

Report # 105
BUSINESS AND POLITICS IN THE MUSLIM WORLD
South Asia, India, East Asia, Central Asia, GCC, Turkey & China
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Weekly Report from 30 January to 5 February 2010
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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, India, East Asia, Central Asia, GCC, Turkey and China from 30 January to 5 February 2010 as have been collected by interns.

TURKEY

Political Front:

The government has taken one more step forward within the framework of the democratic initiative by establishing a state institution to deal with human rights violations and make proposals to prevent them. Turkey has lifted a controversial security protocol after a coup plot report publicly known as EMASYA. This protocol could allow the military to take power if it felt domestic security risk. Sixteen former members of the now-banned Democratic Society Party have been taken into custody in an operation; for suspicion of being part of an urban branch of the Kurdistan Workers' Party, or PKK.

Geo-strategic Front:

Defense Ministers of NATO held informal meeting in Turkey. Turkish PM claimed that trust of regional players in Turkey has helped her play an effective role in bringing peace in the region. The Turkish foreign minister said that a peace deal between Afghanistan's government and parts of the Taliban would not end the worldwide threat from al-Qaeda. The US envoy appreciated Turkey's role in Afghanistan. Turkey has granted \$1 million aid to Haiti. Iranian FM has recently paid visit to Turkey. During meeting his Turkish counterpart appreciated re-election of Iranian President Mahmud Ahmedinejad. Meanwhile Iranian Foreign Minister said that a threat against Turkey would amount to a threat against Iran and vice versa. A senior U.S. official called on Turkey and Armenia to ratify protocols signed last year to normalize relations. Turkish Foreign Minister said that Turkey's criticism of Israel did not mean end of relations with this country. He further added that Turkey's criticism targeted the offensive on Gaza and had nothing to do with anti-Semitism. Turkey has reiterated its intention to strengthen ties with Russia. Meanwhile Turkish PM gave warm welcome to his Bulgarian counterpart. Turkish president has vowed to extend any support to Kosovo's efforts to win recognition from international community. Turkish Prime Minister said that there were some efforts to block Turkey's EU accession process, but Turkish government had patience and was working hard. Turkish Ministry of Foreign Affairs strongly condemned the bomb attack targeting Shi'ite pilgrims in Iraqi capital Baghdad. Turkey and Azerbaijan have agreed on price of natural gas imported from Azerbaijan.

Social Front:

Workers in Turkey began a nation-wide one-day strike to support workers of the Tobacco and Liquor Administration. Government reiterated its stance and declared strike to be ineffective. All the while snowfall has halted the flights and traffic in Turkey.

Economic Front:

On the basis of economic recovery the head of a Turkish businessmen's association said that Turkey was on road to become a global power. Meanwhile Turkish State Minister for foreign trade claimed that Turkey's export target for 2010 has been set as 111 billion USD. Turkey exported 118,332 tons of hazelnuts in the first five months of the hazelnut export season, which starts on Sept. 1 of every year, yielding revenue of more than \$728.87 million. In the meantime Turkish tourist and property markets have also revived. Inflation in Turkey has accelerated in January because of tax increases and higher energy prices.

FERTILE CRESCENT

Political Front:

Protestors called on the Egyptian People's Assembly to take decisive action against sectarian acts of violence at a protest held outside parliament. Iraq's Shiite-led government said that a decision by an appeals panel to suspend a ban on candidates with alleged ties to Saddam Hussein's outlawed Ba'ath Party; until after an election was illegal. The rival Fatah and Hamas movements have managed to form a committee that would be in charge of discussing field issues that are preventing reconciliation. The committee was formed after Fatah official Nabil Shaath met with Ismail Haniyya of Hamas and several Hamas leaders in Gaza.

