

Report # 131
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Fertile Crescent, Central Asia, South Asia, India, East Asia, China,
Hong Kong & Macau
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Weekly Report from 31 July to 6 August 2010
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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; Turkey, GCC, Fertile Crescent, Central Asia, South Asia, India, East Asia, China, Hong Kong and Macau from 31st July to 6th August 2010 as have been collected by interns.

TURKEY

Political Front:

Referendum about the proposed constitutional amendments would be held on September 12. A senior deputy of the main opposition Republican People's Party (CHP), scholars like Gulen and some senior politicians have extended full support to the Reforms package. Meanwhile foreign business community has also expressed hope that ruling party would emerge as victorious on September 12. Turkish President Abdullah Gül has recently ratified a list of appointments to senior positions. None of the officers accused in an alleged coup plot have been given promotions.

Geo-strategic Front:

Israel has agreed to cooperate with an investigation proposed by U.N. Secretary-General Ban Ki-moon into a deadly raid on a Gaza aid flotilla as this would bridge existing gap between Turkey and Israel. The recent clash on the Israeli-Lebanese border has prompted Turkey's top diplomat to engage in dialogue with the United States and Lebanon over the tension in the region. Meanwhile Turkey has warned Israel over Israeli Defense Minister's highly controversial remarks suggesting that Turkey could share Israeli intelligence secrets with Iran. Turkey has announced to send 9 tons of humanitarian assistance to Kyrgyzstan aiming to help treatment of people injured in various incidents in this country the previous months. During the phone conversation, Erdogan offered his condolence to PM Gillani for 1,300 Pakistanis killed in heavy floods and said that Turkey was with the people of Pakistan in dealing with the floods. He further said that an airplane of the Turkish Red Crescent Aid Society would carry aid materials to Pakistan and that Turkey would send five million USD of cash assistance to Pakistan.

Economic Front:

Turkish exports to China have doubled in the first half of the year compared to the same period last year. Iran has agreed to resume gas flow to Turkey if there were no further major problems. The experts have claimed that research and development (R&D) has been an outstanding factor for Turkey having a more developed economy. The number of Israeli tourists visiting Turkey plunged by 90 percent in June this year after the deadly Israeli raid on Gaza-bound aid ships shattered bilateral ties. Hence only 2,605 Israeli citizens visited Turkey in June 2010, compared to 27,289 in June last year.

Social Front:

The number of scientists in Turkey has been increasing faster than in any other country in Europe. Residents of the Black Sea village of Şenyuva have refused to allow televisions into their Sal Valley, saying the devices would damage community relationships.

GCC

Geo-strategic Front:

Secretary General of the GCC has hailed positive outcomes of the visit of Saudi King to Egypt, Lebanon, Syria and Jordan as this would promote Arab unity and solidarity. The United States also expressed positive hopes regarding visit of the Saudi King and claimed that his visit would play an effective role in bringing peace in the region. Meanwhile Britain keenness to enhance ties with UAE and Kuwait also remained significant. Kuwait has also emphasized greatly on enhancing ties with Iraq as hostility has ended between the two countries. Oman and Iran have expressed keenness to enhance their bilateral ties. Qatar has condemned and denounced the Israeli aggression against the Lebanese army.

Economic Front:

Aldar Properties, the largest Abu Dhabi developer by market value, fell to a 16-month intraday low after reporting a hefty quarterly loss and being hit by a ratings downgrade. Other markets in the Middle East were mixed, with Dubai and Qatar edging lower. Banks and industrial stocks in Saudi Arabia rose, lifting the Tadawul All-Share Index (TASI) to its highest close since June 27. Remarkable increase in trade between Oman and China has been witnessed hence trade between the two has recently touched more than \$ 12 billion. Meanwhile Iran has assured that Bahrain's gas imports from Iran would not be affected by the UN sanctions against her. Gulf countries mainly depend upon oil as oil imports from Gulf countries constitute 63.3%.

Social Front:

Keeping in view security concerns Saudi Arabia has made plan to suspend Blackberry services. There are more than 700,000 Blackberry subscribers in Saudi Arabia, a highly security-conscious monarchy with a rigid Islamic social code and strictly censored Internet service. UAE has also given a dead line to cut these services in the region. The month of May turned out to be by far the worst month of the year for women in Bahrain, with NGOs reporting 153 cases of violence against them from a total 928 registered cases in the first half of 2010. Abuse cases against men by their women represented 10 per cent of the total recorded cases. The abuses varied from physical and verbal violence, with men hitting their wives being the highest among reported cases. Statistics collected from all women societies by the Bahrain Women's Union revealed that women are the first abuse victims followed by children, while abuses could be classified to economic, psychological and social violence.

