

Report # 134
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia, India,
East Asia, China, Hong Kong & Macau Korea & Japan
Nadia Tasleem
Weekly Report from 21 August to 27 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, Iran, Afghanistan, South Asia, India, East Asia, China, Hong Kong & Macau, Korea and Japan from 21st August to 27th August 2010 as have been collected by interns.

TURKEY

Political Front:

Unlike his predecessor Turkish new Chief of General Staff has said war against terror 'can't be won without guns'. He emphasized on the role of military to counter terrorism. Prime Minister Erdogan has asked members of MHP to support his democratic initiative during referendum to be held in September.

Geo-strategic Front:

Recently signed security pact between Russia and Armenia seems to be like the one signed between Turkey and Azerbaijan a few days ago. In the light of these developments in Caucasus many analysts have started assuming Turkish-Russian competition in the region in near future. Meanwhile Turkish State Minister has asked European Union to play its role in sorting out permanent solution for Cyprus issue. Israel has expressed serious concern over Turkish engagement in Bosnia and Herzegovina. Turkey has sent 195 more pre-fabricated houses to help Pakistani flood victims.

Economic Front:

Turkey's grain board has decided to allow private companies to import 330,000 metric tons of duty-free European Union wheat this year as part of measures to ease price swings in the domestic market. Gazprom, Russian Energy Company, has increased the amount of natural gas transfer to Turkey and taken it to 37 million cubic meters.

Social Front:

Constant rise in temperature in different Turkish cities has adversely affected crop production. Besides that Turkish Agriculture Association has decided to keep prices high during the month of Ramadan.

GCC

Political Front:

Bahrain's top Shiite politician said that last week's crackdown on Shiite protesters has destroyed a decade of stable sectarian relations as the country heads into parliamentary

elections scheduled for October. Several soldiers and Al-Qaeda members have been killed during the last week in Yemen. The Yemeni government has opened talks with Shiite rebels on implementing a February peace deal that halted the last round of fighting in the northern mountains. As a result Yemeni Shiite rebels signed an agreement with the government laying out a timetable for implementing previous accords.

Geo-strategic Front:

All Gulf countries have sent aid packages to Pakistani flood victims. In this regard Saudi Arabia has issued directives to send two field hospitals to Pakistan to provide health services to the flood-affected people. The UAE pledged US\$ 5 million in support of a Pakistan Initial Floods Emergency Response Plan launched by the UN last week. The State of Kuwait, on the basis of its approach has announced to provide a donation of ten million dollars to victims of Pakistan's floods. Qatar Charity, in collaboration with Qatar Airways, has set up an "air bridge" to fly in relief for millions of Pakistanis affected by devastating floods. Qatar Charity said it would airlift 80 tones of emergency relief items, totaling around QR2.2mn, this week. All the while Oman expressed deep concern over the loss of lives and the damage to the infra structure caused by floods in the Islamic Republic of Pakistan.

Jordanian King paid visit to Saudi King and discussed various aspects of cooperation between the two countries and ways of their enhancement in all fields. The nuclear regulatory bodies of the UAE and the US have inked a deal for cooperation in areas like safety, security and safeguards of the nuclear installations.

Economic Front:

Credit remains relatively tight, in the Gulf, where the property-market correction and troubled regional conglomerates are hampering the banking sector's recovery. The UAE companies have invested nearly \$ 720 million (Dh2.65 billion) in Iranian power projects last year, becoming the largest foreign direct investor in the country's energy sector. Germany came second with investments worth \$ 445 million in its energy sector. Oman crude for immediate loading has dropped \$ 1.64, or 2.2 per cent, to \$ 72.50 a barrel. The world's lowest input costs have placed Saudi Arabia's petrochemicals suppliers in an enviable position and are helping them capture global market share. Abu Dhabi's investments in its massive hydrocarbon sector have slumped by more than 12 per cent during 2009 for the first time after a steady increase over the past three decades.

Social Front:

Amnesty International has urged Saudi authorities not to medically paralyze a man in retribution for similar injuries he allegedly caused during a fight. Saudi Arabia's leading supermarket chain has broken the country's strict taboo on women working in public with a pilot program of women cashiers. Saudi Ministry of electricity has claimed that electricity crisis has ended over there. The Middle East region has been putting effort for higher broadband penetration. The 'Middle Eastern Digital Media, Broadband and Internet Market' report said the young population would be the one of the main drivers of growth as they grow up with Internet use.