Geo-strategic Front:

Egyptian police shot dead a sub-Saharan African migrant and wounded another as they tried to enter Israel illegally. Hamas' exiled leader Khalid Meshal, in a recent statement said that a reconciliation deal with rival Palestinian faction Fatah was "within reach" and called on Egypt to host a meeting to seal an accord. Israeli Prime Minister Benjamin Netanyahu accused Lebanon of allowing Hezbollah to develop its military force by smuggling weapons "in violation" of U.N. Security Council Resolution 1701. Israeli Defense Minister, Ehud Barak, warned, of the possibility of military confrontations with Syria due to the lack of progress during indirect talks with the country. A UN Human Rights Council report that was compiled by a team led by the South African judge Richard Goldstone has accused both Israel and Hamas of war crimes during the three week war in the region. Hamas however has rejected accusations leveled against the movement that it had committed "war crimes" during the last year Israeli offensive against the Gaza Strip.

Social Front:

Female students at Cairo University have started challenging religious and state efforts to ban the so-called controversial *Niqab* from schools and colleges. The battle between the Ministry of Higher Education and university students over the niqab has entered a new phase following last week's Supreme Administrative Court ruling that university administrations could not ban female students from wearing the niqab during exams.

Economic Front:

Iraq has harvested less rice this year than any other year before. The slump agricultural officials blamed on falling water levels from the Euphrates River which has for decades supplied the rice fields in southern Iraq.

GCC

Political Front:

A senior official of the Yemen ruling party said that military operations against Al Houthi rebels would only stop after rebels start implementing the six conditions set by the government.

Geo-strategic Front:

Tehran had slammed plans by the United States to beef up defenses in the Gulf against potential Iranian missile attacks, with the Islamic republic insisting it posed no threat to its neighbors. Saudi Arabia has retaliated against US decision to place special security checks against people of 14 countries including Saudis. A leading Bahraini lawmaker has expressed "tremendous concerns" that claims about Al Qaeda in Yemen threats to world security would turn out to be as baseless as the ones made about Iraq's alleged weapons of mass destruction. Qatar and Iran are expected to sign agreements in oil and gas industry, tourism, investments and other important fields to boost their economies. Kuwait has claimed that it would not allow anyone including US to use its territory for launching attack against any country.

Social Front:

Members of GCC have started making plans to increase job opportunities for the young people. Kuwait's immigration bureau has directed to not allow maids into the country unless their sponsors had the approval from the police. The new measures aim to ensure that the maids had a police clearance from their home countries. A Bahrain women's rights group has stepped up pressure to make the citizenship issue among the top priorities in the application of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Meanwhile the Ministry of Labor has made a proposal to the cabinet laying out the framework for a new employment system for expatriates. UAE remained in 2009, as in the year before, at third place in press freedoms among Arab states, following Kuwait and Lebanon, according to the Index. Saudi Arabia's Assistant Minister of Education for Girls' Affairs has vowed support for the ongoing pay parity drive for almost 100,000 female teachers with their male counterparts.

CENTRAL ASIA

Political Front:

Ruling party of Azerbaijan has expressed joy over the registration of its 50,000th member as the number of party members has crossed that of Communist party in Soviet era. Leaders from the Kazakh Communist Party and the unregistered Algha (Forward) party have started demanding an immediate investigation into accusations of corruption by President Nursultan Nazarbaev's son-in-law. President of Kyrgyzstan has fired the chief of Culture Agency for permitting U.S. photographer Sergei Melnikoff (who has

been critical of Russia) to hold a photo exhibit in Bishkek. An enlarged meeting of the Tajik Cabinet to review the results of the past year's work has opened in Dushanbe. Three judges from the Tajik Supreme Court and a Dushanbe court filed lawsuits against three independent newspapers.

Geo-strategic Front:

Azeri Parliament has confirmed the Agreement on mutual visa-free travel between Azerbaijan and Kazakhstan. Kazakh protesters collided with police at a rally against their government's burgeoning ties with neighboring China. Kazakhstan has recently offered to hold joint military exercises with Turkey. Russia remains the main strategic partner of Kazakhstan in space exploration. Kyrgyz nationals in the United States have established a group called the Kyrgyz Movement for Democracy. President of Turkmenistan has recently held meeting with President of France.

