environment

- Climate change could devastate Philippines: NASA scientist
- Vietnam

Political Front

Fighting corruption is a key duty, deputy PM says

Economic Front

- ADB warns Vietnam of high growth rate target
- PM meets local economists on national economy
 - Vietnam expects oil product demand to rise 8-10 percent

Environment

Social Front

- Southern officials jailed for corruption
 - PM urges people to join anti-crime movement
 - Laos

Political /Economic Front

- Move to support strategic markets

Social Front

- Bird flu spreads in Oudomsay
- ADB backs sanitation, clean water supply
- Human resources key for governance reform

Cambodia

Political/Geo Strategic

- Cambodian prime minister doubts Thai ability to chair ASEAN
- New bridge to aid cross-border trade
- US pledges \$1.8 million to Khmer Rouge trials

- Cambodia, Thailand not have channel for talks of military redeployment at border areas

Summary

In South East Asia same scenario is going on as was in previous week but its intensity has been increased. That is creating a situation of instability at political as well as societal and social level. At political front South East Asia is facing a sort of crisis situation because of having an instable political situation in many countries of this region in including Malaysia that is a Muslim majority country. That is facing a lot of problem at the same time, Problems of administration, racist issue, and issues of different environmental changes. While in case of Thailand a new Pm has been elect elected but same situation of instability is prevailing in the country. Issue of temple is also in a confusing situation between Thailand and Cambodia. Thai PM is also being criticized for his offer to Host the ASEAN summit from Cambodian government. On the other hand US is giving assistance to Cambodia to resolve the Temple issue and trying to boot its ties. At social Front this country is getting more attention of Humanitarian agencies because of fighting between Muslims and Army of Phillipine in Phillipine. Further presence of US troops in Province is worsening the situation. At environmental Front NASA has made a research that due to climate change Phillipine is in Devastating situation At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability.

The summary of news item is as follows:

Indonesia

- **Indonesia seeks Australia help on defence equipment**

Indonesian is seeking help from Australia to upgrade its defence industry and will send officials to its more developed neighbor next month to try to strike a deal, Defence Minister Juwono Sudarsono said on Thursday.

- **EU urged to review decision on biofuel**

Malaysia, Indonesia ministers get together for the first time to voice concern

Malaysia and Indonesia have jointly urged the European Union (EU) to review its decision on renewable energy and fuel quality, particularly on the use of palm oil for the production of biofuel.

- **Strong earthquake hits eastern Indonesia**

A strong earthquake with magnitude of 6.1 rocked Ambon in eastern parts of Indonesia on Saturday morning, according to Indonesia's meteorology agency.

Malaysia

- **Party exits ruling coalition**

A SMALL party in Malaysia's ruling coalition quit on Wednesday, in a fresh blow for the beleaguered government which is also facing an opposition bid to seize power.

- **ABDULLAH: Anwar's letter not about power transfer**

Datuk Seri Abdullah Ahmad Badawi today said a letter he received from Opposition leader Datuk Seri Anwar Ibrahim yesterday was about general matters on the current situation of the country and not concerning a power transfer.

- **Borneo hinge to Anwar's ambition**

If Malaysian opposition leader Anwar Ibrahim is successful in his historic bid to form a reformist government in Kuala Lumpur, he will likely owe much to the country's Borneo states of Sabah and Sarawak.

-

Malaysia's Anwar says close to being PM

Malaysia's opposition alliance claimed on Tuesday that it had enough support in parliament to oust the government, but Prime Minister Abdullah Ahmad Badawi rejected the declaration and accused the opposition of "political lies.

- **Malaysia's Opposition Leader say he can topple govt**

Malaysian opposition leader Anwar Ibrahim claims he has enough support to topple the government and wants to meet with the Prime Minister to discuss a handover.

Malaysia's Anwar leads criticism of government crackdown

Malaysian opposition leader Anwar Ibrahim on Saturday led demands for the government to end a crackdown that saw the arrests of an opposition politician, a blogger and a journalist.

- **A Racist Start to Holy Month of Ramadan in Malaysia**

It is not often that I sermonise in my articles, and it has been a month since the OtherMalaysia.org research project was brought to a close. Yet despite everything the tone and tenor of Malaysia's convoluted politics and the country's slide into decline forces us to take stock of how far Malaysia has traveled over the past 50 years of its independence, or hasn't.

- **Malaysian opposition seeks international help to release detainees**

Malaysia's opposition on Wednesday sought international help to push for the release of a politician and others held without trial under the country's internal security law.

- **Indonesian govt "gives up" on stopping mud volcano**

Indonesia's vice president said on Friday the government had given up all hope of halting a mud volcano in East Java which has displaced thousands of people, hurt businesses, and destroyed the local environment.

Thailand

- **Thailand crisis drags on as PM lifts state of emergency**

Thailand's acting prime minister lifted the state of emergency in Bangkok yesterday as the ruling party met to choose a new candidate for premier, but the nation's political crisis looked set to drag on.

- **Thai exports booming despite political crisis'**

Thai exports are set to expand by up to a quarter this year, beating the government's target despite the kingdom's relentless political turmoil, commerce minister Chaiya Sasomsap said Monday.

Singapore

- **Singapore to amend Constitution to draw more income**

The Singaporean government wants to increase the amount of income it would have by investing Singapore's reserves, the Channel News Asia (CNA) reported. This requires an amendment to the country's Constitution, which was tabled in Parliament on September 15, the Singaporean news network said.

Philippine

- **Malaysian PM "disappointed" by failure of Philippines peace deal**

Malaysian Prime Minister Abdullah Ahmad Badawi has expressed disappointment over the collapse of a peace deal between the Philippines government and Muslim rebels, a senior official said Monday.

- **EU urges Philippines, rebels to resume stalled peace talks**

The European Union (EU) on Tuesday called for an early resumption of stalled peace talks between the Philippine government and Muslim separatist rebels, as it expressed alarm over escalating violence in the country's troubled south.

- **Philippine Muslims still searching for homeland**

The latest attempt to bring peace to the southern island of Mindanao and give the minority Muslims a homeland has been officially scrapped after 11 years of negotiations between the government and the Moro Islamic Liberation Front (MILF).

- **Australian diplomat urges Manila back to peace talks**

Australia has called on the Philippine government and the rebel Moro Islamic Liberation Front to resume peace talks.

- **EU condemns Philippines separatist violence**

The European Union has condemned what it calls indiscriminate killings of civilians amid an upsurge of Muslim separatist violence in the southern Philippines.

- **PHILIPPINES: Suspend US Military Deployments to Mindanao**

A broad coalition of NGOs, social movements, and political parties from Mindanao and the rest of the country today called for all US military deployments in Mindanao suspended pending the conclusion of a fair and thorough probe by lawmakers.

- **US Troops Out of Mindanao; Genuine Self-Determination for Moros Now**

The United States' involvement in the war in Mindanao can no longer be denied. Several times in the last month, at the height of Philippine military offensives against Moro fighters, US soldiers were repeatedly seen with Filipino troops, helping recover bombs, evacuating casualties, or joining Filipino troops in Philippine military camps throughout Mindanao.

- **Philippines: Development funds used to combat extremism, says official**

The Philippines government has redirected funds earmarked for the development of the country to the fight against communism and Islamic rebels, according to a key government official.

- **Australia provides humanitarian assistance to southern Philippines**

Australia announced Monday a 12-million-peso (255,863-US dollar) grant of humanitarian assistance to thousands of people affected by fighting between Muslim separatist rebels and the military in the southern Philippines.

- **Situation remains 'grim' in Philippines**

The UN food agency yesterday said the humanitarian situation in the southern Philippines remained grim, with tens of thousands of refugees needing emergency aid.

- **Eight Dead In Muslim Rebel Attacks In Philippines - Military**

Muslim rebels attacked an army patrol in the restive southern Philippines, leaving seven soldiers and one militant dead, military officials said Wednesday.

- **Philippines MILF chief warns of war**

Ebrahim said they believed that peace is possible in both words and action .The leader of Southeast Asia's biggest separatist group based in the southern Philippines has warned of escalating conflict if they are forced to defend themselves against an expanding government offensive.

- **Intense fighting has displaced more than half a million people**

In the latest violence on Wednesday, MILF fighters attacked an army patrol in the town of Calanugas, killing seven soldiers and at least one rebel fighter, according to Philippine military officials.

- **UN official alarmed over number of people displaced by fighting**

A UN official yesterday expressed alarm over the growing number of people displaced by fighting between the military and Muslim separatist rebels in the southern Philippines.

- **Alliance-Philippines (AJLPP) Blames Direct US Intervention For the War in Mindanao**

With more than 500,000 people in Northern and Central Mindanao due to the AFP and MILF

fighting, the Alliance Philippines (AJLPP) placed the blame on the United States for intervening in the Mindanao Conflict.

- **Climate change could devastate Philippines: NASA scientist**

Climate change could have a devastating impact on the Philippines, leading to widespread destruction of the country's flora and fauna and flooding the capital Manila, a NASA scientist warned here Friday.

Vietnam

- **Fighting corruption is a key duty, deputy PM says**

The Ministry of Industry and Trade should pay more attention to fighting corruption, said Deputy Prime Minister Truong Vinh Trong at a ministry meeting in Hanoi Friday

- **Southern officials jailed for corruption**

Dong Nai Province People's Court Monday handed out a total of more than 15 years of prison time to government officials in the southern province's Vinh Cuu District in a land corruption trial.

- **ADB warns Vietnam of high growth rate target**

Vietnam's high economic growth target could hurt the country in the long term if it fails to clamp down on spiraling inflation, the Asian Development Bank warned Tuesday.

- **PM meets local economists on national economy**

Prime Minister Nguyen Tan Dung on September 13 met with local economists to assess the socio-economic performance and discuss its prospect in the remaining months of the year and 2009. Opening the meeting, PM Dung mentioned the fact that the global.

- **Vietnam expects oil product demand to rise 8-10 percent**

Vietnam, which now relies almost entirely on oil product imports, expects its annual demand for refined products to rise between eight and 10 percent in the next two years, a government report said.

- **PM urges people to join anti-crime movement**

Prime Minister Nguyen Tan Dung has stressed the need to call on all people to join in the fight against crime, making it really a mass movement.

Laos

- **Bird flu spreads in Oudomsay**

Ban Nalae village in Say district, Oudomsay province is now an avian influenza zone because of the detection of the outbreak of the deadly H5N1 disease in this locality. Workers from the Agriculture and Forestry Office in Say district in cooperation with related bodies culled 1,170 poultry from 76 households in Ban Nalae village on 14 September.

- **Move to support strategic markets**

Measures to encourage overseas investment are a top priority for the Ministry of Planning and Investment (MPI).

- **ADB backs sanitation, clean water supply**

Villagers in 12 districts of nine provinces will soon have clean water and sanitation after the Lao government and the Asian Development Bank (ADB) struck an agreement on Tuesday to supply them with clean water.

- **Human resources key for governance reform**

Human resource development is a top priority for governance reform as the government works to bolster administrative structure and the rule of law in the absence of sufficiently qualified officials.

Cambodia

- **Cambodian prime minister doubts Thai ability to chair ASEAN**

Cambodia has concerns that Thailand's turbulent internal political problems make it unable to effectively work as the new chair of the Association of South-East Asian Nations (ASEAN), Prime Minister Hun Sen said Monday.

- **New bridge to aid cross-border trade**

Cambodia will build a bridge connecting Kandal Province's Chrey Thom District with Vietnam in a bid to boost cross-border trade.

- **Cambodia, Thailand not have channel for talks of military redeployment at border areas**

Cambodia does not have the channel to continue the talk with Thailand to speed up the military redeployment at border areas, Cambodian Prime Minister Hun Sen said Wednesday.

- **Thailand testing Cambodia's patience, says government**

Last week, Cambodia said it was content to be patient with Thailand over disputed border areas, but claims Thai troops had moved into a third border temple area over the weekend have freshly irked Cambodia, the government said Monday.

- **US pledges \$1.8 million to Khmer Rouge trials**

The United States has decided to finance the upcoming trials of former Khmer Rouge leaders, pledging \$1.8 million for the next year with the promise of more to come, US Deputy Secretary of State John Negroponte said Tuesday.

- **Top US official meets Cambodia's PM to boost ties**

VISITING US deputy secretary of state John Negroponte was set to hold talks yesterday with Cambodian Prime Minister Hun Sen, aiming to improve relations between the two countries, embassy officials said.

Detailed Monitoring Report

Indonesia

Political Front

- **Indonesia seeks Australia help on defence equipment**

Indonesian is seeking help from Australia to upgrade its defence industry and will send officials to its more developed neighbor next month to try to strike a deal, Defence Minister Juwono Sudarsono said on Thursday.

Indonesia has been talking to a number of countries including Russia and China on sourcing new equipment and cooperating in manufacturing equipment as it struggles to modernize its cash-strapped defence forces.

The minister told a news conference Jakarta hoped negotiations with Australia could include transfer of technology. Currently 70 percent of Indonesia's defence equipment is foreign made. Indonesia's current defence budget is about \$3.2 billion. The defence minister has previously said about \$10 billion was required for the country of about 230 million people and more than 17,500 islands. The two countries signed a defence pact in 2006 after Jakarta had torn up a previous pact with Canberra nine years ago when Australia led an international force in East Timor.

Economic Front

- **EU urged to review decision on biofuel**

Malaysia, Indonesia ministers get together for the first time to voice concern

Malaysia and Indonesia have jointly urged the European Union (EU) to review its decision on renewable energy and fuel quality, particularly on the use of palm oil for the production of biofuel. Plantation Industries and Commodities Minister Datuk Peter Chin said the two countries would continue to engage with EU member states on the committee's decision to increase the percentage of carbon emission savings for palm-based biodiesel from the threshold value of 35% to 45%. Describing the move as illogical, he wondered how the EU would get its supply of biofuel once the three major raw materials of oil palm, rape seed and soya were weeded out.

This is the first time that ministers from two of the world's largest producers of palm oil have come together to address a forum that brought together government and corporate leaders, strategic thinkers and research bodies.

Chin said the EU should not impose another level of certification through the 45% threshold so long as sustainable palm oil could be produced from any source. "How can we be subjected to two certifications and probably the high costs too?" he said in response to the negative perception towards palm oil.

In his speech, Chin said the past few years had seen the oil palm industry confronted with issues concerning the environment, particularly deforestation, loss of biodiversity and threat to

wildlife. The minister had earlier led a nine-day joint ministerial mission to The Hague and Brussels where he held discussions with Dutch Minister of Environment and Spatial Planning Jacqueline Cramer as well as Agriculture Minister Gerda Verburg.

Environment

Social Front

- **Strong earthquake hits eastern Indonesia**

A strong earthquake with magnitude of 6.1 rocked Ambon in eastern parts of Indonesia on Saturday morning, according to Indonesia's meteorology agency.

The quake struck at 07:04 Jakarta time (0004 GMT) with epicenters at 97 km northeast Ambon, the capital of Maluku province and at 72 km in depth, an official of the agency said. Indonesia sits on a vulnerable zone called "the Pacific Ring of Fire" where two continental plates, stretching from the Western Hemisphere through Japan and Southeast Asia, meet that cause frequent volcanic movements.

Malaysia

Political Front

- **Party exits ruling coalition**

A SMALL party in Malaysia's ruling coalition quit on Wednesday, in a fresh blow for the beleaguered government which is also facing an opposition bid to seize power.

The decision by the Sabah Progressive Party (SAPP), which has two lawmakers in parliament, comes as the opposition led by Anwar Ibrahim is signing up defectors from the ruling Barisan Nasional (BN) coalition.

SAPP president Yong Teck Lee said the party would become independent and was not applying to join the opposition alliance, but he launched a savage attack on the BN coalition, which he said had 'lost its moral authority to rule'.

'Perhaps, after 50 years of uninterrupted government, some BN leaders have got it in their heads that they have a divine right to rule,' he said in Sabah's capital of Kota Kinabalu. SAPP has been an irritant to the coalition since June, when it called for a vote of no confidence in Prime Minister Abdullah Ahmad Badawi. Its departure from the coalition was not unexpected.

In the past, SAPP has said it would consider joining the opposition, which has courted disaffected lawmakers in Malaysia's underdeveloped eastern states of Sabah and Sarawak on Borneo island. In March elections, the coalition won 140 seats and the opposition claimed 82, denying the government a two-thirds majority in parliament for the first time in the country's history. In peninsular Malaysia, Muslim Malays are the dominant population, alongside large ethnic Chinese and Indian minorities.