FERTILE CRESCENT

Political Front:

El Beradi has reiterated his claim that November elections should be boycotted to bring real change in Egyptian politics. Therefore most of the Egypt's opposition parties have urged the Muslim Brotherhood to boycott legislative elections in November. In the meantime a Muslim Brotherhood activist has said that his party would need some time to take power in the country. Lebanese PM has stressed on the need to hold dialogue in order to resolve disputes among various groups. A source in the Iraqi National Alliance disclosed that 35 members of the State of Law Coalition [SLC] headed by outgoing Prime Minister Nuri Al-Maliki have contacted the IISC and expressed their determination to split off from the SLC and join any alliance that brings together the Al-Iraqiya Coalition. Iraq's Prime Minister Nuri al-Maliki and former premier Iyad Allawi have resumed negotiations aimed at forming a government after falling out briefly over a sectarian row.

Geo-strategic Front:

The Board of Executive Directors of the World Bank approved a grant to Egypt, a loan of \$1.2 billion Egyptian pounds to support the development of wind energy. 800 million pounds will be provided by the Clean Technology Fund, which will be a first for the fund in the Middle East and North Africa. The project will support the strategy of Egypt towards renewable energy, which is attaching a high priority program to generate electricity on a wide range of renewable energy sources. Lebanese PM has paid visit to Damascus and held meeting with Basher Al Assad. While some US congressmen have been pushing to cut \$100 million in military assistance budgeted for Lebanon over fears of Israel's security and Hezbollah's leading role; many analysts feared that this would make Hezbollah stronger and would erode the US credibility in Lebanon. The United Nations Interim Force in Lebanon (UNIFIL) has delivered 39 vehicles to the Lebanese Army. The Organizers of Lebanese ship heading towards Gaza have postponed their plan as Cyprus denied entry to the aid ship. Orders have been issued to the security forces to be on the highest state of vigilance and alert, especially at this critical stage as the US combat forces pull out of Iraq and Iraqi security forces prepare to assume full combat responsibility. Arab League chief has expressed little hope about direct talks between Israel and the Palestinian Authority.

Social Front:

Islamic countries seem keen to invite scholars from Egypt's Al-Azhar, the Muslim world's prestigious institution.

CENTRAL ASIA

Political Front:

Executive power chiefs have received instructions in Azerbaijan concerning upcoming parliamentary elections. Some 100 protesters have demanded that former Mayor Seidakmat Ermatov should be reinstated. Strong resistance has erupted in Kyrgyzstan against having police from the Organization for Cooperation and Security in Europe (OSCE). 190 criminal cases had been commenced on the fact of crimes committed by high ranking officials during the era of Kurmanbek Bakiyev. General Prosecutor Office

of Kyrgyzstan has completed investigation of April events when over 80 people got killed near the Government House in Bishkek. Two political parties have refused to participate in the election campaign.

Geo-strategic Front:

Armenia's Foreign Ministry has warned Azerbaijan for its efforts to push the United Nations General Assembly for a fresh resolution that accuses Yerevan of occupying Azerbaijani lands and thereby hampering a peaceful resolution of the Nagorno-Karabakh conflict. Meanwhile Azerbaijan's Defense Ministry has rejected as "laughable" a claim by Yerevan that Russia could back Armenia in case of a new conflict over the disputed region of Nagorno-Karabakh. Armenian Ministry made such claim after signing defense deal with Russia. Kazakh President has refused to go for nuclear armaments. Russian and Kazakh experts have regarded his refusal as historic. Seeking to diversify its financial industry after a banking crisis, Kazakhstan has been drawing on Arab and Malaysian investment in an effort to build an Islamic finance industry among its 13 million Muslims. June events in Kyrgyzstan have forced Collective Security Treaty Organization (CSTO) countries to change the organization's charter. US President Barrack Obama has ordered to allocate up to 9.5 million dollars in assistance to displaced people in Kyrgyzstan. Kyrgyz University students' new academic year has been postponed in order to prevent the students being used by different political groups during the upcoming election campaign. The first sitting of the Council of Foreign Ministers of Tajikistan and Kazakhstan took place in the Kazakh capital Astana on August 24. Tajikistan and Armenia have stressed on the need to enhance their bilateral relations. A senior Tajik security official has disregarded Kyrgyzstan's concerns about the infiltration of Islamic militants from Tajikistan into Kyrgyzstan.

