

Zonal Report 133 Summary
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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This is the summary of the whole Euro-America zone (zone 3) taking into account the political, economic, socio-cultural and geo-strategic issues around North America/Canada, Western Europe, Latin America/Southern Europe, Southeast Europe, Oceania, Russia and its Neighbour and East/Central Europe.

Report Summary

US/Canada

Political Issues

Obama's rating could be plummeting and Congress not on public good book, yet the democrat party believes there are chances for them to perform better than expected in the midterm election contrary to the projected rightist views of the republican tea party conservatives. Democrat claims Americans are moderate and not necessarily ready for fringe politics.

Before going for his personal recess, Obama lashed out at republican for baiting voters with untrue promises, which according to him will further ditch the economy.

The political jiggles being played by republicans along side the tea party suggests that race is not an oblivious issue on American political landscape. The recent Ethics troubles facing Democrats Congressmen is believed to have been accentuated because of the race of the culprits and more deeply to demonise democrat party and Obama's government as a failed administration.

President Obama continues a presidential tradition where the president can appoint federal officers, postponing Senate confirmation process required for senior federal posts. The tradition was invoked as lawmakers are on vacation.

Young Senators or new elected members of the Senate are demanding for change against the establishment. They project the view that the establishment is out of touch from the reality and their retrogressive ideas should be buried for new initiatives. Another issue of concern is earmark for Senators believe to be a waste and should be banned.

Obama administration wants a thorough review of offshore water drilling, as a measure to caution against the repetition of Gulf of Mexico oil spill. Even though sizeable number of Americans will want drilling to continue despite huge criticism of BP, yet the industry experts fear a moratorium would be worrisome for the economy.

It is increasingly becoming evident that the construction of a mosque at Ground Zero is taking a political posture, drawing American president into a local issue. Despite the huge criticism by the right and republican, President Obama stood his ground that construction of the mosque is legal and he holds no apology to his critics. The mosque debate has however divided democrats, and muddy particularly for Senators seeking re-election.

The fluctuation in Canadian party rating has become a persistence phenomenon guarded by issue and circumstance. The latest poll by EKO shows that conservatives have clawed back lead after drop in approval over census issue.

Economic Issues

Economic uncertainty is brewing Americans' ire against the government, characterised by lower approval for Obama's handling of the economy. Americans are disillusioned that Obama could not fulfil his promise of revitalising the economy. The disenchantment could be hideous during the midterm election.

Canadian economy like other giant economies is facing daunting situation as wholesale and housing sector gets affected, generally the economy is experiencing a slow motion growth.

Amid a final stage of inking over 8 billion euros free trade agreement between Canada and EU, Ottawa has petitioned EU before WTO for its new law banning seal. Canada says it is defending Atlantic communities that rely on the seal trade for survival, while the European Parliament has sided with radical animal rights lobbyists.

Social/Humanitarian Issue

The fact that Obama approved the construction of mosque at Ground Zero has further awakened the erroneous view that the president is a Muslim and hiding his identity as a Christian. According to PEW survey, the view is largely due to media misinformation.

Food, Environment and Energy Issue

President Obama might be having a bad rating for his handling of the economy, but not for the oil spill at the Gulf of Mexico. Sizeable number of Americans believe the spill was a national problem and approved of the president handling. Meanwhile, confidence in BP is recovering slowing after the seal, though scepticism over safety of seafood remains. Meanwhile the number of people petitioning BP and other major defendants involved with the spill, for compensation has increased for contributing to joblessness and environmental degradation.

For many it is no more sensational that global warming and climate change are responsible for the world unfolding natural disasters. This however does not bury sceptics

from arguing that massive emission of carbon dioxide is in no way accountable for the woes the world now faces.

Canadian opposition party accuses the ruling minority government of defying environmental warning about the oil sand exploration. The opposition reports that the exploration is sensitive to fresh water and could be hazardous to health.