- **ABDULLAH: Anwar's letter not about power transfer**

Datuk Seri Abdullah Ahmad Badawi today said a letter he received from Opposition leader Datuk Seri Anwar Ibrahim yesterday was about general matters on the current situation of the country and not concerning a power transfer.

"There has been no letter sent to me regarding a power transfer. He (Anwar) sent a letter about general matters on the current situation in the country," he told a press conference after presenting scholarships and Aidilfitri aid to the needy at Dewan Seri Endon Yayasan Budi Penyayang here.

Anwar had claimed that he had sent a letter to the Prime Minister requesting a meeting to discuss a peaceful transfer of power to the Pakatan Rakyat coalition. He claimed that he had enough Members of Parliament to form the new government.

- **Borneo hinge to Anwar's ambition**

If Malaysian opposition leader Anwar Ibrahim is successful in his historic bid to form a reformist government in Kuala Lumpur, he will likely owe much to the country's Borneo states of Sabah and Sarawak.

Anwar claimed on Tuesday he had secured the parliamentary numbers needed to topple Prime Minister Abdullah Badawi's beleaguered government and called for "handover talks" towards a peaceful political transition. The government refuted that claim, saying Anwar was employing the "politics of distraction" because he failed to achieve his avowed September 16 deadline to seize power through parliamentary defections.

- **Malaysia's Anwar says close to being PM**

Malaysia's opposition alliance claimed on Tuesday that it had enough support in parliament to oust the government, but Prime Minister Abdullah Ahmad Badawi rejected the declaration and accused the opposition of "political lies. "We have enough strength to form the government. Once we meet the prime minister, we will abide by the constitution and seek the consent of the king," Opposition leader Anwar Ibrahim told a media conference.It was the most forceful statement yet that Anwar, a former deputy prime minister, is close to winning Malaysia's top job after being imprisoned for sodomy and corruption in the late 1990s and barred from office. He declined to spell out what his majority could be in the 222-member assembly, but he needs at least 30 MPs to cross the floor from the ruling Barisan Nasional coalition and join his 82-strong bloc, which is made up of three political parties.Anwar said he would give Abdullah a few days to agree to a meeting before exploring other options. That could include seeking an audience with Malaysia's king, Tuanku Mizan Zainal Abidin, to claim a mandate to rule.

- **Malaysia's Opposition Leader say he can topple govt**

Malaysian opposition leader Anwar Ibrahim claims he has enough support to topple the government and wants to meet with the Prime Minister to discuss a handover. After landmark March elections that saw the opposition dramatically increase its seats in parliament, Dr Anwar set a September the 16th deadline to oust the ruling Barisan Nasional coalition.

He persuaded at least 30 lawmakers to defect. Dr Anwar told a rally of ten thousand supporters in Kuala Lumpur his Keadilan party has the numbers to defeat Barisan Nasional. He says today is D day. Dr Anwar says his representatives have delivered a letter to Prime Minister Abdullah Ahmad Badawi demanding a meeting and the handover of power.

- **Malaysia's Anwar leads criticism of government crackdown**

Malaysian opposition leader Anwar Ibrahim on Saturday led demands for the government to end a crackdown that saw the arrests of an opposition politician, a blogger and a journalist.

The arrests on Friday under tough internal security laws raised fears that the ruling Barisan National coalition will launch a widespread campaign against dissent as it faces an opposition bid to seize power within days.

Rights groups have condemned the use of the Internal Security Act (ISA), which allows for indefinite detention without trial, and the United States summoned Malaysia's top envoy in Washington in protest. Anwar, who is trying to sign up enough defecting lawmakers to topple the government, said it was running scared after March general elections that handed his opposition alliance unprecedented gains.

Social Front

- **A Racist Start to Holy Month of Ramadan in Malaysia**

It is not often that I sermonise in my articles, and it has been a month since the OtherMalaysia.org research project was brought to a close. Yet despite everything the tone and tenor of Malaysia's convoluted politics and the country's slide into decline forces us to take stock of how far Malaysia has traveled over the past 50 years of its independence, or hasn't.

With the feeble administration of Prime Minister Abdullah Ahmad Badawi teetering on the verge of implosion and collapse, Malaysians are preparing themselves for the worst to come.

Since 2004 Malaysia has in fact been running on autopilot, a point made clear to me by a European diplomat who once asked me "Is anyone running this country and does Badawi even know what is going on?" Cocooned from the realities of a society that has experienced large scale and even traumatic changes, the Badawi government proved itself to be totally dislocated and clueless over what was happening.

- **Malaysian opposition seeks international help to release detainees**

Malaysia's opposition on Wednesday sought international help to push for the release of a politician and others held without trial under the country's internal security law.

Teresa Kok, from the Democratic Action Party (DAP), a member of the opposition alliance, was arrested last week along with Malaysia's top blogger Raja Petra Kamaruddin and detained under the Internal Security Act (ISA).

Environment

- **Indonesian govt "gives up" on stopping mud volcano**

Indonesia's vice president said on Friday the government had given up all hope of halting a mud volcano in East Java which has displaced thousands of people, hurt businesses, and destroyed the local environment.

The disastrous mud volcano, which started erupting in May 2006 near Indonesia's second-biggest city of Surabaya, has proved a huge problem for the government.

The hot, noxious mud has displaced more than 50,000 people, submerged homes, factories and schools and is now flowing at a rate of more than 100,000 cubic meters a day. Various attempts to halt the flow have all failed.

"The government has given up in terms of efforts to stop the mudflow, but will never give up when it comes to taking care of the people," Vice President Jusuf Kalla told reporters. "There have always been people that said stopping the mudflow is not an easy task," he said, adding the government had spent "trillions of rupiah every year" trying to solve the problem.

The government has ordered Lapindo to pay 3.8 trillion rupiah, or about \$400 million, in compensation to the victims and to cover the damage.

Thailand

Political Front

- **Thai exports booming despite political crisis?**

Thai exports are set to expand by up to a quarter this year, beating the government's target despite the kingdom's relentless political turmoil, commerce minister Chaiya Sasomsap said Monday. "This year exports are expected to grow by up to 25 percent, up from our previous target of 20 percent," Chaiya told reporters. "That follows from strong growth of exports last month at more than 26.1 percent," he added. He also predicted that the global economy would gradually improve next year. "The US economy is likely to improve following the US presidential election. That should be good for exports," he said. Exports account for about 60 percent of the Thai economy, with the country's major markets in the United States, Japan and the European Union.

- **Thailand crisis drags on as PM lifts state of emergency**

Thailand's acting prime minister lifted the state of emergency in Bangkok yesterday as the ruling party met to choose a new candidate for premier, but the nation's political crisis looked set to drag on.

Somchai Wongsawat said tensions had eased in Bangkok since the emergency was imposed two weeks ago after pro- and anti-government protesters clashed in violence that left one person dead and dozens injured.

"We have analyzed that the situation is less serious and if we still maintain the state of emergency, it might damage the country," acting premier Somchai said after meeting the country's army chief and other officials.

Thousands of protesters have besieged the grounds of Government House in the capital since last month to try to force the resignation of then Prime Minister Samak Sundaravej and his cabinet.

The ruling People Power Party (PPP) and its coalition partners now plan to nominate a new candidate ahead of a vote in parliament on Wednesday by lawmakers for a prime minister. The protest group, which calls itself the People's Alliance for Democracy (PAD), also spearheaded protests against Thaksin in 2006, leading to the military coup that toppled him.

The activists are also pushing a broader agenda to scale back Thailand's democracy by reducing the influence of poor, rural voters, who gave Thaksin steadfast support for providing universal health care and low-interest loans.

- **Thaksin's brother-in-law is elected as Thai prime minister**

A brother-in-law of former Prime Minister Thaksin Shinawatra was elected prime minister Wednesday in a parliamentary vote that defied the demands of anti-government protesters. The new prime minister, Somchai Wongsawat, 61, has held the post on an interim basis since a court forced the previous prime minister, Samak Sundaravej, from power eight days ago because he had been paid to appear on a cooking show. Somchai, who is married to Thaksin's sister, has long experience as a judge and was minister of education in the Samak cabinet.

The protesters, called the People's Alliance for Democracy, have said they would oppose any member of the ruling People Power Party. They say the party is a front for Thaksin, who was ousted in a coup in 2006 and now lives in London, where he is seeking political asylum to avoid corruption charges in Thailand." I cannot deny my family ties," Somchai at a press conference Tuesday. "But what matters is how I behave. From where I stand, I can't escape scrutiny."

Environment

Social Front

- **Thailand: Heavy rains and flooding in many provinces**

The Meteorological Department reported at 4 AM today (September 17th) that a trough of active low pressure lies across the lower North, Central, Northeast and East. Abundant rainfall is likely over upper Thailand with heavy to very heavy rain in many areas such as Sukhothai, Phitsanulok, Phichit, Phetchabun, Chaiyaphum, Maha Sarakham, Mukdahan, Kalasin, Roiet, Yasothon, Amnat Charoen, Ubon Ratchathani, Si Sa Ket, Buri Rum, Surin, Nakhon Ratchasima, Saraburi, Lop Buri, Nakhon Nayok, Prachin Buri, Sa Kaeo, Rayong, Chanthaburi and Trat provinces. People living in lowlands and foothills should beware of flooding conditions during this period. Bangkok metropolis and vicinity can expect fairly widespread thundershowers and isolated heavy rains. The daily temperature would range from 26 to 33 degrees Celsius. The speed of southwesterly winds would be around 15 to 35 kilometers per hour.

Singapore

Political Front

- **Singapore to amend Constitution to draw more income**

The Singaporean government wants to increase the amount of income it would have by investing Singapore's reserves, the Channel News Asia (CNA) reported. This requires an amendment to the country's Constitution, which was tabled in Parliament on September 15, the Singaporean news network said.

Currently, the government can spend up to 50 percent of actual interest and dividend income gained from investing Singapore's reserves. This spending rule is meant to safeguard the country's reserves. The government now wants to expand the pool of investment returns to include capital gains and losses, while maintaining the 50 percent spending cap

Economy

Social issues/ Environment

Philippine

Political Front

- **Malaysian PM "disappointed" by failure of Philippines peace deal**

Malaysian Prime Minister Abdullah Ahmad Badawi has expressed disappointment over the collapse of a peace deal between the Philippines government and Muslim rebels, a senior official said Monday. Badawi spoke of his disappointment during a meeting with Philippines chief peace negotiator Hermogenes Esperon. Malaysia has played a key role as moderator in the talks, which have lasted more than 10 years. A draft peace agreement between the Philippines and the separatist Moro Islamic Liberation Front (MILF) was scrapped by the government in Manila, initiating widespread unrest in Muslim Mindanao last month. "The prime minister of Malaysia expressed disappointment over the non-signing," in a meeting between the two over the weekend, Esperon said.

Esperon said the government was still working with Malaysia to re-establish talks with the MILF, adding that Manila was also considering direct contact with the rebel group. Esperon said the government had asked a Malaysian facilitator to "relay specific items to the MILF leadership," namely that "the peace process continues," and that the MILF leadership should turn over two renegade commanders responsible for recent attacks.

Geo-Strategic

Economy

Environment

- **Climate change could devastate Philippines: NASA scientist**

Climate change could have a devastating impact on the Philippines, leading to widespread destruction of the country's flora and fauna and flooding the capital Manila, a NASA scientist warned here Friday.

The continued melting of Arctic ice caps, brought on by climate change, could cause sea levels to rise by seven metres (23 feet), said National Aeronautics and Space Administration (NASA) physicist Josefino Comiso. He said the country's fish stocks would be depleted and many species of plant and animal life would die because of the change in ocean temperatures caused by climate change. Comiso said the slow melting of the ice caps should be more than "just an item of curiosity" for Filipinos. "The Philippines is a country that is among the most vulnerable to the effects of climate change," Comiso said. "Slight changes in ocean temperature will lead to coral bleaching which will impact on the coral reefs on which the country's fishes feed."

Fish species are already starting to disappear from Philippine waters as delicate coral reefs, some of the biggest in the world, are destroyed in the archipelago, according to the international marine watchdog group Reef Check. He also noted that rising temperatures could reach a point where "various living creatures" would start to die in large numbers. "Such temperatures would vary from species to species," he said. "But the deaths of these creatures would gravely affect the food supply chain." The project, which will be based in a state university outside Manila, will coordinate its research with NASA.

Social Front

- **EU urges Philippines, rebels to resume stalled peace talks**

The European Union (EU) on Tuesday called for an early resumption of stalled peace talks between the Philippine government and Muslim separatist rebels, as it expressed alarm over escalating violence in the country's troubled south.

The EU also urged the government and the Moro Islamic Liberation Front (MILF) to "show restraint and genuine respect for the rule of law" to avoid further inflaming the violence in the southern region of Mindanao.

"The EU believes strongly that the conflict in Mindanao can only be resolved through dialogue," it said in a statement.

The fighting flared up after the Supreme Court stopped the signing of a territorial deal between the government and the MILF that would have expanded an existing autonomous Muslim region in Mindanao.

Frustrated by the setback, MILF rebels launched a series of deadly attacks in the provinces of North Cotabato, Lanao del Norte, Lanao del Sur, Basilan and Sarangani. The military has launched an offensive to hunt down two commanders who led the attacks.

More than 200 people, including nearly 70 civilians, have been killed and more than 500,000 residents have been forced to flee their homes due to the hostilities, according to the Office of Civil Defence.

The EU said it was deeply concerned over the growing number of civilian casualties and displaced persons in the fighting.

- **Philippine Muslims still searching for homeland**

The latest attempt to bring peace to the southern island of Mindanao and give the minority Muslims a homeland has been officially scrapped after 11 years of negotiations between the government and the Moro Islamic Liberation Front (MILF).

Both sides have struggled for a settlement through peace negotiations punctuated by bouts of bloodshed which had displaced more than a million people and left more than 120,000 dead over the past 40 years. Known locally as "Little Mindanao," it is home to an estimated 50,000 Muslims. Some were born here, others were children when their parents fled the fighting in Mindanao and some are recent arrivals. Although the latest attempt for a settlement was endorsed by negotiators from both sides, it drew widespread condemnation from Mindanao's Christians and politicians who saw it as unconstitutional and a sell-out of Philippine sovereignty. The agreement has been

dumped by the government and factions of the MILF have begun fighting, sending more than 500,000 civilians into refugee camps.

Historically Muslims dominated the islands of the Sulu archipelago, western and central Mindanao and the island of Palawan well before the Spanish colonizers arrived in the mid-1500s.

Despite 350 years of Spanish occupation, the Muslims were left alone where the local sultanates dominated Southeast Asia. After occupying the Philippine islands following its war with Spain in 1898; the US fought a series of brutal wars with the Muslims to bring them into what was then the Philippine Commonwealth.

For most of the 20th century large scale emigration was encouraged, first by the US and the Filipinos themselves, urging Christians to populate Mindanao. In less than 60 years the Muslims were pushed into being a minority people in what was once their own homeland, and now no one knows how many Muslims have drifted to Manila in the past four decades. After 40 years of false promises exhaustion and frustration are eroding the patience of many Muslims in the Philippines.

- **Australian diplomat urges Manila back to peace talks**

Australia has called on the Philippine government and the rebel Moro Islamic Liberation Front to resume peace talks.

It has also given almost 316-thousand Australian dollars as humanitarian aid to those affected by the conflict in Mindanao island in the southern Philippines.

Australia's ambassador to Manila Rod Smith says the financial assistance from the Australian Agency for International Development will be used to address water and sanitation needs, food, and counseling services in evacuation centers.

Australia is a long-standing development partner of the Philippines and its second largest aid donor.

- **EU condemns Philippines separatist violence**

The European Union has condemned what it calls indiscriminate killings of civilians amid an upsurge of Muslim separatist violence in the southern Philippines.

The unrest in the Mindanao region has claimed the lives of more than 40 civilians and displaced more than half a million people since the fighting started in early August.

The E-U says it's concerned civilian militias may become involved and this is particularly worrying because it has the potential to inflame sectarian violence.

It says the conflict can only be resolved through dialogue and urges Manila and the rebel Moro Islamic Liberation Front to return to peace negotiations.

- **PHILIPPINES: Suspend US Military Deployments to Mindanao**

A broad coalition of NGOs, social movements, and political parties from Mindanao and the rest of the country today called for all US military deployments in Mindanao suspended pending the conclusion of a fair and thorough probe by lawmakers.