Economic Front:

India has expressed intention to invest in oil and gas sector of Azerbaijan. Turkmenistan has expressed willingness to open up Caspian development to U.S. and other companies.

Social Front:

Azerbaijan's Supreme Court has upheld the November 2009 sentences given to jailed bloggers Emin Milli and Adnan Hajizada. EU's foreign policy Chief Catherine Ashton has decided to take a stand on the case of Azerbaijan's "donkey bloggers." The head of a European human rights watchdog has visited jailed Kazakh rights activist Yevgeny Zhovtis to congratulate him on being awarded the group's annual prize. Police in Almaty detained a group of journalists and kept them at a police station for three hours without any explanation. A group of women market merchants in the southern Tajik city appealed against pressure to stop wearing the hijab. A prominent 12-meter golden statue of Turkmenistan's former dictator Niyazov has been taken down in the capital Ashgabat -- a move further eroding the personality cult around the late Central Asian leader. Authorities in Uzbekistan have incinerated nearly a half ton of confiscated Afghan heroin worth an estimated street value of \$150 million in Europe. A disabled Uzbek man has ridden over 500 kilometers in his wheelchair -- in the hope of crowning President Islam Karimov on Independence Day.

IRAN

Geo-strategic Front:

Iran has hailed its recent military advances as proof that it is technologically self-sufficient and ready to confront threats, even as the country remains under four sets of United Nations sanctions for refusing to scale back its nuclear program. France has warned Tehran of military conflict in the region if a nuclear agreement with world powers is not reached. Meanwhile Pakistani former head of ISI has called Iranian nuclear program to be a positive development for the Muslim World. Besides that Iran has expressed satisfaction about fuel supply at European airports despite anti-Iran sanctions. Iran has produced 100 kilograms (220 pounds) of enriched uranium. Iran has expressed determination to open a new chapter in its cooperation with the United Arab Emirates especially in oil and energy sector. Kuwait has expressed safety concerns over Iran's new nuclear reactor on the opposite side of the Gulf, fearing fallout from possible leaks. Iran's government has asked Russia to turn the production of reactor fuel for a new Iranian power plant into a joint project that may supply similar facilities planned across the Persian Gulf nation. Iranian Defense Minister has expressed willingness to provide military help to Lebanon, a day after Hezbollah Secretary-General Hassan Nassrollah called on the Lebanese army to seek Iran's support. Suspected Kurdish rebels have blown up part of an Iranian-Turkish pipeline, shutting down the natural gas supply to Turkey. Iran has unveiled its first locally made long-range unmanned aerial drone.

Economic Front:

Iran has expressed readiness to hold a meeting with economy ministers of Syria, Iraq, and Turkey to discuss setting up an economic bloc in the region. Iranian authorities have arrested five employees of Swedish direct-sales cosmetics firm Oriflamme and shut its Tehran office amid reported Iranian allegations of a massive pyramid scheme. Foreign investors including companies from Germany and UAE have invested more than one billion dollars in Iran's power plant industry. Iran has officially begun pumping crude oil from the Hengam oilfield shared with neighboring Oman in the Persian Gulf, after a \$400mn two-year development. Turkey has vowed to continue joint projects with Iran despite sanctions imposed by some western countries. Tehran has withdrawn its assets from European banks to counter new financial sanctions imposed on the country over its nuclear program.

Social Front:

An imprisoned Iranian activist has sued Nokia Siemens Networks (NSN) over allegations that the telecommunications company provided the Islamic regime with a monitoring system it used to spy on the opposition Green movement. FIFA president has been invited to Iran to assess the development of women's football in the country. French first lady Carla Bruni- Sarkozy has published a letter in three national media outlets supporting an Iranian mother sentenced to death by stoning after being convicted of adultery. Three anti-government protesters who died in a notorious jail have been dubbed "martyrs" by an Iranian official body, a move which would ensure benefits for their families.