Geostrategic Issues

The flood in Pakistan is giving a new direction to US-Pakistan relations. Washington is forced by the natural disaster to be more focused on humanitarian assistance than being concern on security issue. It is true that circumstance can also change strategic alliance and policy at any given time. American top civilian officer in the region hopes that the humanitarian assistance will help re-brand U.S image among disenchanting Pakistanis

The exit of US from Iraq is expected to create a void, which the Obama administration would rather fill with private civilian officers instead of military. The administration believes Iraqi government can now shoulder security responsibility though with helping hand from the United States which will be done by the private civilian officers.

Pentagon is raising caution flag over the increasingly military expansion of China in the pacific, increase military budget and development of advance military hardware. The concern is not just an issue for Washington but equally worrisome for Washington's allies in the region.

Western Europe

Political Issues

Elections are over but mutual understanding of creating a government is yet to happen in Belgium. The struggle evolves around the lack of compromises between the two ends of the country. For the Flemish parties, who are keen to see more powers devolved to the regions, are pushing for more conditions to be included such as a reward and punishment system for entities depending on whether they manage to achieve certain pre-defined objectives. French-speaking parties, for their part, are demanding that the state reform, which would be the sixth in the country's history, does not touch the subsidies that flow into their poorer region from richer Flanders and that no part of the population is left less well off by the reforms.

Throw in your support or face the judgement of voters was the strong signal sent by Prime Minister Silvio Berlusconi to the members of his coalition that recently slipped away. Italian ruling coalition government has been at chaos as coalition partner failed to support certain legislation.

Arabs are friend and should nurture no offence for the visit of the Israeli PM to Athens. Greek government reassured Arabs friends that Prime Minister Benjamin Netanyahu visit only aimed at improving Greek-Israeli relations for the good of Greece and all countries in the Middle East and does not exclude our close co-operation with the Arab world.

Whether or not President Sarkozy wants to use his new campaign on Roma as political stunt should be judged by the people. The campaign though geared at sanitising the street of France from delinquency will fall short of target because expelled Roma can with ease and legally return to France. EU said the expulsion case is under its radar and watching closely if France is violating EU law of free movement of citizens.

Economic Issues

Europe is facing a general austerity syndrome, characterised by budget and deficit cut, the syndrome was triggered by the Greek financial crisis. If EU countries must reduce budget, Brussels should be no exemption. There has been call for reducing EU mushrooming institutions because that in itself increases spending.

According to the German central bank, Germany's economy is on course to grow by about 3 percent this year after a spectacular second-quarter growth spurt. The growth has been spurred by strong export, prudent financial policies and better way of handling economic crisis as compared to other giant economies.

It is in the best interest of the zone that Greece gets out of the financial mess quicker; therefore the assessment of the European Commission that Athens is due for another round of aid package is more likely a boosting power. This will further make Athens to intensify its deficit cut and austerity measures, which many Greeks say it is hurting. The EU said it understood the consequence of the measures but it is the best for Athens future.

According to the new British government, saving the economy from a wrong direction should be the responsibility of all Britons. Thus, according to suggesting posted on the Treasury ministry website, abolishing the monarchy, opening Parliament for just four days a month, adjusting legislators' pay accordingly and to have prisoners generate cheap electricity by hooking up gym equipment to the power grid are ways of solving the problem.

Called the generous state where the unemployed can still survive, Denmark is taking a new turn by slashing unemployment benefits from four to two years. The new rule requires people to stick to job at their disposal than being laid off with the hope of getting government's benefit. It is true that Denmark is itched by the European financial crisis.

Social/Humanitarian Issue

The humanitarian crisis in Pakistan is brewing accusation of negligence among developed nations expected to be more benevolent amid the critical situations. The EU is rejecting the misinformation about its humanitarian aid, rather defended itself as the first on spot and has expended than any on ground. An unnamed Taliban group is reported to have donated more than what Germany the EU largest economy donated.

The concern of EU over the wildfire accidents across Russia is an indication that in a globalised world, calamities are mutually attended to. The European Commission has granted €9,589 to help Russia as part of its humanitarian aid. Russia however is not dependent on EU mechanism but relied on bilateral help from EU friendly states.