- **US Troops Out of Mindanao; Genuine Self-Determination for Moros Now**

The United States' involvement in the war in Mindanao can no longer be denied. Several times in the last month, at the height of Philippine military offensives against Moro fighters, US soldiers were repeatedly seen with Filipino troops, helping recover bombs, evacuating casualties, or joining Filipino troops in Philippine military camps throughout Mindanao. The Philippine military itself categorically confirmed that the US military has been providing it with "technical assistance" in pursuit of Moro rebels.

The latest revelations that the US has been expanding its military structures in Zamboanga City not only confirm what we have been warning against; they heighten our concern that the US intends to stay in the Philippines for the long-haul.

In joining Filipino troops in their operations, providing them information, locating bombs, rescuing casualties, or giving technical assistance, the US military is clearly involved in actual combat in the Philippines. In stationing troops and equipment in various military facilities in the south, the US has established permanent basing in the country.

We therefore demand that US troops immediately withdraw from all of Mindanao and that no US troops be involved in any operations.

- **Philippines: Development funds used to combat extremism, says official**

The Philippines government has redirected funds earmarked for the development of the country to the fight against communism and Islamic rebels, according to a key government official. "Funds annually spent on internal security operations to address these conflicts could and should have been used for development purposes if only we were a nation free of these conflicts," said Eduardo Ermita, an executive secretary from the office of President Gloria Arroyo.

He made the remarks in Geneva while delivering a statement before a United Nations-backed summit on the Geneva Declaration on Armed Violence and Development. Ermita spoke about the importance of "armed conflict reduction and prevention in light of the Philippines' experience in dealing with five armed groups in the last four decades - two Muslim secessionist groups in Southern Philippines, a local communist movement operating all over the country and their two breakaway groups in the Visayas and in the Cordillera region."

- **Australia provides humanitarian assistance to southern Philippines**

Australia announced Monday a 12-million-peso (255,863-US dollar) grant of humanitarian assistance to thousands of people affected by fighting between Muslim separatist rebels and the military in the southern Philippines.

Australian Ambassador to the Philippines Rod Smith said the fund would help address the needs of people 'uprooted from their homes and separated from their means of livelihood' because of the ongoing conflict in the southern region of Mindanao.

'Assistance will include essential items like water and sanitation facilities, food and counseling services in evacuation centers,' he said. More than 200 people, including nearly 70 civilians, have also been killed in the attacks and subsequent fighting. The military has launched an offensive against the MILF to hunt down at least two rebel commanders who led the attacks.

The MILF, the largest Muslim rebel group fighting for an independent Islamic state in Mindanao, was set to sign a territorial agreement with the government in August when the Supreme Court blocked the deal due to questions over its constitutionality.

- **Situation remains 'grim' in Philippines**

The UN food agency yesterday said the humanitarian situation in the southern Philippines remained grim, with tens of thousands of refugees needing emergency aid.

“While some help is getting through, clearly it is not enough,” World Food Program country representative Stephen Anderson told AFP.

Anderson was visiting a packed evacuation camp in the southern town of Datu Piang, scene of the latest skirmishes between troops and separatist Moro Islamic Liberation Front (MILF) rebels. “The situation is very grim,” Anderson said, adding that heavy rains pounding the area over a number of days had caused flooding “that is growing worse day by day.” He noted that in many areas thousands of people, living in rudimentary tents made of tarpaulin and other light materials did not have adequate drinking water and toilets. He said his agency had budgeted aid for about 600,000 people affected by the violence, and that they had delivered more than 12,000 sacks of rice to 16 evacuation camps in Mindanao. But he noted that more assistance was needed as the number of evacuees was continuing to rise.

Police say some 6,329 “heads of families” are staying in the camp. With a typical family consisting of more than eight members, the actual number living there could exceed 50,000.

The refugees have taken over the municipal plaza, erecting makeshift tents in every available space, including a patio that has been converted into an emergency medical center.

Fighting began last month when MILF rebels angered by an aborted land deal with the government attacked many towns and villages in Muslim Mindanao, affecting more than half a million people.

More than 50 civilians have been killed so far, including five children who died in a military air raid on a marshland.

- **Eight Dead In Muslim Rebel Attacks In Philippines - Military**

Muslim rebels attacked an army patrol in the restive southern Philippines, leaving seven soldiers and one militant dead, military officials said Wednesday.

Members of the Moro Islamic Liberation Front, or MILF, ambushed an army patrol in Calanugas town Wednesday, sparking a fire fight in which seven soldiers and one MILF fighter were slain, a military report said.

A few hours later, MILF rebels attacked an army outpost in the same town, wounding five soldiers while suffering an undetermined number of casualties, said a local commander, Col. Rey Ardo.

In other fighting on Wednesday, MILF guerrillas ambushed soldiers escorting laborers to a road project, leaving two soldiers wounded, said another local commander, Col. Dickson Hermoso. Two MILF commanders launched attacks on Christian communities last month after the Supreme Court suspended a draft agreement aimed at sealing a peace accord with the rebels.

- **Philippines MILF chief warns of war**

Ebrahim said they believed that peace is possible in both words and action .The leader of Southeast Asia's biggest separatist group based in the southern Philippines has warned of escalating conflict if they are forced to defend themselves against an expanding government offensive.

In an exclusive interview with Al Jazeera's Veronica Pedrosa, Haji al-Murad Ebrahim, the chairman of the Moro Islamic Liberation Front (MILF), said he did not want to have "another Iraq" in South-East Asia.

But he said if his forces were "pushed to the wall" they would have no option but to retaliate."We are calling upon the international community to intercede," he said. "We still believe that the best situation is going back to the peace process."

The warning follows a recent spate of violence which effectively ended a ceasefire and put paid to a peace deal between the Philippine government and fighters in the volatile Muslim-majority region last month. In the interview, Ebrahim also rejected accusations from some intelligence agencies that the MILF had ties with the al-Qaeda international "terror" network led by Osama bin Laden.

- **Intense fighting has displaced more than half a million people**

In the latest violence on Wednesday, MILF fighters attacked an army patrol in the town of Calanugas, killing seven soldiers and at least one rebel fighter, according to Philippine military officials.

Hours later they attacked an army outpost in the same town, wounding five soldiers and Negotiations between the government and the MILF, which wants an expanded Muslim area in the Mindanao region, broke down last month. The parties were supposed to sign the peace deal on August 5, creating an ancestral homeland for four million Muslims.

But the deal on the size of a Muslim homeland and a future government's powers failed following protests by local Roman Catholic politicians and community leaders. Since then, about 100 civilians have been killed and more than half a million people have lost their homes and livelihoods, creating a growing refugee crisis. According to the International Committee of the Red Cross the fighting has reached its worst level in five years.

- **UN official alarmed over number of people displaced by fighting**

A UN official yesterday expressed alarm over the growing number of people displaced by fighting between the military and Muslim separatist rebels in the southern Philippines.

Stephen Anderson, country director for the World Food Programme (WFP), visited evacuation centers in Maguindanao province, 960km south of Manila, one of the areas affected by the military's offensive against Moro Islamic Liberation Front (MILF).

Anderson said the WFP has so far dispatched some 1,700 metric tons of rice for distribution to 400,000 people displaced by the hostilities since August.

But he noted that more assistance was needed as the number of evacuees was continuing to rise. More than 200 people, including nearly 70 civilians, have been killed in the attacks by the guerrillas and subsequent fighting between the military and MILF rebels. The Office of Civil Defence said that more than 500,000 people were forced to flee their homes. Frustrated by the setback, MILF rebels went on a deadly rampage, seizing dozens of villages, burning homes, raiding public markets and business establishments, as well as indiscriminately firing and hacking civilians. The military launched an offensive with air strikes against the rebels to flush out two commanders who led the attacks.

- **Alliance-Philippines (AJLPP) Blames Direct US Intervention For the War in Mindanao**

With more than 500,000 people in Northern and Central Mindanao due to the AFP and MILF fighting, the Alliance Philippines (AJLPP) placed the blame on the United States for intervening in the Mindanao Conflict.

As of the press time, another the International Committee of the Red Cross (ICRC) based in Geneva, Switzerland have confirmed that more than 500,000 war refugees were affected by the current fighting in the two Lanao provinces, Cotabato and Davao provinces, Maguindanao and Sarangani due to the escalation of the conflict

The AJLPP pointed out; “ If the United States did not advised President Arroyo to negotiate and affirm the Memorandum of Agreement on Ancestral Domain without transparent consultations with all concerned parties, the situation will not turn from bad to worse.

Now it is the United States who will reap the benefits in escalation of the armed conflict. By supplying arms, logistics and direct military aid, the US armed forces is waging its usual “war against terror”.

Vietnam

Politics

- **Fighting corruption is a key duty, deputy PM says**

The Ministry of Industry and Trade should pay more attention to fighting corruption, said Deputy Prime Minister Truong Vinh Trong at a ministry meeting in Hanoi Friday.

Trong, also deputy head of the Central Steering Committee for Preventing and Fighting Corruption, stressed that anti-corruption activities should be implemented frequently. In related news, the Ho Chi Minh City Steering Committee for Preventing and Fighting Corruption said Friday that 63 corruption inspections that ended last month uncovered economic management wrongdoings causing total losses of more than VND600 million (US\$36,000). The committee said it had recovered nearly VND500 million (\$30,000) of that money.

Economy

- **ADB warns Vietnam of high growth rate target**

Vietnam's high economic growth target could hurt the country in the long term if it fails to clamp down on spiraling inflation, the Asian Development Bank warned Tuesday.

The government aims to bring down surging inflation, which hit a 17-year high of 28.3 percent in August, to single digits by the end of 2009. It also has lowered its growth target to 7 percent this year from 8 percent. "Our suggestion to the government of Vietnam is that it probably aims for lower growth rate with lower inflation and lower trade deficit next year," said Ayumi Konishi, ADB country director for Vietnam told reporters "Then Vietnam will be able to aim at much higher growth in 2010," he said.

The ADB projects Vietnam's economic growth will slow. In its global development outlook update, released Tuesday, it revised the growth target for Vietnam this year down to 6.5 percent from 7 percent. In 2009, it projects 6 percent growth, down from the previous estimate of 8.1 percent. With the global economy slowing, "if Vietnam tries to

go against that, you will be inviting a very high inflation and then this time it will be more difficult to control," Konishi said.

- **PM meets local economists on national economy**

Prime Minister Nguyen Tan Dung on September 13 met with local economists to assess the socio-economic performance and discuss its prospect in the remaining months of the year and 2009. Opening the meeting, PM Dung mentioned the fact that the global economy has since the beginning of this year experienced turmoil with price hike and inflation. "The situation forced many countries to revise their economic growth targets and badly affected Vietnam's national economy," he stressed. PM Dung affirmed that Vietnam in the past eight months recorded initial positive changes on the grounds of the uniform implementation of eight groups of measures introduced by the Government.

The Government leader hoped the Government can rely on those opinions to make forecasts for the country's socio-economic performance this year and outline goals, plans and tasks of the national economy in 2009 before submitting them to the Party Central Committee and the 12 th National Assembly's fourth session. The economists also shared experiences and touched upon orientations to settle problems arising from development course relating to agriculture, rural development, job generation and social welfare.

- **Vietnam expects oil product demand to rise 8-10 percent**

Vietnam, which now relies almost entirely on oil product imports, expects its annual demand for refined products to rise between eight and 10 percent in the next two years, a government report said.

Despite being Southeast Asia's third largest crude oil producer of 320,000 barrels per day, Vietnam relies almost entirely on oil product imports as it lacks major refineries.

"Because of the very rapid increase in demand, oil and gas exploration must be stepped up, including oil searches in oil-rich areas overseas," the report quoted the Ministry of Industry and Trade, which is responsible for the sector, as saying.

Vietnam's first refinery, the 140,000-bpd Dung Quat plant, is expected to come on-stream next February, meeting about 40 percent of the country's total demand for refined products. Vietnam aims to be self-sufficient in oil products by 2015 when three key refineries are completed.

Social issues

- **Southern officials jailed for corruption**

Dong Nai Province People's Court Monday handed out a total of more than 15 years of prison time to government officials in the southern province's Vinh Cuu District in a land corruption trial.

Thai Van Nghia, former head of the district's Department of Natural Resources and Environment, got five and a half years of jail time, while former land survey official Nguyen Thanh Son will be locked up for one year, four months, and seven days.

The defendants deliberately violated state economic regulations causing major losses, according to the verdict.

- **PM urges people to join anti-crime movement**

Prime Minister Nguyen Tan Dung has stressed the need to call on all people to join in the fight against crime, making it really a mass movement.

The Prime Minister made the statement at a conference in Hanoi on September 16 to review crime prevention and control and honor outstanding organizations and individuals in the work in the 1998-2008 periods.

The government leader asked municipal and provincial authorities nationwide to execute the policy that the Party leads, the government manages, the police play a pivotal role, and agencies, organizations and the entire people actively participate in preventing and attacking crime.

In the period, more than 700 mass organizations have joined in the anti-crime movement and the 2008 number of criminal offences has dropped by 20.32 percent against 1998

Laos

Political/Economic Front

- **Move to support strategic markets**

Measures to encourage overseas investment are a top priority for the Ministry of Planning and Investment (MPI).

The MPI is submitting a project proposal, which will include the creation of a legal frameworks and many administrative reforms, to be submitted the Prime Minister for approval. The proposal recommends that the State have policies to encourage and support business investments and operations in strategic markets such as Laos, Cambodia and Russia, especially in the key sectors of oil, power generation and mining. Agencies at various levels would be empowered to issue investment licenses. Previously, only the Department of Overseas Investment could do this.

Negotiations are currently underway to carry-out agreements on double taxation avoidance, investment encouragement and protection with a view to creating good conditions for businesses' overseas investment, an MPI official said.

Environment

Social Front

- **Bird flu spreads in Oudomsay**

Ban Nalae village in Say district, Oudomsay province is now an avian influenza zone because of the detection of the outbreak of the deadly H5N1 disease in this locality. Workers from the Agriculture and Forestry Office in Say district in cooperation with related bodies culled 1,170 poultry from 76 households in Ban Nalae village on 14

September.

A surveillance zone has been demarcated, located some distance from the red zone and it covers 20 villages. In the event of the outbreak of bird flu, the Agriculture and Forestry Office would ban the movement of chicken such as the transportation of chicken between provinces and from other localities.

The authorities have set up roadside stations and its workers disinfected all vehicles entering and leaving the bird flu localities. Officials had also been utilized to check the transfer and sales of all kinds of poultry products in the demarcated area. The health officers of the district have been checking the health status of the people in the district, especially in the red zone. A campaign is being launched in this area to recruit and train people to work in containing the bird flu and to disseminate information on preventive measures to the local people.

- **ADB backs sanitation, clean water supply**

Villagers in 12 districts of nine provinces will soon have clean water and sanitation after the Lao government and the Asian Development Bank (ADB) struck an agreement on Tuesday to supply them with clean water.

The project will be implemented by the Ministry of Public Works and Transport and supported by the ADB at a cost of more than 190 billion kip (US\$23 million). Local government and individuals from the target districts will contribute more than 15 billion kip (US\$2 million) to the project.

Project Head Phomma Veoravanh said on Tuesday the agreement stipulates the project will run from 2009-2013. If this schedule is adhered to, 80 percent of villages nationwide will have clean water by 2020, he said.

ADB has chosen 21 districts in 13 provinces and plans to construct new water supply systems in 18 of these districts. New systems will be installed in 12 districts in the initial phase of the project.

About 100,000 people in the target districts will have clean water for use in daily life and help reduce the need for women and children to carry water over great distances, Mr Phomma added. He said the project planned to install water supply systems and improve drainage channels in small towns, especially in crowded areas, to protect communities and the environment. Project officials will also provide education for remote communities about proper sanitation practices to help prevent disease.

- **Human resources key for governance reform**

Human resource development is a top priority for governance reform as the government works to bolster administrative structure and the rule of law in the absence of sufficiently qualified officials.

Civil Service Management Department Director General Nisith Keopanya said yesterday “We don't have sufficient qualified human resources to drive the country's development.” Mr Nisith was speaking in an interview with Vientiane Times during a coffee break at a governance sector working group meeting in Vientiane.

