

Zonal Report 140 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.

US/Canada

Political Issues

Security tension in Afghanistan for American security officials worries the Congress, deliberating on how to reduce the risk of a Trojan house within the premises of U.S military camps.

Americans are looking forward for the midterm elections, but even if polls suggest Democrat vulnerability, the road still remains uncertain for the Republican Party having lesser chances of taking over the Senate, though more likely for the Congress.

Meanwhile, immigration issue is expected to affect the total turnout of the midterm elections particularly among the Latinos. Arizona law is said to be affecting the political participation of Latinos as depicted by lesser voters' registration, yet political candidates having tough stance on immigration are getting public support.

Economic Issues

Bank of America, the largest bank in the U.S is expected to extend its moratoriums nationwide on lenders and thousands of borrowers in default.

Can the Obama's administration make any miraculous economic turnaround as hiring by businesses has slowed while government jobs are disappearing at a record pace.

Social/Humanitarian Issue

Park51 architectural interior outlook has been opened to the public with the intention of telling opponents of the Islamic centre what the centre will eventually look like. Fund raising for the centre is said to have not begun.

Judge Lewis A. Kaplan of United States District Court in Manhattan has rejected using a crucial witness in the trial of a former Guantánamo detainee, adding to the fierce

debate over whether the government can successfully prosecute terrorist detainees in civilian court.

The Arizona government has shown zero tolerance for illegal immigration but opens the door of the state for refugees. The recent Arizona immigration law could have a domino effect as other states like Nebraska is contemplating similar law.

Scott Stewart identified three precautional measures (situational awareness, preparedness and travel security) for terrorist attack in a biased concluded article published in Stratfor. Stewart gave an outright distorted historical representation of Muslims as intruders of Western world and believes contemporary Europe is facing terrorist threat similar to that posed by Marxist or Palestinian terrorists in the 1970s.

Food, Environment and Energy Issue

Geostrategic Issues

Tension between U.S and Pakistan is making the U.S military to rethink its policy on energy. The huge dependence on fossil oil and recent blockage of energy supply to Afghanistan reiterates the high necessity for renewable resources. The blockage was effective forced the U.S to apologize for the first time following the killing of Pakistanis.

Western Europe

Political Issues

A group of EU commissioners from smaller member states is increasingly growing angry with certain EU powerhouse states, perceiving their actions as being driven by national interests rather than the greater European good.

The appointment of officers for the European External Action Service (EEAS) has raised dust among EU MPs. The committee looking into the matter hopes to defuse the dispute with Catherine Ashton but unwilling to back down on the issue of public hearings for nominees.

The European Commission has been found guilty of 'maladministration' by the EU ombudsman for failing to disclose full correspondence between the bloc and EU car manufacturers. The allegation evolves around the extent to which the EU is committed to reducing greenhouse emission from cars.

Kosovo remains the only Western Balkan countries excluded from the EU visa liberalization scheme. The resolution of the commission excluded Pristina though recommended Albania and Bosnia for the scheme. Kosovo's exclusion is somewhat linked to lack of singular policy on Kosovo within the bloc.

As the British Labour party elected Ed Miliband over his brother David Miliband, Britons particular labour members got engaged in a big debate. Ed is expected to reposition the party and makes the Conservative-led government a one term government.

Economic Issues

After a long deliberation and resolving reservations of Italy, Spain and Portugal, EU commission finally consented to reducing import tariffs for Pakistani textiles into the EU. The concession is expected to strengthen EU-Pakistan trade ties, although the recent natural disaster in the country played a role in the new agreement.

If every other thing is escapable, death and tax are not. EU commission is on the verge on legislating financial transactions tax (FTT) and a financial activities tax (FAT) on financial institutions geared at stabilizing the bloc's public finance. But European Central Bank President Jean-Claude Trichet said such financial transaction tax could only work if implemented across the globe, marking a setback for others who have argued that Europe could go it alone.

China expects no dictation from any country and same was true when the Chinese prime minister rejected EU request of changing its currency policy. EU believes China's devalued currency is affecting EU traders; meanwhile the EU is contemplating on China's request to be added as part of IMF decision makers.

Economic affairs Commissioner Olli Rehn said Ireland record budget deficit suggest the country will not be able to keep its low taxes and will become a "normal tax country in the European context. This will definitely be bad for the country and its foreign investors.

Social/Humanitarian Issue

The EU members have agreed on pre-notification policy on terror alert, by informing each other rather than allowing media to do the job. The agreement followed a terror alert issued by the U.S, warning that certain European countries are on the radar of terrorists for attack. Although, justice and fundamental rights Commissioner Viviane Reding said the alert is nothing new rather the threats have been on the table for several years.

The EU entered an agreement with Libya with the aim of controlling illegal migration from the North African country to Europe and at the same for improving Libyan treatment of refugees. However human right activists find holes in the deal which failed to address the non recognition of asylum seeker by Tripoli.

Banning veil from the French's public, will it further alienate or force integration of Muslim women, this is an unanswered question by the French government. The French Constitutional Council has finally stamped the law as not impinging on civil liberties.

