

## **Report # 114**

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

**Turkey, GCC, Fertile Crescent, Iran, Central Asia, South Asia, India, Korea &  
Japan**

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**Weekly Report from 3 April to 9 April 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; Turkey, GCC, Fertile Crescent, Iran, Central Asia, South Asia, India, Korea & Japan from 3 April to 9 April 2010 as have been collected by interns.

#### **TURKEY**

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

Seven members of the terrorist Kurdistan Workers' Party (PKK) have been killed by the Turkish Armed Forces (TSK) during operations carried out in Hakkari. Ruling party has re-opened constitutional amendment bill for signatures. Despite strong opposition by CHP, MNP and BDP, the government seems quite optimistic to get some votes by few of the deputies of these opposition parties. At the same time Baykal has also expressed flexibility in his stance regarding the approval of bill by saying that his party would back AKP if the government rules out the articles that intend to bring changes in judicial structure.

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

Turkish PM has reiterated his support for a diplomatic solution to resolve Iranian nuclear issue and claimed that sanctions would not play an effective role in compelling Iran to avoid pursuing nuclear program. Turkish Foreign Ministry has strongly condemned Israeli FM for his remarks condemning Turkish PM. Meanwhile Turkish PM has declared Israel as main threat to the peace in Middle East. Turkish envoy has gone to Armenia in order to hold talks on the delayed ratification of agreements to improve ties. All the while Turkey and Greece have reached an agreement on five new Confidence Building Measures during the visit of Greek Deputy Foreign Minister to Ankara. Turkish PM also paid a visit to Bosnia and Herzegovina.

##### **Economic Front:**

Turkey's annual inflation figures reached at 8.52% in March 2010. All the while industrial production has also started growing at a constant pace.

##### **Social Front:**

Turkish police have rounded up nine more suspects, including a former international footballer, in connection with a match-fixing probe. Increasing number of suicide attempts being carried by youth has emerged as a serious social issue being faced by Turkey.

## **GCC**

### **Political Front:**

Yemen's southern separatists observed civil disobedience in the two southern provinces of Al Dhaleh and Lahj where secession sentiments run highest among the country's six southern provinces. Yemeni government has released 236 men, who had been arrested for supporting Al Houthi rebels. The release of prisoners is part of the six conditions for peace framework agreed upon by the government and the rebels. Later on government announced to stop efforts to end the Al Houthi armed rebellion north of Yemen after alleged violations by the rebels including the kidnapping of 11 soldiers.

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

The Syrian government has canceled a deal with Kuwait's AL-Noor Financial Investment Company to build a 140,000 barrel per day refinery in eastern Syria. The announcement has been regarded as a setback for the Gulf country that aimed to attract investments to meet their domestic needs. A new route Riyadh - Mumbai - Riyadh has been launched on March 31, 2010 with frequency of 4 flights in week. India and Saudi Arabia have expressed keenness to boost their strategic ties. Saudi Arabia and Vietnam have also started working on boosting their bilateral relation. Meanwhile Saudi Arabia has announced that it would not interfere in Iraqi affairs. One of Saudi scholars has announced to visit Jerusalem next week. In response Israel has asked that scholar should ask Israeli consulate for visa. Kuwait has denied reports that Israeli nationals have been allowed into the country and challenged those who support the allegation to present their evidence. The North Atlantic Treaty Organization and the State of Kuwait have reached an unprecedented agreement according to which the two sides would organize joint courses and Kuwaiti lecturers would educate NATO personnel on some regional issues. The Palestinian ambassador to Bahrain has urged the local sports authorities and the national football team to go ahead with a match scheduled for May 28 in Palestine, assuring them that they would not deal with Israelis and that their passports would not be stamped by Israel. Bahrainian MP however called for cancellation of match in Palestine.

### **Economic Front:**

GCC has started working on some \$2trillion worth projects in the region that would create extensive opportunities for global construction and investment community. The annual political and economic dialogue between the 27-member European Union and the six-member Gulf Cooperation Council (GCC) would take place in Brussels next week with the aim to foster cooperation and ties between the two regional groupings. Above all this, GCC stock markets have started posting gains since the end of the month of March 2010. Oman has recently pledged \$100 million in aid to Yemen. Increase in Saudi stock exchange has been observed. Rapid growth has been observed between UAE and Norway. Price of Kuwaiti crude oil reached \$ 81.07 per barrel on April 6, an increase of \$ 3.89 per barrel compared to a week earlier.

