

PROJECT ON BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

Third Quarterly Report on Asia

July to September 2008

Volume: 2

Reports of August 2008

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**INTERNATIONAL ISLAMIC UNIVERSITY
ISLAMABAD**

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**Department of Politics and International Relations
International Islamic University Islamabad**

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Reports of **August 2008**

Table of contents

Reports for the month of August

Week-1 August 08, 2008	05
Week-2 August 15, 2008	141
Week-3 August 22, 2008	216
Week-4 August 29, 2008	290

Country profiles

Sources



BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

August 08, 2008

Nadia Tasleem:	Report on Asia	06
Ashia Rehman:	Report on Fertile Crescent	19
Madiha Kaukub:	Report on GCC	52
Tatheer Zehra:	Report on South East Asia	65
Ghashia Kayani:	Report on South Asia	97
Sadia Khanum:	Report on India	124

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 26 July to 1 August 2008

Presentation: 8 August 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia, Fertile Crescent and GCC from 26 July to 1 August as have been collected by interns.

South Asia

Summary

Political Front:

Bangladesh:

Issue of local elections and release of political leaders caused difference of opinion within BNP; as its Secretary General recently announced to boycott elections however Chairperson's advisor claimed to take some time to reach at a conclusion in this regard. Meanwhile many candidates belonging to BNP have already got registered to participate in elections without using their party banner; being prohibited by EC. AL has also accused government for disallowing political campaigns for upcoming elections though they have supported non-party elections.

Controversial issue of local elections has led some of the government members to think for referendum as a solution to resolve this problem. Meanwhile apprehensions regarding delay in election compelled the US to ask Bangladesh to be cautious about this as further delay would not be accepted by the US. In response to the US concern, EC gave surety to hold elections in time.

Nepal:

At political front initiatives to bring stability as well as protests being launched by various groups of people particularly Madheshis; disrupting peace, remained significant. In this regard Nepalese President asked Maoists to form government within seven days in order to break political deadlock that has been there even after elections and to bring stability in the country. All the while students' protests in Terai region as well as general strike in various parts of the country against Vice President's oath taking in Hindi language has adversely affected law and order situation. Likewise Maoists have also warned to launch demonstrations against care taker PM

Koirala's decision to participate in upcoming SAARC Summit to represent Nepal; unless he takes his decision back.

Srilanka:

Chaos and mayhem still dominates political scenario of Srilanka. Government remained active in attacking different sites being occupied by LTTE. This time operation against northern region has been launched killing 6 Tamils and one soldier while injuring 10 Tamils and one soldier in various attacks.

Srilankan government has also condemned terrorist attacks in India killing and wounding many people and urged to take collective measures to counter terrorism that has destabilized the whole region.

Bhutan:

With 21 'no-votes' to the Election Bill, it was finally passed from the parliament with 48 votes in favour of the resolution. In fact idea of electronic voting has raised concerns of a large number of people who reject it on the basis of chances of confusion and mishandling. It indicates that parliamentarians after proposing election bill have started pointing out mistakes in it.

Maldives:

At political front ratification of draft constitution remained most significant issue in Maldives. Opposition has been accusing President for delaying ratification of constitution in order to postpone elections. President however announced to ratify constitution by 7 August hence denied any chance of postponement of elections.

Meanwhile Yamin has been elected as President of People's Alliance (PA) by getting 404 votes out of 413.

Myanmar:

The US has warned Myanmar to impose further sanctions if it fails to bring democratic reforms as has been asked by UN. Meanwhile US President Bush renewed a ban on imports from military-ruled Myanmar and also signed a new law to keep Myanmar's gems away from entering into the US market via third-party country.

India:

Domestic situation:

At political front recent serial bomb blasts in Bangalore plus threat of further terrorist acts and response of government as well as opposition to the whole situation remained in focus. Opposition severely criticized government for its inability to curtail terrorist activities that have taken lives of many quite recently; as 9 blasts in Bangalore killed 12 people leaving 30 injured.

Government declared these blasts to be a coward act being carried to deteriorate law and order situation. Police immediately started investigation and denied any involvement of major terrorist groups in this act of terror. They rather suspected involvement of Students' Islamic Movement of India (SIMI), which has in recent months faced an intense crackdown in Karnataka after its terror modules were unearthed.

Meanwhile protests continued in Jammu & Kashmir over the issue of Amarnath Temple compelling police to re-impose curfew. BJP leaders remained most prominent in these rallies. Finally meeting has been held among officials of the J&K government, BJP leaders and the Amarnath Sangharsh Samiti to settle this issue by an appropriate manner.

Indo-US Nuclear deal:

India has filed a copy of its plan for the separation of civilian and military nuclear facilities with the International Atomic Energy Agency as part of the process for getting its safeguards agreement approved by the nuclear watchdog's Board of Governors on August 1. Since then India remained active in motivating various states of East Asia, Central Asia, Russia and Germany in order to get support of all these states over the issue of Indo-US nuclear deal. Most of the states have expressed their concerns regarding setting of a precedent for other countries like Pakistan and asked IAEA to take appropriate measures in this regard. Meanwhile Pakistan assured that it would not block the draft and would vote in favour of India.

While clarifying deal's objectives Indian Defence Minister claimed that deal hasn't been signed for weaponization rather it had peaceful objectives as India is strong enough to defend herself. On part of the US, its final draft that had to be presented in NSG session has not been discussed with India till now. In this regard, one of the US officials recently reported that its circulation within Indian circle had deliberately been avoided for the fear that it would trigger further objections within opposition. But now it is the time to discuss that final draft with Indian counterparts; their reaction would probably be discussed in next report.

Social Front:

Bangladesh:

At social front Bangladesh seems to be in grip of natural calamities or man-made problems. In this regard three lakh people have been found to be afflicted by TB; meanwhile a moderate earth quake that occurred last week led suspicions regarding probability of a major catastrophe in Dhaka that has been identified as a major earth quake prone city. Apart from these issues caused by nature; man-made problems in Bangladesh include growing number of drug addicts particularly female as their number has reached 1.50 lakh. Likewise number of people who have been losing their lives in road accidents has crossed 30,103 in last 10 years. Besides all this governments' mismanagement in agriculture has caused acute fertilizer crises all across the country hence farmers' lives have become more miserable. The only positive thing at social front is improvement in flood situation as seas are below danger level.

Maldives:

At social front Maldives has expressed serious concerns regarding EU's report about democratic process as well as human rights situation in Maldives. Government claimed that prior to this report EU has always been cooperating with Maldives and has been appreciating her efforts to bring democracy in the country hence their recent release has made Maldives surprised.

On the other hand Human Rights Commission of Maldives' (HRCM) report following a monitoring visit to the Education and Training Center for Children in the island of Maafushi, has expressed satisfaction with facilities being provided over there.