Social Front:

Nearly 23,000 people have been vaccinated against H1N1 virus (swine flu) in Azerbaijan's capital. Two Kazakh newspapers criticized a libel suit brought by President Nursultan Nazarbaev's son-in-law against them, saying it was an attempt to muzzle the country's independent media. A private foundation has urged Kazakhstan to free a jailed human rights defender, saying he was imprisoned in "an unfair trial". More than 200 protesters rallied in the southern Kyrgyz village to demand the release of imprisoned former Defense Minister. Increase in infectious and parasitic diseases rate has been registered in Kyrgyzstan in 2009. Of 81 religious groups and organizations functioning in Tajikistan, 71 have been able to reregister by January 1, 2010. Europe's main democracy and security watchdog sharply criticized Uzbekistan for jailing and harassing journalists, saying there has been no real improvement in its media freedom.

Economic Front:

Azerbaijan and Turkey have agreed on price of the Azerbaijani gas in the first stage of the Shah Deniz project. Kazakhstan has announced its plan to increase the assets in its sovereign fund to \$90 billion by 2020 from current \$24.4 billion while allocating \$8 billion a year from it on industrial development. The International Monetary Fund has granted Kyrgyzstan \$337.5 million for 17 years of cooperation. The Cabinet of Ministers of Uzbekistan held a session on 29 January to consider the results of the socioeconomic development of the country in 2009 and the main priorities for 2010.

EAST ASIA

Political Front:

Analysts claim that Finance Minister enjoys real authority and power in INDONESIA due to weak leadership of the President. Currently potential challenge being faced by Finance Minister and his group is by Vice President. It is however a bit difficult to say who would dominate the politics in future. THAI PM has denied any chances of coup in his country. Besides that he expressed satisfaction with his party's popularity in Central and Northern region; on the basis of surveys. Though his party is weak in Northeast yet popularity can be gained. Popularity of PHILIPPINES' Presidential candidate Aquino has declined while that of Villar has gained momentum according to some recent surveys. All

the while in recently held talks with rebels, Philippines' government has offered 'enhanced autonomy to Moro Islamic Front in order to resolve Mindanao's issue.

Geo-strategic Front:

The Cambodian government has sent a strongly-worded letter to US internet giant Google, complaining that its online Google Earth map has incorrectly placed parts of the 11th century Preah Vihear temple in Thailand.

Social Front:

Thousands of people protested against Indonesian government as soon as a bronze statue of President Obama was placed in National Park. Government therefore decided to place the statue in the school where President Obama studied in his childhood. The new anti-pornography law in Indonesia has caused fear among minorities and secularists. A recent arrest in the Indonesian city of Bandung over a nightclub show has caused the more liberal members of Indonesian society to speak out over the event. The rights groups have claimed that the anti-pornography law is part of a push by some Islamic parties for sharia. A huge death-toll of tucks has made Cambodian government seriously concerned.

Economic Front:

Statistics of World Bank Economist evince that Indonesian economy has almost recovered from the effect of Global economic crisis. Country has started focusing more foreign investments. Vietnam has launched its first dispute at the World Trade Organization with a case against US anti-dumping measures on its key exports of shrimp. The process of economic recovery has started in all of the East Asian states including Vietnam and Malaysia. Consumer Confidence Index (CCI) for Malaysia rose by 16 points to 112 in the fourth quarter of 2009, lifting the figure above the neutral point of 100 for the first time last year. Malaysia's exports rebounded in December, climbing the most in 17 months amid a global economic recovery that led the government to predict higher overseas sales this year. SABAH economic and business planners have expressed interest in forming alliances with Brunei in the halal business in a bid to strengthen trade ties.

SOUTH ASIA

Political Front:

Bangladesh's Supreme Court declared as illegal a Constitutional amendment that had allowed religion-based political parties to flourish in the country, paving the way for the government to ban such groups. On Independence Day Sri Lankan President Mahinda Rajapakse vowed to build an efficient, advanced nation through commitment, discipline and elimination of corruption. He also asked his nation to get united in order to counter various challenges. In the meantime Opposition parties have alleged President for rigging elections. Department of Information collected an audio recording of DhiFm, which consists of the live coverage of the protest which sparked outside the president's palace and Maldives National Defense Force (MNDF) head quarters. Things have yet to be explained. Nepali Maoists have asked former PM Koirala to play his role in constitution making and bringing an end to the ongoing political crisis.

