

**Report # 137**  
**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**GCC, Fertile Crescent, Central Asia, South Asia, India, East Asia**  
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**Weekly Report from 11 September to 17 September 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; GCC, Fertile Crescent, Central Asia, South Asia, India and East Asia 11<sup>th</sup> September to 17<sup>th</sup> September 2010 as have been collected by interns.

## **GCC**

### **Geo-strategic Front:**

Yemeni President held telephonic conversation with Saudi Interior Minister on the day of Eid and expressed his desire to expand ties with the Kingdom. Qatar has agreed to supervise the implementation of the ceasefire between the Yemeni government and Houthi rebels, on the request of Yemeni government. GCC foreign Ministers have welcomed the relaunch of direct Israeli-Palestinian peace talks but warned that Israeli “acts of aggression” may compromise them. The US has unveiled its plan to sell Saudi Arabia up to \$ 60 billion in aircraft, helicopters and other arms. Kuwaiti Minister of State for Cabinet Affairs has stressed the necessity of exerting earnest efforts to develop and overhaul the Arab order for the common good of the entire Arab world. Arab League envoy to Sudan has commended efforts being made by Qatar’s leadership to resolve the issue of the Darfur region of western Sudan. A high-speed railway link has been planned between Bahrain and Doha, in a bid to boost enrolment at educational institutions in the Qatari capital. Oman and India have agreed to enhance bilateral investment and economic cooperation in a wide range of mutually beneficial areas.

### **Economic Front:**

The GCC has undertaken some of the world’s largest electricity projects, which include expansion of the electricity network in Qatar at a cost of \$ 3.5bn. Saudi Arabia's banking system has topped the financial health chart in the GCC and showed more resilience to the consequences of the financial crisis than its peers in the GCC region. UAE Central bank Governor has reiterated the importance of cooperation among the Arab countries in various fields. Underlining cooperation among the Arab central banks, he asserted UAE’s support to all joint Arab projects. Japan has agreed with Kuwait to cooperate in capacity building for peaceful use of nuclear energy generation in the Gulf nation, raising the prospect of lucrative deals for Japanese companies. All the while Kuwait has agreed with France in April on cooperation in developing nuclear energy. Bahrain's new oil and gas statistics revealed soaring exports over the first half of this year. By-product sales also rose by more 10 per cent. A report released by the National Oil and Gas Authority from January to June showed the positive trend. Production of crude from the Bahrain and Abu Saafa fields has dropped slightly to 32.659 million barrels from 32.922m barrels last year.

### **Social Front:**

Second Deputy Premier of Saudi Arabia has commended the services rendered by security officers and government agencies for the millions of pilgrims who came to perform Umrah during the holy month of Ramadan.

## **FERTILE CRESCENT**

### **Political Front:**

Egypt's Foreign Minister has filed a complaint against Qandil, a prominent opposition journalist, alleging that he insulted him in a piece he wrote in the independent daily Shorouk last May. A call for election boycott by Egypt's most prominent opposition leader and former atomic energy watchdog Mohamed ElBaradei seems to have gone unnoticed for several opposition groups. The Muslim Brotherhood (MB) has stated that it was actively preparing for the elections due next November. In the meantime Al-Wafd Party has also decided to participate in the upcoming parliamentary elections scheduled to take place in November, sparking divisions among Egypt's opposition groups. However Al-Ghad party has announced to boycott upcoming elections. A daughter of late President Anwar el-Sadat has lodged a complaint with Egypt's Chief Prosecutor against prominent writer Mohamed Hassanein for raising suspicions that her father may have been involved in killing his predecessor Gamal Abdel Nassar. The National Coalition of Opposition parties in Jordan got engaged in dialogue discussing freedom of expression, public participation in the political process and economic difficulties facing the nation as a result of the government's incapable policies. Iraqi Kurds have not delivered on promises to ship 100,000 barrels of oil a day to the outside world through Iraqi national pipeline network.