Maavaidhoo Island has been suffering from food shortage because of supply problem amidst tough weather conditions.

Myanmar:

Dengue virus in Myanmar has even affected 10 members of Taiwanese religious group that have come to participate in relief efforts for effectees of Nargis cyclone. Devastating cyclone has badly affected females and children in the area. UN as well as many countries of the world has provided substantive aid to cyclone effectees. UN however blamed Burmese regime for misusing all these grants that have been sent to them for sufferers of cyclone.

India:

At social front, number of villages being affected by heavy rains has reached 600 in 40 districts. Government has expressed its concern over chances of floods in these areas hence has started taking various measures to counter these threats.

Another important development has been BJP's announcement to boycott TV channels because of their policies to edit programs in accordance with government's will.

Economic Front:

Bangladesh:

Prices of daily use products have been increasing significantly. Many experts think that strong action against hoarders and the business syndicates need to be taken to counter growing prices in order to ease people's lives.

One positive development at economic front is Singapore's announcement to further enhance investments in Bangladesh that is already over \$ 1 billion.

Nepal:

The Nepal Oil Corporation (NOC) has warned that the fuel crisis in the country might further deepen as its fuel stock is depleting very fast. While discussing its reasons they claimed that

government's inability to pay importers has led them to cut supply for instance Indian suppliers have reduced oil supply to 1,000 kiloliters a day, which is a third of the country's daily demand.

Bhutan:

At economic front India has announced to give a stand by credit of Rs 400 Crore to Bhutan in order to meet the shortage of Indian currency over there.

India:

At economic front two different situations have emerged in case of India; on one hand Bombay stock exchange further recovered and gained some points. Likewise value of Indian rupee has also risen by 50 paise because of steep fall in global oil prices as well as increase in stock exchange. On the other hand inflation has further increased to 11.98% from 11.89% because of higher prices of food and manufactured products.

Geo-strategic Front:

India:

Indo-Iranian ties:

One significant development at Indo-Iranian front is recent meeting being held between Indian External Affairs Minister Pranab Mukherjee and Iranian President Mahmoud Ahmadinejad on the sidelines of the 15th meeting of Foreign Ministers of the Non Aligned Movement (NAM) nations. The focus was on development of energy ties and cross-border transportation links. Both expressed satisfaction over progress in energy related issues.

Indo-Pak peace process:

Amidst Indian accusation against Pakistan over Kabul blast and Pakistani concern regarding Indian ceasefire violation across Line of Control (LoC), External Affairs Minister Pranab Mukherjee and his Pakistan counterpart Makhdoom Shah Mahmood Qureshi held talks in order to arrange formal meeting between Pakistani and Indian Prime Ministers on the sideline of SAARC Summit. Both expressed serious concerns over these issues.

Indian ties with Srilanka:

On one hand Srilankan government has been asking India to play the role of mediator in order to settle Tamils issue over there. While on the other hand the MDMK general secretary, Vaiko, has urged the Centre to break the diplomatic relations with Sri Lankan government to register its protest against the killing of innocent Tamil Nadu fishermen, who have been suffering since

1983. Indian policy therefore needs to be thoroughly observed in this regard in order to understand intensity of domestic pressure in comparison with Indian regional ambitions.

East Asia

Summary

Political Front:

Indonesia:

In order to curtail terrorist activities Noor Huda Ismail, an expert on Indonesia's fight against terrorism, recently gave a suggestion to Indonesian government asking her to integrate Islamic militants into civil society; as this can be the only way to counter their terrorist activities.

Malaysia:

Prime Minister Abdullah Badawi is passing through tough phase amidst growing opposition within political parties. In this regard Main Islamic Party recently reiterated its support for opposition and ruled out any possibility of having talks with the ruling regime. Meanwhile opposition leader Anwar Ibrahim while announcing his decision to contest bi-elections, denounced sodomy charges and asked police to drop that, on the basis of a medical report being submitted by him.

Thailand:

A key member of Thai Prime Minister Samak Sundaravej's ruling coalition government withdrew from the alliance on 29 July, further weakening the ruling regime on the ground of having disagreement with the government. Meanwhile Thai Supreme Court agreed to hear corruption cases against ousted PM Thaksin and 47 other cabinet ministers.

Philippines:

MILF negotiators have asked government to postpone local elections in Southern region in order to go ahead with ongoing peace process.

Vietnam:

Members of the national assembly's standing committee suggested that the new law, currently being drafted; aim to reduce the number of state workers in Vietnam in order to increase pays of state workers.

Cambodia:

Cambodian elections took place on 27 July being monitored by international observers. As a result Cambodian People's Party (CPP) won the elections by getting 90 seats out of 123 seats.

Four major political parties have accused government for rigging elections. International monitoring teams came up with different observations. For instance Japan expressed satisfaction with election process. European Union claimed that it fell below international democratic standard. Australian observers however gave a mixed opinion.

Social Front:

Indonesia:

Indonesian Attorney General assured that execution of Bali bombers would take place before Ramadan. Decision has been taken in respect of the Holy month of Ramadan.

Singapore:

The only significant development in Singapore has been a five-fold increase in the number of applicants for scholarships in the Built Environment, which covers subjects such as engineering, architecture, project and facilities management, and real estate.

Philippines:

A recent survey in Philippines has showed that majority of Filipinos are pessimistic about their living condition because of current economic crises being faced by the whole region. Most of the people have also refused to believe government's claim that economy is improving.

Vietnam:

Floods have damaged more than 1,900 hectares of land in four districts of Vientiane province, last week.

Economic Front:

Indonesia:

Indonesian central bank deputy governor denied government's claim that inflation would decrease in this month and claimed that annual inflation would most likely rise because of growing prices of gas and other daily use commodities. Meanwhile shortage of electricity has adversely affected business in Indonesia.

Malaysia:

At economic front amidst prevailing economic crises as well as political instability Malaysia is being considered as the best location for foreign investors. Major sources of foreign investments in Malaysia include Singapore, Taiwan, Japan, Australia, UK and the US.

Vietnam:

Amidst ongoing economic turmoil government has recently asked the banking system to play significant role in curbing inflation, stabilizing macro economy, maintaining growth and ensuring social security for sustainable development.

Meanwhile FDI in Vietnam has made a record as it increased by 373% within first seven months of this year.

Geo-strategic Front:

Indonesia:

Indonesian President Susilo Bambang Yudhoyono has cancelled his visit to Europe because of EU prolonged flight ban prohibiting Indonesian carriers from flying to the European destinations.

Thailand:

Military standoff between Cambodia and Thailand over a disputed piece of border land is still unresolved despite the fact that both states have agreed to pull out their troops from the disputed area.