AFGHANISTAN

Political Front:

Ahmad Wali Karzai, the powerful half brother of the Afghan president, has rejected allegations he took millions of illicit dollars out through Kandahar airport. A former US staff sergeant has been charged with accepting a bribe to allow a government contractor to steal \$1.4 million worth of fuel from an army base in Afghanistan. The US Senator Kerry has paid visit to Afghanistan and has asked afghan President to take appropriate measures to curb corruption. Meanwhile people of different regions have expressed concerns regarding security situation during September 18 elections as 938 polling stations have been closed because of growing security risks. Unidentified gunmen kidnapped a district chief in Asadabad. A NATO air strike killed a woman and two children, as well as six Taliban, in the western province of Farah. In East six children got killed during NATO operation. Meanwhile four NATO-led International Security Assistance Force service-members got killed in separate incidents in the country's volatile south.

Geo-strategic Front:

The US has asked Pakistan and Afghanistan to work in close collaboration. Afghan Foreign Minister has paid a two-day visit to India in order to boost their bilateral ties. The international community has decided to spend \$30 billion to equip and train Afghan soldiers and police in 2011, in addition to \$21 billion that has already been spent over the last eight years. France has provided Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL) with \$127,000 in equipment. The Turkmenistan government has announced an aid of 1,000 tones of flour to the people of Afghanistan during the holy month of Ramadan. In the meantime Norway has announced to donate \$36.7 million to Afghanistan's education ministry over the next three years.

Economic Front:

A deal to lay a pipeline taking gas from Turkmenistan to Pakistan and India through Afghanistan is expected to be signed in October this year.

Social Front:

A campaign for removing security barriers from Kabul roads has been launched. Residents of southeastern Khost province have complained about a shortage of trained teachers in government schools. The Afghanistan Natural Disaster Management Authority (ANDMA) has expressed serious concern regarding possible food shortages in the winter, but the agriculture ministry denied its concern. Farmers and orchard owners in some districts of central Parwan and Kabul have lost about 80 percent of their crops due to the recent rains. Floods caused by heavy rain have killed at least 17 people and damaged hundreds of homes in eastern Nangarhar and central Logar provinces.

SOUTH ASIA

Political Front:

Bangladesh Prime Minister Sheikh Hasina has alleged that her political rival and the then government had "direct links" with the grenade attacks on a 2004 party rally in which 24 people were killed and over 400 injured. Bangladesh Jamaat-e-Islami has finalized its

new name to face changed situation if the party is banned and to continue its politics under a new banner. The High Court has declared ratification of martial law by the Bangladesh parliament in 1986 to be unconstitutional. Leaders of Awami League (AL), other political parties and professionals have called upon for launching mass public movements to ensure execution of the war criminals by completing their immediate trials. All the while the cabinet's approval to amend the anti-corruption law has drawn mixed reaction. In a major decision, the cabinet has decided to allow six million non-resident Bangladeshis to vote in all elections in Bangladesh from their country of residence. After failing to elect a new prime minister despite five rounds of vote spread over a month, Nepal's parliament has now decided to hold an unprecedented sixth round of election amidst growing protests at home and concern among the world community. One of the Maoist leaders has regarded monarchy as an important part of Nepal and claimed that absence of monarchy in Nepal has allowed foreigners to intervene in the country's internal politics. The Sri Lankan government has appointed the director of operations of the Sri Lanka Army Maj. Gen. Shavendra Silva as the country's new deputy permanent representative to the United Nations.

Economic Front:

Sri Lanka's benchmark share index closed near flat as a rise in financial stocks on speculation of new import tax cuts offset traditional month end forced selling.

Social Front:

Bangladesh has been ranked 88th among the "best" 100 countries in the world by the Newsweek. The rankings are based on indicators like education, health, quality of life, economic competitiveness and political environment. Nepalese have arranged their traditional Cow Festival that gives a chance to common people to mock their rulers. Thousands have been affected and several lives lost in floods due to heavy rainfall for past few days in Nepal. An increased number of Nepalese workers in foreign countries have lost their jobs. Tamil migrants have been given the free use of telephones to call their loved ones in Sri Lanka after losing contact with them for more than 14 weeks, including 12 spent on the rusty MV Sun Sea that smuggled them into Canada.

INDIA

Political Front:

The civil Nuclear Liability Bill has been passed from Lok Sabha unanimously after months of hectic negotiations followed by a compromise between the government and the Opposition over the legislation, which is critical for India's atomic industry.