### **Geo-strategic Front:**

Egypt hosted recently held talks between Palestine and Israel. Amidst ongoing struggle of concerned states over River Nile; rice farmers in Egypt's Nile Delta have been ordered to plant on less land to conserve water. Palestine and Israel have resumed their negotiations in the Egyptian resort town of Sharm el-Sheikh. The talks seem to be the last chance for the two sides to resolve their decades-long conflict. The US President has called for Israel to extend its partial freeze of the building of settlements on occupied Palestinian land to inject fresh momentum into newly-resumed Middle East peace talks.

### **Economic Front:**

Egypt's core inflation has accelerated for a fourth straight month in August, reaching its fastest pace in more than a year. Production from Iraq's major oil center of Kirkuk has reached 750,000 barrels a day. The high production rate, according to an Oil Ministry source, has helped the country double exports from Kirkuk via Turkey. The current output rate from Kirkuk has been possible due to large investments in developing producing fields such as Bai Hassan, Jambour and Ujail.

### **Social Front:**

Authorities have blocked off water purification stations along the Nile in southern Egypt to prevent some 100 tons of diesel oil that leaked from a barge from polluting drinking water. Egyptian Minister of Higher Education and Scientific Research has supported a number of universities' decision to ban faculty members wearing the niqab, or the full

face veil, from giving lectures. In an effort to expand their outreach to the public, Egypt's biggest opposition group, the Muslim Brotherhood, has created a social networking website, Ikhwanbook, equivalent to the popular Face book. The Ministry of Labor and Social Affairs has published a report according to which one in every six Iraqis is an orphan.

## **CENTRAL ASIA**

### **Political Front:**

Chairmen of Azerbaijan Popular Front Party and Musavat Party have signed an agreement on establishing an APFP-Musavat election bloc to jointly participate in the parliamentary elections. Later on, APFP-Musavat election bloc submitted documents to Central Election Commission (CEC) for registration. Kazakh President intends to run elections for another term in 2012. A crowd of several hundred people rallied to demand the release of a local man detained on suspicion of illegal arms possession. In Kyrgyzstan, thirty thousand citizens have been disqualified from voting. Experts have warned religious leaders of Kyrgyzstan not to participate in the political struggle in the secular parties. A delegation from Tajikistan's power ministries has told former opposition commanders that a military operation in the eastern part of the country is not aimed at them but at a rebel commander and his supporters. The opposition Islamic Renaissance Party of Tajikistan (IRP) has asked officials from the country's State Committee for National Security (SCNS) for clarification after the apparent detention of one of its members in the capital, Dushanbe.

### **Geo-strategic Front:**

Azerbaijani President has signing an agreement with Turkey on the establishment of the Supreme Council for Strategic Cooperation in Istanbul. Azerbaijan has withdrawn a controversial draft resolution on the Nagorno-Karabakh conflict from the United Nations General Assembly. Bilateral talks were held on expanding the Azerbaijan- Germany military cooperation. U.S. Defense Secretary Robert Gates has confirmed America's interest in cooperating with Russia on a missile defense system using the Gabala radar station in Azerbaijan. Azeri President hosted a meeting with his Georgian and Romanian counterparts and signed Baku Declaration on Azerbaijan-Georgia-Romania Interconnector (AGRI) project. Kazakh officials have extradited a Kyrgyz citizen of Uzbek origin to Uzbekistan. Kyrgyz Defence Minister has asked Russia for more cash for hosting Russian military base on Kyrgyz territory. In response Russian officials have offered to supply Kyrgyzstan with arms as payment for Moscow's use of Kyrgyz territory for various military installations. At least 20 Islamist militants and one border guard got killed in a firefight along the volatile border between Afghanistan and Tajikistan.

### **Economic Front:**

The Global Competitiveness Report 2010-2011 released by the World Economic Forum positioned Kazakhstan 72nd on the list of 139 countries. Hence Kazakhstan fell 5 places from 67th position occupied last year. Asian Development Bank has announced a grant of US\$122 mln grant to Tajikistan for regional power transmission project. Turkey, Turkmenistan and Azerbaijan have been trying to "develop a set of formulas for the long-

term supplies of Turkmen gas across the Caspian Sea to Azerbaijan and further abroad" to foreign markets.

