

Report # 115

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Turkey, GCC, Iran, Central Asia, East Asia, South Asia, India

Nadia Tasleem

Weekly Report from 10 April to 16 April 2010

Presentation: 21 April 2010

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, Iran, Central Asia, East Asia, South Asia & India from 10 April to 16 April 2010 as have been collected by interns.

TURKEY

Political Front:

The Ankara-based metropolis Strategic and Social Research Center conducted the poll on 7 & 8 April regarding the question of Constitutional amendments. 50.6% respondents supported the reforms while 39.2% claimed that in case of referendum they would not support amendments package.

Geo-strategic Front:

Turkish Foreign Minister has expressed optimism about the chances of revival of Iranian nuclear deal with Turkey according to which Iran would send its low enriched uranium reactors to Turkey. He further denied any knowledge of sanctions against Iran and reiterated the importance of Iran for Turkey being provider of route to the later to Central Asia. He regarded peaceful negotiations to be the best way to resolve Iranian nuclear issue. During 47-nation nuclear security summit in Washington US President Barrack Obama has urged Prime Minister Recep Tayyip Erdogan to maintain Turkey's constructive contribution, initiative and efforts to achieve a solution to Iran's nuclear standoff. In response Erdogan urged international community to pay equal attention to Israel as well that had been carrying acts of aggression against Palestine. On the sideline of the nuclear summit Erdogan held meeting with Armenian President and asked him to resolve their issues with Azerbaijan as Turkish-Armenian relations can not be delineated from Azeri-Armenian ties. Italy disagrees with France and Germany's view that Turkey should have a "privileged partnership" with the European Union rather than membership. Meanwhile Turkish growing ties with Oman, Kazakhstan and Kyrgyzstan also grabbed attention.

Economic Front:

Turkey and Iran have planned to commence studies for the establishment of a free industrial zone between the two countries. Turkish foreign direct investment (FDI) has recently become more concentrated in Middle Eastern countries, rising by 55.9 percent in the first two months of the year over the same period of 2009 and accounting for 43.8 percent of all investments made. Turkey has lost nearly \$208 million in the past three

years due to problems it has faced in the operation of the Baku-Tbilisi-Ceyhan pipeline (BTC), carrying Caspian Sea crude oil to European markets.

Social front:

Religious groups have expressed their concern after Dutch research recently identified 185 different industrial uses of a pig – including the use of its hemoglobin in cigarette filters. The announcement prompted Turkish health authorities to conduct a series of tests on different brands of cigarettes sold in Turkey, concluding that there was no trace of the blood.

GCC

Geo-strategic Front:

Pakistan has welcomed Saudi mediation for the restoration of meaningful composite dialogue with India. Saudi King has won appreciation for his call to hold dialogue among various religions. Bahrain and Thailand have agreed to bolster their cooperation on food security, Islamic finance, education, culture and construction. Oman has started talks with UK to buy Euro-fighter Typhoon aircraft from her.

Economic Front:

Yemeni imports from Pakistan have reached USD 200 million during the past year. Saudi stock exchange rose at highest level since 2008. The government has decided to pay the difference of the customs fees applied under the Gulf Cooperation Council unified customs tariff on 180 major food items and construction materials to help curb inflation in the Kingdom that reportedly surged to a 27-year high of 8.7% in February. Qatar has offered to invest \$1 billion (Dh3.67 billion) in France's heavily indebted CMA CGM, the world's third-biggest shipping group.

Social Front:

A bomb explosion at a South Yemeni Prison caused successful escape of 30 prisoners. In Saudi Arabia, land and homeowners in unplanned districts across the province of Makah have demanded an increase on compensation packages which have already paid out SR32 billion for 2,000 properties demolished by the Mayor's Office. Nepali workers have got chance to enter in Saudi labor market. Government of Bahrain has refused to register cars with Gulf license plates. In Bahrain, a municipal council has demanded closure of restaurants and cafés at midnight. Analysts claim that such demand could increase existing strain between liberals and conservatives in the country. Kuwait's information ministry has pledged a zero-tolerance policy towards satellite channels that broadcast programs that could "erode national unity or undermine social cohesion. Meanwhile Kuwaiti media criticized the participation of three Kuwaiti athletes in an international track meet where Israelis also participated. Public Smoking has been banned in Qatar.

IRAN

Political Front:

Iran has barred reformist former president Mohammad Khatami from leaving the country ahead of a trip he planned to make to Japan for a nuclear disarmament conference.