Vietnam:

At geo-strategic front Vietnam's growing ties with Japan and Malaysia remained potent. Meanwhile the 28th chair-level meeting of the Vietnam-China Joint Committee for Land-Border Demarcation and Marker Planting also took place in order to resolve border issues between the two states.

Fertile Crescent

Summary

Political Front:

Iraq:

In a recent suicide attack in Kirkuk killed 22 people leaving 150 injured. These acts of violence have led Iraqi government to deploy more troops in the city in order to control the situation. Meanwhile US military Commanders have also announced to launch a major offensive against Al Qaeda in the Province of Diyala. This would be the second large scale operation within six months. Kurdish militia has also joined hands with the US troops in order to contain Al Qaeda as well as Iraqi resistance groups. Analysts do not seem to be hopeful for the outcomes of this operation and claim that it would further deteriorate the infrastructure and would not bring peace and stability.

Palestine/Israel:

Amidst corruption charges Israeli PM Ehud Olmert has decided to resign soon after party's primary elections that have to be held in mid September.

Besides that Peace deal among Israel, Al-Fatah and Hamas remained point of focus throughout this week. Ehud Olmert expressed his disappointment with pace of ongoing peace process and claimed peace deal could not be signed this year. Abbas reiterated his commitment with peace and said that they would welcome an Israeli PM who would be committed to peace. Meanwhile Hamas has arrested number of Al-Fatah members on the allegation of their involvement in recent bomb blast in Gaza; Mahmood Abbas therefore alleged Hamas for being non-serious in acquiring peace with them.

Lebanon:

Lebanon's newly formed national unity government has agreed on a policy statement that may allow Hezbollah to keep its weapons.

Jordan:

The government has recently formed a committee, headed by Prime Minister Nader Dahabi, to study proposals for relocating the Jordan Armed Forces headquarters and the King Hussein Medical City (KHMC) to eastern Amman.

Social Front:

Iraq:

Brutal killing of women in Iraq is so common that women feel scared while leaving homes. Three women have recently been murdered in the city of Mosul.

Palestine/Israel:

Hamas militia has been accused for preventing distribution of three newspapers, al-Quds, and al-Ayyam and al-Hayat al-Jadid, in Gaza

In order to engage Indian Muslims Israel has recently launched Urdu web site.

Lebanon:

United States has announced to increase USAID assistance scholarship program to the Lebanese American University (LAU) and other Lebanese universities and take it to \$10 million.

Economic Front:

Iraq:

Various projects have been initiated in different provinces of Iraq in order to boost its economy. In this regard 49 projects from roads and brigades department have been referred to local

province in Basra. Meanwhile 17 water projects have been referred to the province's water department of Wassit.

Palestine/Israel:

Palestinian Prime Minister Salam Fayyad has appealed to the World Bank to help him secure emergency financing to bridge a shortfall in donor funds and pay public workers.

Syria:

Yemen has agreed to enhance economic cooperation with Syria. While emphasizing on the need to collaborate at economic front both expressed special interest in the fields of marine transport, fishing and establishing a Syrian industrial and commercial base in Yemen.

Jordan:

The Overseas Private Investment Corporation (OPIC) announced up to \$250 million in financing to enable Jordanian banks to extend long-term mortgage lending to low-income citizens benefiting from the Decent Housing for Decent Living Initiative.

Geo-strategic Front:

Palestine/Israel:

The 15th Ministerial Conference of the Non-Aligned Movement (Nam), concluded in Tehran, requested the application of a UN resolution demanding the creation of an Independent Palestinian state. Meanwhile peace talks between Israel and Syria have started in Turkey.

Syria:

Syrian relations with Japan and China are growing smoothly. Meanwhile Syrian President has announced to visit Tehran in order to discuss nuclear issue as well as other bilateral issues with them.

GCC

Summary

Political Front:

Bahrain:

At political front gap between ruling regime and pro-democracy activists has further widened. Government has issued statements to curtail political activities of opponents. Press, being mouth piece of the government, has also been opposing anti-government elements. Many

activists have even been detained for launching protests in favour of real democracy. Government moves have been perceived as targeted war against natives of Bahrain.

Meanwhile King Hamad bin Isa Al Khalifa met with religious scholars in order to discuss domestic situation and got full support of theirs.

Social Front:

Bahrain:

Following Saudi grand mufti's condemnation of soap opera for bringing spiritual loss to common people, a Bahraini religious leader accused Turkish soap opera for corrupting morals and traditions of Bahraini society hence asked government to ban that.

Saudi Arabia:

Prince Khalid Al-Faisal, Emir of Makkah emphasized on the need of women participation in private sector for the development of Kingdom.

UAE:

Two Emirati female cadet pilots have attained a prestigious place in aviation history as they have been included in a book printed in the UK about the world's greatest women aviators.

Economic Front:

Bahrain:

Rising global food prices and soaring rents have spurred price rises across the Gulf, where economies are booming on a more than six-fold rise in oil prices since 2002. Price rise in Bahrain however remained the slowest in the region as it remained at 3.1 per cent last month.

Oman:

The nation's largest bank, announced an increase of 43.7 per cent in net profit for the first half year ended June 30, 2008 on higher lending and a rise in fee income. Hence the bank's net profit raised to RO57.8 million for the first half as against a net profit of RO40.2 million reported during the same period in 2007.

Qatar:

Despite increasing inflation, Qatar has been rated highest along with Kuwait and UAE, by Capital Intelligence on the ground of diversifying economy as well as expanding role of private sector.

Saudi Arabia:

Saudi state oil firm has refused to sell fuel oil to export market in order to meet growing need of oil products at domestic front.

Geo-strategic Front:

Bahrain:

US Senate Foreign Relations Committee expressed support for a constructive dialogue on human rights issues between the United States and Bahrain.

Bahrain expressed full commitment to NAM during the Ministerial meeting of Non-Aligned states where Bahraini Foreign Minister Khalid Bin Ahmed Al-Khalifa also had a meeting with the Iranian President Mahmoud Ahmadinejad.

Kuwait:

Kuwaiti Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah concluded an official visit to Japan and South Korea last week. Focus of his visit remained on enhancement of economic cooperation with these states.

Qatar:

Various Qatari officials held meetings with their counterparts from UK, Jordan, Kuwait and Hungary emphasizing on cooperation in military as well as economic fields.

Economic situation of GCC:

While looking at GCC as a whole one can observe moderate price rise yet it seems to be threatening because of elevation in food and housing costs. Inflation has increased above 10% in Saudi Arabia, Kuwait, Qatar, Oman and UAE; it however has observed steady increase in case of Bahrain.

