

Report # 120

BUSINESS AND POLITICS IN THE MUSLIM WORLD

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

Japan & Korea

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Weekly Report from 15 May to 21 May 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, Iran, Central Asia, East Asia, South Asia & India, Japan & Korea from 15 May to 21 May 2010 as have been collected by interns.

TURKEY

Political Front:

Turkish naval forces have conducted air attack against Kurdish Workers Party in Northern Iraq.

Geo-strategic Front:

Iran has signed nuclear swap deal with Turkey and Brazil. Iranian Uranium therefore would be stored in Turkey. Major Powers however have expressed dissatisfaction with trilateral agreement. United States has been putting efforts to get UNSC approval for another round of sanctions against Iran. Meanwhile, Turkish Foreign Minister has asked world powers to give a chance to Iran. Turkey and Armenia have agreed to work out on new idea proposed by the former to enhance cooperation between them. All the while Turkish Foreign Ministry strongly condemned the holding of the so-called "parliamentary elections" in Nagorno-Karabakh occupied by Armenians. Turkey and Azerbaijan have decided to establish a high-level strategic cooperation council to further develop relations between the two countries. The UK's newly appointed Foreign Secretary has claimed to support Turkey's bid to join EU. Israel has rejected a call by Turkey and Russia to include Hamas in the Middle East peace process, maintaining that Hamas is a terrorist group.

Economic Front:

Turkey's southern province of Antalya has drawn nearly 2 million tourists since the beginning of the year.

GCC

Geo-strategic Front:

Saudi ambassador to Washington has asked US to either bring settlement to Palestinian issue or recognize Palestine as an independent state. Meanwhile Chinese and Arab leaders agreed to develop China-Arab relations and discussed a number of regional issues of common interest at the China-Arab Cooperation Forum. Kuwait has expressed keen

interest in enhancing ties with the EU. Meanwhile EU has taken decision to sign free trade agreement with GCC.

Economic Front:

Despite economic growth unemployment and inflation persist as major challenges in Gulf countries.

EAST ASIA

Political Front:

Malaysia's opposition party has won seat in a critical bi-elections hence government has failed to win ethnic Chinese voters. The Philippine deputy mayor has been declared winner of the governorship of his troubled province. Senator Benigno would probably be the President of Philippines. Cambodia's ruling party has set up local committees nationwide to work out the political preferences of each citizen ahead of national elections in 2013. Continuous violence in Thailand has compelled the government to launch bloody operation against red-shirt protestors. Thai government has rejected protestors' unconditional offer to negotiate. Meanwhile the UN has urged government of Philippines to step back from the operation in order to avoid further loss of lives.

Geo-strategic Front:

The Cambodian government has urged all parties concerned in Thailand to resume peaceful talks in order to achieve a political settlement to the current stand-off. Singapore's Minister has declared presence of American troops in East Asia to be significant.

Economic Front:

Thai stock exchange has been adversely affected by protests in Bangkok. Thai seafood exports have received minimal impact from the riots in Bangkok with only a small volume of cargoes being delayed at the capital's ports. Singapore's economy grew by a better-than-expected 15.5 per cent year on year in the first quarter.

Social Front:

Heavy fighting broke out between two separate factions of the Moro Islamic Liberation Front in Mindanao Province of Philippines.

SOUTH ASIA

Political Front:

Main opposition leader of Bangladesh has announced to launch protest in June, against ruling regimes' inability and incompetence to cope up with the issues like corruption. Political crisis still prevails in Nepal as ruling regime and Maoists have not reached at any conclusion to resolve ongoing crisis. An investigation into the last months of Srilankan civil war has declared the government forces to be responsible for the deaths of tens of thousands more civilians than previously estimated. Government envoy however has denied such allegations.

Geo-strategic Front:

Bangladeshi PM has recently paid visit to South Korea to enhance bilateral cooperation. Maldives has secured a seat in the United Nations Human Rights Council with the highest number of votes.

Economic Front:

Prime Minister Sheikh Hasina has urged Malaysian entrepreneurs to invest more in Bangladesh, particularly in labor-intensive industries including readymade garment, textile, light engineering, electronics, agro-based products, ICT, power and infrastructure. The World Bank has estimated Nepal's gross domestic product (GDP) growth rate for fiscal year 2009/10 at 3.5 percent. Agricultural trade still occupies an important place in the total exports of Nepal.

AFGHANISTAN

Political Front:

More than a thousand residents in eastern Nangarhar province have protested a coalition forces' raid, which resulted in the killing of 11 civilians. NATO helicopter has been killed in Southern province of the country. Besides that eight NATO soldiers were killed in a blast in Kabul.

Geo-strategic Front:

EU has supported peace jirga in Afghanistan.

Economic Front:

Japan has pledged \$1 billion to construct a railway in Afghanistan.

Social Front:

Flood has caused damage to lives and property in Badakhsha'n. An Afghani Minister has promised to provide his people with telecommunication facilities and internet connectivity within five years.

KOREA

Geo-strategic Front:

China has recently rejected North Korea's aid request and claimed that it could not support North Korea beyond the framework of sanctions set by the United Nations Security Council. Sinking of South Korean ship has become a serious bone of contention between North and South as South Koreans have claimed that they have got evidence of North Korean's involvement in the issue and warned to take an action in response. North Koreans however denied the allegation. Situation became more serious when multi-national investigation teams announced their report condemning North Korea for its involvement in the action. The US Secretary of State also condemned North Korea. All the while South Korea has warned to call an emergency session and then to respond. In response North Korea has asked investigation team to provide her with the evidences.

Economic Front:

Posco's plan to set up a \$12 billion steel plant in India received a setback after police opened fire on local farmers protesting the government's move to acquire agricultural land for the project.

JAPAN

Political Front:

About 17,000 Japanese linked hands and surrounded a U.S. military base to protest its presence on the southern island of Okinawa, the Associated Press reported.

CHINA

Geo-strategic Front:

Taiwan has denied any chances of arms race with China. All the while growth in Chinese-Taiwanese trade has been observed. Meanwhile China and Russia have announced to cooperate at economic front and strategic front. China's close ties with Sweden and Canada also grabbed attention.

Economic Front:

Highly effective investment in infrastructure by the Chinese government and the urbanization process in China has helped her to ensure stable economic growth. Negative trend in Chinese stock exchange has been observed.