He said governance reform was very important for economic growth and poverty reduction in Laos. They also focused on public service improvement and on legal and institutional oversight. The meeting provided all stakeholders with updates on the activities carried out in the governance sector. The presentations described activities that had been carried out during past years in relation to strengthening the rule of law, people's participation and public service improvement. Key activities presented during the meeting included a new media law, capacity building for National Assembly members, procedures to establish one-door service in the provinces and a study of options to improve civil service remuneration. Association of South East Asian Nations will gather every two years at the public servant conference to discuss and share experiences in government administration. Laos will host the conference in 2009.

Cambodia

Political Front

- **Cambodian prime minister doubts Thai ability to chair ASEAN**

Cambodia has concerns that Thailand's turbulent internal political problems make it unable to effectively work as the new chair of the Association of South-East Asian Nations (ASEAN), Prime Minister Hun Sen said Monday.

Hun Sen told reporters after a meeting with US Deputy Secretary of State John Negroponte that ongoing political instability in Thailand was a negative and it should consider volunteering giving up the chair temporarily after taking over in July from Singapore. The chair of the 10-member group, which consists of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, goes in alphabetical order.

'Thailand is in political turmoil but is chairing ASEAN. I think it would be difficult for Bangkok to hold an ASEAN summit,' Hun Sen told reporters.

The comments are unusual because ASEAN members normally refrain from commenting on internal issues of other members, but Cambodia claims Thailand again encroached onto its territory over the weekend and troops are now within meters of a third disputed ancient temple.

- **New bridge to aid cross-border trade**

Cambodia will build a bridge connecting Kandal Province's Chrey Thom District with Vietnam in a bid to boost cross-border trade.

The 20 million USD bridge would become an international checkpoint where business would increase because of easier transportation, the Phnom Penh Post quoted Em Sovannara, a department head at the Council of Ministers International Relations Department, as saying. The Ministry of Commerce of Cambodia is looking for ways to expand trade ties. Trade between the two countries is expected to reach 1.5 billion USD this year, according to Mao Thora, an official of the ministry. There are currently around 40 border crossings between Cambodia and Vietnam.

- **Cambodia, Thailand not have channel for talks of military redeployment at border areas**

Cambodia does not have the channel to continue the talk with Thailand to speed up the military redeployment at border areas, Cambodian Prime Minister Hun Sen said Wednesday.

"We do not have channel to talk with the Thai side," Hun Sen said, adding that the Thai troops are still occupying Cambodian territory from one place to another.

Hun Sen also appealed to the Thai government to send delegates to continue bilateral talks to seek a peaceful resolution." After foreign minister meeting in Hua Hin, we have delayed nearly a month for the bilateral talks and now we have to continue it," he said.

"If the bilateral talks fail, we will seek a third party to help, including the International Court of Justice or the UN Security council," he added. "The newly elected Thai prime minister will give a chance for us to continue the bilateral talks," he said.

- **Thailand testing Cambodia's patience, says government**

Last week, Cambodia said it was content to be patient with Thailand over disputed border areas, but claims Thai troops had moved into a third border temple area over the weekend have freshly irked Cambodia, the government said Monday.

Government spokesman Khieu Kanharith said by telephone that claims Thai troops had moved into an area close to Ta Krabey temple, close to the Ta Moan temple complex which is also in dispute, had angered the government and Cambodia was preparing to appeal to a 'third international party' to intervene.

Thailand says the claims are baseless and it has always had troops stationed near the latter two temples. However local media, including Khmer-language Rasmei Kampuchea daily, reported over the weekend that Prime Minister Hun Sen's patience has been tested over the latest developments and he had called for all relevant authorities to prepare a case to take to an international mediator which Cambodia has not yet identified

- **Top US official meets Cambodia's PM to boost ties**

VISITING US deputy secretary of state John Negroponte was set to hold talks yesterday with Cambodian Prime Minister Hun Sen, aiming to improve relations between the two countries, embassy officials said.

They will preside over a signing ceremony for an agreement in which the United States will provide 24 million dollars to fund economic growth projects in Cambodia, the US embassy said.

Negroponte is also scheduled to meet with Foreign Minister Hor Namhong.The visit is seen as the latest indication that Cambodia's star is on the rise with the United States, after years in the diplomatic wilderness."His visit is a sign of our strengthening bilateral relationship and will serve to deepen the ties between our two countries," an embassy spokesman said.The United States recently lifted a decade-old ban on direct funding to Cambodia's government and re-established military ties between the countries two years ago, with the promise of limited military aid.

- **US pledges \$1.8 million to Khmer Rouge trials**

The United States has decided to finance the upcoming trials of former Khmer Rouge leaders, pledging \$1.8 million for the next year with the promise of more to come, US Deputy Secretary of State John Negroponte said Tuesday. Wrapping up his three-day official visit with a press conference, Negroponte said the US government was impressed with the progress of the joint UN-Cambodian tribunal, despite allegations of graft.

But he warned that US involvement would involve scrutiny of the process, including allegations that Cambodian staff was paying kickbacks for their positions. The US earlier refused to contribute to the tribunal, citing a congressional reluctance and a need to see progress first.

'We believe conditions are both appropriate and opportune to make this contribution now,' Negroponte said.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

BANGLADESH:

POLITICAL:

- Khaleda agrees to sit with Hasina

SOCIAL:

- Sexual repression on students

ECONOMIC:

- Govt to send experts to China over Ruppur N-plant
- Garments facing disaster this year
- Remittance decreased by Tk 600 cr in one month
- Bangladesh to get WB support for food crisis
- Country totals \$5.25b foreign exchange reserves last week

GEO-STRATEGIC:

- Dhaka, Delhi cap sea border talks without accord

Khaleda agrees to sit with Hasina

Responding to the government's initiative to bring the two top political leaders Awami League President Sheikh Hasina and BNP Chairperson Begum Khaleda Zia in the same table of dialogue; BNP Vice-Chairman MK Anwar said Begum Zia has agreed to sit with Sheikh Hasina for the greater interest of the country and democracy. Rejecting the proposal, AL acting President Zillur Rahman said the party would not hold any dialogue with BNP or with even with the government until Hasina's permanent release. After release of Begum Zia, two advisers of the caretaker government Hossain Zillur Rahman and Gulam Quader said that the government would take initiatives to bring the two top leaders in the same table of dialogue in order to help the nation overcome the latest political crisis and restore sound political atmosphere in the country.

Dhaka, Delhi cap sea border talks without accord

Bangladesh and India wrapped up maritime border demarcation talks with no tangible agreement on the mid-flow of the Hariabhanga, a border river, officials say. The mid-point of the Hariabhanga will be the borderline between the two neighbours. At the end of the three-day technical talks, which took place after a pause of 28 years, the two countries only agreed on further discussions to settle the issue. The date for the next meeting will be decided through the diplomatic channels, the officials said. Bangladesh demanded that the main flow of the Hariabhanga, which divides the river into two separate channels by the South Talpatti Island off Satkhira district, passes through the western channel, while India claimed otherwise. If the mid flow is determined from eastern side, the South Talpatti Island will go to India while Bangladesh will get the disputed island if the main flow is determined from the western side. Bangladesh is on the eastern side of the river and India on the west. Bangladesh, India and Myanmar have disputes over the sea boundary as all of the countries, in some cases, demand the same part of the Bay of Bengal on which they want to go for oil and gas exploration. Bangladesh a few months back started sea border delimitation talks with Myanmar and the next meeting is scheduled in January .

Govt to send experts to China over Ruppur N-plant

The government will send a team of scientists and technical experts to China to put the Ruppur nuclear power plant on stream with Chinese assistance. The Chinese leaders pledged in talks with Chief Adviser Fakhruddin Ahmed, now visiting China, to help Dhaka to implement the nuclear power plant for producing electricity, Foreign Adviser Iftekhar Ahmed Chowdhury told bdnews24.com from Beijing by telephone. Iftekhar said Chinese president Hu Jintao and Prime Minister Wen Jibao during meetings with Fakhruddin said China would help Bangladesh to build the Ruppur nuclear plant for peaceful purposes. "Some new potential areas of cooperation and possible Chinese support also came up for discussion." "These include the construction of future seventh and eighth friendship bridges across Meghna and the Meghna-Gumti and the production of hybrid seed for expansion of agriculture production," he said. Iftekhar termed Bangladesh-China relations as "time-tested" and "all weather" and said Fakhruddin's visit strengthened the ties. "China is important for us, as Bangladesh is for China."

Garments facing disaster this year

Country's largest earning sector, garment industries are facing serious disaster this current year due to price hike of fibre, gas, power crisis, drastic fall in export in USA and EU markets and frequent violent incidents in garments factories and industries across the country, said industry owners and workers at exchange of view meeting held at the National Press Club. "It is a great challenge for the garment industry in the current year. When abnormal price hike of fabric, fibre and other raw material have frustrated the industry owners, erratic power outage and gas shortage

are also contributing to a huge loss. Simultaneously, our products are now being sold at lower price in the US and EU market. On the other hand, continuous violent incidents are also threatening this vital sector. If overall congenial atmosphere in the country and abroad is not created, it would not be possible for us to continue to run our business," BKMEA President said. Stressing the need for bringing the factories under proper scaling, he said indiscriminate setting up of industries across the country, is causing high production cost. "Bangladesh entrepreneurs have failed to make their position in the foreign countries for fixing price of their products. As foreign buyers usually fix the price of Bangladeshi products, the country's industry owners are compelled to export their garment and accessories at lower rate. As a result, it is very difficult for us to sustain in the global market," they said. Meanwhile, workers alleged that the owners of the industry are exploiting the workers in many ways. "The industry owners don't pay our wages in due time. They are always paid 15-20 days later. So that garment workers are compelled to work in their respective factories instead of leaving," they alleged. In the beginning of the year 2004, the number of total garments factories were 4524. Among these, the number of running industry was 2803 and 1505 factories were shut down and 216 factories were closed temporarily. As of January 2008, the number of running garments industry stands on 2653 while a total of 1871 factories remain closed. At present, the number of running garment factories is 2601.

Remittance decreased by Tk 600 cr in one month

Remittance inflow to Bangladesh from abroad decreased by Tk 600 crore during the month of August due to workers unrest in the Middle-East. Bangladesh Bank sources said, during the month of July last, the country's remittance earnings amounted to Tk 5,620 crore. The amount of remittance decreased to Tk 5,021 crore in August last. The country's remittance inflow was on the rise over the last several years. But sudden decrease in remittance has become a matter of grave concern. Informing the Bangladesh Bank governor of the prevailing situation, the relevant department of the central bank said, it will be hard for them to keep a foreign currency reserve fund of Tk 500 crore. The central bank needs a minimum foreign exchange reserve of Tk 500 crore to meet the necessary expenditure including import expenses. Over the last two months, Bangladesh Petroleum Corporation imported huge quantity of fuel oil. Large quantities of fertilizer and consumers' products were also imported from abroad during the period. To meet this import expenses, the state-owned Sonali Bank, Janata Bank and Agrani Bank supplied US 6.50 crore dollars in last two months. The central bank did not face serious obstruction in meeting such expenditure in recent past as the country was receiving huge amount of remittance for last several years. During the fiscal year 2007-08, the country received a total of US 791.47 crore dollars remittance. Of the total remittance income, US 497.53 crore dollars (equivalent to about Tk 35,000 crore) were sent by the Bangladeshi expatriates working in eight Middle-East countries. The countries are Saudi Arabia, United Arab Emirates, Qatar, Oman, Bahrain, Kuwait, Libya and Iran. The Bangladeshi nationals working in other foreign states, excluding the Middle-East countries, sent US 293.94 crore dollars remittance to Bangladesh during the last fiscal year while the country's remittance income from Saudi Arabia and Kuwait amounted to US 318.70 crore dollars. Of US 318.70 crore dollars, US 232.42 crore dollars were sent by the Bangladeshis working in Saudi Arabia.

Bangladesh to get WB support for food crisis

The World Bank will provide Bangladesh with 130 million US dollar under its food crisis development support credit to assist the government to implement its on-going policies and pro-poor programme to cope with high food prices. Finance division secretary Dr Mohammad Tareque and Lead Economist of the World Bank Dhaka office Vinaya Swaroop led the government and the IDA delegations respectively in the final negotiations, held at a city hotel. Following the international food price hike that affected the whole world this year, the World Bank has created a 1.2 billion US dollar Global Food Response Programme (GFRP), a press release said. In response to the Bangladesh Government's request, the World Bank would provide the emergency credit under Sunday fast-track approval facility, it said. The Government has taken commendable steps including Open Market Sales for rice and 100-Day Employment Guarantee programme to help the poor. The proposed assistance will help the government by generating fiscal space to absorb the pressure from the expansion of safety nets programmes, it added. In the current budget, the government has allocated over 600 million US dollar in additional funds for these food-based safety net programmes including 300 million US dollar in the new 100-Day Employment Guarantee Scheme. The government has also raised the strategic public food reserve from one to 1.5 million metric tons at an additional cost of roughly 200 million US dollar. The proposed operation would create fiscal space in the government budget, to partially finance the projected fiscal deficit of 5 percent of GDP, the release said. The credit is scheduled to be discussed for approval on October 10, 2008. The credit from the World Bank has 40 years to maturity, including a 10-year grace period and carries a service charge of 0.75 percent, the release added.

Country totals \$5.25b foreign exchange reserves last week

The country's foreign exchange reserve stood at 5.25 billion US dollar last week (September 9, 2008) marking a rise by 32 million US dollar or 6.49 percent than that of previous year. The foreign exchange reserve was 4.93 billion US dollar on the same day last year, The reserve was 5.966 billion US dollar on August 31 this year and 6.149 billion US dollar on June 30 this year, according to statistics released by Bangladesh Bank at the closing of last week. The wage earners' remittances during the first two months of the current fiscal year, July to August 2008, stood at 1.55 billion US dollar against 1.038 billion US dollar during the same period of last fiscal, indicating a rise by 512 million US dollar or 49.33 percent. The remittance sent by non-resident Bangladeshis in August this year was 732.98 million US dollar, against 470.95 million US dollar, showing an increase by 262.03 million US dollar or 55.6 percent. The remittance during last fiscal year (2007-08) totaled to 7.915 billion US dollar, rising by 32.39 percent from the previous fiscal. The rate of inflation in June 2008 was 9.94 percent on twelve-month average basis and 10.04 percent of point-to-point basis. The rate of inflation in May this year was 9.87 percent on twelve-month average basis and 7.44 percent of point-to-point basis. During March this year, the inflation on twelve month average basis was 10.00 percent and on point-to-point basis it was 10.06 percent. The rate of inflation in June last year was 7.20 percent on twelve-month average

basis and 9.20 percent of point-to-point basis, while in May last year it was 7.02 percent on twelve-month average basis and 8.28 percent of point-to-point basis. During March last year, the inflation on twelve-month average basis was 6.94 percent and on point-to-point basis it was 7.43 percent.

Sexual repression on students

The government has taken up an initiative to make a law effective within two months to prevent sexual harassment and repression in all educational institutions across the country. University Grant Commission (UGC) has started its work to formulate a law in this regard, said an Education Ministry press. "The government is closely observing the situation arisen in Jahangirnagar University (JU) following the allegation of sexual harassment on female students. Such situation can badly tarnish the image of the educational institution alongside leaving a negative impact on the overall educational system," the release said. Referring public universities like JU, which run by own rules and regulations, the release said, "The government believes that it is possible to resolve such allegation administratively by the own rules of the respective university". The government will soon sit with the JU syndicate members and UGC to exchange views and to make policy guidelines in this regard.

SRILANKA:

POLITICAL:

- Support Sri Lanka in its attempt to liberate Tamil Civilians from Tiger Captivity
- Sri Lanka President to Hold Bilateral Meetings with World Leaders at UN
- India asks Lanka to ensure safety of Tamils in LTTE-held areas
- Sri Lanka Government condemns terrorist bombings in New Delhi
 - Latvia to boost bilateral relations with new Sri Lanka Ambassador to Latvia
- TNA Parliamentary group appeals to international community

SOCIAL:

- BBC Sandeshya is making glaring mistakes favorable to the LTTE in their reports

ECONOMIC:

- Stability conducive Foreign Investments and Private Enterprise

GEO-STRATEGIC:

- Sri Lanka Navy Repatriates 32 Indian Fishermen along with 06 minors
- Chinese Foreign Minister reiterates support for Sri Lanka's sovereignty and territorial integrity

Sri Lanka Navy Repatriates 32 Indian Fishermen along with 06 minors

Sri Lanka Navy took swift action to repatriate 38 Indian Nationals to the Indian Coast Guard vessel "Kittu Chennamma" at the International Maritime Boundary Line (IMBL) North-West of Delft. These Indian fishermen were detected when they were well within the Sri Lankan waters in the Northern seas. Naval fleet units which are on high alert in the northern seas with the aim of detecting possible LTTE smuggling attempts across the Palk Strait detected these fishing boats when they were trespassing into Sri Lanka territorial waters.

