

**Report# 126**  
**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**Fertile Crescent**  
**Aisha Rehman**  
**From 25<sup>th</sup> June 2<sup>nd</sup> July 2010**  
**Presentation: 7<sup>th</sup> July 2010**

---

**Outline**  
**Summary**

**Egypt**

**Political front**

- Mubarak with Arab leaders at the Arab summit in Tripoli
- Israel cannot put Gaza responsibility on Egypt: Mubarak
- ElBaradei: Egypt's failed state designation 'a disaster'
- Court ruling leaves Al-Ghad Party with no leader
- Ruling party takes stock of Parl't performance
- Egypt's Islamists to run in elections
- Sinai Bedouin want tribal leaders elected

**Nail issue**

- Red Sea Oil Spill Not Caused By Rigs, Egypt's Oil Ministry Says
- Dialogue for solving Nile sharing dispute – Sherif
- Cairo and Khartoum challenged

**Geo strategic front**

- IAEA chief in Cairo to discuss Egypt nuke file
- IAEA Pledges to Support Relaunch of Egyptian Atomic Program
- Mubarak in France after Algeria
- Egypt reiterates right to Halayeb

**Economic front**

**Social front**

- On track to end human traffic
- Finnish defence firm in Egypt bribery case
- Egyptian lawyers clash with police

- Survey assesses media interest in women's problems
- Controversy over hidden Amoun deal

## **Iraq**

### **Political front**

- Iraqi PM Meets With Main Election Rival
- Iraqi Politicians Upbeat On Government Talks
- Iraq's newly formed 'Electricity Party'
- Iraq power outages provoke protests
- Biden Tells Iraq to Form Gov't Months After Poll

### **Geo strategic front**

- Iraq Seeks Investors To Build \$23 Billion In Refineries
- Jordan Pledges Support For Iraq

### **Economic front**

- Government fears Iraqis' anger over power shortages
- 'Electricity' Protests reach Iraq's restive Province of Diyala
- Priceless relief stolen from Assyrian palace found
- Housing tops Iraq's priorities in next five-year development plan

### **Social front**

- Petraeus Says Afghan Security Situation 'Tenuous'
- No information yet on 52,000 Iraqis who went missing in first Gulf War
- Petraeus Says Afghan Security Situation 'Tenuous'
- No information yet on 52,000 Iraqis who went missing in first Gulf War

## **Lebanon**

### **Political front**

### **Geo strategic front**

- Hariri calls for national unity on granting rights to Palestinians
- Washington for Disarmament of Militias, Demarcation of Border with Syria
- Baroud Promises State Action but Admits to State Negligence in Fighting Drug Use
- LaHood: I Look Forward for Sfeir's Advice on Lebanon

### **Economic front**

- Lebanese banks are now operating in over 10 Middle East countries.
- Commercial banks still major holders of T-Bills
- telecom Ministry to prohibit commercial use of voice-over-IP
- Industrial machinery sees rise in imports
- EU, Lebanon open Tripoli, Mechmech waste plants
- New electricity plan promises to end power rationing in 2014
- NSSF to pay LL500 million to economic associations
- American pressure on Iran narrows options for debt-stricken UAE
- Tourism sector up in first five months of 2010
- Torbey expects higher economic growth in 2010
- Lebanese authorities seize all Kellogg's cereals from US

### **Social front**

- Social center takes aim at drug use among youth
- UNDP project Live Lebanon encourages expat investment
- Civil-rights groups call for end to practice of torture
- Salameh: population growth behind rise in prices of real estate in Lebanon
- Lebanon's Top Shiite Cleric Fadlallah Dies at 75
- Rodeo show to give Lebanon a taste of Wild West

### **Palestine and Israel**

#### **Political front**

- Israel PM 'Lying' over Shalit Talks: Hamas
- Orthodox fathers freed in Israel
- Israel sets Shalit swap conditions
- Israel arrests Hamas MP
- Netanyahu: "Israel Willing to Pay High Price to Release Shalit, But Not Any Price"

#### **Geo strategic front**

- Palestinians see Mideast 'Progress' as Spin Ahead of Summit

- Mitchell To Start Middle East Tour
- Netanyahu: “Israel Will Not Apologize To Turkey, Will Not Pay Compensations”
- Turkey 'closes airspace' to Israel

#### **Economic front**

#### **Social front**

#### **Security issues**

- Netanyahu: “Israel Willing To Release 1,000 Detainees, But Not To The West Bank”
- Israel may expand flotilla inquiry

### **Summary**

#### **Egypt**

Egyptian President Hosni Mubarak rejected what he said were Israeli attempts to escape responsibility towards the blockaded Gaza Strip and place it on Egypt. "We are exerting all efforts to lift the Israeli blockade on Gaza," Mubarak told members of his ruling National Democratic Party in a speech carried by the official MENA news agency. "We reject attempts by Israel, the occupying force, to free itself of responsibility towards the strip and place it on Egypt," he said.

National Association for Change (NAC) leader Mohamed ElBaradei declared that Egypt's presence near the top of Foreign Policy's Failed States Index was a "disaster" that demanded the urgent attention of the Egyptian people. ElBaradei noted that the compilers of the list examined two primary factors: lack of regime legitimacy and neglect of human rights. The NAC leader stated that a failed regime at home was by necessity a failed regime abroad, noting that when a regime loses legitimacy among its own people, it also loses it overseas.

The Supreme Administrative Court accepted an appeal by the political parties committee and Al-Ghad Party's president Moussa Mostafa Moussa on a previous ruling that obliged them to recognize Ehab El-Kholy as head of the party. The court, however, also rejected a lawsuit filed by Moussa to recognize him as the president of Al-Ghad, leaving the party, which was founded by Ayman Nour, with no leader.

The Muslim Brotherhood, Egypt's banned-yet-biggest opposition power, has said it will run in the nation's different elections, but noted that it has yet to decide on the number of its contenders in the legislative polls to be held later this year. Dr. Mohamed Badi, the Supreme Guide of Egypt's banned Muslim Brotherhood. "The final decision will be announced in due time, but the group will participate in all elections," said the Brotherhood in a statement obtained by The Egyptian Gazette Online.

The Egyptian Oil Ministry said crude oil that washed ashore at a major Red Sea beach resort area was leaked by a passing tanker or may have seeped from the ground due to a heat wave, but was not from any of its rigs. The ministry's report, issued today, said that

all offshore oil platforms in the Red Sea are “sound,” according to the state-run Middle East News Agency.

EGYPT favours a peaceful and calm dialogue for solving a water sharing dispute with members of the Nile Basin countries, according to Shura Council Chairman Safwat el-Sherif said. Safwat el-Sherif, Shura Council Chairman and Secretary-General of the ruling National Democratic Party (NDP) addressing members of Egypt's Vanguard, with whom he met for three hours at the Upper Chamber of the Parliament. “Cairo is keen on preserving co-operation and partnership links with all the Basin members states to make use of the Nile water in such a way that serves their interests,” el-Sherif said during a meeting with a group of 200 young persons at the Council on Tuesday. He was referring to a split by the riparian nations over a controversial water-sharing pact that is strongly opposed by Egypt and Sudan.

**Social front;** Egypt has improved its ranking in the US State Department's human trafficking index, rising from the tier three watchlist to tier two. The TIP report, conducted in cooperation with John Hopkins University, divides nations into four tiers. The tier two list includes countries making significant efforts to combat human trafficking, including investigating and prosecuting acts of trafficking, protecting victims of trafficking, and informing and educating the public about the causes and consequences of the trade in people. Of the 177 countries discussed in the 14 June report, only 30 are included in tier one. Twenty three countries have improved their ranking since 2009.

## **Iraq**

Al-Maliki and Ayad Allawi are competing to be the next prime minister after the inconclusive March 7 elections. Member of parliament Hassan Sneid said both "expressed their wish to speed up the formation of a government before July 14," the deadline for parliament to hold its first session. U.S. Ambassador Christopher Hill told reporters Senior Iraqi politicians say a recent meeting between Prime Minister Nuri al-Maliki and his main election rival, former Prime Minister Ayad Allawi, has given a major push forward in ongoing talks on forming a new government, RFE/RL's Radio Free Iraq (RFI) reports. The two met June 29 for only the second time since the inconclusive March 7 elections. Allawi's Iraqiyah bloc won the largest number of seats in the new parliament. But the country's two largest Shi'ite electoral blocs -- Maliki's State of Law coalition and the Iraqi National Alliance -- said in May they were forming an alliance with the aim of forming a government. Politicians who spoke to RFI spoke of two potential breakthroughs emerging from this week's talks. Senior Iraqiyah member Jamal al-Battikh said State of Law proposed that it retain the premiership, while Iraqiyah fill the posts of speaker of parliament and president.

It is almost impossible to unite Iraqis under one banner and one political party. But this does not mean Iraqis cannot have a unanimous voice. Underneath their disparate opinions, divisive viewpoints and difficulties, there are potential forces that bring them together. This unity relates to Iraqis' awareness that they are under oppression and that their government and the residues the U.S. and its former administrator Paul Bremer left behind are all mired in corruption, and that their public services and utilities, despite promises and massive investments, are still worse than the time of former leader Saddam Hussein.

Iraqi authorities have not heard about the fate of 52,000 soldiers who were reported missing in the 1980-1988 Gulf War with Iran, a cabinet minister said. Human Rights Minister Wujdan Michael said she was working on a memorandum with the Iranian authorities for help on their whereabouts or at least the return of their remains if they were killed in action. "Last year we received the remains of 200 of our soldiers from Iraq. We handed back the remains of 400 of their own soldiers," she said. Michael ministry's work is probably among the most difficult in Iraq.

### **Lebanon**

"There are humanitarian, social and ethical duties, and the Lebanese state should assume the responsibility of providing them to the Palestinian brothers," Prime Minister Saad Hariri said. "Lebanon will not dodge these duties, which must be crystal-clear, and not be subject to any misinterpretation." Calling for national unity on the issue, the Prime Minister went on to express his commitment to obtaining a cross-party agreement in exchange for security cooperation from various Palestinian factions, responsible for upholding law and order in the country's 12 refugee camps.

A U.S. official said that Washington was committed to consolidate Lebanese state institutions to build peace and stability in Lebanon and reiterated support for the demarcation of the border with Syria. The official also told As Safir newspaper's correspondent in Washington that the Obama administration wasn't informed by the Israeli government about a possible pullout from the northern part of the border village of Ghajar. He reiterated U.S. and international community support for the implementation of Security Council resolutions 1559, 1680 and 1701 "including the disarmament of militias, the demarcation of the Lebanese-Syrian border and the deployment of Lebanese Armed Forces across Lebanon."

Torbey added that the cost of deposits was also high for the banks, especially since the interest rates over the past two years fell from 13 percent to 8.5 percent on average. "This was combined with higher taxes and fees on citizens and institutions, and this was coupled with a drop in government investment in infrastructure," he said. Torbey said banks and the private sector were willing to help finance some of the major projects to relieve some of the government's financial burdens.

Will the Lebanese bid farewell to the two-decade-long power rationing in 2014? According to the ambitious plan submitted by Energy and Water Minister Jebran Bassil, the answer is yes. Bassil, under scrutiny from both critics and political opponents, is trying to prove that solving the power crisis is not impossible and if there is a will and above all hard cash then the Lebanese will see their houses lit up 24 hours a day. But the minister was reluctant to confirm that the electricity problem would really be solved four years from now. "Only tangible results will show whether this plan will materialize. If there is a political will then we will see 24 hours of electricity few years from now," Bassil said earlier.

Figures released by the Tourism Ministry indicate that the sector's activity has grown during the first five months of 2010 compared to the same period last year. The number of tourists visiting Lebanon saw an annual increase of 28.6 percent during the aforementioned period of this year to reach 732,855 compared to 569,724 during the same period of 2009. This year-on-year progress sustains the significant rise in overall tourism activity throughout 2009 resulting from the stable political situation and the strong resilience of the Lebanese economy to the global financial crisis. Moreover, the

number of tourists in the first five months of 2010 reached a record high when compared to the same period of previous years as the country initiates what is expected to be a historical tourism season. The distribution of tourists by origin in the first five months of 2010 indicates that the majority of visitors were from Arab countries with 41 percent of aggregate visitors, followed by visitors from Europe with 25 percent, visitors from Asia with 19 percent, visitors from the Americas with 10 percent, visitors from Oceania with 3 percent, and visitors from Africa with 2 percent.

## **Palestine and Israel**

Israeli Prime Minister Benjamin Netanyahu, held Turkey fully responsible for Israel's attack against the Turkish ships trying to deliver humanitarian supplies to Gaza, and stated that Israel will not apologize for the attack, and will not pay compensation to the victims' families. Netanyahu added that although Defense Minister, Benjamin Ben Eliezer, and Turkish Foreign Minister, Ahmet Davutoglu, did not achieve any real understanding, yet the importance of the meeting is that it was held despite Turkish threats and statements to cut its ties to Israel after its attack against the Turkish ship. He said that the meeting is part of the efforts to stop the deteriorating relations between Turkey and Israel. Ben Eliezer and Davutoglu held an unofficial meeting at Zurich Airport. Netanyahu said that the meeting is a step in the right direction, but also stated that Israeli Foreign Minister Avigdor Lieberman, should have been informed about it. As for the Turkish demands, Netanyahu said that Israel "cannot apologize" and claimed that the soldiers "had to defend themselves".

Israel's raid on a Gaza aid flotilla, which killed nine mostly Turkish activists, has angered Turkey [EPA] Turkey's prime minister says his country has closed its airspace to some Israeli military flights. Recep Tayyip Erdogan, who was quoted by the state-run Anatolia agency, did not elaborate on the decision. He was speaking in Toronto, Canada, where he was attending the G20 summit. The move is bound to be interpreted as a measure of the country's anger over a deadly Israeli raid on an aid ship bound for the Gaza Strip that killed nine activists of Turkish origin on May 31. A Turkish official said the ban would not affect commercial flights. "Military planes are required to obtain overflight permission before each flight.

Tirkel, centre, may want the prime minister and defence minister to testify before his panel [AFP] The Israeli government "will consider" allowing an internal commission, set up to investigate a deadly Israeli raid on a Gaza-bound aid flotilla, to subpoena witnesses, a statement said. The move came shortly after Yaakov Tirkel, the head of the panel charged with looking into the attack, which left nine activists dead, threatened to resign if the government did not broaden its mandate.

## **Detailed news**

### **Egypt**

#### **Political front**

##### **Mubarak with Arab leaders at the Arab summit in Tripoli**

In the Libyan capital Tripoli on Monday, Libyan leader Muammar Gaddafi, who happens to be the current chair of the Arab summit, hosted a limited Arab summit to examine future plans to revamp the performance of the Arab League. Gaddafi's guests included President Hosni Mubarak, Qatari Emir Hamad Bin Khalifa who was the previous chair of the summit, Iraqi President Jalal Talibani who is the next chair, and Yemeni President Ali Abdullah Salah. Also participating in the summit was Arab League Secretary-General Amr Moussa. Essentially Gaddafi had hoped -- although he was realistic enough not to really expect -- that this summit would give careful thought to his call to establish the "Arab United States". This was not the plan of any of his guests who are in favour, according to the statements of their foreign ministers, of a more gradual approach to getting Arab countries closer. As agreed by the Tripoli summit this gradual approach would for now include the convocation of two Arab summits every year; one in March, as the case has been since 2001, and one in the fall. Additional limited Arab summits or emergency summits are also possible, according to the scheme that was adopted in the Libyan capital this week. Along with the expansion of the summit mechanism, the five Arab leaders meeting in the Libyan capital approved the upgrade of some already established or under construction bodies like the Arab Court of Justice and the Arab Security and Peace Council. The Tripoli summit demanded of Moussa to work out a plan of action to upgrade Arab relations and Arab cooperation. This scheme should be examined in the first fall summit to be held next October in Libya. And the span of implementation for this scheme should be "around five years". This is indeed the most curious part. Moussa's second term in office expires next May. In 2011 he would have completed 10 years as the head of the Arab organisation that receives very little attention from its 22 member states. Moussa himself has repeatedly expressed frustration over the scope of commitment that Arab countries give to their organisation. Before the annual Arab summit held in March Moussa reiterated a statement that he has been making since the beginning of this year: 10 years at the head of the Arab League is enough. The question thus is obvious: if Moussa is leaving next year, why is he formulating a plan for five years -- the duration of a new, and third, term that Egypt is pressing Moussa, a former foreign minister, to accept. For Egypt, a third term for Moussa is crucial. The headquarters of the Arab League is faced with what some call Arab dissent. Several Arab capitals have been calling for an end to Egypt's de facto monopoly of the top post in the Arab League. For Cairo, this would be an outright political defeat. Egypt, as some officials acknowledge, does not have an alternative candidate on which all Arab countries accept as Arab League secretary-general, little as they care about the Arab League. "It's true. Moussa remains the only Arab candidate to which all Arab countries would agree on," said an Arab official. "Even those who are very keen on the rotation of the post of the secretary-general would still want Moussa to remain for a third term just because he still enjoys widespread popularity in the Arab world," he added. By keeping Moussa in office now, Egypt would avoid a showdown over the crucial post at a time when its

relations with some key Arab countries are clearly tense. Relations with Algeria are strained for political reasons that go beyond last year's feud over the qualification for the World Cup. And the symbolic handshake between President Mubarak and his Algerian counterpart on the fringe of the Africa-France summit last month did little to assuage the deep political sensitivities between the two leading North African states. Relations with Syria are tense over Cairo wanting Damascus to contain its ties with Tehran and its influence over Hamas as well as Damascus hoping that Cairo be more sympathetic to Islamic resistance movements in occupied Palestine and Lebanon. And the initiative made by Syrian President Bashar Al-Assad to visit President Mubarak in the wake of the return of the latter from a long medical trip was not picked up by Cairo or for that matter re-instated by Damascus. Relations with Qatar are also uneasy over what Cairo perceives as a negative presentation of Egypt's regional role through the Qatari-owned and widely viewed Al-Jazeera TV channel. And it is not clear whether the hand-shake and subsequent short meeting between President Mubarak and the emir of Qatar in Libya this week would produce something beyond the courtesy of formalities. Relations with Saudi Arabia, an otherwise close ally, are a bit cool over the flexibility that Egypt believes Riyadh to be showing over the re-establishment of a heavy Syrian influence in Lebanon, as over Saudi dismay with Cairo's reluctance to accept its mediation to ease tension between Egypt and Syria. And the expected visit of the Saudi monarch to Egypt next week is perceived as too late in view of the fact that most other Arab leaders called on Mubarak to wish him well following his return late March to Egypt after the surgery that he underwent in Germany.