The recent upsurge in Kashmir valley has caused concerns among Indian authorities. In this regard PM Man Mohan Singh has highlighted the need to "revisit" standard operating procedures and crowd control measures by security forces to deal with public agitations. Despite the fact that all opposition parties have been criticizing ruling regime for its inability to maintain peace and stability in Kashmir; difference of opinion exists in their ideas regarding handling of the issue. BJP outrightly denies the option of granting autonomy to the region. Leftists however consider autonomy to be a viable option to resolve Kashmir issue.

Home Minister has pointed out involvement of Extremist Hindu Organizations in spreading radicalization in the society.

Geo-strategic Front:

India and Japan have discussed the parameters for a civil nuclear accord which, they hoped, would be negotiated quickly.

Economic Front:

Bringing the much needed relief to slowdown-hit sectors of the economy, the government announced more allowance worth Rs 1,052 crore.

Social Front:

After announcing 10 per cent reservation in jobs for Muslims in the OBC category, the state government has started efforts to include at least 80 per cent of the Muslim population in the category only to make them eligible for the facility. The Indian government has served notice on global Internet major Google Inc for wrongly depicting the Indian map on its website and asked to immediately rectify it. It has also warned other websites to show India's international boundaries correctly or face legal action. Cyber crimes seem to be on the rise in Tamil Nadu and there has been a three-fold increase this year in Coimbatore compared to the first seven months of 2009.

EAST ASIA

Political Front:

A political analyst from the Indonesian Institute of Sciences (LIPI), strongly condemned the system for not allowing new, qualified leaders to emerge. He further added that at the national level, the system was limited because it still adopted the political culture that only Javanese and Islamic figures could assume state leadership positions.

Geo-strategic Front:

Indonesian President has decided to hold direct talks with Malaysian Prime Minister to discuss the problem over border of the two countries. The current border issue between Thailand and Cambodia has been more complicated by the emergence of patriotism in Thailand and the internal political game played by local politicians. China and Cambodia have pledged to enhance cooperation in law enforcement, counter-terrorism, drug control and fighting transnational crime. Vietnam and the US held their first-ever defense dialogue on August 17.

Economic Front:

Gross domestic product in Indonesia grew 6.2 percent in the second quarter from a year earlier, surpassing the estimate of economists surveyed by Bloomberg News. Meanwhile exports are expected to grow by as much as 14 percent in 2010. In the meantime, with its huge labor force and relatively stable political and social climates, Indonesia has been increasingly regarded as one of the best places to invest in labor-intensive industries. In order to deal with the issue of inflation, the country's central bank, Bank Indonesia, has decided to hold its benchmark interest rate at 6.5 percent this week, despite a jump in annual inflation to 6.22 percent in July. The recently released UNCTAD World

Investment Report 2010 has indicated that foreign direct investment (FDI) in Malaysia declined by a massive 81% in 2009. The camp of former President Gloria Arroyo has expressed satisfaction about the 7.9 percent economic growth that the country posted in the second quarter of the year. Vietnam's trade deficit has narrowed, boosting the government's effort to shrink the shortfall that led to currency devaluation last week. The deficit was \$900 million in August from a revised \$978 million in July. The supply chain industry currently accounts for 10 per cent of Singapore's economy.

Social Front:

Around 20 members of the Islamic Defenders' Front gathered in front of the Jakarta Prosecutor's Office demanding the arrest of Playboy's Editor-in-Chief as soon as possible. The recent bus hijacking in Manila has placed the Philippines under an unpleasant media spotlight this week.

ASEAN

The 10 members of ASEAN have ratified the ASEAN Charter. China-ASEAN trade has expanded smoothly since signing of free trade agreement in January. Universal McCann said in its recent survey that the Philippines has the highest percentage of Internet users that watch videos online, even though the country has relatively low number of households connected to the web.

CHINA

Political Front:

The Standing Committee of the National People's Congress (NPC) has opened its bimonthly session to read a series of draft laws. China's top legislature has started discussing a draft law amendment that aims to further specify the rights and duties of lawmakers. Chinese Vice President has called for more efforts to promote the building of Communist Party of China (CPC) organizations at grassroots level and in non-public-owned enterprises. China's anti-corruption authorities have called for "steadfast determination" to publish government budgets. Chinese Premier has urged government officials at all levels to strictly follow the laws and regulations in a bid to steer away from corruption and ensure the good of the public. Chinese Vice President has called for more efforts to promote the building of Communist Party of China (CPC) organizations at grassroots level and in non-public-owned enterprises.