Support Sri Lanka in its attempt to liberate Tamil Civilians from Tiger Captivity

Australia based Society for Peace Unity and Human Rights for Sri Lanka (SPUR) has called for the immediate release of all civilians held captive in LTTE areas, and demanded that they be granted safe passage, so that they can be provided with food, shelter and healthcare. In a media release, SPUR has appealed to all NGOs and other aid agencies to move away from the battle zone in order to prevent another massacre of their personnel by the LTTE in an attempt to discredit the Sri Lankan Armed Forces.

Sri Lanka President to Hold Bilateral Meetings with World Leaders at UN

When President Mahinda Rajapaksa addresses the UN General Assembly, he will be doing so not only as Sri Lanka's head of state and head of government but also as chairman of the South Asian Association for Regional Cooperation (SAARC) representing over 1.5 billion people. The Sri Lankan president will be the first speaker during the morning session of the General Assembly. As of last week, over 150 world leaders were expected to address the General Assembly September 23 through October 3. US President George W. Bush will speak on the opening day, September 23. It will be Bush's farewell appearance before the 192-member world body.

India asks Lanka to ensure safety of Tamils in LTTE-held areas

Voicing concern over the plight of civilians caught in the Sri Lankan Army offensive against the LTTE in rebel-held areas, India has asked Colombo to ensure their safety and security. "We have already expressed our concern to the Lankan authorities," Defence Minister A K Antony told reporters while replying to question on the situation in the island country. "While taking action against the LTTE, steps should also be taken to protect the civilian Tamils in Sri Lanka and ensure their safety and security," Antony said.

Sri Lanka Government condemns terrorist bombings in New Delhi

It is with great distress that the Government and People of Sri Lanka have learned about series of terrorist bomb attacks in New Delhi last night resulting in loss of life and injury to innocent people. Sri Lanka unequivocally condemns such barbaric acts of terrorism which can never be justified under any circumstance for whatever reason.

BBC Sandeshya is making glaring mistakes favorable to the LTTE in their reports

In response to the statement made by Priyath Liyanage, Head of the BBC Sinhala service contradicting the news report appeared in the "Asian Tribune" dated 01 September 2008, Ranjit Soysa has reconfirmed that BBC Sinhala Service called "Sandeshiya" promotes its own agenda when broadcasting news about Sri Lanka, mostly favoring the Liberation Tigers of Tamil Eelam. He added, "The fact that the "Sandeshiya" by and large serves the leftist political agenda while

soft peddling the LTTE terrorism is not contested by the writer as the Sinhalese listeners are conversant with the news and comments aired on the program.

Latvia to boost bilateral relations with new Sri Lanka Ambassador to Latvia

President Valdis Zatlers of the Republic of Latvia extended his congratulations to President Mahinda Rajapaksa on the successful completion of the SARRC Summit held recently in Colombo. He expressed his strong interest over having more and more bilateral cooperation through enhanced political and economic relations with Sri Lanka.

Stability conducive Foreign Investments and Private Enterprise

The Nepali Ambassador in London Murari Raj Sharma said the strong political stability created in Katmandu by the former rebels turning rulers has created an extremely friendly atmosphere for direct foreign investments in his country of scenic Himalayan beauty which has just emerged a republic ending a century's long monarchy. "With the Maoists embracing direct foreign investments and private enterprise as effective methods of development in Nepal just like in the Indian state of West Bengal and in the People's Republic of China unprecedented opportunities are opening up in the Himalayan state not only in traditional industries like tourism but also in hundreds of other ventures like building hydroelectric power stations to sell electricity to both India and China," Sharma said.

TNA Parliamentary group appeals to international community

The Tamil National Alliance Parliamentary Group has urged the international community to help evict the Sinhala Forces from the Tamil Homeland and recognize the right for self-determination of the Tamils. The statement released by the Parliamentary Group has strongly condemned the Government of Sri Lanka's decision to call all NGOs and foreign aid workers to leave from the Liberation Tigers of Tamil Eelam (LTTE) controlled areas (generally known as the Wannu). The TNA Parliamentary Group said, "These Non Governmental Organizations and Agencies were helping the already many times internally displaced Tamil people.

Chinese Foreign Minister reiterates support for Sri Lanka's sovereignty and territorial integrity

The Minister of Foreign Affairs of the People's Republic of China, Yang Jiechi has reiterated China's strong support for Sri Lanka's sovereignty, territorial integrity and national unity. This pledge was made during the bilateral talks between him and his Sri Lankan counterpart, Rohitha Bogollagama held at the Foreign Ministry. Minister Yang Jiechi was on his first official visit to Sri Lanka as Foreign Minister from 09th to 10th September 2008, at the invitation of Minister Bogollagama. The discussions focused on strengthening all round partnership between the two countries, particularly in enhancing bilateral economic cooperation in the fields of trade and investment, as well as greater people to people connectivity, through youth and student exchange programmes and tourism.

Maldives:

POLITICAL:

- International community's respect for Maldives due to Gayoom
- President sympathizes with Russian President
- Gayoom not suitable to lead an Islamic state
- President condemns bomb attacks on New Delhi
- Majlis passes crucial bill for presidential election
- Presidential Election date announce
- Gayoom miles ahead in the presidential race

SOCIAL:

- Majlis accepts Anti Corruption bill

GEO-STRATEGIC:

- 12 Bangladeshi workers deported for attacking locals

International community's respect for Maldives due to Gayoom

The good name, respect and admiration, the international community has for Maldives and the Maldivian people are due to DRP leader and President Maumoon Abdul Gayoom, DRP council member and Foreign Minister Abdulla Shahid has said. Minister Shahid made the statement speaking at a party's rally in the island of Fuvahmulah. Shahid said DRP presidential candidate's efforts to bring the problems of the country as a small island state to the attention of the world leaders, especially issues related to environment and climate change, has not only increased their admiration and respect for Gayoom but also the attention world leaders give to Maldives. Minister Shahid said contrary to claims by the opponents that Gayoom's popularity is receding, support and love for presidential candidate Gayoom is increasing. He said such claims are unfounded and carry's no weight and the foreign leaders are of this fact as well. He further said as the road map of the reform agenda is successfully complete and democratic reforms are being successfully introduced, foreign leaders are closely monitoring such developments.

President sympathizes with Russian President

President Maumoon Abdul Gayoom has sent a message of sympathy to Dimitry Medvedev, President of Russia, following the tragic crash of the Aeroflot passenger plane near central Russian city of Perm resulting in the death of all on board. In his message, President Gayoom extended profound sympathy to the Russian President, the government and to the people of Russia. He also conveyed his sincere condolences to the members of the bereaved families.

President condemns bomb attacks on New Delhi

President Maumoon Abdul Gayoom has sent a message of sympathy to President Prathiba Devisingh Patil of India, on learning about the deadly bomb attacks that struck the busy shopping areas of New Delhi resulting in the loss of many innocent lives and injury to scores more. In the message to President Patil, President Gayoom said that the Government and the people of the

Maldives strongly condemns these wanton acts of terror in the strongest terms and extended profound sympathy to President Patil, the government and to the brotherly people of India. He further conveyed his sincere condolences to the members of the bereaved families.

Gayoom not suitable to lead an Islamic state

DRP presidential candidate Maumoon Abdul Gayoom is not a person suitable to be at the helm of a 100 percent Islamic nation, Sheikh Hussain Rasheed has said. Sheikh Hussain Rasheed who is the leader of Adhaalath Party, which has the most number of religious scholars in the country, made the statement speaking at a campaign rally of Jumhoory Coalition held at Feydhoo School of Seenu atoll. "To be perfectly honest, there are many reasons why he should not be allowed or elected to rule an Islamic nation, there are many reasons why we Muslims should not elect such a person as he, to rule our country, one of them is, the biggest reason is that he will never tell the truth even he is talking on religious issues he will twist the meaning" Sheikh said criticizing DRP candidate Gayoom. Sheikh Hussain Rasheed further said as soon as Elections Commissioner announces names of the candidates contesting the presidential elections, Adhaalath Party will take the matter of Gayoom to the Supreme Court as he does not eligible to contest the elections. However DRP and the party's leader President Gayoom has repeatedly said that he can stand elections and eligible to stand elections under the new constitutions.

Majlis passes crucial bill for presidential election

People's Majlis has passed the crucial bill for holding the presidential elections. The bill was passed after considering 26 amendments proposed by members. Only six of the amendments were accepted by the Majlis. The meeting was extended in a bid to complete the bills and other works Majlis has to complete before the deadline of 10 October for holding the election. 30 members out of 32 members present voted for the bill while the two remaining members voted against the bill. The comprehensive bill submitted by Legal Reform Ministry was earlier debated in the Majlis extensively with several suggestions made by members to improve the bill. The bill was later sent to the legal committee for incorporating the necessary changes in light of Majlis discussion. The Committee took three days to do the work and the amended bill was tabled for final committee process and voting during the debate of the bill several members expressed grave concern about the history of elections in the Maldives which they said was marred by vote rigging, fraud and many irregularities. The Majlis will pass the presidential bill. This is the second crucial bill for the presidential election. Majlis is also expected to take a vote on the Supreme Court which will require two third majorities to pass.

Presidential Election date announce

The Commissioner of Elections has announced the date for the first ever multiparty contested presidential election in the Maldives which is endorsed by the recently amended and ratified

constitution of the island nation. The announcement was made last night by the Election Commission at Fansavees , press hall Dharubaaruge. “The presidential Election endorsed by article 301(a) of the constitution shall be held on the 8 th of October 2008, Wednesday” announced the Elections Commissioner. According to the elections commission, presidential candidates should qualify for the election by fulfilling seven criteria as required by the constitution which includes the candidates to be born to Maldivian mothers and fathers and not to be foreign nationals. The candidates should also be followers of Sunni sect of Islam and be of age 35 or above of any gender. Under the believed to be harsh regulation of the recently formed Election Commission each and every presidential contender should be present at the office of the commission to formally avail the approval of the commission to compete in the commission. Each presidential candidate is required according to the transitional commission to submit the person’s and his running mate’s credentials to the commission for approval. According to the Commissioner of elections Mohamed Ibrahim this is the first time in the long history of the country that its Diasporas will vote in an election. Ballot boxes are to be kept in Sri Lanka, Malaysia, Singapore and Trivandrum, Commissioner said. Voters if voting out side their native land is required to register themselves and voters will only be allowed to cast vote after producing a photographed document such as national ID card or driving license.

Majlis accepts Anti Corruption bill

The People's Majlis have accepted the bill on anti corruption commission submitted by the government as part of the new independent institutions to be established under the Constitution. Several members participated in the debate of the bill. Most of them said they are extremely concerned and saddened about the worsening situation of corruption in the country. They said it is a matter of deep regret the Anti Corruption Board set up by the Government has not produced any tangible results and incidents of big corruption is increasing unabated. Some said high raking government officials including ministers become very rich the moment they take up these posts, and they are constructing multi storied buildings and acquiring other properties while there is no way of finding how they are getting all that wealth. The country and people are subjected to great loss of their resources because of the high corruption in the country.

12 Bangladeshi workers deported for attacking locals

12 Bangladeshi men who attacked and injured some local workers in Dholhiyadhoo of Shavaiyani atoll have been deported from the country, according to Department of Emigration and Immigrations. Immigration Department revealed that the 12 Bangladeshis had confessed during the Police investigation to attacking and injuring several men working at the resort being developed at Dholhiyadhoo island on the 12 of August and had been deported from the country. Immigration Department said that men are barred from Maldives for a period of 12 years and that the steps was taken to ensure that there was no repeat of such incidences and to give Maldivians the confidence to work in their own country without fear. Maldives Police Service said that

several of the Maldivians involved in the incident had been severely injured but did not reveal details about the injuries.

Gayoom miles ahead in the presidential race

Dhivehi Rahyithuge Party (DRP) presidential candidate Maumoon Abdul Gayoom is 10 miles ahead of other candidates in the presidential race and regardless whomever the opposition candidates choose as running mates they will not be able to catch up with Gayoom, DRP Chief Spokesperson and Registrar of the party Ibrahim Shafiu has said. Shafiu made the statement to Miadhu Daily when asked if there is any Vice Presidential nominee from other parties who may be a cause for concern for DRP. “We do not have any concerns, our presidential candidates is 10 miles ahead of other candidates, regardless of who they choose as running mates they will not be able to catch up, actually only DRP’s running mate can run straight, Dr. Hassan’s mate is a jumping one, Gasim has an educated young boy, there is no running mate who can even come close to Thasmeen” Shafiu said. Shafiu further said criticizing polices of each other is not an issue and despite criticisms opposition will not succeed. He said the young, educated and charismatic running mate of Gasim must learn how to respect if he wants to get the love and respect of the people. Shafiu also said that he glad the JP’s leader decided to give the opportunity to an educated young man.

NEPAL:

POLITICAL:

- **NC prez shows concern at PM’s remarks**
- **Govt not coordinating with opposition parties**

SOCIAL:

ECONOMIC:

- **Govt to earmark Rs 6b for agriculture**

GEO-STRATEGIC:

- **Nepali, Indian PMs agree to review, update 1950 Treaty, other pacts**
- **NPF protests Indian Army trespassing on Nepali soil**

Govt to earmark Rs 6b for agriculture

The government has proposed to earmark around Rs 6 billion for the Ministry of Agriculture and Cooperatives (MoAC) for the current fiscal year, most of which will be spent on 42 major projects. The budget allocation is a big jump from last year's figure of Rs 4.17 billion. The proposed budget has focused on research on bird flu, steps to deal with possible food crisis in the country, increasing the productivity of crops and providing incentives to farmers. The government has proposed spending more than Rs 430 million on efforts to contain bird flu and carry out surveillance and epidemiological research on the disease, a source at the ministry. The government is setting up a fund of Rs 60 million to compensate farmers in case their chickens have to be destroyed to prevent avian influenza from spreading. The government is launching the Community Livestock Development Project worth Rs 400 million in 22 districts to increase the number of skilled human resources and set up and upgrade 112 cattle markets and 62 meat shops. Around Rs 280 million has been set aside for launching small irrigation projects besides providing transportation subsidies for the delivery of fertilizers and improved seeds to 26 remote districts of the hilly and Himalayan regions.

NC prez shows concern at PM's remarks

Former Prime Minister and Nepali Congress (NC) President Girija Prasad Koirala has expressed serious concern over the recent assertion made by the Prime Minister and CPN-Maoist Chairman Pushpa Kamal Dahal that his party cannot accept traditional parliamentary system. According to NC lawmaker Dhan Raj Gurung, while meeting a team of youth Constituent Assembly members of the NC this morning, President Koirala expressed deep concern over the prime minister's recent remarks, saying Dahal's remarks would push the country into serious crisis. While furnishing replies at the Legislature-Parliament meeting on Sunday, Prime Minister Dahal had said that since the country was passing through a transitional phase, his party was neither in a position to accept the existing parliamentary system nor to establish socialism immediately.

Nepali, Indian PMs agree to review, update 1950 Treaty, other pacts

Agreements reached between Nepali Prime Minister Pushpa Kamal Dahal and his Indian counterpart Dr Manmohan Singh in New Delhi was made public through a joint press statement. The 22-point statement released at the Indian Foreign Ministry in New Delhi states that the two prime ministers agreed to review, adjust and update the 1950 Treaty of Peace and Friendship and other agreements in the context that the multi-faceted and deep-rooted relationships between the two countries need further consolidation and expansion in a forward-looking manner to better reflect the current realities. As per the agreement, the Indian government will provide a credit of up to Indian rupees 1.5 billion to the Nepal government for the next three months to ensure uninterrupted supplies of petroleum products. The government of India will also lift bans on the export of rice, wheat, maize, sugar and sucrose for quantities agreed with Nepal. Likewise, the Indian government will provide IRs 200 million as immediate flood relief to the people in Nepal. The two prime ministers have already directed the Inter-Governmental Committee (IGC) at the level of commerce secretaries to meet in one month to initiate a comprehensive review of the existing trade and transit arrangements with a view to promoting industrialization in Nepal, expanding complementarities of bilateral trade on a sustainable basis and removing the barriers to trade.