### **Social Front:**

A rally was held in Azerbaijan to protest against abuses of the Quran in the United States. Media Watchdog has condemned Kazakhstan for its failure to improve media freedom. A well-known ethnic Uzbek human rights activist has been sentenced to life in prison for involvement in the killing of a Kyrgyz policeman. Right groups have strongly condemned this act. Asian Development Bank has announced a grant of US\$122 mln grant to Tajikistan for regional power transmission project.

## **EAST ASIA**

### **Political Front:**

Hundreds of anti-government protesters defied emergency law in the Thai capital to call for the release of their colleagues arrested in a crackdown four months ago. Meanwhile Thaksin has denied allegations that he has been trying to plot revenge at homeland against his enemies. Following the maritime dispute that has sparked angry protests, Malaysian Prime Minister Najib has urged for a better mechanism to resolve border issues with Indonesia.

### **Geo-strategic Front:**

The United States and Indonesia have pledged to expand cooperation to a global scale. Indonesia's foreign minister has said that recent anti-Islamic anger among some Americans would not hurt deepening ties between his nation and the United States.

### **Economic Front:**

International Monetary Fund has warned that Indonesia must make fighting corruption a priority if it wants to build on its progress as one of the world's best-performing economies. The implementation of the ASEAN-China Free Trade Agreement, which took effect in January, intends to raise trade between the two countries from \$30 billion annually now to \$50 billion within the next three to five years. EU and Malaysia seem quite keen to sign Free trade agreement in order to boost economic ties. Malaysia has also started negotiations with Turkey to sign free-trade agreement. A government think tank has identified a dozen growth industries such as oil and gas, biotechnology and Islamic finance to focus on in a drive to double Malaysia's income per capita and propel it into the ranks of "developed nations" by 2020. Vietnam's export earnings reached US\$44.5 billion in the eight months through August, up 19.7 percent over the same period last year. Singapore's exports surged unexpectedly in August, with strong demand for electronics and pharmaceuticals from major economies such as the U.S. and Europe, suggesting the global recovery remains on track. The city-state's key non oil domestic exports jumped 31.2% from a year earlier, accelerating from July's 18.3% rise and smashing predictions of a growth slowdown to 14.9% forecast by economists in a Dow Jones Newswires poll. Cambodia seems keen to boost economic cooperation with India and China. Over the weekend, the Thai currency, the baht, rose to its highest level since 1997 due to an improved outlook for economic growth and expectations of more investor inflows.

### **Social Front:**

Indonesian President Susilo Bambang Yudhoyono has strongly condemned an armed attack on Christian church leaders outside Jakarta and called on police to solve the case as quickly as possible. Thailand has threatened to deny visas to activists attending a Vietnamese human rights conference amid "pressure" to cancel the event.

## **SOUTH ASIA**

### **Political Front:**

Prime Minister Sheikh Hasina has sought cooperation from all classes of the people to build a poverty-free digitally enabled golden Bangladesh as dreamt by Sheikh Mujibur Rahman. Meanwhile Intelligence agencies at home and abroad have warned of a threat to the life of Bangladesh Prime Minister Sheikh Hasina that could take place between September and November. In a bid to find a way out of the deadlocked prime ministerial polls in Nepal, Maoist chief Pushpa Kamal Dahal 'Prachanda' has withdrawn his candidature from the race. The Special Committee on Supervision, Integration and Rehabilitation has endorsed a new directive, ending UCPN-Maoist command and control over the ex-PLA combatants living in several UN-monitored cantonments across the country. Nepal's politicians have given themselves four months to finally complete a peace process after a United Nations report criticized their failure to fulfill pledges made at the end of the war. Vice President's personal secretary has been arrested from the Madheshbani in suspicion of his ties with the armed outfits operating in the Terai region. A court martial in Sri Lanka convicted former army chief of corrupt military supply deals and sentenced him to three years in jail. Sri Lanka's crisis-ridden main opposition United National Party (UNP) leaders held meeting to discuss the party's future and the strategy for the upcoming Local Government elections. The Sri Lankan government, responding to the concerns expressed by the United States on the just passed constitutional reforms, said the passage of 18th Amendment to Sri Lanka's Constitution last week in the parliament with a two-third majority is an entirely internal matter. Sri Lanka's main opposition and United National Party (UNP) leader has nominated Tamil national Alliance (TNA) parliamentarian as his nominee to the Parliamentary Council established under the 18th Amendment.