Due to current economic situation Kuwait witnessed labors' protests demanding increase in pay. Likewise workers in Bahrain and UAE have launched demonstrations against devaluation of their earned money.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Aisha Rehman

From 26th July-1st August

Presentation Date 8th August, 2008

Fertile Crescent

Iraq

Geo strategic issues

Attack on Diyala to start in August, U.S. military says

Troops deployed in Kirkuk amid upsurge in violence in oil-rich city

Kurdish militias engaged in fighting in Baghdad and Diyala

U.S. apologizes for the murder of Iraqi governor's son

Social issue

Three women brutally murdered in Mosul

Economic front

Basra port receives more ships on Tues.

49 projects referred to local companies in Basra

17 water projects in Wassit

joins lighthouse authorities association

Palestine

Political front

President Abbas: Peace only be achieved by Force of Law not by Logic of Power

President Abbas Arrives in Tunis

For the First Time in Israel's 60-year History: Knesset Focuses on Palestinian Refugees

Olmert: No Chance to Reach Peace Agreement by End of 2008

Hammad: Hamas Has no Intention to Accept President Abbas' Dialogue Initiative

Abbas' Concern: To Have an Israeli PM Committed to Peacemaking

Palestinian Authority: Jerusalem Is a 'Red Line'

President Abbas Receives Egyptian Intelligence Minister in Cairo

Palestinians call on Israel to rethink water deal

Social front

HR Group: Israeli Soldiers Rarely Punished for Attacking Palestinians

PNA Considers Suing Israeli Journalist

Number of Victims of Israel's Siege Mounts to 221

Hamas Militias Ban Distribution of 3 Major Dailies in Gaza

Economic front

Palestinian PM Seeks World Bank Cash Lifeline

World Bank Group to Invest \$15 Million in 'Bank of Palestine'

Geo strategic issues

NAM: Apply UN Resolution on Creation of Palestinian State

PCHR Expresses Surprise at Hamas' Swift Actions in Gaza

Israel

Political front

Israeli PM to Resign, Mideast Peace Doubts Raised

Olmert has never been formally charged with a crime

Olmert: Hizbullah Fearing 'Disproportionate' Israeli Response

Geo strategic issues

Israel working on easy visa regime to encourage Indian pilgrims

Olmert: Syria must choose between peace, isolation

Fatah: Hamas Arrests More Fatah Leaders in Gaza

Hamas Arrests Fatah Supporters After Deadly Gaza Bombing

Obama Visit Leaves Good Impression on Israelis, Palestinians

Social issues

Israel woos Muslims with Urdu website

Hamas says militant killed in West Bank

Syria

Geo strategic issues

Japanese Parliamentary Delegation Arrives in Damascus

Syria and China Express Relief over Level of Relations between Them

Israeli warplanes Renew Violation of the Lebanese Airspace

Syria's Assad Due in Tehran for Nuclear Talks

Economic issues

Syrian-Yemeni Investment Assembly Affirms Importance of Developing Standing Cooperation

Social issues

First National Report on Child Abuse in Syria Made Public

Lebanon

Political front

Would President Suleiman Reconcile Differences Over Policy Statement?

Hezbollah trying to barter: International Tribunal for Resistance

Lebanon backs Hezbollah's arms

Lebanon MP: Hezbollah may use its arms to sweep 2009 elections

Geo strategic issues

Iran links solving Lebanon problem to its nuclear negotiations

Social front

Fatfat blames Hezbollah for north Lebanon clashes

US scholarships to Lebanese Universities exceeds \$10 million

Jordan

Political Issues

Gov't clarifies situation of four Jordanian detainees

Committee to review proposals relocating JAF headquarters, KHMC

Economic front

Expatriates' remittances up by 13%

OPIC extends \$250m in financing for housing initiative

Meeting between Dahabi, MPs postponed until today

Jordan, Russia Plan RPG Production In 2009

Social Issues

Defence team calls on SSC to drop charges against five suspected Hamas affiliates

Goodwill campaign provides scholarships, projects to Maan Governorate citizens

AND official discusses narcotics in the Kingdom

Geo Strategic Issues

Dahabi inaugurates regional anti-corruption conference

Iraq

Geo strategic issues

Attack on Diyala to start in August, U.S. military says

U.S. military commanders are liaising with top Iraqi brass on a fresh large-scale offensive to subdue the restive Province of Diyala to be launched early in August.

The attack will be the **second major military operation in less than six months** targeting Diyala. The province of which the city of Baaquba is the capital has hardly recovered from the devastation the troops incurred in the previous offensive. The province is predominantly Arab Sunni but sizeable communities of Sunni Kurds and Arab and Kurdish Shiites live there.

Analysts say President George W. Bush's administration is keen to wage as many offensives as **possible to defeat al-Qaeda**.

In protest, the U.S.-sponsored Sunni militia in the province known as Sahwa or awakening has been disintegrating with tribal leaders resigning or simply refusing to press ahead with fighting al-Qaeda. Observers say the attack is expected to bear little fruit apart from the trail of destruction it will leave behind.

Troops deployed in Kirkuk amid upsurge in violence in oil-rich city

Iraqi troops are being deployed in Kirkuk to ward off attacks and bombings which have disturbed this city's relative quiet in the past few months.

A suicide bomber targeted a demonstration organized by Kurdish factions in the city on Monday. ***At least 22 people were killed and 150 others injured.***

The government decision to send in troops signals a rise in tension among the city's disparate in occasionally warring groups.

The mixed city is crucial to Iraq's economy. Its old but still prolific fields are currently producing nearly half a million barrels a day most of it shipped to terminals in Turkey for export. The troops have established checkpoints in several areas in the city.

Analysts fear that a flare up of factional and ethnic fighting in the city might spread across the country with consequences graver than those which followed the bombing of Shiite shrines in Samarra.

Major Abdullah al-Dalwi of the Iraqi army brigade deployed in the city said the troops have taken positions in restive quarters to prevent attacks. ***The Kurds have expressed anger at the deployment.***

Kurdish militias engaged in fighting in Baghdad and Diyala

Kurdish militias are taking part in the current fighting against Iraqi resistance groups fighting U.S. occupation as well as al-Qaeda in Mesopotamia, senior Kurdish officials said. Adel Barwari said Kurdish Peshmerga, the fighters the two main Kurdish political factions have raised, were engaged in the current battles in the Province of Diyala and were also deployed in restive neighborhoods of the capital, Baghdad.

Barwari, a Kurd, is a member of Iraqi Parliament said the Kurds had to send in their militiamen because Iraqi troops were still unprepared to defend themselves.

"Therefore, any sudden withdrawal of the coalition troops may turn into a calamity because Iraqi troops are simply not prepared to do the job."

Barwari's remarks contradict Iraqi government's assertions that the troops are prepared to act on their own without U.S. assistance as al-Qaeda and other groups were on the brink of defeat. But Barwari said it was wrong to say al-Qaeda was being defeated.