Geo-strategic Front:

Iranian President would deliver an opening speech at nuclear Summit that has to be held on 21st of this month. Meanwhile Iran's envoy to the UN nuclear watchdog has criticized the US nuclear summit and claimed that any decision made over there would not be binding for those who would not attend the summit. On the other hand five permanent members of UNSC along with Germany have got engaged in talks about sanctions against Iran. Turkey and BRIC countries have emphasized on the need of a diplomatic solution for Iranian nuclear issue.

While talking to Press Iranian military Commander has warned that Iran would respond to any military attack from the United States by targeting American forces stationed in the Middle East.

Economic Front:

After holding talks with the US President, Malaysian PM has announced to cut off gasoline supplies to Iran because of its controversial nuclear program. At the same time China sold two gasoline cargoes to Iran. Besides that growing economic ties of Iran with Brazil and Poland also grabbed attention.

Social Front:

Large number of German tourists have paid visit to Iran this week. All the while growing Iranian cooperation with Turkey against drugs and boosting South-Korean & Iranian cultural ties also remained potent.

CENTRAL ASIA

Political Front:

The European Court of Human Rights has strongly condemned the government of Azerbaijan for its poor voting record. Opposition activists and independent journalists gave a petition to the U.S. Consulate in Almaty urging President Barack Obama to reject Kazakh President's invitation to attend an Organization for Security and Cooperation in Europe (OSCE) summit in Astana. Kyrgyz interim regime offered security guarantees to ousted President and his family in case he agrees to resign and then leaves country. Later on, Kyrgyz ousted President Bakiev left his country and moved to Kazakhstan. Before leaving Kyrgyzstan, Bakiev addressed his nation and said that he has been toppled by force. Interim government has taken an initiative to run trial against the President for killing dozens of innocent people.

Geo-strategic Front:

Turkish Foreign Minister has reiterated his country's constant position over the issue of Nagorno-Karabakh, during his meeting with Azeri counterpart. Azeri FM has also discussed areas of bilateral cooperation with EU. Kazakh PM has announced to provide humanitarian aid to Kyrgyzstan for the victims of the violent clashes between antigovernment protesters and Kyrgyz security forces. Kyrgyz President has granted the US new over-flight rights for the re-supply of US and NATO troops in Afghanistan. India and Kazakhstan have started talks for civil nuclear deal. US Assistant Secretary of State paid visit to Kyrgyzstan and held meeting with new government. Meanwhile interim

leader of Kyrgyzstan has agreed to abide by previous agreements on Manas Airport. Russia has warned Kyrgyzstan of civil war amidst ongoing political crisis.

Economic Front:

Azerbaijan, Romania and Georgia have signed Memorandum of Understanding to implement the project AGRI for gas supply. The World Bank has provided 13.5 million U.S. dollars for rehabilitation of the water supply system in the city of Kulob. The 2nd meeting of the intergovernmental Turkmen-Armenian commission on economic cooperation was held in Yerevan. Belarus has ratified an intergovernmental agreement with Turkmenistan on international motor transportation of passengers and cargos.

Social Front:

Azerbaijani police dispersed an opposition rally against restrictions on freedom of assembly in the capital city and briefly detained demonstrators. A web browser that bypasses censors has become the most popular way to access the Internet in Kazakhstan. Senior government officials and climate change experts from around the world gathered for the Climate Investment Funds (CIF) Partnership Forum in the Philippines in March to discuss financial measures to help developing countries mitigate greenhouse gas emissions.

EAST ASIA

Political Front:

Indonesian President has positive expectations from Jakarta Declaration that would boost infrastructure development in Asia-Pacific region. The declaration would probably be signed in ongoing Asia Pacific Ministerial Conference in Jakarta. Political parties in Malaysia have started preparations for 10th bi-elections in Hulu Selangor that are due to be held on 25th of this month. Malaysian PM has reached the US for two-day nuclear summit. Pro-Thaksin Red Shirt demonstrators have launched violent protests in Bangkok. PM had to declare emergency in the country but protestors refused to end their demonstration and asked PM to step down. Despite huge pressure PM seems reluctant to leave his place as has got full support of the establishment. Unrest has increased prior to upcoming elections in Philippines. Last week a grenade attack on the political gathering left one man dead and 14 wounded. Meanwhile government's decision to use machines for voting in May-10 elections has also become a point of concern for analysts who claim that it would lead to unfair voting and would cause problems in elections. Vietnam's media has started drawing comparison between Thai unrest and stability in their country amidst recent crisis in the former.