As the demand for humanitarian aid increases so does the security of aid workers becomes pertinent. Helping other sometimes might be problematic because of societal, religious and cultural factors. The need to exercise transparency and modesty in aid effort is necessary as people to be helped attached politics and economic sentiment to aid work, thereby increasing the security risk of aid workers as seen more recently.

German court has charged a former Rwandan mayor living in Germany for massacre and inciting killings the country's 1994 genocide. It more likely the first of it kind for Germany to exercise universal jurisdiction on crime committed elsewhere.

The British government warns Libyan authority to respect the feeling of relative of victims of 1988 bombing of Pan Am Flight 103 above Lockerbie, Scotland. It is believe that Libya is set to celebrate one year to the release of Abdel Baset Al-Megrahi. His release continues to fan diplomatic rattle within London, Dublin and Washington.

A study says female managers in Britain earn 10,000 pounds (\$15,600) a year less than their male counterparts, and at current rates will wait 57 years to achieve parity.

Food, Environment and Energy Issue

The European General Court has ordered a suspension of the EU's seal product ban just as the regulation was due to enter into force. Canadian Inuit sent a petition to the court against the EU ban, arguing that the ban will affect their economy. For the EU the ban is more to protect wildlife and preservation of animals affected.

Geostrategic Issues

The EU has again reminded its member of Alternative dispute resolution (ADR) less expensive and more timely than allowing cross border dispute to always end in the court, which is not only costly and time-consuming, but potentially equipped to destroy profitable business relationships.

The EU an integral of Quartet is geared up to bring Palestinians and Israelis back to the negotiation table. Although there are scepticism for the new talks as conditions from both sides are still unsettled.

The office of the EU foreign policy headed by Chief Catherine Ashton is yet to gain full status as EU representation in international organization like the UN. Chief Catherine Ashton could not speak at the UN on EU-Pakistan humanitarian effort because her office is yet to have full speaking rights at the international forum.

Southeast Europe

Political Issues

If Albania must overcome its political stalemate then there is no option than electoral reforms. This is the suggestion from the opposition parties to the ruling party. Albania parliament has long been unsettled due to the political doubt between opposition and ruling parties. The political standoff is not just affecting the domestic politics but also endangering Albania-EU integration.

Meanwhile, Albanian President Topi has returned property law to parliament for review, a development welcomed by the opposition. While on a separate development, the government decided to increase incomes for the unemployed by 3.5%, to about 60 euros a month.

The international community is demanding Bosnia to create a common and concerted police force that will be forceful enough to combat corruption and crime. This demand came amid the report of the US State Department's annual report jettisoning the current structure in the country as not worthwhile to meet the challenges, especially of a global threat, such as terrorism and drug trafficking. Such a common police force is rejected by Republika Srpska Prime Minister Milorad Dodik.

ICJ's ruling over Kosovo is becoming a precedent for other seeking independence. Bosnia and Herzegovina's (BiH) Prime Minister Nikola Spiric said now that the International Court of Justice (ICJ) has ruled in favour of Kosovo's independence, this would open the path for RS's independence.

It is open truth that countries in the region will be ready to dance to the tune of EU and do all that is manly possible to satisfy the bloc. This will be true for Croatia hoping to be the next EU member. Croatian President Josipovic announced he would strip Glavas's rank of major-general. The move came after the Supreme Court upheld his conviction for war crimes committed against Serbian civilians during the 1991-1995 conflict.

Kosovo Prime Minister Hashim Thaci has made a strong statement that for no reason will Serb-dominated northern Kosovo becomes autonomous and claim of independence is simply a hoax. The region has been problematic and backed by Serbia, a situation often irritating Pristina. Nevertheless, tussle continues between Serbia and Kosovo even after the ICJ's rulings that cleared Kosovo from violation of international law.

Economic Issues

In Bulgaria, Prime Minister Boyko Borisov announced that the country will absorb at least 50% of the EU funds set aside in the 2007-2013 budget frameworks.