NPF protests Indian Army trespassing on Nepali soil

National People's Front (NPF) took to the streets in the capital on Wednesday protesting the entry of armed Indian Army personnel into Nepali land. Charging the Indian Army personnel of trespassing on Nepali soil at the regions affected by the devastating Koshi floods, the cadres of NPF organised a rally at Ason and Ratnapark in the capital. The protest rally began from Ason and marched through Bhotahiti before converging into a corner meet at the Ratnapark. NPF Chairman Chitra Bahadur KC said the behaviour of the Indian Army, at a time when Prime Minister Pushpa Kamal Dahal is on an official visit to India, has clearly depicted the intention of India.

Govt not coordinating with opposition parties

Vice President of Nepali Congress (NC) Ram Chandra Poudel on Wednesday accused the government of not coordinating with the opposition parties for taking the peace process to a logical end. Poudel said that the words and actions of the Maoists regarding the peace process differ. Speaking at a radio programme today, the former deputy prime ministers said that the Maoists do not have good intentions as their activities are against the law. Disagreeing with the formation of 'Tarun Dasta', the NC leader said that it would defame the party on the long run and added that the NC does not have any intention to form any wing mimicking the youth wings of other parties.

MYANMAR:

POLITICAL:

- **Suu Kyi Wins Concessions from the Regime**
- **Ceasefire groups on cross roads**
- **Myanmar warns against more bomb attacks in Yangon**

SOCIAL:

- **Chemical Drug Use Increasing in Asia**
- **Burmese activist gets human right awards**

ECONOMIC:

- **Moreh gate to facilitate trade**
- **Burma seeks help to revive cyclone-affected rice region**
- **WFP faces 11.2-million-dollar shortfall in Myanmar**
- **Japan provides Rs 600m for education**

GEO-STRATEGIC:

- **US Faults Anti-Drug Efforts of Bolivia, Venezuela and Burma**

Chemical Drug Use Increasing in Asia

The use of chemical drugs has increased considerably among youths in developing countries with Asia leading the way, according to a recent report by the United Nations Office on Drugs and Crime (UNODC). In its report, the UN drugs bureau warns that synthetic drugs, such as amphetamine, methamphetamine and ecstasy—which it calls “the drugs of modern times are becoming more popular in developing countries. “Asia, with its huge population and increasing affluence, is driving demand,” said the UNODC report. In addition, new forms of synthetic drugs are emerging in Southeast Asia, such as highly pure crystalline methamphetamine, known as “crystal meth” or “ice.” “This is of concern,” says UNODC expert Jeremy Douglas. “Young people are particularly vulnerable to methamphetamine use.” The concerns were backed by community leaders in Burma who have seen drug use spiraling out of control in recent years. Chemical drug use started becoming popular in the mid-1990s in Burma. Observers say it has now become fashionable and widely accepted by youngsters. The September 9 report would appear to contradict claims by Burma’s Ministry of Home Affairs that drug abuse is declining in the country: official government statistics claim that the number of drug users in Burma has decreased from 61,455 in 2005 to 54,705 in January 2008.

Moreh gate to facilitate trade

A two-member team from the Centre visited Moreh to finalise the site for an integrated checkpost that would facilitate trade between India and Myanmar. The joint secretary home, border management, Sada Kant, and the under secretary of the commerce ministry, P.C. Pandey, arrived in Imphal yesterday to take a final call on the site. Moreh is one of 13 towns where integrated checkgates were proposed under the Look East policy. The checkpost in Moreh will be set up near border gate number one, which connects Myanmar through a river bridge, half of which belongs to Myanmar and the other half to India. Though nearly 100 houses will need to be dismantled to make space for the checkpost, the move will benefit traders who have long complained of far too many checkpoints on the 109-km-long Moreh-Imphal Road. The central officials inspected the proposed site and the trade exchange through gate number two at Moreh. They also spoke to leading traders at the border town. The Manipur government has now proposed to include 18 more items in the trade list, including bicycle parts and life-saving drugs.

Suu Kyi Wins Concessions from the Regime

Burmese pro-democracy leader Aung San Suu Kyi has won some concessions from the military regime, including future deliveries of international magazines and personal mail, according to her lawyer, Kyi Win. Kyi Win visited Suu Kyi on Thursday, and on Friday he told The Irrawaddy that in return for the government concessions she agreed to accept deliveries again of food and household supplies.

Ceasefire groups on cross roads

Over a 15 year period over 15 armed ethnic groups in Burma reached ceasefire agreements with the ruling military regime, the State Peace and Development Council (SPDC). The groups signed the pact with different political objectives. Despite being aware of the separate strategies of the groups the SPDC did sign ceasefire agreements. Some groups surrendered to the junta and the SPDC recognized them as ceasefire groups or 'ethnic peace organizations'. Only a few organizations, like the New Mon State Party (NMSP), the Kachin Independence Organization (KIO) and Shan armed groups fighting for greater autonomy and the establishment of a federal union in Burma signed a ceasefire pact with the SPDC for a 'political dialogue'. But many small groups with limited political ideology were just targeting 'business activities' while dealing with the junta. The strategy of the SPDC towards the ceasefire groups was quite clear. The regime did not have plans for a political dialogue with these groups at all. It adopted a systematic plan to assimilate them by offering business opportunities, weakening their political ideology, and alienating them from their own people. The bottom line was to bring them to a situation where they would surrender their arms to the Burmese Army under the agenda of 'working for peace'. Probably before the 2010 general elections, the regime will mount pressure on these ceasefire groups to surrender their arms or put their armies under the Burmese Army's command. It is only then that the junta will allow group leaders to contest the elections. In the manipulated elections, the ceasefire group's leaders will be elected as MPs to local parliaments in the ethnic States. Extension of existing civil war and an unstable situation in various ethnic areas will be the order of the day if the regime refuses to go for a political settlement with ceasefire groups. The people in the frontier areas will again suffer from gross human rights violation as a result of ceasefire pacts being broken.

Burma seeks help to revive cyclone-affected rice region

Burma's junta is seeking foreign help for seeds and fertiliser to revive its main rice-growing region, devastated by Cyclone Nargis last May. Cyclone Nargis left an estimated 140,000 people dead or missing when it swept through the Irrawaddy delta. The International Rice Research Institute says it sent a team to the disaster zone last month and held talks with agriculture

officials. The officials asked for salt resistant rice strains, fruit tree seedlings and vegetable seeds and fertilizer.

US Faults Anti-Drug Efforts of Bolivia, Venezuela and Burma

The determination by the White House that Bolivia and Venezuela have failed to uphold anti-drug commitments comes amid a broader deterioration in U.S. relations with the two South American countries, marked by ambassadorial expulsions last week. But officials here say the timing of the critical drug assessment of the two governments was coincidental. In both cases, President Bush has exercised waiver authority and will not cut U.S. aid to either Bolivia or Venezuela. The annual White House report on the narcotics trade is mandated by a 2003 act of Congress. It requires the administration to identify major drug producing and drug transit countries, and authorizes a cut-off of non-humanitarian U.S. aid to those states that have demonstrably failed to try to tackle the problem. The new report lists the same 20 countries as last year, mainly in Latin America, as major drug producers or transit centers. The two countries cited in 2007 for failed anti-drug efforts, Burma and Venezuela were joined this year by Bolivia, whose president Evo Morales, once headed its coca-growers federation. Johnson said Burma's military government has done little to deal with what has become Asia's largest illegal amphetamine industry.

WFP faces 11.2-million-dollar shortfall in Myanmar

The UN World Food Programme (WFP) on Tuesday welcomed a donation of 1.9 million dollars from the European Union for food relief for Myanmar's Rohingya minority group but noted it was still suffering a 11.2-million-dollar shortfall this year. The European Community's Humanitarian Office (ECHO) has provided 1.9 million dollars for food assistance to the North Rakhine State of western Myanmar, bordering Bangladesh, where thousands of Rohingya - a Muslim minority group that has been persecuted in the past by Myanmar's junta - face growing food shortages. Up to 400,000 Rohingya were forced to flee Myanmar to neighbouring Bangladesh in the early 1990s when the army launched a persecution campaign against the Muslim minority. Most of the refugees returned to the Rakhine State more than a decade ago, but lack of land ownership and employment mean the community is still highly dependent on UN assistance for their survival. A recent survey conducted by the WFP indicated that 44 per cent of the households in the North Rakhine State have deficient daily dietary intakes, and 27 per cent of children below five suffered from "moderate to acute" malnutrition.

Myanmar warns against more bomb attacks in Yangon

The Myanmar authorities warned on Tuesday that three anti-government armed organizations have sent five bombers into the country to launch more attacks in Yangon, calling on people to help expose the saboteurs. According to a report of the official newspaper New Light of Myanmar, the bombers, sent by the organizations including the Kayin National Union (KNU) and the All Burma Students' Democratic Front (ABSDF), are trying to detonate bombs in the former capital's busy locations. The warning came after a bomber, Saw Ya Ko, was arrested on last Friday on charge of planting two bombs in a video lounge in Kyaukkyyi, Bago division, earlier

on Thursday night which killed a man and a woman, and injured nine others. Meanwhile, another explosion in a big bus in Yangon on Sept. 9 also injured three passengers with the bus almost destroyed. The authorities have linked these incidents with insurgents who are blamed for committing destructive acts to jeopardize the stability of the state, community peace and prevalence of law and order and cause panic among the people.

Burmese activist gets human right awards

The United States based 'Human Rights Watch' named a Burmese rights activist, Bo Kyi, recipient of its 'Human Rights Defender Award' for striving for the release of political prisoners in Burma. Bo Kyi, co-founder and Joint-Secretary of the Thai-Burmese border based 'Association of Assistance to Political Prisoners – Burma' (AAPP-B), was among five activists across the globe that the organization choose to honour with its award. Bo Kyi, as a student activist was arrested and sentenced to a prison term in 1988 for his involvement in pro-democracy movements and spent seven years in jail. Following his release, he fled to the Thai-Burmese border and founded the AAPP-B, an advocacy group to assist families of political prisoners and work for their release. According to the AAPP-B, currently there are over 2,000 prisoners of conscience languishing in jails across the country. The most prominent political prisoner in Burma is pro-democracy leader Daw Aung San Suu Kyi, who has been detained for more than 12 of the past 19 years.

Japan provides Rs 600m for education

The Japanese government has extended a grant aid of USD 8.23 million (NRs. 602.91 million) for the construction of classrooms, toilets, water supply facilities and classroom furniture in eight districts in Nepal in support of Education for All programme. "The major objective of the project is to help enhance access to primary education and improve quality of education through the provision of education infrastructures in line with the Nepalese National Plan of Action for achieving universal primary education by 2015," a statement issued by the Embassy of Japan said. The aid will be utilised to build 370 classrooms, 362 toilets, 90 water supply and 11,420 sets of classroom furniture in Baglung, Dhading, Gulmi, Kaski, Lalitpur, Palpa, Rupendehi and Surkhet districts, the statement said. Secretary of the Ministry of Finance Rameshore Prasad Khanal and Ambassador of Japan to Nepal Tatsuo Mizuno signed the agreement on behalf of their respective governments.

BHUTAN:

POLITICAL:

- **PM leaves to attend US session**

SOCIAL:

- **Lavish celebrations for coronation**

ECONOMIC:

- **Bhutan growth rate to decline, but still ahead in SA**

GEO-STRATEGIC:

- **Germany denies status, deportation to Bhutan likely**

Germany denies status, deportation to Bhutan likely

Tandin Wangdi, 28, a Bhutanese citizen from Thimphu has been missing since July 6 from his transit camp in Germany. Family sources in Germany claimed the reason to be fear of likely deportation to Bhutan, denying political asylum. Wangdi had applied for political asylum in Germany in August 2003, when he reached there to join his father, Tshering Penjore, a political asylee since 2002. Issuing a press statement, Druk National Congress (DNC) led by RK Dorji said that amidst the serious efforts made by a core-group of countries to resolve the long-standing problem by offering the option of third country resettlements - Germany decided to deport a DNC activist to Bhutan. Family sources said the Bhutanese Embassy in Switzerland on the request of the foreign office in Hannover issued a new passport for Wangdi for the purpose of deporting him to Bhutan. Honoring the efforts made by UN Refugee Agency, International Organization for Migration and the core-group countries in helping find a solution to the problem, DNC has appealed the concerned authorities to help Tandin Wangdi to get his asylum in Europe or find a safe place for him to accommodate through third country resettlement, till DNC is able to go into Bhutan.

Bhutan growth rate to decline, but still ahead in SA

Asian Development Bank (ADB) projected a sharp decline in the Gross Domestic Product (GDP) growth rate for Bhutan in the year 2009 – down from 14.4 in 2008 to 7.2 percent. However, the growth rate is second highest in the South Asia, after Afghanistan where ADB expects the growth rate of 8.3 percent. An update publication of the Asian Development Outlook 2008, states Bhutan will achieve a growth rate of 14.4 percent in 2008. In the fiscal 2007 (ended June 2007), GDP growth rose to 17.0 percent, pulled up largely by the start of operations at the 1,020-megawatt Tala hydropower plant. As full output from Tala has come on line as expected, the growth outlook of 14.4 percent in fiscal year 2008 and 7.2 percent in 2009 is maintained. The consumer price index increased to 8.9 percent (year on year) in the April–June quarter of 2008. Given the parity peg between the currencies of Bhutan and India, price movements are very similar, and in view of what is happening in India, Bhutan's inflation forecast is now revised upward to 10 percent this year and 7 percent next year. With Tala's hydropower exports to India, the current account balance switched from deficit into a large surplus amounting to 10.5 percent of GDP in 2007. ADB projects the surplus for 2009 at 4 percent. Developing Asian economies will revert to a more moderate growth outlook of 7.5 percent this year and 7.2 percent next year after posting its fastest growth of 9 percent in nearly two decades in 2007, the report says.

PM leaves to attend US session

The Prime Minister Jigmi Thinley flew to New York on Tuesday to attend the upcoming General Assembly of the United Nations, who will address the US session on September 26. Cabinet ministers, senior government officials, army personnel, the Indian ambassador to Bhutan Sudhir Vyas, the UN Resident Representative Nicholas Rossellini and his relatives bid bye to Thinley at Paro airport. Accompanied by the Cabinet Secretary Sherub Tenzin and other senior officials, Thinley will be joined by Foreign Minister Ugyen Tshering, chairperson of the Foreign Relations Committee of the National Assembly Karma Rangdol, and other delegates, who will leave Thursday, during the US session. Thinley is scheduled to open an exhibition entitled Dragon's Gift at the Rubin Museum of Arts in New York Thursday and address the media persons in that city on Gross National Happiness

Lavish celebrations for coronation

The Royal Government of Bhutan has set a 42-day lavish celebration of monarchy's 100 years in country beginning November 6 contrary to its earlier statement to make the celebration simple. According to the decision, a child born at midnight of December 16 this year would be named as Centenary Child while those citizens born before or in 1907 will be called Centenary Citizen. During the six-week long celebrations under different themes for each week, nine major concerts, exhibitions of books and art reflecting the Bhutan journey of 100 years, campaigns on social issues, quiz competitions and food festivals will be held. A centenary marathon is aimed at raising feelings of nationalism and against corruption. Media bodes have also come forward to pay their loyalties to royalties for which TG Media and Infotainment, Bhutan Times and Centennial Radio proposed 'Citizen's Initiative for Centenary and Coronation Celebrations (CICCC)'.