### **Israel cannot put Gaza responsibility on Egypt: Mubarak**

Jun 23, 2010 — Egyptian President Hosni Mubarak on Wednesday rejected what he said were Israeli attempts to escape responsibility towards the blockaded Gaza Strip and place it on Egypt. "We are exerting all efforts to lift the Israeli blockade on Gaza," Mubarak told members of his ruling National Democratic Party in a speech carried by the official MENA news agency. "We reject attempts by Israel, the occupying force, to free itself of responsibility towards the strip and place it on Egypt," he said. Mubarak's comments come after Israel on Sunday said it would allow all strictly "civilian" goods into the Gaza Strip while preventing weapons and certain dual-use items from entering the Hamas-run Palestinian enclave. The new policy is a response to mounting calls to ease Israel's four-year siege on the coastal enclave after Israeli forces killed nine Turkish activists during a May 31 raid on a flotilla of aid ships attempting to run the blockade. Following the raid, Mubarak ordered that the Rafah border crossing -- the only entry to Gaza that bypasses Israel -- be opened indefinitely. In his speech Mubarak said divisions between rival Palestinian factions gave Israel a "pretext" to delay the peace process. "We regret the ongoing Palestinian divisions which the Palestinian people are paying the price for ... and which give Israel a pretext to delay peace negotiations," he said. Palestinian president Mahmud Abbas's Fatah party and Hamas have remained deeply divided since the Islamists seized control of Gaza in June 2007. Since then Egypt has made several attempts to reconcile the two main Palestinian movements, but the last round of talks ended in October 2009 when Hamas refused to sign the Egyptian document after it was inked by Fatah.

### **ElBaradei: Egypt's failed state designation 'a disaster'**

National Association for Change (NAC) leader Mohamed ElBaradei declared Tuesday that Egypt's presence near the top of Foreign Policy's Failed States Index was a "disaster" that demanded the urgent attention of the Egyptian people. ElBaradei noted that the compilers of the list examined two primary factors: lack of regime legitimacy and neglect of human rights. The NAC leader stated that a failed regime at home was by necessity a failed regime abroad, noting that when a regime loses legitimacy among its own people, it also loses it overseas. ElBaradei's remarks were delivered at a meeting held Tuesday evening between members of the NAC and the Egyptian Lawyers Syndicate. At the meeting, ElBaradei was presented with 3211 signatures for his organization's petition collected over the last two months by the Kamel Legal Consulting Firm. A joint work plan was also developed during the meeting by ElBaradei, lawyers and the Independent Popular Campaign to Support ElBaradei for President. The plan called on ElBaradei supporters to collect signatures and make contact with Egyptians throughout the country. The plan stipulated that a focus should be placed on lower-income neighborhoods to raise political awareness throughout Egyptian society. It also specified that more NAC chapters should be opened in Egypt's various syndicates, as was done with the Lawyer's Syndicate. In related news, the Administrative Court in Alexandria is to hold its final session Thursday in a case filed by ElBaradei supporters against the official Registration Office. ElBaradei supporters dispute the office's denial of their requests to confer power-of-attorney privileges upon ElBaradei and other legal scholars to seek constitutional amendments on their behalf.

Tomorrow's session will be the court's fourth in the case. In previous sessions, the defense team representing the government had argued that the case was outside the court's jurisdiction, and as such should be referred to the Supreme Administrative Court. In other news, the NAC announced a "state of emergency" in preparation for ElBaradei's scheduled visit to Alexandria on Friday. NAC leader Mahmoud el-Khadiri stated that ElBaradei was expected to join a protest over the recent killing of a young man by police in Alexandria and give his condolences to the victim's family.

#### **Court ruling leaves Al-Ghad Party with no leader**

Special to Daily News Egypt July 4, 2010, The Supreme Administrative Court accepted on Sunday an appeal by the political parties committee and Al-Ghad Party's president Moussa Mostafa Moussa on a previous ruling that obliged them to recognize Ehab El-Kholy as head of the party. The court, however, also rejected a lawsuit filed by Moussa to recognize him as the president of Al-Ghad, leaving the party, which was founded by Ayman Nour, with no leader. The decision confused lawyers on both sides, who, up to press time were trying to figure out the ruling and its implications on the party. The Administrative Court had issued a verdict last February recognizing Ehab El-Khouly, a Nour supporter, as the head of the Al-Ghad Party. The political parties committee in the Shoura Council then appealed the decision when it recognized the legitimacy of Moussa Mostafa Moussa as head of the party. Commenting on the recent ruling, Nour considered the verdict a small part of his ongoing standoff with the government. "We received four verdicts in our favor from the Administrative Court. The Supreme Administrative Court annulled one of these verdicts today, but we will continue our judicial battle based on these verdicts." Nour added that he called for convening an emergency general assembly meeting for his party members on July 30 to discuss new methods in dealing with what

he described as “the standoff” with the government. As to whether this verdict will affect Nour’s plans to run in the next presidential elections, Nour told Daily News Egypt, “I will not retract my decision to run in the coming elections because it’s part of the political reform project we adopted.” “We hope we will be able to get court rulings that will allow us to enter the next presidential elections.” Nour was the first runner up in the 2005 presidential race. However, a few months after the elections he was sentenced to a five-year term for allegedly forging powers of attorney needed to start his new party, charges which he claimed were politically motivated. Legally, he is banned from practicing any political activity for five years after he completes his sentence. He was released in early 2009.

### **Ruling party takes stock of Parl’t performance**

Saturday, July 3, 2010 THE Parliament, elected in 2005, has gone into summer recess, after supposedly concluding one of its most crucial sessions in decades. Summer recess: The People’s Assembly (the Lower House of the Egyptian Parliament) has gone on summer recess, after supposedly concluding one of its most crucial and fruitful sessions in decades. As they retreated to the Parliament building to pack their bags to return to their respective constituencies, the MPs belonging to the ruling National Democratic Party (NDP) received a pat on the back from party whip Ahmed Ezz. Ezz told the MPs that they had done a great job by overpowering opposition radicals during the sessions allocated to debating major issues, such as constitutional amendments. Reciprocating, triumphant MPs told Ezz, one of the Middle East’s biggest iron and steel tycoons, that he was a brilliant ‘maestro of the majority’. Ezz was also lauded for silencing his opponents in Parliament during tough confrontations and during any attempts to step over the line by embarrassing governmental ministers. It has been alleged that the NDP’s biggest achievement in the former Parliament was the endorsement of 34 articles in the Constitution, causing widespread repercussions at home and abroad. The amendments were debated about 15 times before their final approval in March 2007. Ezz must also have received thankyou letters from the Government of Prime Minister Ahmed Nazif because it has survived more than 150 votes of no confidence in the past five years. The Government was rocked when more than 1,000 people died when their ferry sank in the Red Sea in 2006. It was also disgraced when opposition MPs disclosed that hundreds of thousands of tonnes of bad wheat had been imported into the domestic market. It received another heavy blow from the opposition MPs when a medical company owned by a senior NDP member, Hani Sorour, was accused of manufacturing contaminated blood bags. Sorour, a member of Parliament’s Economic Committee, had to resign over the incident. However, the NDP’s celebrations of its members’ controversial achievements since 2005 were partially muted by howls of discontent from bruised opposition colleagues. Silently licking their wounds, the opposition, led by deputies loyal to the banned Muslim Brotherhood group, ridiculed Parliament’s inability to protect society from serious economic threats, such as increasing unemployment, soaring prices and a floundering healthcare system. The opposition also complains that, over the past five years, they’ve tried but failed to pressurise the Government into improving the education system. The opposition says that the Government has failed to make its rosy promises come true. It has also allegedly abandoned young Egyptian men, many of whom drown in trying to cross the Mediterranean, hoping for a better life in Europe, because, as their grief-stricken families say, they despair of Egypt’s future.

### **Egypt's Islamists to run in elections**

Thursday, July 1, 2010 The Muslim Brotherhood, Egypt's banned-yet-biggest opposition power, has said it will run in the nation's different elections, but noted that it has yet to decide on the number of its contenders in the legislative polls to be held later this year. Dr. Mohamed Badi , the Supreme Guide of Egypt's banned Muslim Brotherhood. "The final decision will be announced in due time, but the group will participate in all elections," said the Brotherhood in a statement obtained by The Egyptian Gazette Online. The group, which won a fifth of the seats in the 2005 legislative elections, failed to win a single seat in the Upper House of Parliament vote held on June 1. The group, banned since 1954, fields its members as independents in elections.

### **Sinai Bedouin want tribal leaders elected**

Wednesday, June 30, 2010 EGYPTIAN Bedouin in the central Sinai Peninsula are calling for the tribal leaders to be elected instead of being appointed by the Ministry of the Interior, with whom the Bedouin have clashes, a Bedouin tribesman said on Wednesday. "We will hold a press conference on Thursday [today] in order to explain the dispute between us [the Bedouin] and the police," said **Moussa el-Daleh, a Bedouin leader**. He added that the election of the tribal leaders would end some of their disputes with the Interior Ministry. "When elected by the Bedouin, the tribesmen would be loyal to their families and tribes other than any other authority," el-Daleh said. El-Daleh was one of the Bedouin who organised a peaceful protest in central Sinai on Wednesday, against remarks by Governor of North Sinai Murad Mwafi, who allegedly described the Bedouin as "against the law". The protest coincided with a meeting between Bedouin MPs, tribal leaders, highprofile Bedouin and Minister of the Interior Habib elAdly, in a bid to smooth tensions after a surge in clashes between securityforces and tribesmen, but some Bedouin leaders said the meeting had failed. The Bedouin, nomadic Arab tribes of the Sinai, have often had a troubled relationship with the State, which has worsened since the authorities rounded up hundreds of young Bedouin following explosions at Sinai resorts five years ago. Clashes have become more frequent in recent weeks as the authorities searched for Bedouin fugitives who were sentenced in absentia for weapons possession, smuggling and other charges, including some who escaped in an ambush on a prison vehicle in February. "The private and public interests of the people of Sinai are a major focus of the political leadership of the State," Interior Minister Habib el-Adly said in a statement after meeting the Bedouin delegates in Cairo. The ambitious plan for the development of Sinai requires the element of safety in order to give investors the incentive to invest, the statement said, adding that the Government would not compromise in dealing with "criminal elements" in Sinai. Hundreds of Bedouin in Sinai protested after the meeting, driving from village to village in small trucks and SUV's, saying the elders that met el-Adly did not represent them. "The meeting was a failure," said el- Daleh. "Bedouin marched in protest from Amro Valley to other villages to demand improved treatment and the release of detainees," he added. "The elders who met the Interior Minister were appointed by the Government, and do not represent the Bedouin," he added. One delegate at the meeting, who asked not to be identified, said that the meeting was successful. The elders won a promise from the Government that it would free a number of prisoners, he said.

## **Nail issue**

### **Red Sea Oil Spill Not Caused By Rigs, Egypt's Oil Ministry Says**

June 24 (Bloomberg) -- The Egyptian Oil Ministry said crude oil that washed ashore at a major Red Sea beach resort area was leaked by a passing tanker or may have seeped from the ground due to a heat wave, but was not from any of its rigs. The ministry's report, issued today, said that all offshore oil platforms in the Red Sea are "sound," according to the state-run Middle East News Agency. Oil from the rigs was compared with samples from the sea but the investigators "cannot say for sure" whether the samples matched. "A rise in temperature during that period led to a shift" that turned "ancient deposits of oil on some islands to a semi-liquid state," which then flowed into the sea, according to the official account. Ballast from a tanker may have contributed to the spill, the ministry said. The ministry commissioned the report last weekend to investigate the source of an oil spill that began washing ashore along the Hurghada resort area on June 17. The oil stained miles of the coast. Egypt has been developing its eastern coastline to encourage tourism, which is the country's biggest foreign exchange earner. The Red Sea and nearby Gulf of Suez is also Egypt's main oil-producing area, with more than 180 offshore rigs operating there, according to the ministry.

**Transparency** Amr Ali, managing director of the Hurghada Environmental and Conservation Association, said the notion that an oil tanker or high atmospheric temperatures caused the spill was hard to digest. "This was not some sort of passing dump of oil, much less an act of God," he said. "Any schoolchild can see that. They just don't want to take responsibility. There's zero transparency in Egypt." More than 20 kilometers (12 miles) of coastline, from El-Gouna in the north to Sahi Hashish in the south, had been polluted by the oil, Al Masry Al Youm newspaper reported on June 19. Only 30 barrels of crude washed ashore near the resort of Hurghada, according to the ministry. Egypt's Oil Ministry said on June 22 that by reducing the number of oil rigs in the Gulf of Suez it might be able to monitor those that remain more effectively. Oil Minister Sameh Fahmy has called for the establishment of a fund to fight pollution, the ministry said. Total Egyptian oil output averaged 742,000 barrels a day in 2009, compared with a peak of 941,000 barrels a day at the end of 1993, according to the BP Annual Statistical Review of World Energy.

### **Dialogue for solving Nile sharing dispute – Sherif**

Wednesday, June 30, 2010 EGYPT favours a peaceful and calm dialogue for solving a water sharing dispute with members of the Nile Basin countries, according to Shura Council Chairman Safwat el-Sherif said. Safwat el-Sherif, Shura Council Chairman and Secretary-General of the ruling National Democratic Party (NDP) addressing members of Egypt's Vanguard, with whom he met for three hours at the Upper Chamber of the Parliament. "Cairo is keen on preserving co-operation and partnership links with all the Basin members states to make use of the Nile water in such a way that serves their interests," el-Sherif said during a meeting with a group of 200 young persons at the Council on Tuesday. He was referring to a split by the riparian nations over a controversial water-sharing pact that is strongly opposed by Egypt and Sudan. The new pact, signed by six countries, aims to replace a 1959 deal between Egypt and Sudan giving them more than 90 per cent control of the water flow. For three consecutive hours, el-Sherif discussed with members of Egypt's Vanguard a host of domestic and

parliamentary issues ranging from the Nile water dispute to political rights and media revolution in the country. El-Sherif, who is also the secretarygeneral of the ruling National Democratic Party (NDP), said that the parties had a prominent role to play in enriching the political life in Egypt through encouraging the youth to participate in the decision-making policies. "The success of these parties is measured by the extent of encouraging the nation's youth in taking part in political life," el-Sherif said, adding that the parties represent a channel through which young people can express their opposing views or solutions for social problems. He said that many new publications and satellite channels had appeared in Egypt as a natural by product of the communications and information revolutions that swept the world during the past few years. "Their appearance also substantiates that Egypt is committed to the principle of freedom of expression and free thought," el-Sherif said during the meeting, which was attended by Saffei Eddin Kharboush, the chairman of the National Youth Council. However, he said that the satellite TV channels should not damage social harmony, national unity, public order or traditional values." "The channels should also conform with the religious and ethical values of Arab society and take account of its family structure," he added. El-Sherif affirmed that the Government would not tolerate illicitly gained wealth, or graft at any level from any public officials or person regardless of his status in the country. He told the youth that Government would tackle graft problems, which are not acceptable by any means

### **Cairo and Khartoum challenged**

Tension over the sharing of River Nile waters is rising, Reem Leila reports The 18th ordinary meeting of the Nile Council of Ministries (Nile-COM) took place in the Ethiopian capital Addis Ababa. More than 400 international water experts attended the two-day meeting that began 24 June and witnessed now routine tension between the downstream and upstream countries over the distribution of River Nile waters among the nine Nile Basin countries. At the beginning of the conference, Egypt handed over chairmanship of Nile-COM to Ethiopia. Ethiopia will hold the rotating chair of Nile-COM for one year. The conference, held under the theme, "Working together for a better future", reviewed the activities and performance of the Nile Basin Initiative (NBI) during the fiscal year 2009/2010. It also approved the work plan and budget for the fiscal year 2010/2011. During the meeting -- attended by the water ministers of Egypt and Sudan -- Ethiopian Water Minister Asfaw Dingamo, requested Egypt and Sudan to lighten their stiff attitude towards the new Nile Framework Agreement (NFA) that allows other countries a greater share of the river's water for economic uses. The agreement, signed on 14 May by the five upstream countries -- Ethiopia, Tanzania, Uganda, Kenya and Rwanda -- replaces the 1929 treaty between Egypt and Britain that gave Cairo veto power over projects conducted on the River Nile's course. The new treaty allows countries contributing water to the River Nile to build dams for irrigation purposes and hydropower stations along the River Nile. Egypt and Sudan, which are opposing the NFA, will not be forced into signing a new treaty regarding the sharing of the Nile's waters, respective officials say. Mohamed Nasreddin Allam, minister of irrigation and water resources, told the media that, "the new treaty is not binding on us. It will only be an obligation for the countries that signed it only. At the same time we will make sure that this treaty won't affect Egypt's share of the Nile's water." This view was echoed by Sudanese Water Minister Kamal Ali Mohamed, who told the press after the meeting that the treaty

violated the NBI's basic principles. "This agreement did not take into consideration all the views. Sudan and Egypt opposed the article regarding water security, which allows the rest of the countries that signed up to excessively use the Nile's waters," said Mohamed. The NBI is a project funded by a consortium of international donors and coordinated by the World Bank. This year alone, the NBI has lined up projects that would cost \$11 million, ministers said. For its part, the World Bank has changed its previous stance. It announced that if the NFA is signed by six riparian countries it would accept it and will finance projects that those countries want to establish on the River Nile's course. After this recent change of position, Egypt and Sudan are facing a significant challenge. For the time being, Ethiopia is pressuring the Democratic Republic of Congo to join the treaty and become the sixth signatory. Efforts are also being exerted to convince Burundi to join the NFA. "The monopoly to use the Nile waters by two countries is a monopoly that we are going to resolve," Dingamo said. He said the NFA was final and would not be reopened for negotiations. "We are not begging Egypt and Sudan to give us our fair share of the Nile. We are working to create a framework built on cooperation. No soldier on the Nile will prevent us from using the water as long as we are not causing any significant harm to each other," Dingamo said. Allam responded by saying: "We have differences about the wording and other legal issues. I hope we will resolve them soon. If there is harm, we will negotiate together. Egypt will never oppose any projects that help our sister countries." During the meeting, Sudan took the unexpected step of freezing its membership of the NBI until all controversial issues are resolved. According to press reports, the move was meant to signal to upstream countries that failure to reach resolution at the upcoming emergency meeting could lead to further escalation. But experts believe that Sudan's step might negatively affect Egypt. According to Diaaeddin El-Qousy, international water analyst, "Egypt must change its negotiating policy. Upstream countries do not believe us anymore. They don't believe that we will truly help them. In the past, Egyptian officials used to use offensive language against the upstream countries, but now they are eating their words." After the meeting, Egypt took the River Nile portfolio away from Allam and gave it to Fayza Abul-Naga, minister of state for international cooperation. According to El-Qousy, this was a very important step towards resolving the crisis. "Abul-Naga will deal with the issue better than Allam -- there might soon be a solution to the whole crisis. Egypt can form a multi-disciplinary team in order to pressure all concerned parties to support Egypt and Sudan in their stance. Egypt must abandon its current rigid position," El-Qousy said. Unlike other experts, El-Qousy confirms that even a single dam built over the smallest branch of the River Nile in Ethiopia would affect Egypt's 55.5 billion cubic metres quota. "We are suffering water poverty, we do not want to suffer aridity," stated El-Qousy. Extending for more than 6,600 kilometres from Lake Victoria to the Mediterranean, the Nile is a vital water and energy source for the nine countries through which it flows. According to Essam Khalifa, spokesman at the Ministry of Irrigation and Water Resources, Egypt has no other source of useable water whereas upstream countries have other sources, such as heavy rains, which cover 98 per cent of their needs. "The problem can be solved easily if we appreciate the conditions of each country," Khalifa said. An exceptional meeting to discuss the NFA will be convened in the Kenyan capital Nairobi in November