Geo-strategic Front:

Bangladesh hinted at handing over a top jailed Indian separatist leader, but wanted New Delhi to reciprocate by deporting some of its wanted terrorists allegedly hiding in India. To promote motor sports and strengthen ties between the two neighboring countries, the third edition of the India-Bhutan Friendship Car Rally was flagged off from Kolkata. India has announced to give \$2.7 million worth material to war-hit Sri Lanka. Maldives claimed that it would not allow any terrorist group to use its land for any kind of terrorist activities against India. The UK Immigration Service, now known as "UK Borders Agency" has suspended the applications process for student visas from northern India, Nepal and Bangladesh after a dramatic upsurge in numbers and allegations of fraud. Apart from India, China also intends to play effective role in Nepal. The US government has proposed that no military aid be made available to Nepal unless the secretary of state certifies that Nepal Army is cooperating fully with investigations related to violation of human rights by its officials. The interrogation of top Maoist leader Kobad Ghandy, currently in custody of Delhi Police's Special Cell, confirmed the Nepal link to the Maoist movement.

Social Front:

Sri Lankan government has announced to increase salaries of security forces. Despite allowing discos and other Western practices Bhutan still bans Christians and other minorities from worshipping. Main reason according to them is that such practices could cause fragmentation in the small kingdom. Government of Bhutan has been concentrating a lot on the promotion of tourism industry. At environmental front 'climate change' has become a serious source of concern for developing countries including Bhutan. Maldives has sought the help of CBI to help tackle attempts by international drug cartels to smuggle in contraband using Indians. Maldives deported 2700 expatriates on different grounds. Asian Development Bank (ADB) has added climate change as a primary concern in Country Partnership Strategy (CPS) for Nepal along with strengthening peace and good governance. After more than a year of slack, Malaysia has placed a record high demand for 100,000 Nepalese for blue collar jobs within the next six months.

Economic Front:

Bangladesh has been trying to attract \$7 billion of foreign investment to boost its electricity generation, a shortage of which has slowed the country's economic development. Bangladesh tea exports sank by slightly more than two thirds in 2009 as most of the crop produced was consumed locally, a trend expected to continue this year. Bangladeshi workers abroad sent home a record \$6.48 billion as remittances in the first seven months of the current fiscal year, registering a 20.89 percent growth over the same period in the last fiscal year. Opening of first Commercial Bank in Bhutan has become a source of delight for the entrepreneurs. Sri Lankan shares rose 0.24 percent led by hopes of better earnings due to post-war economic recovery.

INDIA

Political Front:

Rahul Gandhi's visit to Mumbai and his statement 'Mumbai for all Indians' has provoked Shiv Sena as Bal Thackeray asked Sena workers to show black flags to Rahul during his

visit to the city. The Bharatiya Janata Party (BJP) criticized Congress leader Dig Vijay Singh's visit to the family of an alleged Indian Mujahideen (IM) operative, and accused it for "vote bank politics". Muslim Ulema Council also opposed his visit. Meanwhile the Sangh Parivar has asked its volunteers in Maharashtra to try to prevent the spread of anti-north Indian and anti-Hindi feelings.

Regional Front:

The BJP in Madhya Pradesh has elected 100 Muslim representatives in urban local bodies. 82 Muslims, including 36 burqa-clad women, were elected on the BJP symbol in the recent elections to 268 urban bodies. Meanwhile Samajwadi Party expelled Amar Singh and Jayaprada from the party on the charges of indulging in anti party activities and damaging its political interests and image. Dispute over formation of the new state of Gorkhaland disrupted the law and order situation in Darjeeling, West Bengal.

Geo-strategic Front:

India has proposed Pakistan to resume talks while Pakistan sought clarity of the content of the talks. India and Germany have expressed keenness to enhance bilateral ties.

Social Front:

The Hindutva activists damaged minority worship places and institutions in Kampala. They threw stones on Mosques, Church and an orphanage. In the meantime Bollywood actor Shah Rukh Khan has come under severe criticism of Shiv Sena for his sympathetic support to Pakistani cricketers against the IPL decision of their exclusion from the league. Chief Justice of India (CJI) has stressed on an urgent need to ban websites that circulate pornography and hate speeches and emphasized the need for cyber law enforcement in India.