FERTILE CRESCENT

Political Front:

The Muslim Brotherhood said that it has managed to gather more than 100,000 online signatures for ElBaradei pro-reform statement. Meanwhile campaigners have reportedly gathered 7000 signatures over the past three days. Supporters of Gamal Mubarak and

assistant secretary-general of the ruling National Democratic Party (NDP), have begun hanging posters throughout Cairo calling for the younger Mubarak's nomination in next year's presidential elections. Efforts are still on the way to form coalition government in Iraq as none of the party got absolute majority in March elections.

Geo-strategic Front:

Over the last two decades the US has cut its economic aid to Egypt significantly, according to a report issued by the US Congress research unit, which notes that both states agreed in late 1990 to downsize aid within ten years. Lebanon has expressed its commitment to building up its armed forces after complaints by Israel about Western assistance to the military following a deadly border clash between the two countries. Two Lebanese soldiers, a Lebanese journalist and a senior Israeli officer got killed in the recent cross-border skirmish.

Economic Front:

Iraqi authorities have started investigating whether two Iranian commercial banks that want to do business in Iraq are covered by UN Security Council sanctions.

Social Front:

Christians in Egypt have been asking for their own personal status law as differences exist between their laws and Islamic laws.

CENTRAL ASIA

Political Front:

Kyrgyz Ombudsman has criticized police actions against antigovernment demonstrators in and around the capital. All the while Kyrgyz President has acknowledged that Kyrgyz security forces abused the rights of minority Uzbeks in the wake of deadly ethnic riots in June. The chairman of the Kyrgyz Communist Party has resigned due to criminal charges. Tajikistan's Supreme Court has rejected an appeal by 18 members of the banned Islamic group Jamaat ut-Tabligh seeking to have their prison terms reduced.

Geo-strategic Front:

Azerbaijani Foreign Minister held meeting with his Turkish counterpart and discussed Nagorno-Karabakh issue. Foreign Ministers of Azerbaijan and Russia also held telephonic conversation and discussed number of issues on bilateral relations and regional situation. Dozens of internally displaced persons (IDPs) and veterans of the Nagorno-Karabakh war held a rally on August 4 in central Azerbaijan to demand that Armenian authorities should return the body of an Azerbaijani soldier. Dozens of jailed Afghan prisoners have been transferred from Tajikistan to Afghanistan as a result of an agreement between the two countries. Iran's president told the leaders of Afghanistan and Tajikistan that the three neighbors could provide a counterweight to NATO in Asia once foreign troops exit the region. The Turkmen-Afghan political consultations were held at the Ministry of Foreign Affairs of Turkmenistan on August 4. Turkmen President has sent condolences to President of the Islamic Republic of Pakistan in connection with the natural disaster - massive flooding, which resulted in numerous human casualties and destruction.

Economic Front:

100 protesters gathered in front of the mayor's office in the southern Kyrgyz city of Osh to demand the immediate reopening of the city's central market. Uzbekistan has suspended rail cargo traffic to Tajikistan's southern Khatlon province. Tajik capital's authorities have announced their plan to strictly control prices at Dushanbe's bazaars during the Islamic holy month of Ramadan. The Special Envoy of the State Department the United States on the Eurasian Energy has started discussion over the issues of cooperation with the government of Turkmenistan. Russian President has signed the law ratifying the agreement that protects Russian investments in Turkmenistan and vice versa for ten years. Turkmenistan's GDP has increased by 4% from January to July.

Social Front:

Ten opposition activists jailed for participating in an unsanctioned rally in central Baku on July 31 have declared a hunger strike. A Kazakh journalist was sentenced to 10 days in jail for throwing dung at the Almaty city court building. There have been a number of demonstrations against the OSCE police mission in Osh. Stark differences have emerged in how the Kyrgyz media have covered the origins and aftermath of the interethnic violence that erupted in the Central Asian country in mid-June. The leader of a madrasah and dozens of his students at his religious school in southern Tajikistan has been detained. Internet festival of national domain UZ 2010 started in Uzbekistan on 5 August.

SOUTH ASIA

Political Front:

The Supreme Court verdict banning "use of religion" in politics has put the burden on Election Commission (EC) with regard to reviewing the registration of Bangladesh's main Islamic party Jamaat-e-Islam. The Special Court-3 of Bangladesh Rifles has sentenced 14 BDR soldiers of 8 Rifles Battalion to different jail terms for their involvement in Sunamganj BDR mutiny on February 26 last year. Political crisis has deepened in Nepal as rival political parties have failed to get majority vote in the parliament for their respective candidate to be chosen as country's PM. Meanwhile son-in-law of the King Gyanendra has recently joined Nepal's Janata Dal- a pro Maoist party- hence many analysts have started predicting Maoist-Royalist alliance in the near future. As far as the issue of Madheshis is concerned key political parties have refused to make commitment to the Madheshis on declaring the southern plains as autonomous region. The opposition in Sri Lanka has suffered a setback with two prominent parliamentarians announced their support to the government headed by President Mahinda Rajapakse. The strength of the ruling alliance has now gone up to 146, excluding the Speaker, in a House of 225.