Food, Environment and Energy Issue

Cleaning up the Baltic Sea is becoming a concern for the EU, the bloc is concerned that after a year into its existence, EU's first 'macro-regional' policy around the

Baltic Sea has few results to show, as it uses no fresh money and has no new institutions or legislation in place to implement it.

Seen as defeat for the Greens, who failed to see their proposed resolution, which called for a halt to all new oil drilling until uniform oil-rig safety standards and procedures were introduced accepted by EU commission. The call for the temporary ban explains the fear that follows the oil spill in the Gulf of Mexico.

Geostrategic Issues

The process of European Union's expansion and integration is not easy for all countries. Ukraine is one country being careful of EU integration as the recent DCFTA [Deep and Comprehensive Free Trade Agreement] agreement with the EU is believed to be a costly deal to implement

This might be the best way of taming Russia and making the old foe responsible on the continent. NATO chief is proposing to have Russia as part of the larger controversial missile defense shield initiated by Washington which has become a worrisome issue for Moscow.

Meanwhile, developing a NATO cyber-war capability and French opposition to joint nuclear planning are emerging as the main bones of contention in the debate on a new NATO "Strategic Concept

Oceania

Political Issues

The new fragile Australian government led by the Labour party has dropped the idea of unpopular "citizens' assembly", letting 150 ordinary people seek ways of slashing gas emissions as alternative to parliament. The plan was dropped after the plan drew fierce criticism during the recent election campaign.

Economic Issues

The controversial merger of mining giant Rio Tinto with BHP Billiton remains elusive as the massive deal appeared on the brink of collapse.

Geostrategic Issues

Having a regional asylum processing centre is one issue the Australian government is struggling to iron out with regional governments. Australia is wary of immigrants coming to the Pacific country and disturbed by the unruly behaviours of asylum seekers.

Latin America

Political Issues

A twist in Argentina-Chile relation surfaced last week when a suspected Chilean criminal was granted asylum by the Argentina's Supreme Court. Argentina is rejecting extradition on the premise of human right. The former leftist guerrilla is charged of assassinating a senator and kidnapping a businessman in Chile in 1991.

Argentine President Cristina Fernandez de Kirchner's interview with SPIEGEL, a German based magazine shows that cooperation with neighbours is a necessity for regional growth.

The first round of votes in Brazil has somewhat belied pre-election polls suggesting free hand winning of presidential candidate Dilma Rousseff. The country will be going for a second round as Dilma Rousseff could only secure 46.9%, Jose Serra got 32.6% and Green's Party got 20%.

Sharing similar ordeals with Colombia, the Mexican president is urging the country's congress to legislate new law in the congress geared at training Mexican police forces to combating drug cartels.

Economic Issues

Argentina's economy is expected to see a boost after the US \$326 million loan given by a regional development bank CAF to upgrade its freight rail network useful for the movement of copper, corn, minerals, petroleum products, rice, soybeans and vegetable oil.

Despite being troubled by drug cartels, Mexican authority claims the economy is doing well and still remains the second largest economy after Brazil in the region.

Social/Humanitarian Issue

For the Chilean president and the country at large, the ordeal of the 33 trapped miners is about to end as rescue effort is almost completed to bring them back on earth surface.

Efforts by the Colombian government in emasculating the menace of drug cartels appears to be yielding as government officials apprehended and confiscated huge cash from the cartels. The effort is also been accomplished by the support from regional governments.

Food, Environment and Energy Issue

Natural resources production will further see a rise following Brazil's plans to more than double its copper production by 2014. The government envisages making Brazil a regular net exporter of the red metal.

Geostrategic Issues

Latin America wants to close its history of military and authoritarian rule and any attempt to undermine democratic process will not be condoned. This was reiterated by Brazilian president upon the mutiny against the government of President Rafael Correa in Ecuador.

It was a historic visit by Lebanese President Michael Suleiman to Mexico City, which marked 65 years of similar visit by a Lebanese president. Mexico is the home for more than half a million Lebanese and their descendants.

Russia and its Neighbours

Political Issues

In Russia the ousting of Yuri M. Luzhkov, longtime former mayor of Moscow by Russian President Dmitry Medvedev is becoming a reminiscence of the Communist era when authorities in Russia cannot be challenged. Meanwhile, Yuri M. Luzhkov has vowed to remain in politics and constitute independent movement to champion the cause of democracy amid Russia's preparation for the next general elections. All-Russian Public Opinion Research Center (VCIOM) reveals that 66% of Russians agreed to Luzhkov's dismissal.

A poll conducted in Poland showed support for Prime Minister Donald Tusk's centre-right pro-business party had dropped to 37 percent from 42, thus explains the gain for other opposition parties. Meanwhile, the Polish leader reiterates the view of certain EU members that Turkey should be brought closer to the EU.

Ukrainian President Viktor Yanukovich's recent visit to France was a chance for both countries to renew their bilateral friendship and Ukraine's commitment to the EU. Yanukovich said in France that "One for all, all for one" should not be confined to the EU instead should be a continental value.