Business and Politics in Muslim World India

Sadia Khanum

13th September to 19th September 2008

Presentation: 27th September 2008

Political front:

- Advani: Centre ignored Modi's tip-off on terror
- Make Advani Prime Minister, BJP tells voters
- Paswan slams BJP demand for separate area for Pandits
- CPI(M): learn lessons from U.S. financial crisis
- Manmohan convenes special cabinet meeting
- Left, BSP to intensify protest on session

Domestic situation:

- 20 killed as 5 bomb explosions rock Delhi
- Terror mail threatens to "stop India's heartbeat"
- IEDs similar to those used in Ahmedabad
- Indian Mujahideen claims responsibility
- Failure of security
- Is techie Tauqeer India's Osama bin Laden?
- Violence erupts in Kandhamal again
- Capital bombs highlight India's home-grown threat
- Bihar floods: Raghuvansh Prasad criticises government

Economic Front:

- Trinamool calls for "march to Singur"
- Europe awaiting Nano car's electric version
- Chandigarh registers highest per capita income in country
- Nano: Chief Minister to discuss with Tatas
- 'Bailout won't affect AIG's India business'
- India's inflation moderating, economy robust: PM
- RPT-UPDATE 1-Indian economy to grow 8 pct despite global woes-PM

Geo-strategic developments:

- India won't wait for 123 to sign deals with France, Russia
- Air-to-air missile Astra test-fired successfully
- "India cannot import reactors without fuel supply assurance"
- India now a big world player thanks to nuclear nod: minister
- '06 Blueprint Leak Intensifies Concerns over U.S.-India Deal
- Letter circulated seeking quick passage of N-deal

Kashmir

- Fresh clashes in Srinagar

- Now Jammu faces trade boycott by Kashmiris
- India concerned about Pakistan support for militants
- Unrest ends Kashmir tourism revival
- India deploys fighter jets in Kashmir

Social front

- Iron Age burial site in Tamil Nadu being razed
- Incredible India braces for a lean 'busy' season
- Minority despair will trigger new waves of terror: Chidambaram
- How the battle against female infanticide was waged

Foreign Relations

- Nepal PM tells India relations are crucial
- India concerned about Pakistan support for militants
- India's treatment of Christians to be raised at EU
- Pakistan to claim Chenab compensation from India
- Chenab row: Pak threatens to seek World Bank's intervention
- India proposes meeting to discuss Chenab water dispute
- China "unpredictable"

Political front

Advani: Centre ignored Modi's tip-off on terror

Condemning the bomb blasts in Delhi, the Bharatiya Janata Party leader L. K. Advani on Saturday maintained that the United Progressive Alliance government had failed to act, though Gujarat Chief Minister Narendra Modi had tipped-off Prime Minister Manmohan Singh recently that there were plans by the terrorists to target Delhi. Mr. Advani said the Gujarat government had come to know about the plans by the terrorists to attack Delhi when its police were interrogating some of those arrested in connection with the blasts in the State. "Mr. Modi personally met the Prime Minister in Delhi about 10 days ago and passed on this crucial information."

Make Advani Prime Minister, BJP tells voters

In its political resolution adopted here on Saturday, the Bharatiya Janata Party sought to occupy the nationalist political space and directly appealed to voters to make senior leader L.K. Advani the country's prime minister. The four-page resolution adopted on the second day of the party's national executive committee meeting here devoted considerable space to the nuclear deal, the Jammu and Kashmir issue and the lack of a convincing fight against terrorism — citing these issues as examples where the Congress-led United Progressive Alliance government had ignored national interests.

Paswan slams BJP demand for separate area for Pandits

Lok Jan Shakti Party (LJP) president and Union Minister for Chemicals & Fertilizers Ram Vilas Paswan on Saturday described the Bharatiya Janata Party's (BJP) demand for creation of a separate area within the Kashmir Valley for Kashmiri Pandits as unconstitutional. In turn, Mr. Paswan asked, will the BJP ask for creation of separate areas for Dalits to ensure their security and welfare. He pointed to the atrocities committed on these disadvantaged sections every day. A crime is committed against Dalits every 18 minutes; three Dalit women are raped and two Dalits murdered every day; 33 per cent of village public health workers refuse to visit Dalit homes; and are denied access to water sources in 48.4 per cent villages because of segregation and untouchability. According to Mr. Paswan, the need of the hour is to assuage the feelings of all the communities and encourage national integration while the BJP is practising divisive policies for petty electoral gains.

CPI(M): learn lessons from U.S. financial crisis

The Communist Party of India (Marxist) on Tuesday asked the Manmohan Singh government to learn "proper lessons" from the financial crisis afflicting the United States and asked it to withdraw steps to further deregulate the financial sector in the country. Referring to the bankruptcy of Lehman Brothers, the fourth largest investment bank in the U.S., it said the development marks a deepening financial crisis precipitated by the collapse of the real estate bubble.

Manmohan convenes special cabinet meeting

Amid concern over growing incidents of terrorism in the country, Prime Minister Manmohan Singh has convened a special meeting of the Cabinet tonight to discuss the issue and contemplate creation of a new post of Internal Security Minister.

Left, BSP to intensify protest on session

The Left and the Bahujan Samaj Party, along with other like-minded parties, will intensify their protest against the Parliament session not being convened by the United Progressive Alliance government and Prime Minister Manmohan Singh's visit to the United States on September 25 to finalise the nuclear deal. Communist Party of India (Marxist) general secretary Prakash Karat said here on Wednesday that a joint announcement in this regard would be made by the Left, the BSP, the Telugu Desam Party, the Janata Dal (Secular) and the Jharkhand Vikas Party in Delhi on Friday. "The CPI (M) is trying for an alliance with certain non-Congress and non-BJP parties, but there will be no truck with the parties aligned with the Congress and the BJP."

Domestic situation:

20 killed as 5 bomb explosions rock Delhi

Twenty people were killed and about 100 injured in a series of five bomb explosions that rocked busy marketplaces in the Capital on Saturday. The first explosion took place at Karol Bagh at 6.10 p.m.; two bombs were triggered at Connaught Place; and two more in the bustling M-Block

market of Greater Kailash. Initial investigations revealed that the improvised explosive devices were configured using ammonium nitrate. Timer devices were used for synchronizing the explosions that occurred between 6.10 and 6.40 p.m. Eight persons were killed at Connaught Place and a live bomb was defused outside the Regal cinema in the heart of the Capital. Two more bombs were found at Central Park at Connaught Place and at India Gate. In an e-mail to the media, the terror outfit, Indian Mujahideen, claimed responsibility for the explosions.

Terror mail threatens to “stop India’s heartbeat”

In the fifth in a series of manifestos issued by the Indian Mujahideen since it began a series of nationwide urban bombings in 2007, the terrorist group has said Saturday’s serial bombings were intended to “stop the heart of India from beating.” “We the Indian Mujahideen ask Allah, the Almighty, to accept from us these nine explosions which were planned to be executed in the holy month of Ramadan,” states a 13-page manifesto and video slide-show e-mailed by the Indian Mujahideen to media in the midst of the bombings. Charging Indians with harbouring “never ending hostile hatred in your hearts against Islam and its people,” the manifesto says that the bombings are intended to “prove to you the ability and potential of [the] Indian Mujahideen to assault any city of India at any time.” It promises that more terror attacks will follow “to punish you even before your earlier wounds have healed.” For the first time, the Indian Mujahideen makes reference to the conflict in Jammu and Kashmir. “The injustice and pain inflicted on Kashmiri Muslims during the Amarnath crisis has once again landed you in great trouble,” it warns. Describing the Delhi bombings as “a tribute to all our brethren martyrs in Kashmir,” the Indian Mujahideen says, “We announce that from now on, Inshallah, the Muslims won’t cry alone, our women won’t be widowed alone, our children won’t be alone [sic., be alone] and scores will be settled evenly.” Interestingly, in an evident response to anti-jihadist clerics who have in recent months attacked the Indian Mujahideen, the e-mail lays claim to the legacy of famous regional jihadists. “We have carried out this attack in the memory of two most eminent Mujahids of India, Sayyed Ahmed, Shaheed and Shah Ismail, Shaheed (may Allah bestow His Mercy upon them), who had raised the glorious banner of Jihad against the disbelievers in this very city of Delhi.” Police in Uttar Pradesh and Rajasthan believe that this e-mail was drafted by Lucknow-based businessman Shahbaz Husain and cleric Abdul Bashir Qasmi, both of whom were arrested earlier this month. Both the address used to send the e-mail, guru_alHindi@yahoo.fr, and the pseudonym used to sign ‘Guru al-Hindi’ bore interesting similarities with Husain’s personal e-mail address, habbaz_hindi@yahoo.com.

IEDs similar to those used in Ahmedabad

The improvised explosive devices (IEDs) used in the Delhi serial blasts were similar to those used in the recent explosions in Jaipur, Bangalore and Ahmedabad, indicating the involvement of the same group. The bombs were planted at busy market places and triggered during peak hour to cause maximum casualty.

Failure of security

Despite claims of breakthroughs and arrests in the recent past, especially in Gujarat and Mumbai, it is apparent that the Indian security networks have failed in detecting and preventing terror attacks. Although security agencies claim the situation would be much worse were it not for their preventive vigil and crackdowns, their comments do not inspire much public

confidence.

Officials also privately admit that the entire security apparatus is geared towards protecting important people such as politicians and their families, leaving little manpower and money for ground-level security and counter-terrorism exercises. Even if police do manage to arrest Qureshi, would the attacks stop? It appears unlikely, and there is even an air of helplessness among those who are supposed to protect citizens. This was reflected in a security review chaired by federal Home Minister Shivraj Patil following the Delhi blasts.

Is techie Tauqeer India's Osama bin Laden?

Abdul Subhan Querishi alias Tauqeer is now being described as the Indian equivalent of Osama bin Laden. Police say he is the techie brain of a terror group which is now emerging as the key link to the multiple bombings in Delhi. Sources said Tauqeer and four of his associates had stayed with a man named Imran in Ahmedabad a few months before the blasts, where the plans of targeting Delhi were discussed first. Sources also said Tauqeer shifted to another location after a few days and told Imran he was in the process giving a final shape to the Delhi plan. A team of Delhi Police sleuths are closely questioning Imran, who was arrested soon after the Ahmedabad explosions.

Violence erupts in Kandhamal again

The situation in riot-hit Kandhamal district of Orissa turned volatile after hundreds of armed men attacked a police station in the Phiringia Block and shot dead a constable in the early hours of Tuesday. The over 500-strong mob set ablaze the Gochhapada station and burnt down police vehicles, even as the few policemen present there fled. Constable Bidhudendra Biswal was gunned down. Police said the attackers were carrying country-made firearms and other weapons. They had blocked the roads leading to Gochhapada before attacking the police station. A police outpost, 12 km away from Gochhapada, was also attacked.

Capital bombs highlight India's home-grown threat

On 13 September, five near-simultaneous bomb blasts struck the Indian capital New Delhi, leaving approximately 30 people dead and 100 others injured. The low-intensity explosions targeted crowded market areas filled with evening shoppers. The timing and location of the blasts suggest they were likely aimed at inflicting maximum casualties. A group known as Indian Mujahideen claimed responsibility for the attacks in an email that was sent to major Indian newspapers and television channels shortly after the first blast. As in previous messages, the Indian Mujahideen has distanced itself from any foreign connections, asserting that it is the "home-grown jihadi militia of Islam". Given continuing perceived Muslim grievances, including the protests in Indian-administered Kashmir over the past three months, India is likely to increasingly face a threat from home-grown Islamist militant groups.

Bihar floods: Raghuvansh Prasad criticises government

Union Rural Development Minister Raghuvansh Prasad Singh on Wednesday criticized the Bihar government for failing to plug the breach in the Kosi River that caused devastating floods in the State earlier this month. Briefing reporters on the achievements of his Ministry in the past four and half years, Mr. Singh said the Centre was ready to give the money for plugging the breach but it was ultimately for the State government to carry out the work. However, he added that in this case the External Affairs Ministry, too, had to be involved as it concerned two countries. Dismissing the remarks of S.C. Jha — who is heading the Planning Commission's Special Task Force on Bihar — that there was lack of coordination between the State and Centre, Mr. Singh said not much credence should be given to Mr. Jha. The Minister said the Centre had given more than what the State government had demanded after the unprecedented floods but the administration was still unable to cope with the situation. "We have given 1.25 lakh tones of food grain but the government is picking up only 1.25 tones daily. At this rate, nothing will ever reach the people," he added.

Economic Front:

Trinamool calls for "March to Singur"

The future of the Tata Motors project at Singur continues to remain under a cloud with leaders of both the ruling Left Front and the Trinamool Congress announcing here on Saturday programmes in support of their respective agendas in the area.

Europe awaiting Nano car's electric version

Though the fate of Tata Motors' Nano plant at Singur in West Bengal still hangs in a limbo, nations around the world still want to see the cheapest car driving on their roads at the earliest; preferably in its battery-operated, environment-friendly version. "I can say that alike other nations, entire Europe is also eagerly awaiting the commercial launch of Nano. But keeping in mind the adverse impact of carbon dioxide (Co2) on environment, it would be advisable to have Nano's electric version. I hope Tata (Ratan) is working on it," said European Commission's Director General for Energy and Transport Matthias Ruete.

Chandigarh registers highest per capita income in country

Chandigarh has the highest per capita income in the country, measured both at current and constant prices, announced the Directorate of Economics and Statistics (Statistical Cell) while unveiling the "Annual Statistics of State Domestic Product/Per Capita Income" here. According to the latest figures, the per capita income here for 2006-07 is Rs.99, 262 at current prices and Rs.70, 361 at constant prices. The city's growth is placed at 11.49 per cent monetarily and 6.39 per cent in real terms. The coveted position comes to the city for the fifth time in a row. Its per capita income has gone up about 2.5 times in the last eight years from Rs.44, 502 in 2000 to Rs.1, 10,676 in 2008. Haryana is rated second with Rs.49, 039 at current prices and Rs.35, 779 at

constant prices. Delhi is rated third in the list, with figures of Rs.66, 728 and Rs.50, 565. The All-India figure for 2006-07 is Rs.29, 642 at current prices and Rs.22, 553 at constant prices.

Nano: Chief Minister to discuss with Tatas

Minister for Large and Medium Industries Murugesh Nirani has said that Chief Minister B.S. Yeddyurappa will hold discussions with Managing Director of Tata Motors Ravikant on September 18. The focus will be on the Nano small car manufacturing unit.

'Bailout won't affect AIG's India business'

The ownership change and the \$85 billion bailout of American International Group (AIG) will not have any major impact on the insurance giant's operations in India, a top official said Wednesday. America is in turmoil — India is not Speaking to IANS over phone, the AIG India official preferring anonymity said: "I don't see any impact on AIG's business in India. Whenever a business opportunity was seen in India the group has ventured in to that."

India's inflation moderating, economy robust: PM

Prime Minister Manmohan Singh Wednesday said inflation in India would moderate in the coming months even as the country remained among the fastest growing economies in the world. "There are signs of moderation in the high inflation that we have witnessed recently," the prime minister said, referring to the dip in the annual inflation rate in recent weeks from 12.63 percent to 12.10 percent. "We are confident that the situation will improve further in the coming months because of the measures that we have taken," he told a conference of governors and lieutenant governors in New Delhi.

RPT-UPDATE 1-Indian economy to grow 8 pct despite global woes-PM

India's economy is expected to grow by more than 8 percent in the fiscal year to March despite being hurt by the global slowdown and soaring oil prices, Prime Minister Manmohan Singh said on Wednesday. Singh said annual wholesale price inflation which rose to 12.6 percent in early August, was showing some signs of moderation and prices were expected to moderate further due to steps taken by the government. The Indian economy grew by an average 8.8 percent in the last four years, but the analysts expect growth to slow to fewer than 8 percent in the 2008/09 fiscal year ending next March.

Geo-strategic developments:

India won't wait for 123 to sign deals with France, Russia

Despite Washington's expectation that India will wait for Congressional approval of the '123 agreement' on bilateral nuclear cooperation before concluding deals with other suppliers, the government has decided to sign a landmark nuclear framework agreement with France during Prime Minister Manmohan Singh's visit to Paris later this month. Following last week's waiver for India from the Nuclear Suppliers Group, the Bush administration is now trying to complete the U.S. domestic approval process for the 123 by September 26, when Congress formally adjourns, so that the issue does not require the convening of a special 'lame duck' session in December. But regardless of the fate of the 123, India appears finally to have made up its mind to clinch its deals with France and Russia on a priority basis. "We will go ahead and sign with the French in Paris this month and with the Russians when [President] Medvedev comes to Delhi on December 4," said an official source on condition of anonymity.

Air-to-air missile Astra test-fired successfully

An important milestone in the pre-operational phase of Beyond-Visual-Range air-to-air missile, Astra was achieved on Saturday with the successful test-firing of the weapon system at Chandipur-on-sea, off the Orissa coast. The single-stage, smoke-less, solid propelled missile can carry a conventional warhead of 15 kg and is the smallest of the missiles developed by the Defence Research and Development Organisation in terms of size and weight. The 3.8 metre-long missile has a diameter of 178 mm with an overall launch weight of 160 kg. Mr. Gollakota said captive flight tests would be conducted early next year after a few more ground trials. Subsequently, it would be fitted to combat fighter Sukhoi-30 and test-fired. Later the missile would be integrated on board MiG-29 and Light Combat Aircraft. It would cover a range of 100 km when launched from an altitude of 15 km, 60 km from an altitude of five km and the range would be 20 km if the altitude was still lower.