U.S. apologizes for the murder of Iraqi governor's son

U.S. ambassador to Iraq Ryan Crocker has formally apologized to the Governor of Saladeen Hamad al-Qaisi for the killing of his son by U.S. troops. Governor Qaisi had threatened to avenge the killing of his son and vowed unspecified measures against U.S. troops.

The incident, last month, drew condemnation from the governor and the residents, forcing Crocker to send a senior embassy official to Tikrit carrying a formal letter of apology.

The U.S. has ***publicly apologized for the atrocities its troops committed at Abu Ghraib prison.*** Analysts say the apology to Saladeen's governor only came when Qaisi and his powerful tribe warned that they would avenge the killing of Husam.

Social issue

Three women brutally murdered in Mosul

Iraqi police have found the mutilated bodies of three women who were brutally murdered and their corpses dumped on in the streets of the restive city of Mosul.

The cycle of violence targeting women is so vicious and brutal that many women in Iraq are now afraid to leave their homes. The violent campaign against women has escalated across the country.

Economic front

Basra port receives more ships on Tues.

Basra's ports of Umm Qasr received two cargo ships, the public relations and media director at the State Company for Iraqi Ports said on Tuesday.

"Today, Umm Qasr Port received two ships from the **United States and the Marshall Islands transporting** 203 and 641 containers respectively," The Shiite province of Basra, 590 km south of the Iraqi capital Baghdad, has five commercial ports and two oil ports: al-Maaqal, established in 1916 by the British forces and handed over to Iraqi authorities in 1937; and Faw, a small port on the al-Faw Peninsula near the Shatt al-Arab and the Persian Gulf.

49 projects referred to local companies in Basra

A total of 49 projects have been referred to local companies in Basra province at a total cost of nearly **\$11.5 million**, a member of Basra provincial council said on Tuesday.

"The bids committee in the provincial council has so far **referred 49 projects from the roads and bridges department to local companies** and contractors in accordance with the provincial strategic plan," In 2008, the Iraqi government allocated **366 billion Iraqi dinars** for **provincial development** projects in Basra province, of which over 15 billion was earmarked for the roads and bridges department. The Shiite province of Basra lies 590 km south of the Iraqi capital Baghdad.

17 water projects in Wassit

Wassit's contracts committee referred on Saturday 17 projects for the province's water department to implement at the cost of **12.278 billion Iraqi dinars** (roughly \$10.250 million), a media source said.

"The projects, falling within the 2008 provinces development plan, includes 11 to set up water complexes at different capacities ranging between 14 and 200 cubic meters per hour for a number of villages in the city," "The **other projects have to do with the rehabilitation of the Tammuz and al-Salam neighborhoods'** water network and the extension of water pipelines in the areas of al-Corniche, al-Alban, al-Shohadaa, and al-Sadrin in Kut," the source added.

joins lighthouse authorities association

Iraq has joined the International Association of Lighthouse Authorities (IALA), the Iraqi Ministry of Transport said on Thursday.

"Through constant work by the State Company for Iraqi Ports and the achievement of a major qualitative jump, Iraqi ports have joined IALA for the first time in their history," according to a ministerial statement

The statement did not specify when Iraq joined the association, noting that the country's accession to the IALA "will return it to the international nautical world and the competition arena."

Palestine

Political front

President Abbas: Peace only be achieved by Force of Law not by Logic of Power

President Mahmoud Abbas asserted on Wednesday that the achievement of a just, comprehensive and sustainable peace in the region could only be achieved by the force of law and not by the logic of power.

In an address he delivered during the opening session of the Constitutional ***Democratic Rally (RCD)***, Congress works, President Abbas said that Palestine draws hope on the achievement of peace, thanks to the Arab commitment for the Arab peace initiative in order to settle all contentious issues, such as the question of the refugees, on the basis of international law.

President said that the Constitutional Democratic Rally (RCD) has been and still is a ***school of realism*** that the Arab world needs, adding, in this connection, that it is not complacent to say that Tunisia is, for the Palestinians, at the vanguard of realism and the sincere adviser, by deeds and not only by words.

President Abbas Arrives in Tunis

President Mahmoud Abbas arrived Tuesday in the Tunisian capital Tunis for talks with his counterpart Zein Al-Abedin Bin Ali. President Abbas was received by high ranking Tunisian officials as well Ambassador of the Palestinian National Authority to Tunisia in addition to other PLO officials. President Abbas is accompanied by members of ***PLO Executive Committee***.

For the First Time in Israel's 60-year History: Knesset Focuses on Palestinian Refugees

For the first time in Israel's 60-year history, a cross-party parliamentary caucus dealing with the rehabilitation of Palestinian refugees was launched in the Knesset on Tuesday.

The issue has been largely untouched in Israel for years, due to the Palestinians' demand for the "**right of return**" of Palestinian refugees to Israel, which the Jewish state rejects.

Recently, however, some Knesset members have begun to openly advocate dealing with the issue of Palestinian refugees.

UNRWA spokesman Christopher Guinness said that the issue of Palestinian refugees had to be resolved within the context of a future peace deal between Israel and the Palestinians.

No Arab MPs have joined the caucus so far, although all non-ministerial members of the Knesset were invited to do so.

Olmert: No Chance to Reach Peace Agreement by End of 2008

Israeli Prime Minister Ehud Olmert said on Monday there would be no chance for Palestinian and Israeli sides to reach a peace accord that includes the issue of Jerusalem by the end of 2008. 'I don't believe we can reach an understanding this year that includes the Jerusalem issue,' Olmert was quoted by local daily Ha'aretz as saying to the Foreign Affairs and Defense Committee.

Hammad: Hamas Has no Intention to Accept President Abbas' Dialogue Initiative

Nemer Hammad, President Abbas' Media Advisor, accused Hamas militia on Monday that it has no intention to accept President Abbas' initiative for the resumption of reconciliation dialogue.

President Abbas announced following a meeting with Egyptian President Hosni Mubarak in Cairo on Sunday that the Palestinian-Palestinian dialogue has been already launched.

Abbas' Concern: To Have an Israeli PM Committed to Peacemaking

Palestinian Authority: Jerusalem Is a 'Red Line'

Palestinian President Mahmoud Abbas said, according to his spokesman, that the announcement made by Israeli Prime Minister Ehud Olmert on Wednesday that he would resign after his party, Kadima, chose a new leader in September is an "Israeli internal matter" and "the concern of the Palestinian authority is to have an Israeli prime minister who is committed to peacemaking."

Olmert said on Monday a full agreement that includes Jerusalem was not within reach this year but it was possible that differences over borders and refugees could be bridged.

Olmert was quoted by an official as saying: "I don't believe that understandings that will include Jerusalem can be reached this year."

Qurei said: "There will be no peace agreement with Israel unless there's an agreement on Jerusalem. And there will be no state without Jerusalem. Olmert and the rest of the world must understand that Jerusalem is the core of the problem."