### **Social Front:**

The Human Rights Watch has asked the United Nations, the government of Yemen and Al Houthi rebels to investigate violations of the rules of war committed during a recent

conflict in the north of the country. Meanwhile UN agencies have asked the government to grant them access to distressed civilians in the former war zone. President of the General Presidency of Youth Welfare (GPYW) in Saudi Arabia has ordered a full investigation of the beating of a TV reporter during a major soccer match. Kuwaiti lawyers have called for a number of major judicial reforms in the country. Kuwaiti Minister of Education and of Higher Education recently said that the updated English syllabus being taught in Kuwaiti schools indicated the country's increased "openness" to the rest of the world. Oman has unveiled a new cyber-security agency tasked with defending the nation's rapidly expanding IT and e-governance infrastructure from criminal attack. Qatar has started working on new media laws.

## **FERTILE CRESCENT**

### **Political Front:**

Tension erupted during a joint meeting of the human rights committee and the national security committee in the People's Assembly between delegates from the NDP and the Muslim Brotherhood. Strain escalated over the discussion of 12 information requests submitted by the Brotherhood in which they accused police officers of breaking into houses and violating the sanctity of women. Egypt's ruling National Democratic Party (NDP) decided to hold its annual one-day conference to announce its election platform before the upcoming parliamentary elections slated for the end of this year. Iran has urged Iraqi leaders to form a national unity government that includes Sunni Muslims. The idea has sparked a debate in Iraq over the merits and deficiencies of unity government, with various factions and political figures lining up on either side of the proposal. Recent announcement of an agreement between Hezbollah and the Amal Movement, has compelled the Progressive Socialist Party (PSP) and the Lebanese Democratic Party (LDP) to declare their alliance; for upcoming municipal elections in Lebanon..

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

Egypt has been putting efforts to hold direct negotiations with Somali pirates and to persuade them to stop piracy. More than 5,000 Sudanese voters in Egypt head to polls Sunday to cast their votes in the presidential election. The electoral process in Egypt was being observed by representatives of the electoral commission as well as Egyptian civil society organizations. The Washington Post has recently reported that U.S. President, Barak Obama, has seriously started putting efforts to present a new plan for resolving the Palestinian-Israeli conflict.

### **Economic Front:**

In accordance with the announcement made by Egypt's National Telecom Regulatory Authority (NTRA) in February the country's three mobile operators have blocked service to all anonymous users and made-in-China cell phones which have repetitive serial numbers.

### **Social Front:**

Reporters for the Islam Online website went on strike three weeks ago, protesting the "unethical involvement" and "lack of transparency" displayed by their parent organization's newly-elected board of directors. The issue has got dissolved though not

exactly in accordance with the hopes of employees. The Islamic Message Society, based in Qatar, had apparently been pushing the website--previously known for its moderate tone and tolerant views--in a "more conservative direction," according to a former employee of the organization. Reports indicate that Millions of Iraqis exist below the poverty line in a country which floats on oil and earned more than \$60 billion from oil sales last year.

## **IRAN**

### **Political Front:**

Iranian President Mahmoud Ahmadinejad has called on Majlis deputies to spare no efforts to support the government and help remove existing obstacles to implementation of subsidy reform plan. Senior Iranian diplomat has claimed that conducting the upcoming meeting on disarmament in Iran would signify the country's honesty and firm intention for elimination of nuclear weapons.

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

Foreign Minister Manouchehr Mottaki has called for a rapid release of the two Iranian nationals held by Italy, and asked the Italian official to avoid playing into the hands of the CIA and the Pentagon. Iranian Defense Minister has rejected the speculations that Israel might launch an attack against the country, warning that any aggression by the regime will be reciprocated by a crushing response causing its annihilation. Lastly, Iran has warned international community that imposition of sanctions against Iran would make her radicalized.

### **Economic Front:**

Iran has exported some 200,000 square meters of hand-woven carpets from the southwestern province of Chahar Malah and Bakhtiari last year. Iraq, China, United Arab Emirates, India and Afghanistan were the major importers of Iranian products in the last Iranian year (ended March 20, 2010).