Meanwhile recent 2004 constitutional amendments in Ukraine have received attention from the EU and U.S.

In Slovakia, the Ruling Centre-Right Coalition government recently agreed on the draft 2011 budget which includes a 1% increase in the standard rate of value-added tax (VAT), from 19% to 20%

The ruling Hungarian FIDESZ party has once again shown its muscle in the just completed municipal elections, overshadowing other political parties as was the case during the April general elections. But the opposition snatches the seat of Budapest mayor, a potential threat for FIDESZ.

Run-up to the Belarusian presidential election is on and candidates have been reduced to 15, meanwhile incumbent President Alexander Lukashenka remains at the top, believe to be chanting anti-Russia slogans.

The Unity bloc of Latvian Prime Minister Valdis Dombrovskis, Union of Greens and Farmers has formed the current minority coalition with a nationalist bloc with the hope to see the country develops.

Economic Issues

As Russia crack down on corruption and pushes for good governance, Russian Audit Chamber said it has numerous documents showing that the Moscow city government has spent budget funds inefficiently. Russian's Finance Minister Alexei Kudrin believes hiking the retirement age would help bring down the increasing budget deficit of Russia's Pension Fund.

Russia will do everything possible to attain a GDP growth level of 7-8 % by 2014-2017, Russia hoped to reduce budget deficit in order to reach zero deficit by 2015, provided that the price of oil is \$78 per barrel.

Lukoil, the Russian oil giant is mulling listing on Hong Kong or Singapore, London, New York, Frankfurt's stock exchanges in 2011.

Poland's government has decided to raise the minimum wage in Poland starting from January 2011 to 1,386 zloty (352 euro). The issue has been a bone of contention between the government and trade unions.

In a recent interview given to the US business news channel CNBC, Czech president Klaus said the condition of the Czech economy is improving and the country's gross domestic product should grow by around 2.5%,

Ukraine is proud to announce a successful return to the capital markets after raising \$2bn.

The Hungarian government is bent at not exploring possibility of a new agreement with the International Monetary Fund, saving the country from further dependence.

Lithuania-India bilateral trade was reported to have dropped following the recession in 2009 by a decreasing value of \$100 million.

In Estonia, inflation is on the rise and prices of consumer goods are rapidly hurting the people, while Latvia's prime minister reaffirmed his belief to keep the country on its IMF-led austerity path and eventually euro zone entry.

Social/Humanitarian Issue

It was another glory for Russians when Andre Geim and Konstantin Novoselov, who both work for universities in Britain, won the Nobel Prize for Physics.

The Polish government is opening the case of alleged CIA torture of a Saudi national in Poland, and trying to grasp the migration of Poles to Britain even though Polish economy has been doing well.

The expulsion of Roma from France has both positive and negative impacts. The saga is now making governments having Roma as ethnic minority to review policy of integrating the Roma.

Food, Environment and Energy Issue

Ukraine got cheap price gas from Russia for normalizing ties with Moscow, this could be true for Belarus if Minsk will review its policy towards Moscow. Russia is an energy hub in the region and can always sway its energy clout. But the Belarus government believes Russia has violated the CIS Economic agreement obliging members not to charge export fees in their trade.

Meanwhile, France's Air Liquide is expected to extend its investment in the Nizhny Novgorod region of Russia for the next five years. For Russia it is positive news that the country was rated as the 3rd most transparent country in the areas of oil and mining sectors.

Russia-US non-proliferation talks are so far un-finalized, yet Russia's commercial reserves of natural uranium have doubled and production has increased 13% since the start of 2010.

The scramble over the Arctic and the Antarctic resources is a potential future brawl as many contenders are flexing muscle in these regions thought to be endowed with numerous resources.

Meanwhile, Ukraine will be taking the step of Russia by not exporting its grains unless harvests get well after the end of the year.

Hungarian Prime Minister Viktor Orban rejected financial help to solve the recent environmental problem in the country but welcomes expertise to help contain the deadly toxic mud spill that has devastated villages and is threatening its waterways and the Danube.

Geostrategic Issues

Russian President Dmitry Medvedev's visit to Algeria saw the signing of bilateral cooperation in energy and transportation sector but the Russian leader failed to get the consent of the North African country on communication cooperation.

Abkhazia and South Ossetia are issues Georgia is ready to use against Russia-WTO integration. Russia is becoming wary of its WTO membership as many hurdles waylay it. Meanwhile, Abkhazia rejects Clinton's suggestion that Russian troops should be withdrawn from the region.

Trying to comply with new UNSC's sanctions on Iran, Russia might have to refund Iran's payment for the aborting the sale of S-300 military hardware. Meanwhile, Russia leadership is vulcanizing its military industry for greater productivity and ready to sell hardware to India.

Estonian President Mr. Ives's visit to Afghanistan was memorable because it marked the 80th friendship anniversary of the two countries.

Amid the renewal of economic relations between Belarus and Armenia, Minsk nonetheless believes that the Nagorno Karabakh conflict should be resolved peacefully.