### **Geo strategic front**

### **IAEA chief in Cairo to discuss Egypt nuke file**

Gamaa Hamduillah Khalifa Gab Allah Dalia Othman Hisham Omar Abdel Halim  
Photographed by: AFP The International Atomic Energy Agency (IAEA) is prepared to "cooperate" with Egypt to help it develop a peaceful nuclear program, according to IAEA Director Yukiya Amano. Amano's remarks came during his visit to Cairo on Tuesday, during which he met Egyptian Foreign Minister Ahmed Abul-Gheit and Energy Minister Hasan Younis to discuss the reactivation of Egypt's dormant Inshas nuclear reactor. At a joint press conference with Abul-Gheit following the meeting, Amano announced that the IAEA had suggested sending a delegation to Egypt to evaluate the project, adding that the IAEA was working closely with Egypt and supported its efforts to attain nuclear power. "We spoke about how the IAEA could assist in the development of Egypt's nuclear program in light of Egypt's desire to build its first nuclear power plant," said Abul-Gheit. "We also came to an agreement with the director over how his agency could help Egypt renovate and reopen the Inshas reactor." The Foreign Minister went on to say that he had discussed with Amano the results of the Nuclear Non-Proliferation Treaty (NPT) Review Conference held in New York in late May. When asked if Egypt would back down from demands that Israel sign on to the treaty, Abul-Gheit said: "We cannot stop making efforts in this arena, and I can't imagine that anyone in Egypt wants us to stop demanding that Israel be subject to oversight by the international community--in this case, the IAEA." Responding to a question about steps the IAEA could take to shut down Israeli nuclear facilities, Amano said: "These steps are tied to the NPT Review Conference's decision to hold an international conference in support of a Middle East free of weapons of mass destruction (WMD)." He added that his agency would monitor the implementation of NPT Review Conference resolutions, and notify relevant international institutions of instances of non-compliance. Regarding Iran's cooperation with the IAEA following the adoption of the latest round of sanctions in early June, Amano stated: "Iran has recently notified us that it has declared two agency inspectors who had been sent to Iran to monitor the uranium enrichment process persona non grata. However, we have not been officially notified by the Iranian government of a reduction in the level of cooperation with the agency." Energy Minister Younis, for his part, held discussions with the IAEA director focusing on how the agency could help train personnel to develop and run Egypt's nascent nuclear program. According to Younis, the Egyptian electricity sector had cooperated in a transparent fashion with the IAEA throughout the program's development, especially in the establishment of the Egyptian Nuclear Law, which was issued in March. Amano congratulated Egypt on the passing of the law--which stipulates the creation of an independent security apparatus for the country's nuclear program--going on to express his complete support for the steps Egypt was taking to achieve nuclear power. During his visit, Amano also met with Arab League Secretary-General Amr Moussa. Moussa's Chief of Staff, Hisham Youssef, stated that Amano and Mousa had discussed ways that the IAEA could cooperate with the Arab League, particularly in the wake of the recent NPT Review Conference and amid preparations for a scheduled IAEA meeting in September. Concerning the NPT Review Conference's call for a 2012 summit in the Middle East to discuss ways to rid the region of WMD, Youssef said that Mousa and Amano had engaged in discussions of the matter, which were still "in their early stages."

## **IAEA Pledges to Support Relaunch of Egyptian Atomic Program**

Wednesday, June 23, 2010

International Atomic Energy Agency chief Yukiya Amano said yesterday his organization was prepared to aid Egypt in building new atomic energy sites, Agence France-Presse reported "The agency is happy to cooperate with Egypt in its nuclear energy program," Amano said to journalists during a trip to Cairo. Amano said the Egyptian government was almost finished working out the details of the relaunch of its atomic energy program and that the U.N. nuclear watchdog had offered to dispatch a team of experts to the Middle Eastern state. Egypt's civilian nuclear power program began with support from the Soviet Union in 1961 but was halted after the 1986 Chernobyl disaster. The nation has one research reactor at a site northeast of its capital. Three years ago, President Hosni Mubarak announced his country was prepared to renew its nuclear development efforts. "We have agreed on the stages with which the agency can help Egypt to relaunch its nuclear reactor at Inshas," Egyptian Foreign Minister Ahmed Abul Gheit said. The country intends to construct four new atomic plants with oversight from the Vienna-based nuclear agency. Cairo is a signatory of the Nuclear Nonproliferation Treaty but has said it would not approve the Additional Protocol to its IAEA safeguards deal on the grounds that it might lead to Egypt becoming overly reliant on foreign nations for its atomic power needs. The protocol allows for more extensive monitoring of a nation's atomic activities. Egypt has been a leading proponent of an effort to establish a nuclear weapon-free zone in the Middle East and routinely denounces Israel over its widely assumed but undeclared nuclear stockpile (see GSN, June 10; Agence France-Presse/Google News, June 22). Abul Gheit said his government would continue to urge Jerusalem to sign the Nuclear Nonproliferation Treaty and to allow its nuclear sites to undergo IAEA monitoring, the Xinhua News Agency reported (see GSN, June 11). "I cannot imagine anyone in Egypt would say that we stop calls for submitting Israeli facilities to the observation of international society represented in the IAEA," he said (Xinhua News Agency/People's Daily Online, June 22).

### **Mubarak in France after Algeria**

Sunday, July 4, 2010 -President Hosni Mubarak Sunday evening arrived in Paris for talks with French President Nicolas Sarkozy, reported Egypt's official Middle East News Agency. Mubarak flew into Paris from Algiers where he had talks with Algerian President Abdelaziz Bouteflika and offered him condolences on his brother's death. He is accompanied by Foreign Minister Ahmed Abul Gheit and chief of the presidential staff Zakaria Azmi. The visit to Algeria comes months after the two Arab countries were locked in a sharp crisis caused by violence related to their national teams' World Cup qualifying matches. Last November, Egypt accused Algerian fans of attacking Egyptians in Algeria and in Sudan where both teams had a World Cup qualifying decider. Algeria beat Egypt 1-0 to book a berth in the current World Cup finals in South Africa.

### **Egypt reiterates right to Halayeb**

Saturday, July 3, 2010 - Egypt's Foreign Minister Ahmed Abul Gheit Saturday reiterated that a disputed territory with Sudan is Egyptian. "Egypt's southern border is known at altitude 22," said the official when asked to comment on statements made last week by President Omar al-Bashir that his government will never foresake Halayeb. "There is agreement between (Egyptian President Hosni ) Mubarak and President al-Bashir that the

whole area on the northern and southern sides of the altitudes becomes an area of integration and development," added Abul Gheit. "Halayeb is Sudanese and will stay Sudanese" Bashir told crowds at the coastal town of Port Sudan marking the 21st anniversary of his military coup on Wednesday. The remark by the Sudanese president is a rare one as he avoided public mention of the disagreement with Egypt over the area but generally referred to it as a possible integration zone between the two countries. Sudan's official media, however, omitted any mention to this portion of Bashir's speech. Sudan has avoided registering voters inside Halayeb for the elections which took place last April despite earlier assertions that the region was included as a constituency. Relations between the neighboring countries appeared to have soured this month after the newly appointed foreign minister Ali Karti criticized Egypt saying its understanding of Sudan issues is minimal. Cairo asked Khartoum for clarifications regarding the statements attributed to Karti and secretly dispatched a delegation to defuse tension. Egypt and Sudan are jointly fighting a major battle with other Nile Basin countries that want reallocation of water shares stipulated by colonial agreements in 1929.

### **Economic front**

### **Social front**

#### **On track to end human traffic**

Egypt has improved its ranking in the US State Department's human trafficking index, rising from the tier three watchlist to tier two. The TIP report, conducted in cooperation with John Hopkins University, divides nations into four tiers. The tier two list includes countries making significant efforts to combat human trafficking, including investigating and prosecuting acts of trafficking, protecting victims of trafficking, and informing and educating the public about the causes and consequences of the trade in people. Of the 177 countries discussed in the 14 June report, only 30 are included in tier one. Twenty three countries have improved their ranking since 2009. Among Arab states, Saudi Arabia and Kuwait remain on the tier three list, while Algeria, Iraq, Lebanon, Libya, Qatar, Syria, Tunisia, and Yemen are on tier two. The report mentions that Secretary of State Hillary Clinton had identified Egypt as offering a possible model for progress. Egypt, says the report, remains an exporter, transit point and destination for victims of human trafficking. It identified various forms of trafficking in Egypt, including for the purposes of commercial sexual exploitation, begging, early marriage, sex tourism, forced labour and domestic servitude. The report made several recommendations to address these problems, more strenuous law enforcement, the application of formal victim identification procedures, and implementing a comprehensive public information campaign among them. Nihal Fahmy, consultant on combating human trafficking at the UN Regional Office for Drugs and Crime, says the main reason Egypt moved from tier three to tier two was the government's approval of anti-trafficking Law 64/2010, which was passed in May. "Penalties in the new anti-trafficking law for those involved directly in human trafficking include prison sentences of up to 15 years. This will help reduce rates of human trafficking in the country," said Fahmy. In addition, anyone found guilty of establishing, organising or running a criminal gang for the purpose of human trafficking could face 20 years in prison. But legislation alone, says Fahmy, is unlikely to

be enough. "All concerned authorities, along with governmental and non-governmental organisations, must help increase people's awareness about the dangers of early marriage," she says. The number of children living on Egypt's streets must also be reduced, since street children are often victims of human trafficking. Unemployment, poverty and lack of awareness are the main reasons behind the presence of human trafficking in Egypt, she says. The new law establishes a fund that will provide financial aid to victims to help with their reintegration into society. A National Coordinating Committee to Combat and Prevent Trafficking in Persons has also been set up. "The committee, headed by a Naela Gabr, is charged with the implementation of related laws and with following up on all reported cases," says Fahmy. Affiliated to the cabinet, the committee will submit an annual report to Prime Minister Ahmed Nazif on efforts to combat human trafficking. It will, says Gabr, cooperate with the National Centre for Social and Criminological Research (NCSCR) in preparing the studies and data required to combat the phenomenon. "Training sessions are being conducted to increase people's awareness about the harms of human trafficking. The factors leading to human trafficking -- street children, kidnapping children for adoption abroad and marrying young girls to wealthy Arabs -- are among the issues we will address," says Gabr. Human trafficking is the third most profitable illegal business, following the trade in weapons and drugs. Some estimates place the number of people trafficked in the illegal trade as high as 2.4 million annually. The US State Department's annual report places the numbers between 600,000 and 820,000. The majority are destined to be sold into what is tantamount to sexual slavery. The TIP report highlights five aspects in the Egyptian law that could serve as a model for other states. It identifies the trafficked person as a victim who suffers harm, whether material, moral, or economic; it defines human trafficking broadly enough to cover all forms of exploitation; it exempts victims of trafficking from prosecution for crimes they might commit as a result of being trafficked; it seeks to compensate victims and remains applicable regardless of where the act of trafficking took place. The report recognised the contribution of various government agencies towards the prevention, protection of victims and prosecution of perpetrators of trafficking, including the National Council of Childhood and Motherhood, and the ministries of interior, social solidarity, and health.

#### **Finnish defence firm in Egypt bribery case**

Finland to bring bribery charges against unit of defence group Patria linked to an arms deal in Egypt. HELSINKI - Finland is to bring bribery and accounting fraud charges against a unit of state-controlled defence group Patria linked to an arms deal in Egypt. The Office of the Prosecutor General said in a statement that four people working at Patria Vammast Oy and one Egyptian citizen were involved, beginning with a howitzer deal struck in 1999 and running until 2007. "There are probable causes to suspect that ... the Finnish firm's representatives have promised and given significant bribes to Egyptian officials," the Office said in a statement, adding it would seek a fine from the company. Patria said it would fight the charges. "We consider (them) groundless," Patria's general counsel Olli Happonen said. Finland owns 73.2 percent of Patria, while European aerospace and defence group EADS has a stake of 26.8 percent.

#### **Egyptian lawyers clash with police**

Some 30 lawyers were injured on Sunday as hundreds of lawyers clashed with anti-riot police in a violent bid to enter a court in the Delta city of Tanta, where an appeal by two

of their colleagues was heard, a security official said. "More than 2,000 lawyers were surrounding the Tanta Appeals Court calling for attending a court session when the chief judge allowed only 300. The others clashed with policemen to have a seat inside the courtroom," the official said. He added that the policemen had tried to calm the lawyers down. "However, some of them began to beat and assault them. The policemen used their sticks to stop more assaults causing minor injuries to 30 lawyers. One of them was taken to hospital," he said. The incidents took place as the court was hearing the case of lawyers Ehab Sa'ai and Moustafa Fatouh who were sentenced to five years in prison last month for assaulting junior judge Bassem Abul Roos. The court adjourned the hearings until July 18 with the two lawyers kept in jail. Inside the courtroom, division had hit the proceedings of the hearing when lawyer Monatsser el-Zayyat withdrew the defence team upon learning that the two lawyers had submitted an apology to the prosecutor. "We have agreed at a meeting of the Bar Association's board yesterday that we should withdraw if an apology was submitted. This is what really happened," el-Zayyat said. Hamdi Khalifa, the head of the Bar Association, argued with el-Zayyat trying to persuade him to continue but his attempt failed. "This apology is insulting for all lawyers. It means that justice can never run its course," el-Zayyat said. The court cross-examined 14 eyewitnesses, including five policemen who were said to be attacked by the two jailed lawyers. Security men cordoned off the court as angry lawyers shouted slogans and carried banners against the Interior Ministry and judges. Egypt's Bar Association, the biggest union in the country with around 456,000 members, ordered lawyers nationwide to avoid appearing in court in protest against the detention of the two lawyers. Nationwide furore has surrounded the trial, especially after allegations arose that judges and their association, the Judges' Club, were using the case to settle old scores against lawyers. "We've been suffering from prosecutors' disrespect and abuse for many years and this case is the last straw," lawyer Ayman Emam told The Egyptian Gazette. The saga began when lawyers Saa'i and Abul Fotouh reportedly exchanged slaps with prosecutor Abul Roos more than a week ago. Supporters of the two accused lawyers said Abu Rus, who was not arrested, should have also been charged with assault. They claimed the prosecutor had provoked them. Members of the Bar Association voiced their dismay at the court and its prosecutors for acting as "opponent and arbitrator" at the same time.

### **Survey assesses media interest in women's problems**

Friday, July 2, 2010 HUWEIDAFarid sticks like glue to the screen of her TV for hours every day, but has seen TV producers turning a blind eye to important issues, such as the political and economic marginalisation of the nation's females and discrimination against them in the distribution of public posts. More attention, please: TV programmes pay big attention to women related issues like divorce, the upbringing of children, and give short space to their political and economic marginalisation. The 27-year-old unemployed College of Commerce graduate has also seen TV programmes wasting the time of their viewers by discussing less important issues like marital disputes and whether Egyptians should celebrate Mother's Day or not. "The people who design these programmes just live in a world of their own," Farid said. "They're really isolated," she told The Egyptian Gazette in an interview. A recent survey might prove Farid's argument true. The survey conducted by Egypt's Statebacked National Women Council in co-operation with UNICEF says, not political emancipation or economic marginalisation, but marriage and the upbringing of children were top on the list of issues TV programmes discussed for

months in 2009. The survey, which covered programmes and drama on almost all state-run and independent TV channels, says these issues occupied the prime of the time of TV producers, hosts, guests as well as scriptwriters and actors. "Legal issues like divorce, alimony, and the right of divorced mothers to see their children were second in the list of issues discussed on TV," the survey, which was conducted in the period between February and July 2009, added. It says violence against women in forms like sexual harassment and forced sexual relations were third in the list. While all the talk in Egypt nowadays is about the political empowerment of the nation's females, issues related to political participation were at the bottom of the list of issues TV programmes focused on in the six months the survey covers. "I think marriage, the upbringing of children, and marital problems are far more important than politics and political participation," said Aziza El-Desawy, a housewife. "Few women would think of politics, but most of them are preoccupied with their relations with their husbands and how they can bring up their children ideally," El-Desawy, 42, added. Many would share the same point of view. But the survey says Egypt's newspapers and magazines specified more space for important problems afflicting the women of the nation. It says the editors and the journalists of the nation's newspapers and magazines made big efforts in discussing these problems and trying to find solutions for them (47.7%), while TV and Radio specified shorter space (37% and 15.3% respectively) for these problems. "But newspapers and magazines focused most more on controversial issues related to women (64.5%), while the TV dedicated less time to these issues (30%) and the radio (5.5%)," says the survey. It says contrary to the general performance of TV channels in relation to the problems of the women of the nation, the scriptwriters of TV serials paid big attention to these problems (51.3%). "Most of this attention, however, was focused on controversial issues on which the opinions of many never meet," the survey says.