### **Social Front:**

Iran and Turkey have dismantled 15 networks of drug trafficking during last Iranian calendar year started on March 20, 2009.

## **CENTRAL ASIA**

### **Political Front:**

An Azerbaijani opposition party has postponed a protest after Baku authorities rejected a formal request to stage a protest outside city hall. Various international organizations have decided to present their plans for assisting Azerbaijan to prepare for the November Parliamentary elections. The Azerbaijani government has announced to create the necessary conditions for all political parties to hold activities under the law in the run up to the parliamentary elections. Kyrgyz President has denied any chances of coming down from power amidst opposition's calls. All the while Opposition party has launched massive protests against government and claimed to have its own mini government in Bishkek; Government used force to counter protestors.

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

Azerbaijani Interior Ministry has announced to launch large scale counter-terrorism operation along Russian border. Azerbaijan has warned military intervention in Nagorno-Karabakh in case of failure of peace talks. Russia has moved toward recognizing the self-proclaimed new leadership of Kyrgyzstan by Kyrgyz opposition party -- while the United States says it has not yet decided whether to recognize the new authorities. Meanwhile flights supporting NATO operations in Afghanistan from an air base in Kyrgyzstan have been temporarily suspended following violent political upheaval in Bishkek. Turkmenistan is looking forward to boost cooperation with France. President of Uzbekistan held meetings with the head of US Central Command and the General Secretary of UN respectively. Meanwhile UN Secretary-General Ban Ki-moon has urged restraint in a growing dispute between Uzbekistan and Tajikistan over the building of a massive Tajik hydroelectric dam.

### **Economic Front:**

Marketing and economic operations department of Azerbaijan State Oil Company (SOCAR) exported 13, 317 tons of fuel, 177,499 tons of diesel oil, 11,309 tons of aircraft fuel and 235 tons of gasoline in March. Tajik and Russian finance Ministers have discussed specialist training program for Tajik Financial system. The forum of business circles of Uzbekistan and Vietnam was held in Tashkent on 6 April.

### **Social Front:**

Private houses and state institutions, as well as 6 villages have been flooded as a result of torrential rains in Azerbaijan's Aghsu region. A Chinese man has been sentenced by a Kazakh court to five days in jail for attacking the office of an independent newspaper.

## **SOUTH ASIA**

### **Political Front:**

The Dhaka High Court has rejected the bail pleas of five Jamaat-e-Islami (JeI) leaders, including its chief Matiur Rahman Nizami, in two cases filed against them for hurting the religious sentiments of Muslims. Acute power shortage in Bangladesh brought people in streets hence government deployed forces to control masses. Meanwhile Prime minister called upon market owners and shopkeepers not to use electricity from the national power grid after 7:00pm in order to help the government to tackle the present power crisis. The government of Nepal has started holding consultations with various political parties over the fate of UNMIN. The Unified CPN-Maoist decided to call Nepal bandh on April 12 to protest the government's decision to award the Machine Readable Passport (MRP) contract to India. As a result Nepal's Supreme Court told the government not to proceed with the award of contract for printing the Machine Readable Passport (MRP) with India until further orders. Normal life in the southern plains of Nepal, adjoining India, remained paralyzed for a day due to the two day general strike called by the Madhesi People's Rights Forum (MPRF) demanding more autonomy and rights. The leader of Nepal's opposition Maoists demanded the government step down, calling it the "main obstacle" to the country's faltering peace process. Parliamentary elections have been held in Sri Lanka; results however have to be announced. Few incidents of violence grabbed

attention. Besides that voters turn out remained lower than expected; many assume that IDPs faced difficulty in casting votes.

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

A top Bangladeshi minister has asked Pakistan to formally apologize for the atrocities committed by the Pakistan Army during the 1971 'Liberation war' so as to strengthen bilateral ties. Bangladesh's parliament has adopted a resolution giving full support to the U.N. secretary general's proposal for a total nuclear disarmament plan. India has announced plan to form a holding company in Bhutan to undertake hydropower development in order to enhance its strategic influence over there. Nepal and the US have agreed to sign the new Trade and Investment Framework Agreement (TIFA), replacing the bilateral Economic and Trade Agreement (ETA) that they signed in 1947.