Geo-strategic Front:

New Delhi has mounted pressure on Dhaka to agree to waive duties on transportation of over-dimensional cargoes (ODCs) from its western side to the north-eastern states across the Bangladesh territory. The UN has expressed serious concern regarding political situation of Nepal. All the while Maoists have asked international actors to avoid

interference in Nepal's internal affairs. China and Nepal have celebrated the 55th anniversary of diplomatic ties at a reception in Beijing.

Economic Front:

India has allowed the export of 300,000 tones of non-basmati rice and 200,000 tones of wheat to Bangladesh. The US has announced to contribute Rs. 581 million (\$5.4 million) more for de-mining in Sri Lanka until the next summer.

Social Front:

Around 80 people got injured as Bangladeshi police fired rubber bullets and teargas, and used batons to disperse angry textile workers protesting for a third day against a new minimum wage they say is too low. Later on they returned to work as industrialists agreed to meet their demand about pay rise. Meanwhile Bangladesh has cancelled the registration of 334 NGOs in the last four months on charges of patronizing militancy and for alleged corruption and misuse of foreign funds. Many analysts have suggested that Srilankan government should keep database about IDPs, detainees etc to maintain peace in the country. Hundreds of state government workers protested against a government minister who tied an official to a tree as a punishment for failing to attend a mosquito eradication program. The government has taken measures to implement an eco-friendly program to generate electricity in the country and provide it to the public at a reasonable rate. A security assessment carried out by the British High Commission in Sri Lanka has concluded that the whole country is now safe for travelers.

INDIA

Political Front:

Differences appear to be persisting in both the leading parties, Congress and BJP over the issue of inclusion of caste in census. The Congress party seems to be confused over the process of inclusion of cast based data in census. In the BJP, differences have also emerged on the modalities of inclusion of caste in census with a section of the party supporting the idea of having a dedicated column to register the data while some leaders feel it should be listed under the OBC, SC or ST category. However some senior leaders have opposed the very idea of inclusion of caste in census. Meanwhile government has been criticized by opposition for corruption and delays in management of Commonwealth Games. In response government has expressed willingness to ask the CBI to look into charges of irregularities by state agencies involved in Commonwealth Games projects.

Chhattisgarh has witnessed 1,948 attacks by the Leftists ultras in past three years in which 418 civilians and 435 policemen including 75 Special Police Officers got killed. The Orissa government has constituted a state-level Unified Command to deal with Left Wing extremism. The Union home minister, P Chidambaram, has denied reports of Maoists getting foreign funds. He, however, said arms were being smuggled cross-border from Myanmar and Bangladesh.

Consistent violence has compelled New Delhi to finally agree to send more troops in Kashmir valley on request of Omar Abdullah. 15 companies of the Central Reserve Police Force (CRPF) comprising 1,500 personnel have arrived in Srinagar to assist the existing security grid.

Geo-strategic Front:

India and the U.S. have signed the much-debated agreement on modalities for reprocessing spent nuclear fuel, under the civilian nuclear deal between the two countries. It would enable reprocessing by India of United States-obligated nuclear material under International Atomic Energy Agency safeguards. India has expressed willingness to discuss everything with Pakistan in a “step-by-step” approach to resolve differences with the neighboring country.

Economic Front:

Indian gross domestic product (GDP) at the market and current prices has been measured at USD 1.31 trillion in 2009-10 and is estimated to be USD 1.52 trillion in the current fiscal. Meanwhile Finance Minister Pranab Mukherjee has said that India's high economic growth would lead to inflationary pressures. Official sources have also revealed that foreign direct investment in the country has declined by about 45 per cent to \$1.41 billion in June this year.

Social Front:

Floods in some of the regions have brought heavy losses to lives and property of the people. People migrating from villages rapidly increase urban population hence putting more burdens over the cities' economic sector. Gujarat Government has banned use of mobile phones in schools and colleges, saying it was affecting educational activities in the institutes.

EAST ASIA

Political Front:

Government has been putting a lot of effort to inculcate the concept of 1 Malaysia in people's mind. Moving towards Singapore an increased demand amongst Singaporeans for political participation and involvement over the last 10 years has been observed.

Geo-strategic Front:

At the ASEAN Regional Forum, Hillary Clinton said that President Obama has expressed interest in attending the 2011 East Asia Summit (EAS) in Jakarta. Indonesian press has not paid much attention to the statement given by the US Secretary of State. Vietnam has accused China of violating its sovereignty by conducting seismic exploration near disputed islands in the South China Sea. Thailand has been involved in a dispute with China over the Mekong River, with Thailand's agriculture badly affected by falling water levels on the river.