### **Controversy over hidden Amoun deal**

Wednesday, June 30, 2010 THE dispute over the sale of the Amoun Island Hotel, built on a 248- acre island in the Upper Egyptian city of Aswan, has led to warnings that Cabinet ministers are deliberately violating their constitutional commitments by dividing their loyalties between their official responsibilities and their private businesses. It looks like a paradise: It is a shame that the beautiful Amoun Island has been caught up in so much controversy. The public was angered to discover that the Amoun Island Hotel was sold for only about \$15 per square metre to Palm Hills, a tourist investment company co-owned by Minister of Housing and New Urban Communities Ahmed el-Maghrabi, and his cousin, ex-Minister of Transport Mohamed Mansour. The press disclosed that Palm Hills only had to pay LE80 million for the property; it then engaged in clever legal and administrative manoeuvres and ended up only paying LE4 million! The fuss about the hotel only ended when President Hosni Mubarak ordered the revocation of the purchasing contract and the holding of a new international tender to sell the property to the highest bidder. Despite the presidential decree, el-Maghrabi and Mansour have come under fire for allegedly refusing to abandon their private business interests after they were appointed as ministers. Under increasing pressure from the press and the public, Parliament has had to expand its investigation into the ministers' allegedly deliberate violation of the Constitution, which prevents the Prime Minister, his ministers or any other official from making any deals or transactions with governmental companies, organisations or authorities, while they are in office. The list of ministers, suspected of

mixing public and private business, includes Minister of Agriculture Amin Abaza, who also used to be a businessman before he was handed the agricultural portfolio. A few months ago, Abaza came under fire because it was claimed that he was violating the Constitution by dividing his time between his office in the Ministry of Agriculture and the office of the board chairman of a private company called Optima Global Holding. The Minister of Agriculture has also been accused of collaborating, in his capacity as Optima's board chairman, with the bankrupt businessman Nabil el-Boushi, who coaxed many politicians, members of the entertainment community and sporting figures into letting him invest their money. After collecting a huge amount of cash from them, el-Boushi fled the country. He was arrested in Dubai and is now being tried for embezzlement. Meanwhile, MPs led by Hisham Mostafa Khalil have ordered a powerful watchdog to investigate the suspicious purchase of a vast plot of land in the upmarket northeast Cairo district of Nasr City for only LE100 million (\$1=LE5.60), although the land there is easily worth LE50,000 per square metre. The buyer apparently represented a company owned by a Cabinet minister, whose name has been withheld for legal reasons. Khalil, son of late Prime Minister Mostafa Khalil, has vowed to disclose more scandalous incidents of land-grabbing by ministers and other officials.

## **Iraq**

### **Political front**

#### **Iraqi PM Meets With Main Election Rival**

A composite file picture shows Iraqi Prime Minister Nuri al-Maliki (left) and Ayad Allawi, leader of the Al-Iraqiya bloc. Iraqi Prime Minister Nuri al-Maliki has met with his main election rival in an attempt to resolve the country's political deadlock. Al-Maliki and Ayad Allawi are competing to be the next prime minister after the inconclusive March 7 elections. Member of parliament Hassan Sneid said both "expressed their wish to speed up the formation of a government before July 14," the deadline for parliament to hold its first session. U.S. Ambassador Christopher Hill told reporters that the bargaining remained at a "preliminary stage" but that he was encouraged all sides were still talking to each other constructively.

#### **Iraqi Politicians Upbeat On Government Talks**

July 02, 2010 Senior Iraqi politicians say a recent meeting between Prime Minister Nuri al-Maliki and his main election rival, former Prime Minister Ayad Allawi, has given a major push forward in ongoing talks on forming a new government, RFE/RL's Radio Free Iraq (RFI) reports. The two met June 29 for only the second time since the inconclusive March 7 elections. Allawi's Iraqiyah bloc won the largest number of seats in the new parliament. But the country's two largest Shi'ite electoral blocs -- Maliki's State of Law coalition and the Iraqi National Alliance -- said in May they were forming an alliance with the aim of forming a government. Politicians who spoke to RFI spoke of two potential breakthroughs emerging from this week's talks. Senior Iraqiyah member Jamal al-Battikh said State of Law proposed that it retain the premiership, while Iraqiyah fill the posts of speaker of parliament and president. Battikh added that the proposal will have a good chance of being accepted if a consensus is reached between the major

factions on all other issues. Abdel Hadi al Hassani, a leading member of the recently launched coalition between the State of Law and the Iraqi National Alliance, said that when the parliament convenes within the next 14 days the two Shi'ite blocs will have agreed on a single nominee for prime minister to present to the legislature. He said the other blocs are expected to nominate their candidates for speaker of parliament and president. A mutually acceptable nominee for prime minister has been the main bone of contention between the Sadrists, who are the biggest faction within the Iraqi National Alliance, and the State of Law coalition. Alia Nusayif al Jassim, a senior official in Iraqiyah, told RFI that encouraged by the common grounds reached between Maliki and Allawi, the two leaders have instructed their negotiating teams to speed up talks toward an agreement that will end the deadlock. Izzet al Shahdandar, a leading State of Law member, told RFI that the meeting is a step that will go a long way toward breaking the deadlock and prompt the respective factions to meet the deadlines laid down by the constitution to form a functioning government. Analyst and legal expert Tariq Harb told RFI that talks between the factions are no longer focused on who will be nominated to form a new government. Rather, he said, they are aimed at a package deal that includes all three heads of the legislative and executive branches -- speaker of parliament, president, and prime minister.

#### **Iraq's newly formed 'Electricity Party'**

Azzaman, July 3, 2010 It is almost impossible to unite Iraqis under one banner and one political party. But this does not mean Iraqis cannot have a unanimous voice. Underneath their disparate opinions, divisive viewpoints and difficulties, there are potential forces that bring them together. This unity relates to Iraqis' awareness that they are under oppression and that their government and the residues the U.S. and its former administrator Paul Bremer left behind are all mired in corruption, and that their public services and utilities, despite promises and massive investments, are still worse than the time of former leader Saddam Hussein. This unity regarding their worsening conditions is stronger than any faction, sect or group in the 'new' and 'democratic' Iraq. This unity is a new party that is in the phase of creation and is rising from the corners of oppression, poverty, starvation, displacement, torture, corruption, abduction and rape. This is the poor's party, the party of Iraqis eager to have services that are suitable for human beings. Can we call the new creation 'the Electricity Party' which hopefully will take Iraqis out of their predicament, out of their quagmire of silence. Iraq is torn by oppression and anger. Poverty is rampant and severer than any other part of the world. The corruption of its rulers and those holding the rein of power and meddling in the Iraqis' bread and butter is so disgraceful that it has turned into a stigma of shame not only for the country but the world at large. Look at Iraqi children and babies and the reports about their being exposed to banned weapons and white phosphorus. What about late night knocks on the door which instill fear into peaceful families. They commit horrible crimes under the pretext of combating terrorism. And what about the warring political factions who, in their struggle for power, shed the blood of innocent people with total impunity. This is the picture of the fires of hell which the Iraqis have been suffering from since the 2003-U.S. invasion. And as if this is not enough. The whole country is out electricity apart from the Provinces of Arbil and Sulaimaniya as well as the Green Zone. Will the U.S. and Iraqi engineering effort be ever directed to repair the national grid? Will the rampant corruption allow such effort to be exerted? The situation is bitter and disgraceful. The

solace we have is the latest spontaneous uprising by poor Iraqis protesting lack of electricity. Iraqis are right to call for international supervision over their national grid. It is indeed logical to call for national observers to supervise the electricity file and audit the funds and companies involved in it. Iraqis are tired of pretexts and excuses for their government's drastic failure to meet their basic needs and improve their public utilities.

### **Iraq power outages provoke protests**

Iraq's electricity minister has offered to resign following three days of angry demonstrations against severe power shortages in southern Iraq. "I am ready to do whatever the prime minister wants me to do in order to serve the Iraqi people," Kareem Waheed said on state television on Monday. The announcement came hours after a large rally in Nasiriyah, the capital of Dhi Qar province, where riot police used water cannons to disperse a crowd outside the provincial government building. More than a dozen police officers were wounded during the protest. A small group of demonstrators also staged a sit-in outside the provincial government building in the city of Basra. Many parts of southern Iraq receive just six hours of electricity per day, and tempers have flared as an early-summer heat wave in the Gulf pushes temperatures above 50 degrees Celsius.

**Public anger** Monday's protests follow a smaller demonstration in Nasiriyah on Sunday, and a large protest in Basra on Saturday, where one person was killed. Thousands of protesters surrounded the municipal government building during Saturday's rally, some throwing rocks and empty bottles. They were demanding resignation of Kareem Waheed, Iraq's electricity minister. Iraqi security forces responded by shooting at the protesters. The electricity shortages have reflected poorly on al-Maliki's government [AFP] Musab al-Mudaris, a spokesman for Iraq's electricity ministry, blamed the power outages on local officials. Nouri al-Maliki, the Iraqi prime minister, sent a delegation to Basra to discuss the electricity shortages with local officials. Tariq al-Hashemi, Iraq's vice-president, spoke with Waheed on Sunday and asked him to take "serious steps" to improve the electricity situation. Some of the protesters in Basra on Saturday chanted slogans against al-Maliki. His government has been widely criticised for failing to improve basic services in Iraq. Power outages are common across the country, and one in four Iraqis still lack access to safe drinking water, according to the International Committee of the Red Cross. Hoshyar Zebari, Iraq's foreign minister, said that the protests showed rising public anger over the government's failings. "People are tired of a lack of services, lack of action, and all this debate on television about government formation and positions. The public sense is one of anger and tiredness," he said.

**Greater autonomy** Jabber Amin, the head of Basra's provincial council, said on Monday that he would push for greater autonomy from Iraq's central government. Amin said an autonomous zone would allow Basra's government to "improve the services provided to citizens". Amin said "a majority" of members of Basra's provincial council support the idea. The Iraqi constitution allows one or more provinces to form autonomous regions following a referendum. The Kurdistan region - comprising Duhok, Erbil and Sulaymaniyah provinces - is currently the only such region in Iraq. Local officials in Basra have pushed for autonomy before. The provincial government tried to schedule a referendum in 2009, but could not gather enough signatures on the required petition. The central government in Baghdad did not immediately respond to Amin's statement.

### **Biden Tells Iraq to Form Gov't Months After Poll**

US Vice President Joe Biden started a final push on Monday to persuade Iraq's squabbling leaders to end their differences and form a government months after elections ushered in political deadlock. Biden, on the third and final day of a visit to Baghdad, was to hold talks with the war-torn country's President Jalal Talabani, after urging top politicians to "honour the trust" shown in them by Iraqi voters. The US leader made his comments late Sunday after meetings with the two men whose feud over who as prime minister should lead Iraq's new government has stymied efforts to advance its fledgling democracy. Biden stressed Washington had no "hidden agenda" over the outcome of the dispute which has overshadowed a phased withdrawal of US combat troops after seven years of operations since the 2003 invasion that toppled Saddam Hussein. He met first with Iyad Allawi, a former prime minister who narrowly beat incumbent premier Nuri al-Maliki into second place in the March 7 election. At an evening reception after the talks, the US leader appealed to them and other politicians to break the impasse. "My plea to you is finish what you started," Biden said in a speech that was quickly followed by several mortars landing in the Green Zone where the US embassy is based. "In my humble opinion, in order for you to achieve your goals you must have all communities' voices represented in this new government, proportionately. "Iraqiya, State of Law, Iraqi National Alliance, the Kurdistan Alliance, all are going to have to play a meaningful role in this new government for it to work," he said, referring to the country's major political blocs. Allawi, a Shiite, insists as the election's narrow victor that he has the right to become premier, especially as his broadly secular Iraqiya coalition had strong backing in Sunni-dominated provinces. He has also warned a failure to see Sunni voters' properly represented in power could reignite the sectarian violence that saw tens of thousands killed. A long period of relative calm has already been shattered in Anbar province, whose capital Ramadi was the scene of a suicide bombing on Sunday that killed at least four people and wounded 23 outside government offices. Biden stressed real progress on hammering out a government could only be made if leaders put the national interest before all others. "Subordinating individual interest is fundamental to the success of any nation," he said. "You should not, and I am sure you will not, let any state, or the United States or any state in the region dictate what will become of you all." Biden's remarks came just hours after the firebrand Shiite cleric Moqtada Sadr called on Iraqi leaders not to be swayed by the United States. "I advise Allawi and Maliki not to allow the occupier to intervene," said Sadr, whose militia, the Mahdi Army, has repeatedly clashed with US forces since the invasion.

"The talks should ensure the Iraqi agenda, not the American agenda," the Iran-based cleric said in a statement issued from his office in the holy city of Najaf in central Iraq. Several hundred of Sadr's supporters held a protest in Kufa, also central Iraq, against Biden's visit. A senior US administration official travelling with Biden, said the vice president had delivered a consistent message in his talks with Allawi and Maliki. "We are not disengaging from Iraq, our engagement is changing. We are moving from a military lead to a civilian lead," said the aide, speaking on condition of anonymity. "He (Biden) made it very clear that we have no candidates, we have no preferred outcomes. There was no discussion of an American plan for Iraq because there isn't one." There are currently 77,500 American soldiers in Iraq but all combat troops are due out by September 1, leaving the training and advisory force of 50,000 behind who are themselves scheduled to withdraw by December 2011.

## **Geo strategic front**

### **Iraq Seeks Investors To Build \$23 Billion In Refineries**

June 26, 2010 Iraq's oil minister has said his country is seeking investors to help build four oil refineries at an estimated cost of \$23 billion. Hussain al-Shahristani said the total processing capacity of the planned refineries will be 740,000 barrels per day, although the specifics are still being studied. The four refineries would significantly increase Iraq's capacity after years of war and sanctions. Iraq's 11 refineries process about 550,000 barrels a day.

### **Jordan Pledges Support For Iraq**

June 27, 2010 King Abdullah II has assured Iraqi President Jalal Talabani of Jordan's "full support" for efforts that seek to "maintain Iraq's security and stability." A royal court statement on June 27 said Abdullah and Talabani also discussed developments in the Middle East and stressed the need for coming up with "pan-Arab attitudes for addressing common challenges." The talks were held during a surprise visit to Jordan by Talabani. Iraq has yet to form a new government as the country's March elections produced months of political deadlock.

## **Economic front**

### **Government fears Iraqis' anger over power shortages**

Azzaman, June 27, 2010 The risk the Iraqi government faces may no longer be linked to al-Qaeda or armed groups opposed to the presence of U.S. occupation troops in the country. The risk now comes from the Iraqi people themselves. And where from? From its powerbase – southern Iraq with its predominant Shiite majority. Impatience with the lack of decent public services, particularly electricity, has forced Iraqis in the south to rise against a government they voted into power four years ago. The deadly protests have swept many cities. Despite the violent way government security forces have dealt with the protesters – at least two people have been killed and many others wounded – there is no indication that Iraqis would from now on accept their worsening conditions. What has alarmed the authorities and the U.S. occupiers have been shouts and slogans in which some protesters publicly testified that conditions were better under the deposed regime of Saddam Hussein. Nearly eight years after the 2003-U.S. invasion, the situation in Iraq looks as bleak as ever. Shortages of electricity amid scorching heat have been too much for Iraqis to bear. Water supplies and health services have not improved since the invasion despite massive hard cash earnings from oil sales. The government has accepted the resignation of electricity minister, Karim Wheed, and promised to increase allocations for the ailing power sector. But there are only a few who believe what the government says. Many see the minister's resignation as part of a failed strategy to allow Iraqis vent their anger at a specific individual rather than the system itself.

### **'Electricity' Protests reach Iraq's restive Province of Diyala**

Azzaman, June 28, 2010 Anti-government demonstrations have spread to pre-dominantly Sunni areas such the restive Province of Diyala of which Baaquba is the capital. The protesters demand better public services and utilities and have vented their anger at the

Ministry of Electricity for failing to deliver on promises to improve power supplies. The Electricity Minister has already stepped down. Violent protests started in Basra and swept across the predominantly Shiite south. Power shortages have worsened recently with Iraqis barely having two hours of uninterrupted supplies from the national grid. Government troops and security forces used live ammunition to disperse the protesters in the south. Several people were killed and injured. In Diyala, the troops imposed a curfew on the city and intensified security at government and military buildings and offices. Meantime, demonstrations have continued in southern Iraq, particularly in the Province of Babel, where the protesters openly called for the resignation of the government of Prime Minister Nouri al-Maliki. Maliki's Dawa (calling) party is now an estranged and alienated faction among the Shiites. Police are said to have increased their presence at the party's headquarters in the south. There are fears of the protests spreading to the capital Baghdad. The Operations Command in the Iraqi capital has said that it will take "legal measures" against anyone demonstrating.

### **Priceless relief stolen from Assyrian palace found**

Azzaman, June 30, 2010 Iraqi police have found a portion of a magnificent relief that was stolen from an Assyrian palace in the ruins of ancient Nineveh close to Mosul. "This is an original piece which belongs to the palace of Sennacherib near (modern) Mosul," said head of the antiquities office in the Province of Nineveh of which Mosul is the capital. Karim Ismael said the piece, which he described as "priceless", was on its way to be smuggled abroad despite its massive weight of more than 250 kilograms. Sennacherib initiated massive building projects in Nineveh, creating the largest city at the time. The remains of his fabulous palaces still distinguished by two major mounds of Kojunjik and Nebi Yunus, are among Iraq's most attractive ancient landmarks. His building projects at Kojunjik, which situated almost in the heart of modern Mosul, has been excavated extensively. The digs have revealed massive statues and slabs with beautiful reliefs depicting Sennacherib's achievements and victories. Ismael said the smugglers had removed the best part of one of the reliefs still on show at Kojunjik and were about to ship it abroad. "We thank the security forces for their efforts," he said. The mound of Kojunjik was turned into a site museum to display the greatness of Assyria. It was very well protected and taken care of before the 2003-U.S. invasion. Antiquities officials say the mound has attracted droves of illegal diggers and many of the artifacts on show there have disappeared. The Assyrians had three more capitals besides Nineveh. Nimrud, a few kilometers south of Mosul was the empire's military capital, where scientists have harvested some of Mesopotamia's richest antiquities.