"Olmert's statements reflect Israel's intentions to escape from implementing its commitment in the roadmap plan and reflects its desire to turn the year 2008 to a year of settlements instead of a year of solution," Erekat told journalists.

Meanwhile the **U.S. State Department says** it is still aiming to reach an Israeli-Palestinian peace agreement by the end of this year, but it has downplayed expectations of quick progress.

President Abbas Receives Egyptian Intelligence Minister in Cairo

President Mahmoud Abbas received on Saturday in his residence in Cairo Egyptian intelligence Minister Amr Suleiman. President Abbas discussed with Suleiman the latest developments in the Palestinian territory.

Palestinians call on Israel to rethink water deal

West Bank Palestinians are suffering a serious water shortage this year as a severe drought exacerbates supply problems, the head of the Palestinian Water Authority said Sunday.

Shadad Ateli said since mid-May, many Palestinians have been going without water for hours, and sometimes days at a time as a regional drought enters its fifth year. He called on **Israel, which controls some 90 percent of water sources in the West Bank** to rethink its water policies. He said "Water shouldn't be a part of the conflict. It should be divided according to human needs equally".

Uri Shani, **spokesman for Israel's Water Authority**, says Palestinians are receiving more water than their agreed share under an interim peace deal. The drought has affected Israel as well, with fresh water supplies below their acceptable minimum, but there have been no cases of community water supplies being cut off.

A recent report by Israeli human rights group **B'Tselem** described water distribution as "unfair" and called on Israel to rectify the "built-in, constant shortage of water in the West Bank."

Palestinian negotiators had expected to work out a better water deal in a final status agreement that was meant to be concluded in 2000. Instead, fighting broke out between Israel and Palestinians, and eight years later, the water allocation system has remained as it was.

Daily water consumption in Israeli cities is 60 gallons per capita, B'Tselem reported.

Social front

HR Group: Israeli Soldiers Rarely Punished for Attacking Palestinians

An Israeli Human rights group said only six percent of probes into offences allegedly committed by Israeli soldiers against Palestinians in the occupied West Bank yield indictments. The report was **issued Yesh Din human rights group** as the Israeli Occupation Forces (IOF) vowed to investigate the death of a 12-year-old Palestinian boy shot and killed by Israeli soldiers during a protest on Tuesday against Israel's Apartheid Wall in the West Bank.

Of a total of 1,246 investigations by the IOF into suspected offences against Palestinians or Palestinian property between 2000 and 2007, only 76 ended in indictments. A total of 132 people were charged, of whom 110 were found guilty of various offences, four were acquitted, eight indictments were annulled and the trials of 10 others are still under way, the report said.

PNA Considers Suing Israeli Journalist

The Palestinian National Authority (PNA) is considering suing a journalist of the Israeli Haaretz daily over a story Wednesday about President Mahmoud Abbas, which Hussein al Sheikh, head of the PNA's civil affairs department, condemned as fabricated to discredit the PNA and exacerbate internal Palestinian tensions.

Haaretz on July 30 reported that, ***"If Israel releases Hamas members of the Palestinian parliament as part of a deal for the return of kidnapped soldier Gilad Shalit, PA President Mahmoud Abbas will dismantle the Palestinian Authority, Abbas warned Israel last week."***

Danny Rubinstein, an Israeli journalist and former Haaretz columnist, said the report was ***"a mistake."*** "There is no chance that any Palestinian will tell Israel not to release prisoners," he said. "This is not a credible story, not at all."

Number of Victims of Israel's Siege Mounts to 221

Medical sources in Gaza said on Tuesday that two more patients died today bringing the number of deaths in the Gaza strip due to Israeli blockade to 221 patients.

Israeli Occupation Forces imposes a tight one year siege on Gaza, closing all of its crossings linking it to the outside world.

Hamas Militias Ban Distribution of 3 Major Dailies in Gaza

The Palestinian Journalists Union in the West Bank said Hamas militias in Gaza prevented the three newspapers, *al-Quds*, *al-Ayyam* and *al-Hayat al-Jadida*, from being distributed after they arrived in the besieged Strip.

Hamas militias stormed on Saturday the offices of Wafa news Agency in Gaza, stole computers and files and destroyed all of its equipment and furniture.

Economic front

Palestinian PM Seeks World Bank Cash Lifeline

Palestinian Prime Minister Salam Fayyad has appealed to the World Bank to help him secure emergency financing to bridge a shortfall in donor funds and pay public workers, Palestinian and European sources said on Tuesday, according to Reuters.

Fayyad is seeking a so-called comfort letter from the Washington-based international lending agency to obtain short-term private bank funding.

Palestinian and European sources said Fayyad asked the World Bank on Sunday for the letter to assure private banks that **over \$80 million in Kuwaiti money** deposited in a World Bank trust fund would reach Palestinian Authority coffers by August 15.

The World Bank, which manages a **donor trust fund for the Palestinian Authority**, said it **was in "active discussions" with several donor countries to replenish the fund.**

The official did not mention the guarantee but said the **World Bank expected to raise \$120 million** for the trust fund.

World Bank Group to Invest \$15 Million in 'Bank of Palestine'

The IFC, a member of the World Bank Group, said it will support the Bank of Palestine by **investing \$15 million in the bank's operations** in the West Bank and Gaza Strip to help strengthen the **domestic financial sector and facilitate sustainable private sector** development in the "**highly challenging environment**," CPI Financial reported on Wednesday.

IFC will acquire 5 per cent of the bank's equity. The investment includes a **\$3 million trade line** for the bank through the IFC Global Trade Finance Program.

Geo strategic issues

NAM: Apply UN Resolution on Creation of Palestinian State

The 15th Ministerial Conference of the Non-Aligned Movement (Nam), concluded in Tehran on Wednesday requested the application of a UN resolution demanding the creation of an Independent Palestinian state.

On the final day of its gathering in the Iranian capital, the 118-member movement in a statement said the United Nations should stop Israel's genocide in the occupied territories in a reference to the UN resolutions supporting the Palestinian cause. The statement said that Israel must stop its daily blatant genocide against the Palestinian civilians that goes unpunished.

PCHR Expresses Surprise at Hamas' Swift Actions in Gaza

The Gaza-based Palestinian Center of Human Rights (PCHR) expressed surprise at the swift response of the ousted government of Hamas in Gaza immediately after the crime as if Fatah was proven to be involved in the crime. PCHR condemned in a press release issued on Saturday the **arbitrary actions** by the so called Hamas security forces against Fatah supporters and tens of organizations in the Gaza Strip.