### **Economic Front:**

Ruling regime in Bangladesh has promised to achieve economic freedom for general masses by eradicating poverty from the country. Bangladesh has got its first sovereign credit rating that has given it much needed access to foreign financial markets and made it a lucrative destination for foreign investors. All the while Bangladesh's exports to the European Union increased by more than 6 per cent in 2009, despite significant decline in Europe's two-way trade with almost all countries due to the fall-out of the global recession.

### **Social Front:**

The US President Barrack Obama has selected Bangladesh as a model for food security. In this regard, the US would provide Bangladesh with a good portion of the assistance of \$100 million pledged for food security of the developing nations. The Maldives Journalists Association (MJA) has become a member of the International Federation of Journalists (IFJ). Inadequate water supply in urban areas has emerged as potent social challenge being faced by Bhutan.

## **INDIA**

### **Political Front:**

BJP has strongly condemned government's policies to improve minorities' status in the country by calling it as the policy of appeasement by Congress. It further added that such policies would further deepen the existing divide between various groups of people hence would hurt the spirit of unity. Meanwhile SP and RJD have voiced against Women's Reservation Bill in its present form and demanded quota for Muslim women and backward classes. The VHP has again started talking about the issue of Ram temple at Ayodhya; this would lead to disrupt in harmony. Muslims however have announced to accept court's decision that is expected by the end of this year; regarding this issue.

Maoist rebels have accepted the responsibility of killing 74 members of the Central Reserve Police Force (CRPF) and two policemen from the Chhattisgarh police, and destroying an Armored Personnel Carrier (APC) in Dantewada district. Congress and the opposition parties held protests against Maoist guerillas for their violent activities. All business and academic activities observed stalemate in Chhattisgarh. All the while

Special Investigation Team has revealed the involvement of international Maoist groups in providing arms training to Indian Maoist rebels.

At Kashmir front, a railway track was blown last week. Besides that opposition leaders in Kashmir have asked their people to participate in national census.

**Geo-strategic Front:**

After the February 25 fruitless Foreign Secretary-level talks, India has expressed willingness to have the second round of talks with Pakistan in order to discuss critical water issue. Meanwhile India has reiterated her commitment to Indus basin treaty and denied its violation. India has expressed desire to get membership of SCO. India's External Affairs Minister during his visit to China asked Chinese government to invest in Kashmir, to improve ties with India and to support her in getting membership of UNSC.

**Social Front:**

Annual Flow Report released by the US Department of Homeland Security indicates that the number of Indians being granted the Green Card has declined each year since 2007. Indian officials have called this process as 'reverse brain drain' to the home country. Kerala has decided to seek Rs 165 crore as assistance from the Centre to tackle drought conditions.

**KOREA**

**Geo-strategic front:**

North Korea has sentenced a U.S. man to eight years of hard labor for illegally entering the country. North Korea has denied involvement in the sinking of a South Korean navy ship that broke in half after an explosion last month, leaving 44 sailors still missing.

**Economic Front:**

South Korea's POSCO (005490.KS), the world's No. 4 steelmaker, has raised prices of stainless steel products for a third straight month on rising raw material costs and to match global competitors. Toyota Motor Corp (7203.T) recalled 12,984 vehicles sold in South Korea due to floor mat problems. Annual growth in South Korean domestic retail sales likely slowed in March after posting a 12.9 percent rise in February.

**Social Front:**

About one in five drug addicts have attempted suicide in the past as a side effect of narcotics usage, in Korea. Foreign students in Korea have welcomed opening of a center to counsel the foreign nationals.

**JAPAN**

**Political front:**

According to a recently released poll, nearly half of Japanese voters do not support any political party in their country.

**Geo-strategic Front:**

Japanese Foreign Minister has appreciated the new U.S. policy of limiting the use of atomic arms, calling it a big step toward a "world without nuclear weapons" but adding that other nuclear powers need to follow suit to make it effective.

**Economic Front:**

Japan has agreed to resume talks on reopening its market to U.S. beef. Japan's government has announced to use budget reserves to support the economy rather than compiling an extra budget.

**Social Front:**

China has executed a Japanese citizen for drug smuggling, ignoring concern from Tokyo that the move, along with plans to execute three other Japanese, could inflame public opinion.