Nimrud was also turned into a big site museum adorned with relief slabs and statues of marble, but the place is said to be in shambles now. Left unprotected is Ashur, Assyria's religious capital, close to the Iraqi district of Shirqat, which is part of Nineveh Province. Ashur had a site museum with thousands of artifacts, most of them were stolen in the 2003-U.S. invasion aftermath. Without proper protection, many of its artifacts are reported to have been stolen or disfigured. Asked about the remains of Assyria, most of them located within the administrative borders of Nineveh Province, Ismael said, "Protection, surveys and care were possible prior to 2003. But after this year, acts of theft, smuggling and illegal digging soared." He said there were about 6,000 ancient mounds in the province of Nineveh and that it was extremely difficult to protect them.

### **Housing tops Iraq's priorities in next five-year development plan**

Azzaman, July 1, 2010 Under Iraq's next five-year development plan two million housing units will have to be built in the country, a senior government official has said. Anwar Jameel, a director-general at Iraq's Housing and Reconstruction Ministry, said the details of the 2010-2014 development plan will be announced on Sunday. "The plan includes the implementation of projects to solve the housing crisis by building about two million housing units," Jameel, who heads the ministry's Planning, construction and housing department, said. She said the ministry with its nearly 14,000 employees is currently in charge of constructing scores of housing projects across the country. Jameel did not say how much the two million housing units will cost and the amount of money Iraq intends to allocate for development in the next five-years. Apart from housing, the ministry is in charge of roads, bridges and public buildings. The ministry's 12 state-owned firms were the construction and building arm of the former regime of Saddam Hussein.

The ministry's building was burned and looted shortly after the 2003-U.S. invasion. So were the offices of its 12 companies along with their equipment and machines.

### **Social front**

#### **Petraeus Says Afghan Security Situation 'Tenuous'**

General David Petraeus has warned U.S. lawmakers that Afghanistan's security situation is "tenuous." U.S. President Barack Obama nominated Petraeus to command U.S. and NATO-led forces in Afghanistan after the former commander, General Stanley McChrystal, was dismissed last week. McChrystal was recalled to Washington after criticizing top U.S. officials in a magazine article, and has since announced his retirement from the U.S. Army. Petraeus, who previously led the U.S. war in Iraq, told lawmakers during Senate confirmation hearings in Washington today that the offensive in southern Afghanistan was decisive. "We are now increasing our focus on Kandahar Province, an area of considerable importance to the Taliban. We are working hard to ensure that our operations there are based on a strong, integrated, civil-military, and Afghan-international approach to security, governance, and development," Petraeus said. "So-called shaping operations, including a high tempo of targeted special forces operations, have been ongoing for some months." Petraeus also said he would review the military's rules of engagement, which have come under intense criticism amid rising civilian casualties in Afghanistan, and voiced support for Obama's plan to begin withdrawing troops from Afghanistan in July 2011.

#### **No information yet on 52,000 Iraqis who went missing in first Gulf War**

Azzaman, July 2, 2010 Iraqi authorities have not heard about the fate of 52,000 soldiers who were reported missing in the 1980-1988 Gulf War with Iran, a cabinet minister said. Human Rights Minister Wujdan Michael said she was working on a memorandum with the Iranian authorities for help on their whereabouts or at least the return of their remains if they were killed in action. "Last year we received the remains of 200 of our soldiers from Iraq. We handed back the remains of 400 of their own soldiers," she said. Michael ministry's work is probably among the most difficult in Iraq. The ministry's writ is not confined to the Iraqis who went missing in the Gulf War with Iran only. The ministry deals with hundreds of thousands of Iraqi who went missing in the wars the former

regime Saddam Hussein waged and in his nearly three decade-rule of terror. The minister said Kuwait had delivered to Iraq remains of nine Iraqi soldiers and Saudi Arabia the remains of 53 others. However, she said work on the fate of missing Iraqis was extremely hard as the battle scenes of the war with Iraq are still dotted with landmines.

### **Petraeus Says Afghan Security Situation 'Tenuous'**

General David Petraeus has warned U.S. lawmakers that Afghanistan's security situation is "tenuous." U.S. President Barack Obama nominated Petraeus to command U.S. and NATO-led forces in Afghanistan after the former commander, General Stanley McChrystal, was dismissed last week. McChrystal was recalled to Washington after criticizing top U.S. officials in a magazine article, and has since announced his retirement from the U.S. Army. Petraeus, who previously led the U.S. war in Iraq, told lawmakers during Senate confirmation hearings in Washington today that the offensive in southern Afghanistan was decisive. "We are now increasing our focus on Kandahar Province, an area of considerable importance to the Taliban. We are working hard to ensure that our operations there are based on a strong, integrated, civil-military, and Afghan-international approach to security, governance, and development," Petraeus said. "So-called shaping operations, including a high tempo of targeted special forces operations, have been ongoing for some months." Petraeus also said he would review the military's rules of engagement, which have come under intense criticism amid rising civilian casualties in Afghanistan, and voiced support for Obama's plan to begin withdrawing troops from Afghanistan in July 2011.

### **No information yet on 52,000 Iraqis who went missing in first Gulf War**

Azzaman, July 2, 2010 Iraqi authorities have not heard about the fate of 52,000 soldiers who were reported missing in the 1980-1988 Gulf War with Iran, a cabinet minister said. Human Rights Minister Wujdan Michael said she was working on a memorandum with the Iranian authorities for help on their whereabouts or at least the return of their remains if they were killed in action. "Last year we received the remains of 200 of our soldiers from Iraq. We handed back the remains of 400 of their own soldiers," she said. Michael ministry's work is probably among the most difficult in Iraq. The ministry's writ is not confined to the Iraqis who went missing in the Gulf War with Iran only. The ministry deals with hundreds of thousands of Iraqi who went missing in the wars the former regime Saddam Hussein waged and in his nearly three decade-rule of terror. The minister said Kuwait had delivered to Iraq remains of nine Iraqi soldiers and Saudi Arabia the remains of 53 others. However, she said work on the fate of missing Iraqis was extremely hard as the battle scenes of the war with Iraq are still dotted with landmines.

### **Lebanon**

#### **Political front**

#### **Geo strategic front**

### **Hariri calls for national unity on granting rights to Palestinians**

"There are humanitarian, social and ethical duties, and the Lebanese state should assume the responsibility of providing them to the Palestinian brothers," Prime Minister Saad

Hariri said Tuesday. "Lebanon will not dodge these duties, which must be crystal-clear, and not be subject to any misinterpretation." Calling for national unity on the issue, the Prime Minister went on to express his commitment to obtaining a cross-party agreement in exchange for security cooperation from various Palestinian factions, responsible for upholding law and order in the country's 12 refugee camps. Hariri made the comments at a press conference held at Grand Serail to mark the publication of the latest Lebanese – Palestinian Dialogue Committee (LPDC) report, "Lebanon and Palestinian Refugees: Policy Foundations and Milestones 2005-2009." The LPDC initiative – started in 2005 by former Premier Fouad Siniora who was also present at the event – is tasked with assessing the living conditions of Palestinian refugees and influencing the government's handling of the refugee crisis. It is advocating an action plan to address security concerns and improve social and economic access for Palestinians. "Symbols and slogans are not enough, we must turn them into reality," said Maya Majzoub, the recently appointed LPDC president. The comments come hot on the heels of big pro-human-rights demonstrations which took place in Beirut, Sunday. Thousands of people protested outside of the UN headquarters calling for the government to adopt legislation granting Palestinians the right to work and own property. Progressive Socialist Party leader MP Walid Jumblatt, introduced a draft parliamentary bill on the issue earlier this month. The legal amendments were rejected by a coalition of Christian parties fearful that granting civil rights will be the first step to obtaining full political privileges. Parliament is set to discuss the issue again on July 5. Hariri has openly rejected the granting of citizenship. "In Lebanon's duties toward the Palestinians there is no window of naturalization," he said. Abdallah Abdallah, the Palestinian ambassador to Lebanon, joined in denying any intent to obtain political rights or gaining access to state-funded social services. "What the Palestinians want is the right to work like any other foreign nationals," he said. "There are 136,000 permits for non-Lebanese in Lebanon but there are only 261 work permits for Palestinians. "The responsibility for the Palestinian refugees rests with the UN as it also has a political dimension." The UN Relief and Work Agency for Palestinians in the Near East (UNRWA) is officially responsible for providing basic services, such as health and education, to Palestinian refugees. There are some 400,000 UN-registered refugees in Lebanon, although government sources have now put this figure closer to 250,000. UNRWA is suffering from a major funding crisis and currently boats a \$103 million deficit in its operating budget, putting the provision of vital services at risk. The organization is also tasked with the reconstruction of Nahr al-Bared camp, which was totally destroyed in 2007 when clashes broke out between extremist group Fatah al-Islam and Lebanese Armed Forces. Finding a solution which jointly addresses the humanitarian and security concerns of the population is seen as a top national priority. "If we fail to find an answer to these fundamental issues the reconstruction will be in vain and we will have collectively failed to offer an alternative model of prosperity and legitimacy," said Salvatore Lombardo, director for UNRWA's Lebanon affairs. Hariri, who won praise from Lombardo for his personal involvement with the LPDC, also stressed the need to rebuild the camp as a vital confidence-boosting measure. The pair are collaborating to increase international support and funding for Palestinian refugees. "The international community has to bear also the responsibility that those Palestinians will have the right to go back to their homeland: Palestine, with Jerusalem as its capital," Hariri told the gathered ambassadors and international organization heads in

English.” “[If not] all of us in this region will pay the price and all of you around the world will pay the price.” The international community, in principle, remains committed to the lasting resolution of the Palestinian question by March 2012. The Israeli Foreign Minister, Avigdor Lieberman, however on Tuesday publicly dismissed this deadline. “I do not see any chance of a Palestinian state arising by 2012,” he said.

### **Washington for Disarmament of Militias, Demarcation of Border with Syria**

A U.S. official said that Washington was committed to consolidate Lebanese state institutions to build peace and stability in Lebanon and reiterated support for the demarcation of the border with Syria. The official also told As Safir newspaper's correspondent in Washington that the Obama administration wasn't informed by the Israeli government about a possible pullout from the northern part of the border village of Ghajar. He reiterated U.S. and international community support for the implementation of Security Council resolutions 1559, 1680 and 1701 "including the disarmament of militias, the demarcation of the Lebanese-Syrian border and the deployment of Lebanese Armed Forces across Lebanon." The official told As Safir that the U.S. backs UNIFIL's operations. He also touched on the issue of the Special Tribunal for Lebanon, saying "we are sure that it would continue its productive and professional work." "The court is a clear sign that Lebanon's sovereignty is not up for discussion," he said. About Hizbullah, the official reiterated that U.S. policy towards the Shiite group is clear: "We won't deal with Hizbullah or any other terrorist organization and we don't distinguish between its military and political wings." Hizbullah's arms still constitute a big danger on Lebanon's stability and the region, he said. The U.S. official also said that U.S. assistance to the Lebanese army and the Internal Security Forces since 2006 have reached \$600 million. Such assistance was "out of conviction that the Lebanese people only need the army and police to protect them and that militia activities risk more violence inside Lebanon and with Lebanon's neighbors." Hariri Reiterates Commitment to Equal Christian-Muslim Powersharing, Tells NDU Graduates They're Lebanon's 'Real Oil' Prime Minister Saad Hariri on Friday reiterated commitment to equal Christian-Muslim powersharing in Lebanon "embodied in the Taef Accord and which always makes Lebanon as we want it to be." Speaking at a graduation ceremony at Notre Dame University (NDU), Hariri told the graduates: "We want you to stay in our land, your land, in our homeland. We want you to use all your knowledge, creativity, energy to benefit the economy of Lebanon and not any other economy." "The ongoing discussions today about the oil draft law and the exploration projects of this oil, prompts me to tell you proudly that you are the real oil of Lebanon. Your minds, thoughts, ambitions and dreams are our inexhaustible oil. Express yourself in your community and in your economy. Express yourself in the great land of Lebanon and everyone will see the precious metal we are made of and they will see the rare oil we are talking about," the premier added. Hariri called for preserving the "unique formula and unique message" of Lebanon. "The message of moderation and of coexistence between Christians and Muslims, the message of dialogue, reason and education embodied in the educational establishment, like this university, the message of individual, public, intellectual, religious and political freedom."

### **Baroud Promises State Action but Admits to State Negligence in Fighting Drug Use**

Interior Minister Ziad Baroud has admitted to negligence in fighting drug use in the country but vowed to combat drug traffickers as a "state duty towards its citizens. "During a dinner hosted in Jbeil by a drug rehabilitation center, Baroud said that such centers and other non-governmental organizations were more active than the state in creating citizen awareness on the issue. "As an official in the Lebanese state, I tell you that there is a chronic negligence by the state," he told the NGOs. "The rehabilitation centers that you are establishing are the state's responsibility in the first place."

While saying that drug trafficking and abuse was a challenge that goes beyond the Lebanese border, Baroud said the interior ministry will not back off from attempts to fight such a phenomenon.

### **LaHood: I Look Forward for Sfeir's Advice on Lebanon**

U.S. Transportation Secretary Ray LaHood said on Saturday that he always looked forward for advice from Maronite Patriarch Nasrallah Sfeir over the situation in Lebanon. Following talks with Sfeir in Bkirki, LaHood said the patriarch is a wonderful friend. He told reporters that it was good to meet with Sfeir and know that he is in good health. "He is interested in what we are doing during our visit to Lebanon," LaHood said about Sfeir.

### **Economic front**

#### **Lebanese banks are now operating in over 10 Middle East countries.**

Torbey added that the cost of deposits was also high for the banks, especially since the interest rates over the past two years fell from 13 percent to 8.5 percent on average. "This was combined with higher taxes and fees on citizens and institutions, and this was coupled with a drop in government investment in infrastructure," he said. Torbey said banks and the private sector were willing to help finance some of the major projects to relieve some of the government's financial burdens. Cabinet recently approved the 2010 draft budget which calls for a partnership between the private and public sectors. Torbey said banks were now offering more housing loans to middle and lower-income families in Lebanon – The Daily Star

#### **Commercial banks still major holders of T-Bills**

Debt and Debt Markets, a quarterly bulletin released by the Lebanese Finance Ministry, revealed that up until the end of March 2010 commercial banks remained the major holder of local currency T-Bill subscriptions, while the lion's share of foreign currency debt continued to be in the form of market-issued Eurobonds. The report was published by Bank Audi Weekly Monitor. Highlights in the Lebanese debt market in the first quarter include the continuous downward trend in primary market rates on Treasury bills and notes across all maturities. The largest fall in rates was seen for the 60-month Treasury Notes with rates that fell by 36 basis points since year-end of 2009 to reach 7.38 percent. The rate of the 24-month instrument went down by 28 basis points during the same period reaching 6.04 percent. The yield of 36-month Treasury Notes fell to 6.86 percent, 24 basis points lower than at end-2009. Also, on March 9, 2010, Lebanon issued a 10-year \$1.2 billion Eurobond at par with a coupon of 6.375 percent. The deal was substantially oversubscribed reflecting strong domestic demand and quality demand from international investors. International orders accounted for 30 percent of subscriptions.

The lead managers for the transaction were BNP Paribas, BLOM Bank SAL, and Fransinvest Bank SAL. – The Daily Star

### **elecom Ministry to prohibit commercial use of voice-over-IP**

Institution Cites revenue losses as Justification for planned move: The Telecommunication Ministry intends to end the use of voice-over-IP (VoIP) from personal computers to land-line telephones because the practice is depriving the treasury of badly needed income. “Telecommunications Minister Charbel Nahas will not prevent individuals from using VoIP in Lebanon but only those using this service for commercial purposes will be stopped,” said an IT adviser at the Telecoms Ministry on Wednesday. “The ministry is targeting those who sell this service because only the Lebanese government has the right to use it for commercial purposes,” IT adviser Mahmoud Haidar told The Daily Star. VoIP is a general term for a family of transmission technologies for delivering voice communications over IP networks such as the Internet or other packet-switched networks. The Telecoms Ministry issued on June 9 a statement saying it was aiming to fight the illegal use of VoIP, adding that the government generates \$150-million yearly from international calls, revenues which VoIP affects severely. “Revenues generated by international calls are considered to be a great support to the treasury with the presence of a high public debt in Lebanon,” the statement said. It added that the general directorate of investment and maintenance at the Telecoms Ministry established a technical center to control and fight the use of VoIP because it goes against Lebanon’s 2002 telecom laws. “The use of VoIP is also against the treaty that was previously signed between the Lebanese Presidency and the International Telecommunication Union which considers that this service is not allowed on the Lebanese territories,” the statement said. Consequently, and following the statement issued by the ministry, hundreds of Lebanese signed an online petition on June 20 objecting to the restrictions imposed by the ministry. The petition stated that the VoIP technology has allowed Lebanese expatriates, immigrants, and students abroad to maintain family ties and uphold family values. It said that perhaps there are benefits to be reaped from banning these networks, but they are only short-term. “Banning these networks will, in the long term, only be detrimental to our sense of belonging to our friends and families, and ultimately to our home country, Lebanon: we will communicate less, share less, and, gradually, lose touch,” it added. But Haidar said that only those who were using the PC-to-Phone service were going to be stopped, while people using the PC-to-PC service would keep on using it freely. “A few days ago Skype users connecting from PC to PC witnessed cuts in their lines,” he said. “However, when Nahas reviewed the whole issue, he gave permission to allow the usage of the PC-to-PC service by individuals and only to prevent the PC-to-Phone service.” This was also mentioned in the statement issued by the Telecommunications Ministry on June 9 stating that it would not prevent the use of the service from PC to PC. Haidar said that the Lebanese government owns advanced software that allows it to keep track of all the outgoing calls in order to identify whether they were being made from PCs or from regular telephones. “Following the decision made by Minister Nahas, the PC-to-Phone service decreased at a certain rate,” he said. “We do not know yet how much it decreased exactly.” Meanwhile, IT expert Amer Tabesh said that Internet Services Providers do not usually provide high upload speeds in order to minimize the use of VoIP. “If you subscribe to ADSL with a download speed of 512 kbps (kilobits per second) you get an

upload speed of only 128 kbps in return,” he said. Regarding the establishment of fiber optics in Lebanon, Haidar said the tender documents for this project would be ready during the few coming days or weeks, and then the implementation phase would start which will provide businesses and individuals with high internet speeds at low costs.