### **Geo-strategic Front:**

Bangladesh has announced plan to open a new front in agricultural production and trade in West African countries. The government has sought detailed information from Iran over its recent offer for joining the proposed multi-billion dollar cross-border gas pipeline that will also connect India and Pakistan. The governments of Nepal and Chinese-ruled Tibet Autonomous Region have signed a memorandum of understanding (MoU) to boost tourism between the two territories. Srilankan President held meeting with Iranian Commerce Minister and emphasized on the need to expand economic ties.

### **Economic Front:**

Bangladeshi Finance Minister has expressed satisfaction with his country's progress at economic front. The World Bank has announced financial support of \$6.1 billion for Bangladesh over the next four fiscals. Infrastructure in Bangladesh ranks among one of

the worst in the world as it has secured 133rd position out of the 139 countries, in accordance with the Global Competitiveness Report-2010-2011. The Chinese private sector has expressed keenness to invest in hydropower, tourism and agricultural sectors of Nepal. Sri Lanka's economy has advanced by 8.5 percent during the second quarter of 2010 on an annual basis -- the highest quarterly growth rate recorded since 2002 -- following a 7.1 advance in the first quarter.

### **Social Front:**

Bangladesh celebrated Eid-ul-fitr on September 11. Sultana Arjuman Banu took a Bangladeshi official to court on his remark that she was an 'uncultured prostitute' for not wearing Burqa. More than 500 people have been infected by anthrax as a major outbreak of the disease spreads through Bangladesh's dairy belt. In the meantime a 4.8 magnitude earthquake rocked Tripura and adjoining Bangladesh, but no casualties were reported. Almost 60,000 people in Nepal have been found to be victims of cancer. Containers filled with explosives accidentally blew up at a police station in eastern Sri Lanka, killing at least 25 people.

## **INDIA**

### **Political Front:**

The all-party meeting on Jammu and Kashmir has failed to arrive at a consensus on partial withdrawal or dilution or revocation of the contentious Armed Forces (Special Powers) Act (AFSPA). In the meantime the Bharatiya Janata Party accused the Central and State governments of being completely devoid of any vision on how to deal with the situation. The party criticized the Jammu and Kashmir government under Chief Minister Omar Abdullah and sought his immediate replacement. BJP advised the government not to consider lifting the Armed Forces Special Powers Act [AFSPA] from any disturbed district of the State. BJP further added that government should adopt strict policy to control the recent upsurge in the valley. Meanwhile Curfew has been extended to all major towns of the Kashmir Valley after violent clashes have claimed life of 17 innocent dead and over 70 injured.

Tripathi, a defendant in the Ramjanambhoomi- Babri Masjid case, had filed the application for making another attempt to reach a solution to the dispute through reconciliation and deferment of the verdict. The Allahabad high court however refused to delay the verdict which will be pronounced on Sept 24.

### **Geo-strategic Front:**

India has accelerated its diplomatic effort for reform of the UN Security Council and its permanent membership as external affairs minister S M Krishna geared up to meet his counterparts from other G4 countries, including Japan, Brazil and Germany, and those of other multi-nation groupings to seek their support.

### **Economic Front:**

The rising anti-outsourcing sentiment in the US and Ohio State's ban in this regard would most likely create adverse impact on the \$51-billion Indian IT industry. In fact Indian IT companies like Infosys Technologies, Wipro, HCL Technologies and TCS get 60 per cent of their export revenue from the US.

**Social Front:**

At social front spread of Dengue virus seems to be major point of concern for the Indian government.