Geo-strategic Front:

Vietnam and China have vowed to enhance trade and investment cooperation in the coming time. China and Thailand have decided to strengthen military ties. All the while China and Canada have forged tourism links under ADS agreement. China and South Africa have also announced to upgrade their relations to a "comprehensive strategic partnership". China and Cambodia have pledged to enhance cooperation in law enforcement, counter-terrorism, drug control and fighting transnational crime. China has emphasized on the need to strengthen cooperation with Japan. Foreign Ministers of China and Kyrgyzstan held meeting in Beijing and pledged to push forward the Sino-Kyrgyz relations of friendship and cooperation. Namibia has expressed keenness to strengthen ties with China. Visiting South African President said that labeling China's engagement

with Africa "new colonialism" was untruthful. China has expressed keenness to enhance trade ties with Arab and Central Asia countries. China has voiced its support to the efforts to counter Somali piracy in accordance with the international law and the relevant Security Council resolutions. China's special representative for Korean Peninsula affairs held meeting with South Korea's top nuclear envoy Wi Sung-lac for talks on restarting the long- stalled six-party discussions on denuclearization of the Korean Peninsula. Chinese Vice President held talks with his Uruguayan counterpart to enhance the bilateral relations. The Singapore University of Technology and Design (SUTD) and China Zhejiang University (ZJU) have signed an agreement of collaboration in education, research, student exchange and competitions. The future development of U.S.-China ties was one of the key topics discussed when Chinese vice Foreign Minister met with U.S. Deputy Secretary of State in Virginia.

China has denied reports that a Philippine high-level delegation would visit Beijing this week to brief officials on the investigation into the hostage crisis in which eight Hong Kong tourists were killed. As India put on hold bilateral defence exchanges, China said that the two countries would act in the spirit of "consultation and unity" to develop military ties, but remain mum on issue of denial of permission to a top Indian General to visit China. China's top legislature has ratified the International Convention for the Suppression of Acts of Nuclear Terrorism. China has provided a total of 120 million Yuan worth of humanitarian supplies to Pakistan in three batches. China has granted two donations to Burundi totaling 6.5 million U.S. dollars to support the country's development projects.

Economic Front:

Trade value between China and the Association of Southeast Asian Nations (ASEAN) has increased by 49.6 % in the first seven months and has reached to US\$ 161 billion. The United States has repeatedly blocked investment from Chinese companies on national security grounds. The assets of China's insurance sector totaled 4.57 trillion Yuan (672 billion U.S. dollars) at the end of July 2010. China's top economic planner said that China's economy still faced complicated domestic and international conditions. China's government funds expenditure surged 134.3-pct year on year in the first seven months of 2010 as compensation for land purchases grew rapidly. Meanwhile Profits of Chinese industrial enterprises in 24 regions climbed 61.1 percent year on year to 1.88 trillion Yuan (275.90 billion U.S. dollars) in the first seven months. Top Chinese lenders ICBC and Bank of China have signaled a peaking of earnings growth after strong second-quarter profits, as they slowed their lending and focused on asset quality. A report on China's widening income gap and a potentially high level of unreported income earned by the rich has come under fire. The report, entitled Gray Income and National Income Distribution, suggested China's "gray income" reached 5.4 trillion Yuan (\$794 billion) in 2008. The National Statistics Bureau however declared the report to be unreliable.

Social Front:

China would expand its installed hydropower capacity to 300 million kilowatts by 2015 from the current 200 million in an effort to cut carbon dioxide emissions. Illegal buying and selling of human organs has been written into a draft amendment to China's Criminal Law to intensify the crackdown against the illegal trade. Drink driving and street racing

have been written into a draft amendment to China's Criminal Law as crimes. China has decided to impose heavy penalties on people for forcing others to labor. China's top legislature has proposed a reform in income distribution be launched as soon as possible, aiming to increase residents' income and narrow the gap in wealth. The Chinese central government has spent 2.43 billion Yuan (357 million U.S. dollars) on flood control and drought relief this year.