### **Industrial machinery sees rise in imports**

According to Industry Ministry statistics, imports of industrial machinery, which mirror the activity of investments made in the industrial sector, amounted to \$77.1 million in the first four months of 2010, up by 7.2 percent from the same period of 2009. The value of imports of industrial machinery reached a record high when compared to the first four months of the previous years, indicating an upsurge in industrial activity or plans to intensify industrial activity in the country. On a monthly basis, imports of industrial machinery were valued at \$19.2 million during April 2010, rising by 7.5 percent relative to the same month of the previous year. When compared to the previous month though, they fell by 7.7 percent. But it is worth noting that so far almost every month in 2010, except for March, witnessed a year-on-year rise in imports of industrial machinery. The distribution of imported industrial machinery by country of origin in the first four months of 2010 reveals that Italy was the largest exporter of industrial machinery to Lebanon –  
The Daily Star

### **EU, Lebanon open Tripoli, Mechmech waste plants**

The Office of the Minister of State for Administrative Reform (OMSAR) and the Union of Municipalities in Tripoli and the Municipality of Mechmech, in collaboration with the EU delegation laid the cornerstones of two state-of-the-art solid-waste management plants in the Tripoli and Akkar regions, on Tuesday. A grant of 14.2 million euros has been poured into this project by the EU; meanwhile the Lebanese Cabinet has also decided to allocate part of the national budget for the future maintenance of this project, making this a joint EU-Lebanon endeavor. “What we are building now will still be functioning in coming years as it [maintenance] is being funded by the Lebanese side as well” said an EU delegation official. The facility in Tripoli will manage 150 tons of waste per day while the Mechmech facility will handle 8 tons per day. Both facilities are expected to be completed within 15 months. These two projects are part of a long-term, larger project which will include the construction of other similar facilities in the Chouf, Ansar, Tyre, Khiam, Abassieh, Baalbeck, and Minieh, said Rola Kabbani of OMSAR. Composting of organic waste will also take place in the facilities in the Chouf, Ansaar, Tyre, Khiam, Baalbeck, and Nabatiyeh. Awareness campaigns on proper waste-sorting methods to the general public will also be held. The project will also include the distribution of 13, 663 waste bins to the above regions as well as 52 garbage trucks. Ceremonies were held in both Tripoli and the village of Mechmech (where the Akkar facility will be built). In Mechmech, residents welcomed the EU delegation and Lebanese officials by throwing rice at their vehicles in celebration of their arrival. Notable speakers at the events were Minister of State for Administrative Reform Mohammad Fneish from OMSAR, and Patrick Laurent, ambassador of the EU delegation in Lebanon, as well as the mayors of both municipalities, respectively. In his speech, Laurent stressed the need for these facilities as a means to target the dangerous pollution levels and climate change in Lebanon. “Personally, I am very worried about Lebanon on this subject,” said Laurent. In a comment to The Daily Star, Laurent added that the current “lack of infrastructure [for solid-waste treatment] is appalling.” The current situation in Lebanon generally

involves the use of landfills and waste “dumps” where waste is piled on and compacted into the ground. When not in landfills, solid waste can often be found in the sea, in rivers, or in lakes. Due to geographic proximity, any drastic geological issues that occur in Lebanon would affect the European environment as well, said an official from the EU delegation. Laurent added that as a result “this is not a charity to Lebanon; this is assistance” as part of a global environment concern. Fneish stressed in his speech the importance for all Lebanese to work together to conserve Lebanon’s national resources. “Particularly in this regard, each citizen has the possibility and even the duty to contribute to the protection of the environment,” said Laurent in his speech as well.

#### **New electricity plan promises to end power rationing in 2014**

Will the Lebanese bid farewell to the two-decade-long power rationing in 2014? According to the ambitious plan submitted by Energy and Water Minister Jebran Bassil, the answer is yes. Bassil, under scrutiny from both critics and political opponents, is trying to prove that solving the power crisis is not impossible and if there is a will and above all hard cash then the Lebanese will see their houses lit up 24 hours a day. But the minister was reluctant to confirm that the electricity problem would really be solved four years from now. “Only tangible results will show whether this plan will materialize. If there is a political will then we will see 24 hours of electricity few years from now,” Bassil said earlier. This point made by Bassil seems to reflect the hard and bitter reality in Lebanon, where rival politicians bicker over every plan to end the long-running electricity crisis. None of the plans submitted by successive energy ministers to solve the electricity problem have been implemented, despite being unveiled with great enthusiasm. At one point, the previous government of former Prime Minister Fouad Siniora openly called for the privatization of the sector, arguing that the state has neither the money nor the experience to invest in the construction of new power plants. However, this attempt to turn over the responsibility of running the power grid to the private sector ended in failure as the opposition parties and trade unions viciously fought Siniora’s drive to privatize the energy sector. Against this backdrop, Bassil decided to take the middle ground and persuaded both sides that the private sector could play a role in building the power stations, but without agreeing to literally sell them to private companies. This formula apparently pleased the divided Cabinet, which unanimously approved the minister’s plan. The plan calls for allocating \$4.870 billion to boost power production from 1,500 MW to 4,000 MW in 2014. Out of this \$4.870 billion, the state will spend \$1.550 billion, the private sector \$2.320 billion and the remaining \$1 billion will come in the form of soft loans from the donor countries. The plan calls for investing another \$1.650 billion in the long run so Lebanon can produce 5,000 MW of electricity. “If we provided 24 hours of electricity and raised slightly the bill on consumers then Electricite du Liban (EDL) will start making a profit for the first time instead of suffering constant deficit,” Bassil said. The report warned that if this plan were not adopted in full then the EDL would continue to bleed financially and total accumulated losses in 2015 would reach \$9.5 billion. The Finance Ministry indicated in a report released on Thursday that up until May of this year it transferred LL772 billion to EDL. “Transfers in January-May 2010 registered a level that is LL542 billion lower compared to the same period of 2009, which stood at LL1.347 trillion due to a drop in payments to Kuwait Petroleum Corporation and Algeria’s Sonatrach for fuel and gas purchases by LL523 billion,” the Finance Ministry said. It added that the other reason for the drop in

allocation was due to a decrease in debt service by LL19 billion. The plan also calls for investing in convertible energy or substitute energy such as wind run power mills and recycled trash. This alternative energy will produce nearly 12 percent of the total power generation in 2014. Bassil is banking on most of the new power plants running on gas either from a pipeline crossing into Syria or LNG that will be delivered to specialized ports in Lebanon. Chafic Abi Said, the former head of research at EDL, saw positive and negative points in Basil's plan. "The positive thing about the new plan is that it has dropped the idea of using coal to generate electricity and adopted the concept of natural gas instead. The other positive point is that the minister called for the amendment of article 486 of the electricity law and this indirectly means privatization of some of the utilities and also means that the state is no longer obliged to hire more people for EDL," Said told The Daily Star, adding that the government should set up a regulatory authority for the power sector. But Said was skeptical about the Bassil's ability to implement his plan by 2014. "The government will be obliged to make a tender and a book of conditions for the companies that will take part in the construction of new power plants. This process alone will take more than 18 months if the intentions are true," he said. Said added that experience showed companies and the government never meet the deadline for the construction of new power stations. "I think it will take more than four years to build one power plant in Lebanon. Good intentions are not good enough," he said. He also cast doubt on the government's ability to build renewable energy in a short period of time. "But I was glad that the Energy Ministry has encouraged the use of energy saving bulbs for households and investment in solar energy in houses," Said added. The expert underlined the need to speed up the creation of a regulatory authority for electricity and rejected the notion that the state can supervise the work of private companies that will run the power plants.

#### **NSSF to pay LL500 million to economic associations**

The Association of Lebanese Industrialists and the Labor Ministry agreed Thursday on a temporary plan that allows the National Social Security Fund (NSSF) to pay LL500 million within three months and up to LL1 billion during six months as part of its dues to economic associations. "We have agreed on a temporary solution and we are planning on solving this issue totally within a maximum of two years," said Labor Minister Boutros Harb. "We will be signing the temporary agreement with economic associations after submitting it to the NSSF board for studying." Harb said that officials are studying a new mechanism for paying back the dues of organizations which depends on paying a lump sum without going into bills details. "This will also allow us to pay fast the dues of organizations," he said. Harb assured that this is only a temporary solution because NSSF is currently not capable of paying back all of its dues to Lebanese people. "We are hoping to undertake major reforms in the NSSF as soon as possible," he said. Reforming the NSSF has been an item on the government's agenda for years, but the institutional rot has continued. A solution to the deep-rooted financial and administrative problems that have crippled the NSSF has proven to be elusive. – The Daily Star

#### **American pressure on Iran narrows options for debt-stricken UAE**

Ambiguity has long marked ties between the United Arab Emirates (UAE) and its powerful Gulf neighbor Iran. One UAE member, Abu Dhabi, has a prolonged territorial dispute with Iran, but this has rarely disrupted the hum of Iranian commerce with another emirate, Dubai. Those contradictions are becoming harder to sustain as the United States

and its European allies impose unilateral sanctions over Iran's nuclear policy that go well beyond new measures decreed by the UN Security Council on June 9. The UAE has begun curbing Dubai's lucrative, free-wheeling role as a trading and financial lifeline for Iran, a policy that could prove costly for the Islamic Republic – and for a Dubai economy already hit by debt woes and a burst property bubble. The UAE Central Bank has told financial institutions to freeze the accounts of 40 entities and an individual blacklisted by the United Nations for assisting Iran's nuclear or missile programs, a banking source in Abu Dhabi said on Monday. Mounting pressure from the United States, the UAE's main military ally and protector, may be one reason for the action. "Now when the sanctions have been passed, US focus has turned toward implementation of sanctions with a specific focus on EU and UAE trade with Iran," said Trita Parsi, an Iran expert and public policy scholar at the Woodrow Wilson Center. "While the arm-twisting has yielded some results, there is also a risk that in this specific phase, tensions between the US and its allies will increase over the Iran policy." Washington may have smoothed potential friction with the UAE by blessing the Gulf state's own nascent nuclear power plans. Exasperation with Iran's occupation of three Gulf islands claimed by Abu Dhabi also underlies the stricter UAE stance. "Abu Dhabi has been weighing down on Dubai to cut back on trade ties with Iran principally as a measure against that long-running sore," said Abu Dhabi-based economist Mohammad Shakeel. "Dubai inevitably finds itself caught in the middle, unable to resist Iranian trade exchanges but also unable to fend off pressure from its economically more powerful Emirati neighbor. "Tens of thousands of Iranians live in Dubai, many of them involved in a re-export trade to Iran which grew to \$5.8 billion last year as letters of credit from European banks dried up. "Inevitably any slowdown in trade between the two will hurt Iran but also crucially hurt Dubai," Shakeel said. The UAE has announced nothing publicly about how it is enforcing the latest UN sanctions – even Arab governments fearful of Iran are wary of showing enthusiasm for measures championed by Israel's principal ally, the United States. The Sunni-ruled Gulf states face a long-standing dilemma over Shiite Iran, whose regional clout gained an unintended boost from the 2003 US-led war against its former foe Iraq. "The Saudis in particular would dearly like to peg Iran's influence back across the region," said Shakeel, citing the popularity of Tehran's anti-US zeal and the implicit Iranian challenge to Saudi credentials as guardians of Islam. "On the other hand, no one, repeat no one, wants another war in the region," he said, arguing that political and diplomatic animosity toward Iran did not translate into any demand by Gulf Arabs for the Americans to attack their turbulent neighbor. The Saudi foreign minister has said sanctions won't work either in crimping Tehran's nuclear work which the West believes has military aims, not just the peaceful ones stated by Iran. The Gulf Arabs have few ready alternatives, but fret that harsher sanctions may only spur on Iranian muscle-flexing. "The Saudis are concerned that if you put more pressure on the Iranians they will play a more negative role, according to the Saudi definition, in the region – in Iraq, Lebanon and with the Palestinians," said Qatar-based analyst Mahjoob Zweiri. Instead, Saudi Arabia stresses the big picture, urging the United States to work harder for Israeli-Palestinian peace to reduce regional tensions, Islamist militancy and the appeal of non-Arab Iran as the defender of oppressed Arab and Muslims. Kevan Harris, an Iran analyst at Johns Hopkins University, said such Saudi arguments cut little ice in the US capital. "What seems obvious to most individuals living in the Middle East – that a peace settlement of any

stripe in the Palestinian territories would change the calculus in the region – is barely entertained as a serious strategy in Washington any longer.” US President Barack Obama and Saudi King Abdullah made no mention of Iran after their talks in Washington this week, focusing only on the need for Middle East peace. The Obama administration may in fact recognize some kind of link between Iran and the Israeli-Palestinian conflict, but simply lacks good options to achieve its goals on either. The Gulf Arab states, uneasily aware of the limits of US power in dealing with Iran, have to accommodate themselves somehow to the awkward but permanent reality on their doorsteps. “There is a reluctant acceptance that Iran will continue along its path of belligerence without too much concern about what its neighbors and others may think,” said Shakeel. “I do not think there is any coherent strategy on the part of the Gulf Arabs to put a brake on Iran’s aspirations.”

### **Tourism sector up in first five months of 2010**

Figures released by the Tourism Ministry indicate that the sector’s activity has grown during the first five months of 2010 compared to the same period last year. The number of tourists visiting Lebanon saw an annual increase of 28.6 percent during the aforementioned period of this year to reach 732,855 compared to 569,724 during the same period of 2009. This year-on-year progress sustains the significant rise in overall tourism activity throughout 2009 resulting from the stable political situation and the strong resilience of the Lebanese economy to the global financial crisis. Moreover, the number of tourists in the first five months of 2010 reached a record high when compared to the same period of previous years as the country initiates what is expected to be a historical tourism season. The distribution of tourists by origin in the first five months of 2010 indicates that the majority of visitors were from Arab countries with 41 percent of aggregate visitors, followed by visitors from Europe with 25 percent, visitors from Asia with 19 percent, visitors from the Americas with 10 percent, visitors from Oceania with 3 percent, and visitors from Africa with 2 percent. – The Daily Star

### **Torbey expects higher economic growth in 2010**

The president of the Association of Banks in Lebanon (ABL) Joseph Torbey projected a strong economic growth this year. “It is worth noting that the Lebanese economy continues to achieve growth in 2010 and the International Monetary Fund (IMF) even projected a growth of 8 percent this year after reaching over 9 percent in 2008 and 2009,” Torbey said after the general assembly of the ABL which discussed the annual report for 2009 and 2010. He added that this growth was expected to be sustained as a result of the positive economic indications in the Middle East. Torbey noted that Lebanon benefited from the prosperity in some of the Middle East nations at a time when the European markets were again experiencing a severe financial crisis. “We hope that the interventions of the IMF and the EU will absorb this crisis in Europe which could affect negatively the prices of oil if the crisis persisted,” Torbey said. He said Lebanon was still attracting huge capital and funds from abroad at a speedy rate. But he warned that it was not easy for the Lebanese banks to manage these huge influxes of capital and deposits and that this was marked by a tendency to convert deposits from the US dollar into the Lebanese pound. Torbey estimated the combined assets of all commercial banks at over \$130 billion and that this does not even include bank branches abroad.

### **Lebanese authorities seize all Kellogg's cereals from US**

The head of Lebanon's consumers' protection association Zuhair Berro said on Thursday that Kellogg's cereals coming from the US have been confiscated in Beirut, although he added that he doesn't know whether the products were seized in other parts of the country. "We sent people from the association to follow up on this issue and we found out that Kellogg's products coming from the US – which constitute 20 percent of the Kellogg's cereals that Lebanon receives – have been pulled from the market," Berro told The Daily Star. The Economy and Trade Ministry said Tuesday it had seized four brands of Kellogg's cereals after a report by the US Food and Drug Administration (FDA) said the cereals would be recalled because they have a bad smell and taste. The ministry said the consumer protection department acted immediately after the report and confiscated Kellogg's Honey Smacks, Froot Loops, Corn Pops and Apple Jacks from different warehouses. But the ministry stressed the FDA report only mentioned Kellogg's cereals made in the US and not in the UK, where Lebanon acquires most of its cereals. It added that it has not yet been confirmed that the Kellogg's products pose any threat to health. It asked consumers and merchants who had complaints to call the 1739 hotline. Meanwhile, a statement was issued on Thursday by "Antoine Massoud Establishments" s.a.l (EAM), the sole representative of Kellogg's brands in Lebanon since 1985, "to clarify the mix up." The statement said that EAM was informed by Kellogg's headquarters in an official note that on June 25, 2010, Kellogg's company in the United States willingly withdrew a certain volume of products with identified serial numbers from Kellogg's Froot Loops, Kellogg's Corn Pops, Kellogg's Apple Jacks and Kellogg's Honey Smacks for not corresponding to the quality standards concerning the flavor and the smell due to a packaging problem. It added that the mother company assured that none of the recalled goods were exported to the Middle East in general and to Lebanon in particular, therefore the Lebanese market is not concerned in any way with this issue. It also noted that EAM imports Kellogg's products from five European countries: the United Kingdom, Germany, Switzerland, Spain and Greece. The report added that no incidents were reported in the US. But Berro said that some incidents took place in the US and that 28 million boxes were pulled from the country's market. –The Daily Star

### **Social front**

#### **Social center takes aim at drug use among youth**

A Social Municipal Office that aims to improve handling of youth issues by promoting better coordination between government institutions and local grass roots organizations opened in the Beirut suburb of Hadath on Thursday. The announcement was made at a press conference held at the new office premises, located in the heart of the municipality headquarters. An anti-drugs march aimed at exposing the crippling effects of drug abuse – an increasingly troublesome social phenomena – has already been organized by the office and will take place in Hadath, Friday. "It is important to help young people to integrate more into society," Spanish Ambassador Juan Carlos Gafo told reporters. They need to be made aware of the dangers, he said. Over 200 people are expected to attend the event, which has been organized in cooperation between the social office and local NGOs. "Drugs were first identified as an issue of local concern about two years ago,"

said Marie Helene Kassardjian, Beirut southern suburbs area manager for United Nations Development Program (UNDP). Lebanese Addiction Center (Skoun) estimates that there are between 10,000 to 15,000. Around 75 percent of these are thought to be heroin addicts, but the prevalence of other banned substances, such as cocaine and LSD, are also rising. The social municipal officers project, however, has a much wider scope and will address a wider range of issues facing the young in the municipality. "It is just one of the first concerns facing the region's youth that the social center will cover and seek to address all youth issues," Kassardjian said. "It will not just focus on problems but will struggle to involve youth and engage them in cultural and social activities." It is hoped that in time the social office will also extend past youth issues and will tackle all social concerns. The inauguration of the social office and the "Hadath Walks Against Drugs" event – timed to coincide with the International Day Against Drug Abuse, June 26 – are both part of a wider United Nations Development Program (UNDP) initiative, Art Gold Lebanon. Art Gold, operating in the country since March 2007, runs in cooperation with the Council for Development and Reconstruction (CDR). It is funded by the Spanish Agency for International Development Cooperation (AECID) and the Italian Ministry of Social Affairs. The main aim of the project is to redress socio-economic problems across Lebanon's four regions by increasing collaboration between various branches of Lebanese government and civil society groups, with the hope this will lead to more constructive regional policies. At present the relationship between civil society groups and government institutions is considered to be weak, Kassardjian explained. Collaboration between groups themselves could also be improved and their resources utilized more effectively. "There is a lot of enthusiasm from the various local organizations and there are high hopes for the scheme," Kassardjian added.