Social/Humanitarian Issue

The region joins the rest of the Muslim world for the fast of Ramadan. The month is celebrated with sermon from political and religious leaders sermonising brotherhood, unity and sense of humanity as virtue that should be wear during Ramadan. .

They are one of the most vulnerable ethnic group across Europe and now been sent out of France. Romas returning home (Romania) needed to be reintegrated into the society is the message clamoured by Romanian NGOs.

Food, Environment and Energy Issue

Geostrategic Issues

Becoming an integral of the EU visa liberalisation scheme is not far fetch, but only attainable if Bosnia must institute a viable structure to prevent corruption and co-ordinate to fight against corruption.

Russia is gotten itself another spy roll with Romania, at first Russia expelled Romanian first secretary in Russia before Bucharest did same to Russia first secretary in Romania. Time will tell if the diplomatic clash will not exacerbate.

Hastily written resolution by Serbia sent to UN could be diplomatically catastrophic for Belgrade as the resolution has fell short to garner support of UN members and even offended the EU. On this backdrop comes the debate in Serbia over the slow pace of the country's EU accession. The fact is that Serbia has been jumping from one trouble to another and Kosovo has been a major determinant issue associated with Serbia-EU accession.

Oceania

Political Issues

The battle for the seat of premier in on-going in Australia and elections outcome will determine if Aussies are ready to continue with a female prime minister or a male politician from a conservative Liberal party. Dirty-Harry, a crocodile from Darwin has predicted the victory of Gillard, as it foresaw the victory of Spain in the last FIFA world cup. The election run-up has been a tight contest and issue oriented.

Whether to retain or drop monarchical heritage for a republic has been a long discourse for the Australian government and public. As elections roll to a close, the

Labour party that has long wanted Australia to cease being under the British monarch, wants monarchy retained till the death of the current Queen of England. This view is not shared by monarchist conservative Liberal party having no qualms with the monarch.

Economic Issues

A merger between Australian major iron ore company BHP Billiton and mining giant Rio Tinto has been reported abortive. The merger will have been a great financial success for Australia though a big concern for EU and China.

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Latin America

Political Issues

Although it is suitable for the economy at the moment, yet Argentine's lower house has passed an opposition backed bill to increase pensions till 82 percent, expected to be on same page as the country's minimum wage.

Brazilians are expected to have a new president by October after a tight election between President Lula's candidate Ms. Rousseff and a veteran politician Mr. Serra. Several polls suggest different rating, but the bottom-line is that Ms. Rousseff is expected to replace Lula, on whose popularity she is garnering support.

Observers of the country might see the latest development in Colombia as a wrong start, while President Santos welcomes dialogue with FARC upon renunciation of violence, Colombian defense minister rejected negotiation as tantamount to approving the rebel's atrocity. Meanwhile, a Colombian court has rejected having US military base in Colombia on the ground that it lacks parliament's approval.

Legalisation of drug is the on-going debate in Mexico after ex-President Fox suggested legalizing drug in bid to destabilize the drug economy. President Calderon however holds that such permission will further induct youth to drug addiction and he has also requested the help of the 31 Mexican governors for combating the menace of drug cartel.

Venezuela's international standing could make it difficult for Caracas to seek the repatriation of a Venezuelan serving jail sentence in France for terrorism. Venezuelans share dissimilar views on what Chavez's 21st century socialism is. Most argue it is geared at bettering their lives, while others believe it is a confused and vague concept invented by Chavez.

Economic Issues

Argentine economy is recorded doing well than expected and according to polls, President Fernandez Kirchner is regaining favourite rating due to her reformed economic policies, thus distinct herself from unwise polices that ditched her husband, the former president.

Further growth of Mexican economy will depend on foreign investment but translating that into reality could be impaired by Mexico's political trouble. The government expects a 5% economic growth next year and GDP increase by 4.1% this year. Meanwhile, Mexico and Turkey enters a new phase of bilateral relations after both countries ink agreement on several sectors.

Is free trade zone a workable arrangement, as NAFTA members often move from one problem to another. Mexico a NAFTA member will be taxing U.S goods as retaliation for the rejection of Mexican trucks into the U.S.