HONGKONG & MACAU

A bus carrying 21 tourists and one tour guide from Hong Kong has been hijacked in the Philippine capital Manila. Philippine President has asked the people of Hong Kong for "understanding" in relation to the hostage-taking incident that claimed the lives of eight of their nationals, and apologized if any of his actions -- though unintentional -- had offended them.

The average earnings of employees working in Macao's major sectors registered year-on-year increase from 0.5 percent to 6.4 percent in June 2010.

KOREA

Political Front:

North Korea has developed a radar absorbing paint to conceal its fighter jets, warships and tanks from surveillance and reconnaissance aircraft flown by South Korea and the United States. North Korea has restored economic reformist Pak Pong Ju to its leadership.

Geo-strategic Front:

The top U.S. envoy to South Korea has urged Seoul to take action on Iran in line with its important role in the international community and join Washington's campaign to curb the Middle Eastern country's nuclear ambitions. The top U.S. envoy to South Korea has urged Seoul to take action on Iran in line with its important role in the international community and join Washington's campaign to curb the Middle Eastern country's nuclear ambitions. The government has come up with a financial rescue plan to help small- and medium-sized exporters that may be adversely affected by the deterioration of relations with Iran, if Korea joins the U.S.-led international sanctions against the Middle Eastern state. Former U.S. president Jimmy Carter arrived in North Korea on a mission to secure the release of an American citizen who has been detained for seven months for illegal entry. South Korea and Bolivia have agreed to deepen discussions for a possible joint venture on developing lithium deposits in the South American nation.

Economic Front:

LG Electronics Inc. has announced its plan to invest \$500 million in India over the next five years for research and development and capital expenditure. Korea seems to be keen about growing inflation. South Korea's current-account surplus has reached a 16-month high after weakness in the won and the global recovery bolstered the nation's exports.

Social Front:

North Korea has evacuated more than 5,000 people in a region bordering China following heavy rain and flash floods submerged houses and farmland. The medical costs that have

been covered by the national health insurance scheme per household are 1.68 times larger than the insurance premium paid by a household last year. The government and ruling party have been in talks to consider resuming food aid to North Korea that has been halted due to deteriorating inter-Korean relations. North Korea has requested emergency aid from the U.N. to cope with flooding in the Sinuiju region.

JAPAN

Political Front:

Around 900 citizens from Japan and South Korea gathered to call on the Japanese government to offer complete compensation for the damage it inflicted on the Korean people during its 35 years of colonial rule from 1910 to the end of the war. A new division would be set up in the prime minister's office to formulate Japan's assistance plan for Afghanistan. Tokyo Electric Power Co. has loaded a nuclear reactor in Fukushima Prefecture with MOX. A former secretary-general of the governing Democratic Party of Japan may run against Prime Minister Naoto Kan in a party presidential election. Japan's Prime Minister has faced a fight to lead the ruling party from his most powerful rival, hampering the two-month-old administration's efforts to combat deflation and a surging currency.

Geo-strategic Front:

About 85 government officials, academic experts and civic group representatives from 18 countries gathered in Saitama to discuss concrete steps toward a nuclear-free world in a three-day U.N. meeting on nuclear disarmament. Jordan and Japan have decided to sign a nuclear cooperation treaty to allow Japanese companies to export atomic technology to the Middle Eastern kingdom.

Economic Front:

Prime Minister has planned to set up a special team to help promote job creation for young people including students graduating from university. Toyota Motor Corp. would produce 740,000 hybrid vehicles worldwide in fiscal 2011, an increase of 7 percent from this fiscal year. The yen retreated from a 15-year high versus the dollar on speculation Japanese authorities will act to stem gains that risk derailing the nation's recovery. Japan's unemployment rate unexpectedly fell for the first time in six months in July as the economy added more jobs. The jobless rate dropped to 5.2 percent.

Social Front:

The first contingent of a 200-strong Japanese military helicopter unit left for Pakistan to join international relief efforts in the flood-ravaged country. About 100 young people began a five-day international conference in Aichi Prefecture to discuss how to prevent further deterioration of ecosystems prior to a Convention of Biological Diversity meeting to be held in Nagoya in October. DNA from survivors of the atomic bombs dropped on Hiroshima and Nagasaki 65 years ago may help doctors gauge whether certain cancer treatments can trigger genetic defects that can be passed on to patients' children.