A recently published report claims that almost 45,000 children die in Maharashtra every year due to malnutrition.

Economic Front:

The Trinamool Congress opposed increase in the prices of LPG and other petroleum products recommended by an expert panel; saying a new burden of raised prices would hit the common people hard. Indian firms have made plan to increase hiring remarkably.

CHINA

Political Front:

Chinese PM paid visit to a village and an urban community in order to get feedback from the people for his work report that he has to deliver at the annual session of the National People's Congress, in March. Chinese vice Premier stressed that the civilians and army should develop favorable interactions to secure both economic and defense development. A senior leader of the Communist Party of China (CPC) has urged party organs, government departments and law enforcement departments to make more efforts in solving social conflicts, promoting innovative social management and law enforcement in a just manner.

The mayor of Urumqi, capital of northwest China's Xinjiang Uygur Autonomous Region, has promised a persistent crackdown on the "three forces" of terrorism, separatism and extremism to maintain social stability.

Geo-strategic Front:

Chinese Foreign Minister has asked the US to stop selling arms to Taiwan and warned to ban companies involved in arms sale. China also suspended its plan to have military exchange with US. Meanwhile US has been highly critical about China's Internet policy after the search engine company Google threatened to pull out of China, citing problems of censorship and hacking attacks. Chinese high officials held meetings with their counterparts from Jamaica, France, Serbia, Vietnam, Russia and Britain and focused on strengthening of ties. China has expressed positive hopes regarding peaceful settlement of Iranian nuclear issue. China has urged international community to resolve some potent issues like that of Iran, North Korea and Sudan via negotiations.

Social Front:

President of China's Supreme People's Court has asked to speed up efforts to fight corruption in the country's court system. Government has started focusing on rural development along with that of the urban areas. Chinese central and local governments have poured money into the building of national cultural information and resources sharing network. The State Council of China Friday issued an urgent notice urging relevant departments and local authorities to settle pay disputes involving migrant workers as millions of them are heading home for lunar New Year reunion. A Chinese central government official dismissed the Dalai Lama's claim as being "legal representative" of Tibetans. One of the China's top political advisors called on the country's Buddhists to contribute to ethnic unity, social stability and national unification. 13 more deaths from Swine flu have been reported in China. Meanwhile 74 million people have been vaccinated against the influenza.

Keeping environmental concerns in mind Chinese State Councilor has urged northern Shanxi Province, China's main coal mining hub, to adopt low-carbon technologies.

Hong Kong & Macao:

A total of 101,298 people in Macao have been inoculated with the A/H1N1 vaccines so far. Police of Hong Kong and Chinese mainland had agreed to join forces in security, especially to enhance cooperation in training.

Economic Front:

The Bank of Communications (BoCom) claimed that China would enter a new round of upward economic growth cycle in 2010. Centralized procurement by the Chinese government has helped save close to 2 billion Yuan (about 290 million U.S. dollars) in 2009. In fact government cut down expanses in many aspects and focused more on energy efficient and innovative products. Investments played an effective role in increasing GDP of the country. Of the GDP growth of 8.7 percent last year, investment growth contributed 8 percentage points. Meanwhile Land sale revenues for China's local governments rose more than 60 percent in 2009 as the country's property market surged.

The US has been asking China to increase the value of Yuan; China's negligence in this regard has further strained the relation between the two countries. Meanwhile China and Switzerland held their first study meeting on the feasibility of a Free Trade Area (FTA) in Beijing. Besides all that Preliminary data released by the State Administration of Foreign Exchange (SAFE) shows that China's current account balance dropped 35 percent in 2009 to 284.1 billion U.S. dollars.

Hong Kong & Macao:

At economic front Hong Kong stocks initially moved up 121.76 points, or 0.61 percent, to close at 20,243.75; later on stocks in Hong Kong dropped by 3.12%. Macao's gaming sector generated record high monthly revenues of 1.7 billion U.S. dollars in January 2010, which was a significant increase of 55 percent over the same period of last year. However Macao's total value of merchandise exports in 2009 fell by 52.1 percent year-on-year to 970 million U.S. dollars.