### **UNDP project Live Lebanon encourages expat investment**

"Expatriates are attached to their country as a whole and are always willing to help, especially in the field of development," Live Lebanon's Gulf States goodwill ambassador, Ghaleb Farha, told reporters, Monday. Farha, a Lebanese expatriate and a Dubai-based businessman, is currently conducting a three-day tour of the country during which he will visit various Live Lebanon-funded development projects. Live Lebanon is a United Nations Development Program (UNDP) initiative that encourages wealthy expatriates to invest back into the community by sponsoring health, education, youth, income-generation and environmental initiatives, such as the irrigation canal currently being extended and modernized in Ain Yaaqoub, in north Lebanon. The program's achievements were applauded by MP Bahia Hariri, and various ministerial representatives who gathered for Monday's news conference. Since launching in November 2009, Live Lebanon has funded over 40 projects with several more being launched in the coming days, explained Marta Ruedas, UNDP deputy special coordinator for Lebanon. "So far it has been more successful than we expected," said Ruedas. "It links the diaspora living abroad with the development community. "I think that with the help of the Lebanese living abroad we can really make a huge change," she said. The World Bank estimates that in spite of the global economic downturn, remittances into Lebanon stood at \$7 billion in 2009. This amounted to 22 percent of the total remittances for the whole Middle East and North Africa region and constituted 21.4 percent of the country's GDP. Although the actual size of the Lebanese expatriate community is not

known – with estimates varying between 5 to 15 million – globally there are thought to be some 300 million migrants working outside of their country of origin. They annually generate in excess of \$300 billion in global revenue, explained the representative of the Foreign Affairs and Emigrants Ministry Haitham Joumaa. Live Lebanon directly taps this resource and channels it to community projects in deprived areas of Lebanon. Benefactors can either choose to support a specific project or to donate to Live Lebanon generally. Contributions range from a few dollars to tens of thousands and are provided by individuals, companies and other organizations.

Applications for future projects are currently under way with all interested NGOs, municipal authorities and civil society groups being encouraged to apply by August 13. Grants are of varying size depending on the project needs but applicants are being advised to avoid proposals which exceed \$50,000.

### **Civil-rights groups call for end to practice of torture**

A collection of anti-torture and arbitrary detention civil society groups have joined forces in denouncing the continuation of torture and calling on the Government to eradicate the practice. “We would like to call on the government of Lebanon to demonstrate their firm opposition to torture and other forms of ill-treatment,” read the joint statement issued Saturday. “To condemn these practices unreservedly and to make clear to all members of the security forces that torture and ill-treatment are not tolerated.” The statement, endorsed by Amnesty International and six domestic NGOs, is timed to coincide with International Day for the Support of the Victims of Torture. “In Lebanon, torture and other cruel, inhuman or degrading treatment or punishment are still resorted to by state security officers and non-state actors,” the statement said. “[Such acts are] condemned by the international community as an offence to human dignity and prohibited in all circumstances under international law.” Lebanon ratified the UN Convention against Torture (CAT) in 2000 and the Optional Protocol to the UN Convention of Torture (OPCAT) in December 2008. Under OPCAT guidelines, new signatories are given one-year to set up a National Preventative Mechanism (NPM), an independent body with the right to inspect detention centers without prior notification. In June 2009 a committee was formed by Justice Minister Ibrahim Najjar to propose the introduction of the NPM. Despite submitting a draft law to the minister in September it remains to be established. As part of its CAT commitments, the government is also obliged to produce a state report detailing the situation in the country – a step it has thus far failed to take. “This process is too slow and the state report should be issued at once,” said Darine al-Hage, director of civil rights group ALEF-Act for Human Rights, one of signatories. Article 401 of the Lebanese Penal Code prohibits torture, stipulating that anyone who “severely beats someone with the desire to obtain a confession about a crime or information regarding it will be imprisoned from three months to three years.” Human-rights groups, however, say the law is too vague. “Even more appalling is the failure of the state to investigate reported cases, to protect victims and to prosecute perpetrators,” the anti-torture statement states. “The fact is that there are various reported cases of torture but no perpetrators are brought to justice,” said Hage. “Reports of torture show us that it is easy to resort to violence.”

### **Salameh: population growth behind rise in prices of real estate in Lebanon**

Wednesday, June 30, 2010 Central Bank Governor Riad Salameh said on Tuesday that the growth in population in Lebanon was one of the main reasons behind the rise in prices of properties. "According to some reports the demand for properties in Lebanon comes from Lebanese living abroad or people of Lebanese origin. In addition, the directives issued by the Central Bank which facilitated the ownership of apartments have also helped re-activate the economic cycle and boosted the construction boom," Salameh told participants of Planet Lebanon conference which was held at BEIL. Citing some figures, the governor said that the number of people residing in Lebanon since 2007 has jumped by 25 percent and that's why demand for properties increased accordingly," Salameh said. He added that the increase in the number of apartment residents coincided with a jump in liquidity and this also led to a drop in interest rates by 3 percent in one year," Salameh said. Salameh added that customer deposits from 2007 rose by 50 percent and this rise still continues although at a slower pace than before. Earlier in the day, Economy and Trade Minister Mohammad Safadi called upon Lebanese expatriates to come and invest in Lebanon saying that the government should, in return, be able to fulfill its obligations in order to attract the Lebanese Diaspora investments. Safadi, who was representing President Michel Suleiman during Planet Lebanon 2010 on Tuesday, said the government should give Lebanese expatriates the right to participate in the parliamentary elections starting 2013 as it was implicated in the ministerial statement and the presidential oath. "The government is responsible for removing all the obstacles preventing expatriates from investing in tourism, industry and agriculture," he said. "This will help in creating job opportunities for Lebanese residents." Planet Lebanon 2010 is the largest global gathering of the international business community. Its mission is to promote the economic and financial development of Lebanon and the Arab World encouraging investments in various profitable projects while bringing together Lebanese-Arab business people around the globe. Safadi said that Lebanese expatriates proved to be extremely supportive to their national economy over the years. "This should give us an incentive to provide them with the required facilities for the best of our economy." He emphasized the importance of taking advantage of the changes imposed by globalization. He said the Lebanese Parliament will soon be hosting a legislative workshop aimed at boosting the expatriates' participation in Lebanese affairs. "This includes giving back the Lebanese nationality to those who have lost it after living abroad for a long period of time in addition to allowing their participation in the Lebanese Parliament." Meanwhile, the President of the Lebanese International Business Council (LIBC) Nassib Fawaz said that Lebanese expatriates constitute an added value to their country the way that oil, Gold and diamonds constitute great assets to other countries. "We hope to be treated as a real national wealth; we don't want to be only valued in terms of money and financial capabilities available during Lebanon's most difficult times." Fawaz cited some of the Lebanese expatriates' demands which include the establishment of a special council which would be considered as their meeting point. "It is important to create a special council for expatriates that would be independent and free of political and religious conflicts," he added. "It is also important to give expatriates the permission to elect 20 additional MPs where each four would represent a continent." He criticized the absence of a ministry of immigrants in Lebanon while "Lebanese expatriates are all over the world and need an entire government to cater for their needs and solve their issues."

Fawaz asked the Lebanese government to improve the investment environment in Lebanon in addition to infrastructure. "Expatriates should be able to invest freely in their country without having to submit to any political or religious pressure," he added. According to the Investment Development Authority of Lebanon, figures predict that the number of the Lebanese Diaspora members is four times the number of Lebanese residents. This number ranges between 13 and 15 million of Lebanese origin distributed in America and Oceania, Africa, Europe and the Gulf. Moreover, Finance Minister Raya Hassan announced two months ago during the opening of Lebanon Capital Market Day which took place at Waldorf Astoria Hotel in New York that the high liquidity secured by the remittances of Lebanese expatriates led to an increase in Lebanese banks' deposits as well as the central bank's reserves and gave the Lebanese economy an unprecedented strength in the face of crises. For his part, president of the Lebanese-Brazilian chamber of commerce Alfred Koteit said that 8 million Lebanese expatriates live in Brazil among which 3 million reside in Sao Paulo. "We are keen on boosting the relation between Brazil and Lebanon the way it was previously strengthened by former Prime Minister Rafik Hariri," he said. –

### **Lebanon's Top Shiite Cleric Fadlallah Dies at 75**

Lebanon's Grand Ayatollah Mohammed Hussein Fadlallah, one of Shiite Islam's main religious figures who had a strong following world over, died Sunday after a long illness. He was 75. Fadlallah, known for his staunch anti-American stance, helped in the rise of Lebanon's Shiite community in the past decades. He was one of the founders of Iraqi Prime Minister Nuri al-Maliki's governing Dawa Party and was believed to be its religious guide until the last days of his life. He was described in the 1980s as a spiritual leader of the Lebanese militant Hezbollah — a claim both he and the group denied. Fadlallah was born in Iraq in 1935 and lived in the Shiite holy city of Najaf, where he was considered among the top clergymen, until the age of 30. His family hailed from the southern Lebanese village of Ainata and he later moved to Lebanon, where he started lecturing on religion and prodded Shiites, who today make up a third of Lebanon's population of four million, to fight for their rights in the 1970s and 80s. During Lebanon's 1975-90 civil war, he was linked to Iranian-backed Shiite militants who kidnapped Americans and other Westerners, and bombed the U.S. Embassy and Marine base in Lebanon, killing more than 260 Americans. Although he adamantly denied involvement in those events, he contended such acts were justifiable when the door is closed to dialogue. "When one fires a bullet at you, you cannot offer him roses," he had said. Fadlallah later lost much of his 1980s militancy — his sermons, once fiery diatribes denouncing American imperialism, took on a pragmatic tone. Because of the his ties to the militants, then-President Bill Clinton in Jan. 1995 froze Fadlallah's assets in America, along with those of 17 other people as part of an anti-terror campaign. The stocky, gray-bearded cleric with piercing brown eyes below his black turban, rejected being described in Western media as Hezbollah's mentor. He claimed his relationship with the group was the same as with any other Shiite faction but that it simply was more obvious because of his physical presence in Lebanon. "I reject it not because I reject Hezbollah, but because I refuse to be given a title that I don't possess," he said. Fadlallah escaped several assassination attempts, including a March 1985 car bomb near his home in the Bir el-Abed district of south Beirut that killed 80 people. The bomb, planted between his apartment block and a nearby mosque Fadlallah was attending that day, was timed to go

off as he passed by. But Fadlallah stopped to listen to an old woman's complaints and escaped the 440 pound (200 kilograms) explosives' blast. In Lebanon, the CIA was widely believed to have been behind the bombing, and American author Bob Woodward wrote in his book, "Veil: The Secret War of the CIA," that the late CIA director William Casey ordered Lebanese agents to plant the car bomb in retaliation for attacks on U.S. interests in the Middle East. Fadlallah long advocated boycotting American and Israeli products. Yet, despite being a harsh critic of U.S. policy, he condemned the Sept. 11 attacks in the United States as acts of terror. During the 2006 Israel-Hezbollah war, Israeli warplanes bombed his two-story house in Beirut's southern Haret Hreik neighborhood. Fadlallah was not at home at the time of the bombing, which reduced the house to rubble. Announcing Fadlallah's death at a Beirut news conference, Bahraini Shiite cleric Abdullah al-Ghuraifi, described him as a "father, religious authority and spiritual leader to all Islamic movements in the Arab and Islamic world." Outside the hospital and at the Al-Hassanayn mosque in Beirut's suburb of Haret Hreik, where Fadlallah gave religion lessons and Friday sermons, black banners were hung up in a sign of mourning. Thousands of Fadlallah's supporters, including women, wept openly. Fadlallah's Al-Bashaer radio station and Hezbollah's Al-Manar TV started broadcasting Quranic verses. For long, the cleric suffered from diabetes and high blood pressure. He was in hospital for the past two weeks but his condition deteriorated on Friday when complications from a liver problem led to an internal hemorrhage. One of his doctors, Hashem Nouredine, told The Associated Press he died from stomach bleeding. "This is a dark day," said Mahmoud Malak, 44, a civil servant. "I don't think anyone will be able to fill the vacuum he will leave behind." A grandfatherly figure, Fadlallah was also known for his bold fatwas, or religious edicts — including one that gave women the right to hit back their husbands if they attacked them. He issued an edict banning smoking and another saying the Baghdad government has no right to "legitimize" the presence of foreign troops but should call for an imminent and unconditional withdrawal of U.S. forces from Iraq. He supported the Islamic Revolution in Iran in 1979 but distanced himself from the key principle advocated by its leader Ayatollah Ruhollah Khomeini, which placed the Iranian cleric as a supreme, undisputed spiritual leader for the world's Shiites. Among his followers are many of Iraq's Shiite leaders, including al-Maliki. In Iraq, a prominent leader in al-Maliki's Dawa Party, Ali al-Adeeb, said Fadlallah's death was a major loss to the Islamic world and that it "will be hard to replace him." Lebanon's Prime Minister Saad Hariri called him "a voice of moderation and an advocate of unity" among Lebanese and Muslims in general. Fadlallah's title was "sayyed" — reflecting a claim of direct descent from the Prophet Muhammad's daughter Fatima and her husband Imam Ali, revered by Shiites as a saint. In his youth, Fadlallah studied theology in Iraq under prominent scholars. He also worked closely with Mohammed Baqir al-Sadr, a co-founder of the Dawa Party that Saddam Hussein later crushed. In Lebanon, he founded the "Family of Brotherhood" charity and his Al-Mabarrat network of charities, orphanages, schools, and religious institutions in Beirut, south Lebanon and the eastern Bekaa Valley, where many Shiites live. Fadlallah's is survived by his wife Najat Nouredin and 11 children. His eldest son followed in his footsteps as a Muslim scholar. Funeral arrangements were not immediately decided.

### **Rodeo show to give Lebanon a taste of Wild West**

BEIRUT: Lebanon will host its first cowboy competition on August 18-22, organizers told press Monday as part of a sports tourism initiative designed to help develop sports, agriculture, ecology and tourism. Keserwan-based ranch resort El Rancho organizes the rodeo show with the help of genuine American cowboys while Lebanese officials supporting the event seeing it also as an investment opportunity. Sports and Youth Minister Ali Abdullah, whose ministry sponsors the event, told journalists: "We expect financial return on investment as early as next year," he said, "because profitability is necessary for any project to progress." Abdullah considers the rodeo competition project to be also eco-tourism, as El Rancho advertisement talks up the "unspoiled wilderness" of Keserwan mountains. Abdullah said that while the rodeo competition would take place over five days, the two last days would be dedicated to festivals taken care for by Tourism Ministry. Organizers recruited a fistful of genuine American cowboys for the project and a troop of 17 native Americans to give visitors a West Wild background during their visit. While Cheyenne and Apache entertainers admitted to performing ancestral dances and singing only as part of touring shows, cowboys are professional rodeo competitors dressed in Texan hats, ranch boots and traditional blue jeans. They lack only a Colt on their belts. Philipp Kiesner, a 50-year old Minnesota rodeo champion, and cowgirl spouse Julia helped to organize the rodeo competition. They say it should give visitors a taste of such rodeo events as saddle bronc and bareback riding, steer wrestling, tie down and team roping, women barrel racing along with bull riding. "The real deal," Kiesner insists, "no different than in the US." Everybody wants to ride bulls because it is dangerous and exciting, he says. "People want to feel how close they can get to that line beyond which they're no [longer in control]," he smiles. Kiesner will not have US bulls to give visitors to ride though. "They're 1,600 pounds, jump 3 to 4 feet in the air and kick up to 12 feet," he laughs, "nobody here can ride that!" Organizers insist that their livestock are well-treated. "They're fed until they're full because we want them to buck their best," he claims. Kiesner insists he does not make horses buck, nor train them to. "Some just don't want to be ridden and will not stop bucking, we use them for rodeo competition," he says. Kiesner's health record as a cowboy is impressive; he has broken his wrist three times, his shoulder twice, his collar bone, ribs on both sides and jaw. "Don't forget the seven teeth," he says, before adding: "Well, I'm still in perfect shape!"

## **Palestine and Israel**

### **Political front**

#### **Israel PM 'Lying' over Shalit Talks: Hamas**

04/07/2010 Palestinian Territories (AFP) – Hamas on Sunday accused Prime Minister Benjamin Netanyahu's government of "lying" to the Israeli people about a prisoner swap deal to secure the release of captured soldier Gilad Shalit. Shalit was snatched by Gaza-based militants, some of them from the Islamist Hamas movement, in June 2006 and efforts to free him in a prisoner swap deal collapsed last December. But Hamas, which rules the tiny coastal strip, accused the Israeli leader of misleading the public over the

reason behind the collapse of negotiations. "Your leaders are lying to you -- don't believe these people," senior Hamas leader Mahmud Zahar told reporters in Gaza City during a protest by the families of prisoners being held in Israel. "They agreed to an important deal but they changed their minds as a cheap political trick to keep the unity of their government," he said. In December, the two sides appeared to be close to a deal, but there were sharp disagreement inside Netanyahu's inner circle over the conditions of the swap which would have seen those convicted of deadly attacks released to their homes in the West Bank. Since then, both sides have blamed the other for the collapse of the talks. On Thursday, Netanyahu again pointed the finger of blame at Hamas, saying the Islamist movement had never responded to Israel's offer to release 1,000 prisoners. But Zahar shrugged off Netanyahu's speech, accusing the Israeli leader of playing "tricks." "We want to send a message to the Israeli government: These tricks you use will not make us change our minds," added Zahar, saying it would only serve to harden Hamas's position in the negotiations. "If you want a good, acceptable deal, our hands are ready to negotiate ... but we are not ready to deal with these lies," he said. On June 25, Israel marked the fourth anniversary of Shalit's capture, and his family last week began a 12-day march from northern Israel to Jerusalem to ramp up pressure on the government to secure a deal for his release.