Social/Humanitarian Issue

In order to keep abreast with the increasingly science and technology growth, Brazilian government is set to invest \$23.4 billion US dollars in technological fields to boost this sector.

Chile-China relation is open for progress, trade ties has increased by 31% from \$17.42 billion in 2009. Upon expending around \$1 billion in rebuilding Chile's earthquake affected areas, Chinese businessmen have been invited to be integral of the hefty reconstruction.

Despite the Colombian court's ruling, Obama government has announced that it will continue its assistance to the Colombian government to combat drug trafficking and fighting rebel groups.

Mexican conservative and ruling National Action Party and the Catholic Church community were thrown into a tight corner after a majority Supreme Court ruling legalises same marriage and adoption of children. Mexico will be second in the neighbourhood upholding such law which to the Church undermines the fabric of the society.

Food, Environment and Energy Issue

They are both members of BRIC and growing economies; this is an open truth for Brazil and China. Brazil being China's tenth largest trading partner is more interested to increase agricultural exports to China in due course. Brazil exchanges pork for Chinese fish.

Geostrategic Issues

Argentina got the kudos of Washington for her effort over regional co-operation and attempt for resolving Colombia-Venezuela brawl.

In an effort to forge a new beginning between Colombia and Venezuela, both countries are at verge of inking trade and defense agreements as Colombian defense and trade ministers pay visit to Caracas

US-Mexico troublesome border might have to face a new reality as the US Congress increases the budget for militarization of the border, with the intention of replicating the drone offensive as being used in Pakistan-Afghan border.

Venezuela remains obstinate against U.S ambassador-nominee to Venezuela, Mr. Palmer is accused of unnecessarily interference in Venezuela's affair and thus he is non grata.

Russia and its Neighbours

Political Issues

Russians should be having just one president instead of presidents across the country. President Ramzan Kadyrov of Chechnya is asking for an approval from lower house of the Russian parliament, the State Duma to change the status of president to head of region, doing this will give prestige to the president sitting in Moscow.

Poland and Hungary lead other nine EU members challenging the way their public debt is calculated and demanding for a reform. The countries want that the bloc's members be allowed to account for the cost of overhauling their pension systems.

The Polish Prime Minister Donald Tusk is rolling out a reform package covering amendments to anti-corruption, lobbying legislation and rules on responsibility for public finance discipline. Meanwhile, Warsaw is firm at protecting EU's Cohesion Policy that help countries like Poland to revive their economies.

Even though 70% of Czechs have rejected the idea of placing another U.S. early-warning system component in the country, the government is defying the public say. The rejection idea is supposedly spearheaded by the Communist Youth Union (KSM)

On a separate development, Czech new Prime Minister, Petr Necas is set to normalise relations with Brussels and more importantly with neighbours like Germany

Hungarian Prime Minister Viktor Orban whose centre-right party, Fidesz won the last elections and now forms the government is under watchful eye of Transparency International. The organisation is voicing numerous concerns over the cabinet's legislative practice and staffing policies.

Economic Issues

Russian energy giant, Gazprom recorded 42 percent profit hike, estimated around \$1.501 billion as compared to U.S. GAAP. The record slightly exceeded analysts' expectations.

In comparison to other BRIC members, according to Russia's statistical agency Rosstat, Russian economy recorded the lowest GDP rise. Brazil's GDP rose by 11.3 percent, China's by 10.3 percent, India's by 8.9 percent and Russia's GDP stood at 5.2 percent.

Polish economy continues to experience a soar as GDP rises by 3%. Poland is credited as the sole EU nation to have avoided the recent recession. On top of that, Poland hopes to benefit from hosting the next Euro 2012 soccer championship expected to generate some 28 billion zlotys (\$9.1 billion) for Poland's economy.

Economic growth will also be true for Ukraine with a GDP boost of 3.9%.

The Czech government's borrowing costs dropped to an all-time low at a sale of 15-year bonds as the country's pledge to halve the size of its budget deficit and a plan to sell bonds in Euros boosted demand for its koruna debt. Meanwhile the new centre-right government is moving at fulfilling its election promises of fiscal responsibility and rooting out corruption in state administration and in the awarding of public contracts.