Geo-strategic Front:

The government of Philippines has asked Thailand to maintain stability in the country. The United States has announced to stop a shipment of military trucks to Cambodia as punishment for sending Uighur asylum-seekers back to China. Cambodia in return protested against American decision.

Economic Front:

The United States and Indonesia signed an agreement paving the way for increased US investment in Southeast Asia's largest economy and the world's fourth most populous country. Meanwhile Newzeland and Malaysia have also signed free-trade agreement. Pakistan has appreciated Malaysian investment in Baluchistan in various sectors. Political unrest has adversely affected Thai economy. Myanmar and Vietnam have agreed to promote economic cooperation in 12 key sectors.

Social Front:

People have launched violent demonstrations in Indonesian capital asking one of the senior officials to resign. A7.7 magnitude earthquake has rocked Aceh province of Indonesia.

SOUTH ASIA

Political Front:

Dhaka High Court judges threatened to call the police after former Prime Minister Khaleda Zia's lawyers shouted slogans in a courtroom and threatened them, calling them "agents" of the government. The government of Maldives has presented the Political Parties Act bill to the parliament and declared it to be an effort to strengthen the democratic system established in the Maldives. Meanwhile a member of the Presidential Commission, who had been appointed to investigate corruption allegations against the former regime, has resigned, after the President's Office allegedly informed the commission not to disclose details of an investigation. The Nepali Congress has offered to back a re installation of a Maoist government in the country, incase they come out with a concrete action plan on former combatants and meet other key demands. Congress has also expressed serious concern about future of peace process after 28 May- due date for completion of constitutional draft. The main political parties in Sri Lanka have re-launched their election campaigns in Nawalapitiya in the Kandy District where a re-poll is due to be held on April 20. Sri Lankan President Mahinda Rajapakse has been working on the formation of his new cabinet limited between 35-40 ministers with equal number of deputy ministers, scheduled to be sworn in on April 21.

Geo-strategic Front:

The government of Bangladesh has given approval for a deal with Russia to build a 1,000-megawatt nuclear power plant to meet her energy needs. Denmark has assured Bangladesh of providing more support to the country's power, energy, ship building industry and trade and business sectors for her socio- economic development. UCPN (Maoist) has intensified bilateral discussions with different parties in an attempt to get their support against the current coalition government.

Economic Front:

The International Monetary Fund (IMF) urged Bangladesh to boost electricity generation through public-private partnership to stimulate the overall economy. The idea of lending small loans to poor people has grabbed the attention of Bangladeshi government. United Nations and Maldives Government have signed the agreement on the USD 40.6 million, as pledged during the donor conference. Asian Development Bank (ADB) has cautioned

that Nepal could continue to feel the lagged effect of the crisis in 2010, which in turn could challenge country's macro-economic management. Iran has expressed desire to double its purchase of Srilankan tea. The Asian Development Bank (ADB) has announced to provide an emergency loan of \$150 million to Sri Lanka for projects involving the internally displaced persons.

Social Front:

People across Nepal celebrated the country's New Year on 14 April in accordance with the official calendar Bikram Era 206. In the meantime Sinhalese and Tamil Communities jointly celebrated their Traditional New Year for the first time after ending three decade old conflict in the Country.

INDIA

Political Front:

Leader of main opposition party BJP has strongly condemned Congress for the price rise and growing rate of unemployment in the country. Meanwhile he also condemned DMK for the power and power crisis in Tamil Nadu. He called his own party to be a non-communal party that works for country's development irrespective of caste and creed. Government has also been condemned for launching operation against Naxalites. Trinamool Congress Chief, Mamta Banerjee, has claimed that government's launched operation in search of Maoists has caused ruthless killing of innocent people as there are no Maoists in her region. Government however has successfully flown an American Unmanned Ariel Vehicle in the first trial run during the operation against Naxalites. All the while involvement of Tharoor in the IPL franchise has raised concerns among political circles and even in his own party. Left parties have even demanded his resignation as, for them, its highly inappropriate for a minister in the Union government to be part of such activities.

Chief Election Commissioner expressed concern that roughly 700 out of 1,000 registered political parties do not contest polls but the Election Commission has no power to de-register them.

Economic Front:

Majority of Indian investors have high hopes regarding Indian economic recovery and growth.

Social Front:

Senior BJP leader L K Advani emphasized that the party needs to work to explain to the people that Hindutva and Indian secularism are synonymous.