"India cannot import reactors without fuel supply assurance"

M.R. Srinivasan, the former Chairman, Atomic Energy Commission (AEC), asserted on Saturday that unless India had assurances from the United States on the nuclear fuel supply as contained in the 123 agreement, "I cannot see how we can have any nuclear commerce for the import of reactors from the U.S." India's understanding was that the U.S.' assurances on the fuel supply under the 123 agreement were obligatory. India could not understand the differentiation between the legal obligations and the political obligations. "Unfortunately, this is almost reminiscent of the Tarapur arrangement where an international agreement was not fulfilled by the U.S. on the ground that it was prevented from doing so under its domestic laws. Our friends in the U.S. must understand that India cannot import reactors without satisfactory assurance of fuel supply."

India now a big world player thanks to nuclear nod: minister

The decision by nuclear supplier nations to end a decades-old ban on civilian nuclear trade with India has vaulted it into the ranks of the world's major global political powers, a key minister says. The decision marked "India's arrival on the scene as a pre-eminent country in terms of technological, economic and strategic importance in a globalised world," Minister of State for Industry and Commerce Ashwani Kumar told AFP in an interview. The move by the Nuclear Suppliers' Group helps position "India strategically at the high table of global politics," Kumar added. "This agreement will certainly further reinforce India's technological abilities and will tell the world it has unlimited possibilities to offer for a mutually beneficial economic partnership,"

he said."As a country of 1.1 billion people with an (annual average) growth rate of 8.5 percent there is no way its economic potential can be missed by any country," Kumar added. "In this Asian century, this decade is for India."

'06 Blueprint Leak Intensifies Concerns Over U.S.-India Deal

In January 2006, an Indian government agency purchased newspaper ads seeking help in building an obscure piece of metal machinery. The details of the project, available to bidders, were laid out in a series of drawings that jolted nuclear weapons experts who discovered them that spring. The blueprints depicted the inner workings of a centrifuge, a machine used to enrich uranium for nuclear bombs. In most Western countries, such drawings would be considered secret, but the Indian diagrams were available for a nominal bidding fee, said David Albright, a former U.N. weapons inspector. He said he acquired the drawings to prove a point. "We got them for about \$10," said Albright, who called the incident a "serious leak of sensitive nuclear information." India has since tightened its bidding procedures, but the incident has fueled concerns among opponents of a U.S.-Indian civilian nuclear deal that Congress is expected to consider in the coming weeks.

Letter circulated seeking quick passage of N-deal

With the Bush administration racing against time to get a Congressional nod for the Indo-US civilian nuclear agreement, a group of lawmakers cutting across party lines have circulated a letter pressing for a quick passage of the deal. The 'Dear colleague' letter, circulated to all the 435 members of the US Congress, has stressed that the expedient approval of the agreement will be beneficial to both the countries and it should be passed by the Congress before going for recess on September 26. "As past and present co-chairs of the Congressional Caucus on India and Indian Americans, we are asking you to support this agreement which provides for peaceful nuclear cooperation between the two democracies," five Republican and Democratic law makers have said in their letter addressed to their colleagues. "Passage of this measure in an expedient manner will be beneficial to both the countries" they said.

Kashmir

Fresh clashes in Srinagar

Even as curfew continued in Baramulla and Shopian districts in Kashmir on Saturday, fresh clashes took place in Srinagar, where a strike was observed in many parts against Friday's incident. (Two people were killed in Baramulla and Shopian in firing by the police and the CRPF on Friday.) The police, with the help of the Central Reserve Police Force and the Army, was enforcing curfew at Shopian and Baramulla. In Baramulla, a group tried to defy the regulation in

old town but the security forces chased it away. However, tension was palpable in both towns. The Army carried out a flag march in Shopian.

Now Jammu faces trade boycott by Kashmiris

Though normality has returned to Jammu after the prolonged agitation over the Amarnath land issue, traders from the region are being boycotted by their counterparts in Kashmir who are hurt over what they call “economic blockade” of the valley during the agitation. A delegation of the Jammu Chamber of Commerce and Industry (JCCI) has failed to convince the Kashmir traders but said it will continue the dialogue. Pharmaceutical traders in the Kashmir valley refused to unload truckloads of medicine coming from the wholesalers in Jammu, and other traders indicated they would do so. In view of this, a JCCI delegation, led by its president Ram Sahai, rushed to Srinagar to talk to the Kashmir traders. The delegation was, however, denied audience by the Kashmir Chamber of Commerce and Industries (KCCI).

Unrest ends Kashmir tourism revival

Protests against India's rule in the spectacularly beautiful Kashmir valley have brought an abrupt halt to tourism, which had been showing signs of a hard-won recovery, officials said. In the past few months, Kashmir has witnessed the biggest pro-independence demonstrations since the separatist insurgency erupted in 1989. The protests have triggered a heavy crackdown by Indian security forces, and tourist numbers have dropped to virtually zero, officials said. Last year nearly 500,000 visitors travelled to Indian Kashmir, the largest number since tourists rediscovered the region as violence declined after 2004. This year nearly 400,000 people -- mostly from India itself had already visited Kashmir by mid-June, tourism officials said. But the renewed violence, and a series of curfews, quickly dissuaded anyone planning to flee the summer heat of India's plains in search of cooler climes from choosing Kashmir.

India deploys fighter jets in Kashmir

India has deployed its top fighter jets in Indian-held Kashmir, officials said on Wednesday. The move aims at improving the border management, however analysts told Reuters the move was aimed at Pakistan after relations between the two rivals soured in recent months. “This forward movement is part of deterrence for Pakistan, and to tell them if they fish in troubled waters in Kashmir, India would be ready,” Defence analyst Major General Ashok Mehta said. A four-year-old peace process between the two countries has virtually stalled, initially because of political turmoil in Pakistan and more recently after a string of bombings in India, and at the Indian embassy in Kabul. Under these circumstances, analysts say, the deployment of six Russian-made Sukhoi-30 jets capable of carrying nuclear warheads in Kashmir was a military move aimed at Pakistan. India’s Western Air Command commander Air Marshal PK Barbora was quoted by the Hindustan Times as saying the deployment was “temporary”. The twin-seater frontline jet can carry eight tones of armaments including nuclear weapons, and cruises at a speed of 3,200 kilometers an hour. The IAF is also planning to deploy up to 40 Sukhoi jets in the northeast, close to its border with China, an Indian Air Force official told AFP on condition of anonymity.

Social front

Iron Age burial site in Tamil Nadu being razed

An Iron Age burial site dotted with cairn circles, menheirs and cist-slabs, near Vellaripatti village near Madurai on the Madurai-Tiruchi highway, is being destroyed. Archaeologists date the megalithic site between 1000 B.C. and 500 B.C. Real estate developers have uprooted and swept up hundreds of cairn circles (big stones arranged in the form of circles), menheirs (tall granite slabs erected vertically) and cist-slabs (rectangular granite slabs laid on the ground), all of which mark burial spots. Bulldozers have swept clean a big area that had earlier been crowded with cairn circles, menheirs and cist-slabs. Border stones have been planted in the cleaned-up area to indicate house sites. A fencing post has been erected close to a beautifully laid cairn circle, and it is only a matter of time before this cairn circle disappears. V. Vedachalam, retired Senior Epigraphist, Tamil Nadu Archaeology Department, called the site “a rare monument because it is difficult to get all three cairn circles, menheirs and cist-slabs in the same place near Madurai.” That Vellaripatti had a flourishing merchants’ guild in the third century B.C., Dr. Vedachalam said, had been attested by Tamil-Brahmi inscriptions found at nearby Mankulam. “So Vellaripatti was an ancient settlement. This was the burial site of people who lived there,” he explained. Dr. Rajan, Head of the Department of History, Pondicherry University, who has specialised in studying megalithic burials and monuments in Tamil Nadu, said this site would have probably existed from 1,000 B.C. and would have been transformed into an early historical site around the 5th or 4th century B.C. Two Mankulam inscriptions referred to Vellarai and mentioned a Pandya king called Nedunchezhiyan. The inscriptions referred to the existence of a trade centre at Vellarai, Dr. Rajan said. “This is a historical site with a landscape... If we excavate this site, we can reconstruct the economic, social and cultural life of the Tamils of the Sangam age.” Dr. Vedachalam and Dr. Rajan wanted the burial site to be declared a protected site and be taken over by the Tamil Nadu Department of Archaeology or the Archaeological Survey of India.

Incredible India braces for a lean ‘busy’ season

The recent bomb blasts in the Capital are set to have a significant impact on travel, especially inbound tourism, already grappling with slowdown. October marks the beginning of the peak season for the hotel and tourism industry in India. Growth forecast for inbound tourists is down to 8% from the projected 12% for the year. After the Jaipur blasts, most source markets, such as the US, the UK and Australia, advised their citizens to be on high vigil in India, especially while frequenting public places. Travel agents are expecting fresh travel advisories after the Delhi blasts in the next 24-48 hours. “Till now travel advisories have not been issued. But we are expecting European Union countries and the US to issue them in a day or two. That will have an adverse impact on tourism as travel insurance is not covered once an advisory is issued. Also charters in Goa that arrive during this period are getting delayed in the wake of American recession and now the blasts,” says Thomas Cook MD Madhavan Menon. And it’s not just security concerns that are looming large over India’s tourism industry. Says Ficci tourism co-chairman and founder of Tree of Life resort and Spa, Himmat Anand: “Tension in Kashmir and floods were already playing havoc. And now the bomb blasts! There is a significant impact on the foreign footfalls. To make it worse, we are becoming high-tariff destination, keeping many

foreign tourists at bay.” Agreed STIC Travel chairman Subhash Goyal: “In short term, there will be a dip in foreign arrivals and revenues.” Tour operators believe that their business will see a 5-8% dip.

Minority despair will trigger new waves of terror: Chidambaram

Union Finance Minister P. Chidambaram on Wednesday warned of “new waves of terror” if the alienation of the minority communities was not addressed. “There is the challenge of alienation of the Muslim community and, more recently, of the Christian community. The divide between Muslims and Hindus is taking new and dangerous forms ghettoisation, social boycott, and discrimination in employment and the blurring of lines between state and religion as was seen in Gujarat. “Out of the hopelessness and despair of the Muslim community and if not addressed firmly, the Christian tribal communities too will raise new waves of terror. There is no other explanation for the phenomenon of graduates and engineers and doctors born, educated and living in India taking to the path of violence,” Mr. Chidambaram said delivering the Field Marshal K. M. Cariappa Memorial Lecture here.

How the battle against female infanticide was waged

Until not too long ago, eliminating newborn girls by feeding them with poison sap, squeezing snuff powder into the nose or asphyxiating the child with a wet blanket was alarmingly commonplace in a few pockets in Tamil Nadu. “There was a general awareness of the practice of female infanticide... but there was no data quantifying the magnitude of social evil,” said Sheela Rani Chunkath, who, during a stint as Health Secretary, spearheaded a successful mass awareness campaign against the issue in the mid-1990s. It took a pioneering vital events survey of infant mortality rates to piece together the disturbing picture on the geographical distribution of female infanticide. The gender differential in the IMR was sharply skewed against the girl child to the ratio of 69: 130 in Dharmapuri, followed by 69:100 in Madurai and 67:95 in Salem. “The strategy had to strike at the very root of the patriarchal value scale...the priority was to destroy the social legitimacy about female infanticide,” said Ms. Chunkath who is now chairperson of the Tamil Nadu Industrial Investment Corporation. Female infanticide turned out to be a post-Independence phenomenon and one that cut across social and economic strata. Mothers would resist the morbid idea of eliminating the girl child but would eventually succumb to the spousal argument that the family could ill afford to rear and marry off a girl with dowry. In 1998, Dharmapuri became the crucible of a Health Department strategy to mobilise the community against female infanticide.

Foreign Relations

Nepal PM tells India relations are crucial

Nepal's new prime minister has sought to allay Indian fears that his Himalayan nation will shift its focus away from New Delhi toward their other giant neighbour, China. On a five-day visit to India, Prime Minister Prachanda has met with top Indian leaders including the President Pratibha Patil and the Prime Minister Manmohan Singh. India has traditionally had a major influence on Nepal's political and economic affairs. But recently there have been concerns that the former Maoist rebel leader may favour China. Mr Prachanda says, however, that comparisons should not be made. "Due to our specific historical, cultural and geographical relations and due to our whole tradition of economic interdependence, the relation with India is crucial and vital," he said. "Although, we also want to develop relations with China, but it cannot be compared right now."

India concerned about Pakistan support for militants

India's defence minister said on Monday he was seriously concerned about support for militants from Pakistan after a string of bomb attacks in the nation's capital killed 22 people at the weekend. India, which used to blame Pakistan for violent attacks in the country including in the disputed region of Kashmir, has in recent months become more cautious about making these allegations. Some of the violence may have been perpetrated by home-grown groups, it has said. "Militants are getting support from across the border and it is a matter of serious concern," Defence Minister A.K. Antony said when reporters asked him if he thought militants were still sneaking in from Pakistan. Islamabad has repeatedly rejected Indian allegations.

India's treatment of Christians to be raised at EU

The persecution of Christians in the eastern Indian state of Orissa starting in late August is slated to be discussed at the European Union (EU)-India Summit scheduled Sept. 29-30 in Paris. The Council of Foreign Ministers of the 27 EU member states decided this at an informal meeting in early September. Italy raised the issue and other states agreed it should be placed on the agenda for the summit, Italian Foreign Minister Franco Frattini revealed to the media after that gathering.

Pakistan to claim Chenab compensation from India

Pakistan has decided to claim compensation from India for the agriculture loss it suffered due to the latter's stoppage of water flow into the Chenab River. Pakistan's Indus Water Commissioner Jamaat Ali Shah told that data relating to the previous record of water flow in Chenab had been provided to NESPAK to ascertain the loss arising out of the stoppage. Shah said Water and Power Minister Raja Pervez Ashraf would chair a meeting in Islamabad on Tuesday to discuss the procedure for demanding compensation. He said that India had stopped Pakistan's 200,000 acre-feet water from August 1 to September 12 to fill its Baglihar Dam Lake in Indian-held Kashmir. Separately, Punjab Irrigation Adviser Mehmoodul Hassan said that water level in all the canals flowing from the Chenab had fallen by 40 percent, posing threat to the per acre production of rice and cotton.

Chenab row: Pak threatens to seek World Bank's intervention

A fresh dispute is brewing between India and Pakistan over the issue of reduced water flow in the Chenab river as Islamabad on Wednesday threatened to seek the World Bank's intervention on the plea that New Delhi had not responded to its "repeated complaints" on the issue. India on its part argued that Pakistan had started to complain even before the agreed schedule between the two sides for filling up the low water level on the Chenab could begin. "Pakistan knows it very well that the water level of the Chenab falls during the month of September. This is not a recent occurrence but has been happening for many, many years," an Indian government official said. He added, "Pakistan's problem is not with the water level on the Chenab, but it is part of its frustration over the Baglihar dam, the construction of which it could not stop despite seeking the intervention of the World Bank." The World Bank is the mediator and signatory of the 1960 Indus Water Treaty between India and Pakistan.

India proposes meeting to discuss Chenab water dispute

India has proposed a meeting of the Indus Water Commission to discuss a dispute over the Chenab River flow after Pakistan sought an explanation over the river blockage following a test run of the Baglihar power project in Jammu Kashmir.

China "unpredictable"

Describing China as a "rival" and "unpredictable" neighbour Mr. Chidambaram said Beijing adopted a "negative stance" at the recent Nuclear Suppliers Group meeting and wondered whether it would accept India as an equal. He said: "Across the subcontinent, we face the unarticulated challenge from an equal and perhaps stronger rival, namely China." "From time to time, China takes unpredictable positions that raise a number of questions about its attitude towards the rise of India. The most recent example is the negative stance adopted by China in the meeting of NSG." Mr. Chidambaram said China had resolved boundary disputes with its neighbours except India. Despite this "unarticulated challenge," trade between India and China had been growing at a blistering pace and there were instances of cooperation and coordinated action between the two countries on several fora. "However, the nagging doubt is whether China will regard India as an equal or as an upstart and what will China's attitude to India be if India's economic strength begins to equal that of China," Mr. Chidambaram said.