Slovak government has reiterated and defended its position for not supporting the EU's €10 billion in bilateral loans over the next three years for Euro zone countries.

Latvia's economy is enjoying a good financial incentive atmosphere as World Bank and EU rebound the economy with another loan tranche of 105.8 million euros (135.6 million US dollars). The fund is geared at walking the small Baltic state out of recession, while its GDP rise of 13.4 per cent, suggesting recession is subsiding.

Despite the political hubbub, Belarusian and the Russian railway enterprises are coordinating east-west-east freight traffic, including trans-shipment in Belarus, with the participation of privately-licensed Polish carriers.

Social/Humanitarian Issue

Russian securities hopes to start an operation in southern Russia after massive bomb wound security agents. Fighting extremism has become serious concern for the Russian government.

The extent and impact of Russian mafia became more highlighted by a report that shows how jobs in police department and judiciary are bought by Russian mafia for more than £30,000. Thus, this could buttress the view that Russian system is enveloped in corruption.

UN's report has it that Russia is already the third largest country in the world in terms of the number of drug addicts among citizens, but a recent poll conducted by Public Opinion Research centre suggests that almost three quarters of respondents said they know no-one around them on drug.

Placing drug, tobacco and alcohol on same recreational page without analysing the health consequence caused by these substances will be more dangerous as the world is menaced by addiction undermining the fabric of the society. Authorities in Moscow have shortened the period during which shops may sell hard alcohol in line with the Kremlin-led campaign to crack down on alcohol abuse.

The Slovak government under the banner of NATO is expected to send relief goods to Pakistan flood areas.

Belarusian media houses still face government censorship and interference and such is becoming more elaborate as the nation prepares for next presidential election.

In Hungary, government is also defending the new media overhaul as non-infringement on the freedom of the press. The state wants all media body responsible for frequency tenders under one umbrella.

Food, Environment and Energy Issue

Russia's recent natural disaster received international attention with different form of humanitarian assistance. But as the wildfire get subverted foreign volunteers as fire-fighters have started leaving Russia, their effort was gratified by Moscow authority. Meanwhile, Russia's liberal opposition is shouldering the blame of the outbreak of the fire on Prime Minister Putin.

Russia at last will be fulfilling its responsibility and thus regain its good image before the Iranian authorities if the Bushehr nuclear plant gets fuelled. The plant is expected to become operative soon and it has become another avenue of debate in the west over Iranian nuclear dilemma.

Ukraine, the world's sixth largest exporter of wheat and barley is set to join its Russia neighbour by limiting wheat and barley exports to 3.5 million tons till end of the year. Like Russia, Kiev's farmlands were hit by a severe drought.

Geostrategic Issues

The summit held at the Russian Black Sea resort of Sochi gave ample opportunity to Russia to discuss issues of mutual concern. The countries at the summit agreed on co-operation in trade, fighting terrorism, drug trafficking and international crimes. Similarly, Moscow hope to revive its Soviet-era projects in the region as in the provision of energy such as electricity which is crucial to Pakistan and Afghanistan.

Recognition of Abkhazia is becoming important for Russia and Moscow worries over Belarus nonchalant attitude to this issue. Moscow is set to publish Belarusian President Lukashenko's promise on Abkhazia during the last Collective Security Treaty Organization (CSTO) summit. Lukashenko ties his reluctance to Russia's disturbing pressure. There has been an up and down in Russia-Belarus relations recently and diplomatic calmness is necessary for the two members of a trilateral Custom Union.

Russia is expected to get its military presence in Armenia extended for another twenty four (24) years. Armenia tends to strengthen its ties with Russia and such prolong presence of Russia might be far-reaching for (Azerbaijan and Turkey) in the neighbourhood.

Slovak President Ivan Gasparovic is reassuring the Israel's new Ambassador Alexander Ben-Zvi of good relations based on international policy and the Mideast peace process amid international condemnation of Israel over its assault on Turkish flotilla