It also condemned the **arrests against Fatah supporters**; affirming that the Centre has always condemned mass arrests; and calls for the immediate release of the prisoners and for respecting legal procedures regulating arrests. **PCHR also affirmed** that the right to form associations is guaranteed by the Palestinian Basic Law and international human rights standards; and that the steps taken to close and confiscate tens of institutions is a flagrant violation against civil society, calling for reopening these organizations and returning their belongings. According to PCHR, approximately 160 people were detained throughout the Gaza Strip, adding that they are being held and questioned in Gaza Central Prison in Gaza City.

PCRH said preliminary information indicates that the Hamas police raided more than 40 office, sports club, benevolent societies, cultural centers, and development agencies. The Hamas Police confiscated the belongings of these organizations and took them to undisclosed locations.

Israel

Political front

Israeli PM to Resign, Mideast Peace Doubts Raised

Prime Minister Ehud Olmert's decision to resign amid corruption allegations and his own plummeting popularity has intensified doubts about Israel's prospects for reaching peace deals with the Palestinians and Syria. Olmert said Wednesday he would not run in his party's primary election Sept. 17 and would step down afterward to allow his successor to form a government.

But because of Israel's political system, he could serve until well into 2009. Possibly hinting at his expectation of being in power for some time, he pledged to work for peace "as long as I am in my position," and said talks with Palestinians and Syria is "closer than ever" to achieving understandings. But the internal turmoil could make it difficult for Olmert to close deals with either of them; agreements that long have eluded Israeli leaders.

Olmert has never been formally charged with a crime

The latest allegation is that Olmert double and triple-billed trips abroad to Jewish institutions, pocketing the difference or financing trips for relatives. Other allegations include a shady real estate deal and questionable political appointments — all before he became premier.

Olmert's brief address from his official Jerusalem residence included harsh criticism of the police investigations. He said he was choosing the public good over personal justice.

If Olmert's successor as party leader can form a coalition, Israel could have a new government in October. If not, an election campaign could extend into 2009. Olmert would remain in office

until a new premier is chosen, heading a caretaker government after he submits his resignation to President Shimon Peres.

Olmert, 62, gained governing experience in a decade as mayor of Jerusalem. He was named vice premier as a move of political expediency when it appeared that Ariel Sharon would serve indefinitely. Olmert took over as premier after Sharon suffered a massive stroke in January 2006.

Olmert: Hizbullah Fearing 'Disproportionate' Israeli Response

Israeli Prime Minister Ehud Olmert has said that Hizbullah was refraining from attacking the Jewish State because it feared a "disproportionate" Israeli response.

During the Knesset Foreign Affairs and Defense Committee meeting on Monday, Olmert also said that Hizbullah would likely not avenge what he called the "disappearance" of the Shiite group's top commander, Imad Mughniyeh, because Hizbullah chief Sayyed Hassan Nasrallah had "lost confidence" in his ability to weigh an Israeli response.

Geo strategic issues

Israel working on easy visa regime to encourage Indian pilgrims

Israel is planning to come out with an 'easy visa' policy that will allow a large number of Indians to visit Israel for religious pilgrimage, Israeli Ambassador Mark Sofer said here Friday. "We don't have any specific visa now for pilgrims like some other countries do, but we are working at something that will encourage more people to visit Israel easily for pilgrimage," Sofer said.

Asked whether by reaching out to more people from India, Israel would also try to encourage large number of Muslims, Christians and Jews in the country to visit the holy sites in the country, Sofer said all efforts are being made in this direction.

Stressing the large interest Indians have for Israel and the warm feelings they have for the country, the ambassador said these feelings were reciprocated by large number of Israelis.

"There is awe and admiration for India in Israel... **everything that you stand for, everything that you have given to the world - your history, your culture, your civilization,**" Sofer said.

He pointed out that more than 700 Israeli students were learning different Indian languages that include Hindi, Sanskrit and Malayalam and these courses are being conducted in four major Israeli universities.

Olmert: Syria must choose between peace, isolation

Israeli Prime Minister Ehud Olmert said Tuesday that Syria must make a strategic choice between peace and isolation, as a new round of mediated peace talks began in Turkey.

Speaking in Jerusalem, Olmert said Israeli and Syrian negotiators are conducting indirect talks in Turkey now. He said the process will eventually reach a point where Syria has to choose "**between the Iranian grip, partnership in the axis of evil and international isolation, or peace, economic prosperity and a place among the family of nations.**"

Turkish diplomats are mediating between the Israeli and Syrian delegations in their fourth round of talks. No results have been disclosed.

Olmert said he discussed the prospects with security officials, and they told him that "the potential benefits outweigh the risks in the peace negotiations with Syria, and that this opportunity must be explored."

Syria and Israel have a history as bitter enemies. Israel captured the strategic Golan Heights from Syria in 1967, and Syria demands return of the territory as a condition for peace. The last round of formal peace negotiations broke down in 2000 with the two sides close to agreeing on a border but still at odds on a small strip of territory and conditions of peace.

Fatah: Hamas Arrests More Fatah Leaders in Gaza

Hamas forces seized the leaders of Fatah in Gaza early Friday, Fatah officials said, upping the stakes in a week of tit-for-tat arrests between the bitter Palestinian rivals. Hamas security officers seized around 15 senior Fatah members from their homes in the roundup, the Fatah officials said. They spoke on condition of anonymity because they fear for their safety in Hamas-controlled Gaza.

The new Hamas crackdown was sparked by a mysterious July 25 explosion in Gaza that killed five Hamas members and a 6-year-old girl. ***Hamas blamed Fatah for the blast*** and began rounding up Fatah men.

Fatah denied the charge and launched its own retaliatory crackdown targeting Hamas men in the West Bank.

Hamas Arrests Fatah Supporters After Deadly Gaza Bombing

The Islamic militant group Hamas that rules the Gaza Strip has launched a crackdown on its rivals after a deadly bomb attack. Hamas has arrested dozens of supporters of the rival Palestinian Fatah faction in Gaza after a bomb blast killed five Hamas gunmen and a six-year-old girl. A senior Hamas military commander was among the dead.

Hamas blamed Fatah for the explosion.

An unknown offshoot of Fatah, calling itself the "**Awda Brigades**" **claimed responsibility for the attack**, saying it was revenge for the violent Hamas takeover of Gaza a year ago.

Obama Visit Leaves Good Impression on Israelis, Palestinians

Obama's visit to Israel was seen by many Israelis as an attempt to gain favor with U.S. Jewish voters, because polls show many have reservations about his support for Israel.

But Israelis like Tony Jason who avidly followed Obama's visit say many Israelis support the presumptive Democratic Party nominee.

Much of Obama's visit to Israel focused on reassuring Israelis that he supports their concerns over a nuclear Iran and their concerns over security issues in general. In remarks with Israeli leaders, Obama vowed support for Israel, saying he would not press its leaders to make concessions that would compromise their country's security.

Palestinians generally welcomed his commitment that if elected president he will immediately begin working to resolve the Israeli-Palestinian conflict.