### **Orthodox fathers freed in Israel**

Around 100,000 ultra-Orthodox Jews protested against the imprisonment of the fathers [AFP] Israel's Supreme Court has ordered the immediate release of 35 ultra-Orthodox Jewish fathers jailed for disobeying a court order on school integration. The ruling on came after the intervention of leading Jewish rabbis, who managed to reach a compromise over mixing Jewish children of Ashkenazi - European - descent with others whose families have roots in the Middle East, known as Sephardis, at a girls' school in a West Bank settlement. The fathers, from the small and close-knit Slonim Hassidic sect within the broader Ashkenazi community, turned themselves in to police on June 17. They were jailed for contempt of court after ignoring an earlier court order to integrate the Sephardi girls. Under the pact, Judge Edmond Levy wrote, the girls would hold a series of joint workshops at the school, attended by rabbis from both communities, "in order to move them closer in their hearts". The workshops are to be held over the next three days, after which the school breaks for the long summer holiday. Israeli army radio said that when classes resume in autumn a privately-funded school outside the state education system would cater to the Slonim girls. The fathers' imprisonment was marked by a rally of around 100,000 angry ultra-Orthodox Jews in Jerusalem, their largest demonstration in 10 years. The parents say their stance is not based on racism or ethnicity, but is about differences in religious observance between the Ashkenazi and Sephardi traditions.

### **Israel sets Shalit swap conditions**

Shalit's parents have begun a 12-day march to call for the government to act to free their son [Reuters] Israel's prime minister has said that the country will not pay an "unlimited" price for the release of an Israeli soldier captured by Palestinian fighters. In a live address on Thursday, Binyamin Netanyahu said that all Israelis wanted Gilad Shalit returned home and confirmed that the government was prepared to release 1,000 Palestinian prisoners in exchange for his freedom. Shalit was captured by Palestinian fighters after they staged a cross-border raid in June 2006. "The German mediator's offer which we

agreed to accept called for the release of 1,000 terrorists," Netanyahu said. "This is the price I am prepared to pay to bring Gilad home. I said yes to the deal and it is ready for immediate implementation." **Netanyahu under pressure** Israeli officials and the Hamas authorities had appeared close to reaching a German-mediated deal last December but ,with the two sides differing over whether any released prisoners should be allowed to return to the West Bank, it was never completed. "I am steadfast on two basic principles: the first principle is that dangerous terrorists will not return to the areas of Judea and Samaria [the West Bank] from where they can continue to harm Israel's citizens." Netanyahu said that his second demand was that no "top terrorists" be included in any deal. Shalit parent's began a 12-day walk from their home in northern Israel to Netanyahu's residence in Jerusalem to push for a prisoner swap to be agreed.

Thousands of Israelis were expected to join the protest march and Shalit's family said it would camp indefinitely outside the prime minister's official residence. With public pressure on Netanyahu mounting over the issue inside Israel, Thursday's remarks were seen as some as an attempt to divert the focus back onto Hamas. Following Netanyahu's speech, the Palestinian group said it would reject any deal that excluded certain prisoners or had them sent abroad. "Netanyahu is trying to delude Israeli public opinion and deceive the people. It is not a matter of numbers. It is a question of who will be released," Ayman Taha, a senior Hamas spokesman, said.

#### **Israel arrests Hamas MP**

Many Palestinians fear the expulsion of Hamas MP from Jerusalem could set a precedent [AFP] Israeli police have arrested a Hamas MP for refusing to comply with an order expelling him from Jerusalem, police said. Mohammed Abu Teir was one of four senior Hamas officials that Israel has been trying to expel in recent weeks, sparking concern among Arabs in the city about their rights as residents. "We arrested him; he has broken the law and stayed within the borders of the state of Israel," Shmulik Ben-Ruby, the Israeli police spokesman for Jerusalem, said on Wednesday. "He has been detained and taken for questioning." Israel had sought to strip Abu Teir, Khaled Abu Arafah, a former minister for Jerusalem affairs, and Ahmad Atoun and Mohammed Totah, both MPs, of their Israeli-issued identity cards. The men have appealed the decision and Abu Teir was due to appear in court on Thursday.

#### **Netanyahu: "Israel Willing to Pay High Price to Release Shalit, But Not Any Price"**

Friday July 02, 2010 IMEMC & Agencies

Israeli Prime Minister, Benjamin Netanyahu, stated that Israel is willing to pay a high price to secure the release of prisoner-of-war, corporal Gilad Shalit, but will not pay any price that would "endanger Israel's security". Netanyahu added that Israel agreed to the proposal of the German mediator in which he suggested the release of 1,000 Hamas detainees, but also said that his government will not release detainees who carried out attacks that led to the death of Israeli civilians. He also said that Israel insists on deporting detainees deemed to be "dangerous"; the detainees would be moved to Gaza or elsewhere but will not be allowed into the West Bank. "They can go to Tunisia, or to Gaza", Netanyahu said, "I don't care where they go, but they won't be allowed to go to the West Bank". The Israeli Prime Minister went on to say that swap-deals conducted in the 1980's "eventually led to a large number of casualties." He added that he understands the crisis of the Shalit family, but as a Prime Minister he has to ensure the security of all

Israelis, and added that he “feels the pain of bereaved families, but must act in a way that does not lead to having other families face the same fate. Netanyahu said that Israel is willing to implement the proposed deal, exactly as reached with the German mediator, but accused Hamas of rejecting the deal and of increasing its demands. “Germany suggested the release of 1000 detainees, I am willing to pay this price to bring Shalit home”, he stated, “I agreed to the deal and am ready to implement it immediately”. The German offer came in December of last year, but Israel never confirmed that the offer suggested releasing 1,000 detainees. Netanyahu demands released detainees who are considered dangerous should not be allowed in the West Bank, and detainees who are regarded as leaders of armed groups which carried out attacks against Israel and led to casualties will not be released under any deal. This comes five days after the Shalit family started a protest march from their home in the Galilee to the residence of Netanyahu in Jerusalem. The Hamas movement said that the statements by Netanyahu delude the public opinion and the people in Israel. Ayman Taha, a senior political leader of Hamas, said that the issue here is not about number but about who will be released. Hamas presented the names of 1,000 detainees, including 450 who are allegedly involved in deadly attacks against Israel, and senior political leaders such as Marwan Barghouti of Fatah and Ahmad Saadat, secretary-general of the Popular Front for the Liberation of Palestine.

## **Geo strategic front**

### **Palestinians see Mideast 'Progress' as Spin Ahead of Summit**

Palestinian Territories (AFP) – Reports of progress in the Middle East peace talks amount to little more than political spin ahead of a US visit by the Israeli premier, a Palestinian official said on Sunday. "We don't know what they are talking about when they say progress," the official told AFP on condition of anonymity. "We are not aware of any progress and we have not been informed of any progress. They are trying to create a positive atmosphere to help make (Israeli Prime Minister Benjamin) Netanyahu's visit to the US successful," he charged. A senior White House official on Friday said US-brokered indirect talks had "made progress and the gaps (between the two sides) have been narrowed," in comments which surprised the Palestinians. His comments were made just days before Netanyahu holds talks with US President Barack Obama, with the two likely to discuss a move from indirect talks to direct Middle East negotiations. The official said Washington was "pushing hard" for a shift to direct talks -- a move which Palestinian president Mahmud Abbas has insisted will only take place if there is progress on the key issues of borders and security. "As soon as there is progress (on borders and security) we'll shift to direct talks, but up until now we haven't received even a single sign that might indicate progress on those issues," Abbas said last week in remarks published by several Israeli newspapers. The indirect talks, which began on May 9, are regarded as a first step towards renewing direct negotiations which collapsed in December 2008 when Israel launched a devastating 22-day offensive on Gaza. Abbas has reportedly handed US special envoy George Mitchell a document outlining the contours of the Palestinian position on several key issues, the London-based Arabic daily Al-Hayat reported on Saturday. According to the paper, which quotes several unnamed Palestinian officials, the proposals lay out terms for an Israeli withdrawal from occupied and annexed east

Jerusalem including the Old City but would allow Israel to retain sovereignty over the Jewish Quarter and the Western Wall, one of the holiest sites in Judaism. It also outlines the creation of a Palestinian state within the 1967 borders, with an exchange of territories amounting to 2.3 percent in a proposal based on the discussions at Camp David and Taba in 2000. Such a deal would allow Israel to keep settlement blocs like Gush Etzion and a strip of land near around Ben Gurion airport. In exchange, the Palestinians would receive an equivalent amount of territory in Israel, near the southern West Bank city of Hebron, the paper said. Asked to comment on the report, a senior Palestinian source dismissed it out of hand. "The information is totally false," he insisted.

#### **Mitchell To Start Middle East Tour**

Tuesday June 29, 2010 IMEMC & Agencies U.S. Middle East Peace Envoy, George Mitchell, will start a two-day tour in Israel and the Palestinian territories, on Tuesday. Mitchell will be holding talks with senior Israel officials and officials of the Ramallah-based Palestinian Authority of President Mahmoud Abbas. The talks will focus on the attempt to boost indirect talks between Israel and the Palestinian Authority. Mitchell ended his previous tour in the Middle East on June 19 with a meeting with Egyptian President, Hosni Mubarak. The U.S. Envoy did not provide details on what happened behind closed doors as the two officials discussed the U.S. mediation efforts. On Thursday June 17, Mitchell held a meeting with Israeli Prime Minister, Benjamin Netanyahu, and also held a separate meeting with Palestinian President, Mahmoud Abbas.

#### **Netanyahu: "Israel Will Not Apologize To Turkey, Will Not Pay Compensations"**

Saturday July 03, 2010 - IMEMC & Agencies Israeli Prime Minister Benjamin Netanyahu, held Turkey fully responsible for Israel's attack against the Turkish ships trying to deliver humanitarian supplies to Gaza, and stated that Israel will not apologize for the attack, and will not pay compensation to the victims' families. Netanyahu added that although Defense Minister, Benjamin Ben Eliezer, and Turkish Foreign Minister, Ahmet Davutoglu, did not achieve any real understanding, yet the importance of the meeting is that it was held despite Turkish threats and statements to cut its ties to Israel after its attack against the Turkish ship. He said that the meeting is part of the efforts to stop the deteriorating relations between Turkey and Israel. Ben Eliezer and Davutoglu held an unofficial meeting at Zurich Airport. Netanyahu said that the meeting is a step in the right direction, but also stated that Israeli Foreign Minister Avigdor Lieberman, should have been informed about it. As for the Turkish demands, Netanyahu said that Israel "cannot apologize" and claimed that the soldiers "had to defend themselves". He also denied reports that stated that Israel is weighing the possibility of paying compensations to the wounded and the families of the slain activists. Nine activists were killed and dozens were wounded when the Israeli army attacked the Turkish Ship, Marmara, while on its way to deliver humanitarian supplies to Gaza. The soldiers seized the ship and all other ships of the Freedom Flotilla and towed them to Ashdod Port.

#### **Turkey 'closes airspace' to Israel**

Israel's raid on a Gaza aid flotilla, which killed nine mostly Turkish activists, has angered Turkey [EPA] Turkey's prime minister says his country has closed its airspace to some Israeli military flights. Recep Tayyip Erdogan, who was quoted by the state-run Anatolia agency, did not elaborate on the decision. He was speaking in Toronto, Canada, where he was attending the G20 summit. The move is bound to be interpreted as a measure of the

country's anger over a deadly Israeli raid on an aid ship bound for the Gaza Strip that killed nine activists of Turkish origin on May 31. A Turkish official said on Monday the ban would not affect commercial flights. "Military planes are required to obtain overflight permission before each flight. One military plane was denied permission immediately after," a Turkish diplomat was quoted as saying by the AFP news agency. Another Turkish official said it was not a blanket ban and each flight request would be assessed case by case. **Flight detour** Yediot Ahronot, an Israeli newspaper, reported on Sunday that Turkey had barred a jet carrying Israeli military officers en route to a tour of memorial sites in Auschwitz, Poland, to fly over Turkish airspace. The aircraft, carrying more than 100 officers, was forced to make a detour to reach its destination, the paper said. **IN DEPTH** The Israeli military "refrained from responding officially to the event so not to exacerbate the rift in relations", Yediot Ahronot said. Ties between Turkey and Israel deteriorated dramatically following the flotilla raid, which saw Israeli troops boarding the lead ship Mavi Marmara, killing nine activists and injuring scores of others. The action drew widespread international condemnation among the public as well as political leaders. Israeli officials insist the troops involved in the raid acted in self-defence after allegedly being attacked by some of the activists on board. **Soured ties** Relations between Turkey and Israel had already soured after Israel's three-week war on Gaza in 2008-2009, in which around 1,400 Palestinians and 13 Israelis were killed. Turkey has withdrawn its ambassador from Israel and cancelled joint military operations with the country in response to the convoy attack. Ankara said it will not return its ambassador and will reduce military and trade ties unless Israel apologises for the raid. The country also wants Israel to return the seized aid ships, agree to an international investigation and offer compensation for the victims. "Up to now, we have done whatever is necessary within the rules of law, whether national or international and we will continue to do so," Anatolia quoted Erdogan as saying. It said ties with Israel could return to normal if Israel meets Turkey's demands. "We are not interested in making a show. We don't desire such a thing and we have been very patient in the face of these developments," Erdogan is quoted as saying said. **Israeli inquiry** Israel has objected to an international inquiry into its raid on the Freedom Flotilla and has set up its own investigative commission. Jacob Turkel, the chief investigator of the Israeli commission, said on Monday it will summon Benjamin Netanyahu, the country's prime minister, to testify. Ehud Barak, Israel's defence minister, and Gabby Ashkenazi, the military chief of staff, will also face the commission. Under international pressure, Israel's government has included two foreign observers: David Trimble, a Nobel peace laureate from Northern Ireland and a member of the British House of Lords, and Brigadier-General Ken Watkin, Canada's former chief military prosecutor.

### **Economic front**

### **Social front**

### **Security issues**

### **Netanyahu: "Israel Willing To Release 1,000 Detainees, But Not To The West Bank"**

Saturday July 03, 2010 IMEMC & Agencies In an exclusive interview with Israel's TV Channel One, conducted by Ella Hason Neshet, Israeli Prime Minister, Benjamin Netanyahu, stated that Israel is willing to free 1,000 Palestinian detainees under the

condition that they are sent to Gaza or deported. Netanyahu also called for direct talks with the Palestinians and invited Abbas to visit Jerusalem. He also said that he is willing to visit Ramallah. The Israeli Prime Minister appeared to be uncomfortable talking about the prisoner-of-war, Gilad Shalit, especially since the parents of Shalit rejected the justifications he presented regarding the failure of prisoner-swap talks. "I met the family of Shalit, I met his father, mother and grandfather, I understand their demand regarding the release of their son", Netanyahu stated, "Shalit has been in captivity since four years, his family was never able to visit him". He added that when he became the new Prime Minister, he stated clearly that he is willing to pay a high price to release Shalit but not at any cost. We previously stated that we cannot release detainees who conducted big terrorist attacks", Netanyahu added, "We are willing to release detainees but not to the West Bank, possibly to Gaza, Tunisia or anywhere they want, but not to the West Bank".

### **Israel may expand flotilla inquiry**

Tirkel, centre, may want the prime minister and defence minister to testify before his panel [AFP] The Israeli government "will consider" allowing an internal commission, set up to investigate a deadly Israeli raid on a Gaza-bound aid flotilla, to subpoena witnesses, a statement said. The move on Tuesday came shortly after Yaakov Tirkel, the head of the panel charged with looking into the attack, which left nine activists dead, threatened to resign if the government did not broaden its mandate. The government's statement said Tirkel had filed "a request to broaden the authorities of the committee [investigating] with respect to the ability to require witnesses to appear before it and give testimony under oath." "There is no reason not to give positive consideration to this request," it said. The statement said officials would also consider a separate appeal to increase the number of members on the investigative panel and soon ask the Israeli cabinet to render a formal decision. But it did not touch on Tirkel's request for the commission to be granted powers to recommend sanctions against political or military leaders. Shortly after the commission launched its probe on Monday, Tirkel, a former supreme court judge, issued a statement saying that Binyamin Netanyahu, the prime minister, and Ehud Barak, the defence minister, may be called to testify about the raid. **International condemnation** William Schabas, the director of the Irish Centre for Human Rights, told Al Jazeera that while the commission would probably be granted the powers, subpoena is rarely used as inquiries do not often "get much out of unco-operative witnesses". But he added the inquiry's main flaw "is that they have no intention of bringing the soldiers who were involved in the military action before the commission". **IN DEPTH** Schabas, who is also an officer at the Institute for International Criminal Investigations, said whether the soldiers behaved with proportionate force is "at the core of the legality" of the raid. "The only way you can really give an answer to that is to call the people who were actually there on the ships and the soldiers to see what their determinations were, and they're not going to do that. "So I think a big piece of what we need to know is going to be missing." In the May 31 incident, Israeli troops boarded the lead ship of a Gaza-bound flotilla and shot dead nine of the activists on board. Israeli officials insist the troops acted in self-defence after being attacked by some of the activists who they claim were armed with knives and clubs. Israel established the inquiry after a widespread international condemnation against the raid, but rejected a United Nations proposal for an international probe. In addition to Tirkel, the panel includes an Israeli expert on international law, a former general, and two

foreign observers. The two foreign observers are David Trimble, a Northern Ireland politician and Nobel Peace Prize laureate, and Ken Watkin, a Canadian jurist. Meanwhile, the AFP news agency said a forensic report released on Tuesday of the autopsies of the nine activists killed revealed all but two of them were shot more than once and five died from bullet wounds to the head. The examinations were carried out in Turkey by the government-run Forensic Institute and the reports were made available by lawyers of the the victims' families. "The findings make it clear the Israeli forces shot to kill the activists and not to overpower them," Yasin Divrak, one of the lawyers, said. The nine volunteers were shot a total of 31 times, according to the documents.