Economic Front:

Indonesia has put the blame for its slow progress in achieving the UN's Millennium Development Goals squarely onto developed countries' reluctance to help foot the bill. Thai Commerce Minister has made a plan to set up an ASEAN rice trading company with her Vietnamese counterpart. Finance Minister of Thailand has expressed hope that his country's economy would grow by 7 to 8%. Vietnam's seafood export value in the first

seven months reached 2.45 billion U.S dollars, registering 11.6 percent year-on-year increase. During this period, European Union is the largest export market with the total value of 512 million U.S dollars. Japan ranks the second with 371.6 million U.S dollars. Cambodia has banned the import of pigs from Vietnam and Thailand after swine infected with blue-ear disease were smuggled into the country from neighboring.

Social Front:

The New York-based human Rights watchdog has called on President Susilo Bambang Yudhoyono to repeal laws that have given followers of the nation's leading faith the legal space to launch attacks on people of other creeds and sects in Indonesia. A special committee on Women and the Family Institution is in the process of being set up to assist the ministerial level National Council on Social Issues in addressing matters concerning women in Brunei.

CHINA

Political Front:

Chinese Defense Minister has emphasized greatly on the need to enhance military capabilities. A total of 12,000 soldiers and officers from China's air defense force have been scheduled to conduct a five-day military exercise in two provinces. In a move to reduce a burgeoning population, the Beijing People's Congress has advocated a restriction of low-wage workers in the capital through closures of small businesses.

Geo-strategic Front:

More than 700 Chinese enterprises registered in Indonesia, have been contributing a lot to Indonesia's economy and society. China has asked Singapore to adhere to one China policy. Police in China and France have dismantled a network that tried to smuggle Chinese migrants into Italy and Spain on boats. China has expressed deep condolence to the victims of floods in Pakistan. China has been assisting Ethiopia in health sector. China has urged the Republic of Korea (ROK) and the United States to treat its concern and position seriously on the ROK-U.S. military drills in the Yellow Sea. China has firmly opposed any remarks and actions that violate its sovereignty over Xisha Islands and adjacent waters in the South China Sea. Chinese foreign Minister held meeting with Cuban leaders and discussed their bilateral relations. China has shown willingness to boost trade ties with Vietnam and South Korea. Meanwhile China and Argentina seem keen to enhance cooperation in tourism sector. China and Iran have pledged to carry through cooperation projects and seek mutual benefit.

Economic Front:

China's manufacturing activity continued to grow at a slower pace last month as the government took measures to curb the risk of overheating and adjust the economic structure. Retail sales of China-made autos rose 17.18 percent year on year to 1.056 million units in July. China has removed tariffs and value-added taxes on core equipment, components, and raw materials imported and used in civilian high-tech projects since July 15. A government think tank has recently revealed that China's economic growth would continue to cool in the third quarter as the government reduces stimulus measures, thus lowering inflation expectations. The tourism sector in East China's Shandong

Province generated 127.7 billion Yuan in the first half of this year, a growth of 24.5 percent on the same period last year. China's shares remained fluctuating last week. Chinese central bank has pledged financial support for development of western regions.

Social Front:

The Chinese government has begun to ask for public opinion on a set of draft regulations on the management of foreign labor service cooperation agreements, which aim to protect workers sent overseas. The United Nations assistant secretary general and director of the U.N. Development Program's Regional Bureau for Asia-Pacific, dubbed China as the biggest role model of countries in achieving the Millennium Development Goals. Experts have called on the Chinese government to carry out a survey on Chinese residents' housing conditions in a bid to guide cooling-down measures for the property market. Flood-triggered disasters have killed more than 1,450 Chinese this year, with another 669 missing. Millions of low-income residents in Northwest China's Xinjiang Uygur autonomous region have received a huge boost as billions of Yuan in government funds have been handed out to improve living standards. China has successfully launched its fifth orbiter into space as a part of its indigenous satellite navigation and positioning network.

HONG KONG & MACAU

Political Front:

Macao's anti-graft chief has led a delegation to visit his counterpart in Hong Kong, where they explored closer cooperation between the two places on the fight against corruption.

Economic Front:

Trade between the Chinese mainland and Macao in the first half of the year rose 9.3 percent year on year to reach 1.07 billion U.S. dollars. Macao's gaming revenues continued its streak of rapid growth in July 2010, as the monthly figure rose by 70 percent year-on-year to 16.3 billion patacas (2.04 billion U.S. dollars). A total of 778 new companies were incorporated in Macao in the second quarter of 2010, an increase of 18.4 percent over last year.

Social Front:

Personal ownership of mobiles among Asia's youth had increased from 60 percent in 2008 to 64 percent in 2010, while that of Hong Kong jumped from 82 percent to 87 percent of youth owning a mobile, the highest among all surveyed regions.