Social issues

Israel woos Muslims with Urdu website

For Israel, reaching out to Indian Muslims is a new initiative. On Friday, it launched an official website in Urdu, ostensibly aimed at Indian Muslims, whom Israel is trying to increasingly engage with.

"India is known for its moderate and forward-looking religion of beauty that is Islam. There is no reason why we should not address a large section of a strong community," Israel's Ambassador to India Mark Sofer said on Friday, launching the website along with one in Hindi.

Urdu is spoken by around **10-12 per cent of India's population**, mainly Muslims. Recently, Maulana Illyasi, the chief of the apex body of imams in India, the All-India Association of Imams, had visited the country.

"The Muslim world does not want to recognise the Jewish state. What is the use of living in denial? My message was that, unlike others, Indian Muslims believe in resolving issues through dialogue," Illyasi, who is the cleric of a New Delhi mosque, told HT.

Illyasi had been hosted in Israel by Project Interchange, a wing of the American Jewish Council, which is an inter-faith dialogue organisation based in New York.

Hamas says militant killed in West Bank

Israeli troops killed a Hamas militant in the West Bank town of Hebron early Sunday, according to a statement from the Islamic group and Palestinian officials.

Israeli troops surrounded a house in Hebron, exchanging fire with the militant inside and eventually bulldozed the house hours later when the man refused to surrender.

The Israeli military confirmed it carried out the raid, saying that during the exchange of fire troops heard explosions from inside the house, presumably from bombs stored inside.

Israel and Hamas are observing a cease-fire in the Hamas-ruled Gaza Strip. But the agreement does not apply in the West Bank, ruled by moderate President Mahmoud Abbas. Israeli troops continue to target militants in the territory, despite objections from Abbas that such actions embarrass him and undermine his control.

Israel says Abbas' forces are not yet ready to assume control for security.

Syria

Geo strategic issues

Japanese Parliamentary Delegation Arrives in Damascus

A Japanese parliamentary delegation headed by Director General of the Liberal Democratic Party (LDP) International Bureau at the Japanese House of Representatives Asahiko Mihara arrived on Sunday in Damascus on an official four-day visit to Syria.

The delegation, will hold talks with high-ranking Syrian officials to **bolster relations, particularly parliamentary relations**. The delegation was received at Damascus International Airport by Chairman of the Syrian-Japanese Parliamentary Friendship Association at the People's Assembly Khedr al-Hussein.

Syria and China Express Relief over Level of Relations between Them

Syria and China affirmed on Tuesday relief over the level of bilateral relations between the two countries, expressing determination to **expand cooperation in all fields and bolster consultation and coordination in international circles regarding issues of mutual interest**.

These confirmations were made during the talks session held in Beijing between Deputy Foreign Minister Dr. Fayssal al-Mikdad and Chinese Assistant Minister of Foreign Affairs Zhai Jun, with the two sides discussing means for developing bilateral relations, the situation in the Middle East, and issues of mutual interest.

the Chinese Assistant Minister affirmed his country's support for Syria's efforts to restore the occupied **Golan** and achieve just and comprehensive peace based on relevant international legitimacy decisions. He also affirmed China's support for Syria's demand to **join the World Trade Organization**.

In turn, Dr. al-Mikdad affirmed his support of the One-China policy and its refusal of attempts to politicize China's hosting of the Olympics or attempts to interfere in its internal affairs. He also expressed appreciation of China's support of Syria's efforts in achieving overall development.

Israeli warplanes Renew Violation of the Lebanese Airspace

Israeli warplanes have renewed violation of the Lebanese airspace. A Lebanese Army statement said that the Israeli warplanes flew last night over the southern Lebanese areas of Tabnin and Bint Jbail and returned back toward the occupied territories.

A.N.Idelbi.

Syria's Assad Due in Tehran for Nuclear Talks

Syrian President Bashar al-Assad is due in Tehran Saturday to discuss the Islamic republic's nuclear issue as well as matters of mutual interest, local media reported.

Assad during the two-day visit is to meet with high-ranking Iranian officials to discuss regional and international issues, state-run television reported.

Iran's ambassador to Syria Ahmad Moussavi said on Friday talks would include Iran's nuclear programme, which Western countries claim hides an ambition to develop atomic weapons but which Tehran says is purely for peaceful purposes.

Assad's visit to Tehran follows his trip to Paris a month ago during which French President Nicolas Sarkozy asked Syria to "***persuade Iran***" to show proof that it is not seeking nuclear weapons.

Economic issues

Syrian-Yemeni Investment Assembly Affirms Importance of Developing Standing Cooperation

Deputy Prime Minister for Economic Affairs Abdullah al-Dardari stressed the importance of developing the standing cooperation between the two countries, particularly economic cooperation in the fields of **marine transport, fishing and establishing a Syrian industrial and commercial base in Yemen.**

Al-Dardari underlined the important developments in Syria in the field of investment during recent years, pointing out that the most important issue in the **upcoming stage** is controlling the budget deficit and lowering it, in addition to controlling inflation, and expanding growth and its financial process.

Al-Dardari affirmed that investment in Syria in the upcoming months will be exclusively through the Syrian Investment Agency, saying that Syria requires more than **SP 300 billion** of finished investments to carry out the goals of **2009** and more than **SP 350 billion for 2010**.

Later, Consultant at the Yemeni Public Investment Agency Mohammad Ahmad Hussein gave a detailed presentation on the investment atmosphere in Yemen in the available opportunities in it.

Social issues

First National Report on Child Abuse in Syria Made Public

Minister of Higher Education Dr. Ghiath Barakat underlined Syria's dedication to protecting childhood, adding that his Ministry organized a scientific conference in 2006 for integrating children rights concepts in education curriculums, and that work is underway for developing standing curriculums in that regard.

President of the Syrian Family Affairs Agency Sera Astura pointed out that the report studied all forms of violence against children particularly violence by children's caretakers, providing in a comprehensive database. The **report will be used to diagnose** children problems and finding solutions to them within government policies and plans.

Secretary of the Higher Council for Patronage of Arts, Literature and Social Sciences Dr. Akram al-Qash presented a research on child abuse in Syria documenting physical and verbal abuse against children and its harmful psychological effects.

Lebanon

Political front

Would President Suleiman Reconcile Differences Over Policy Statement?

A ministerial committee trying to draft a policy statement for the new cabinet convenes Tuesday amidst reported efforts by President Michel Suleiman to reconcile contradicting viewpoints regarding Hizbullah weapons and its resistance.

Suleiman's visitors said differences persist among the committee members over a clause related to the resistance and its role.

The Hizbullah-led minority insists on adopting a clause included in the previous policy statement of 2005 added to its commitment to a cease-fire called by **UNSCR 1701**.

The majority, however, insists on adopting a clause on the resistance included in President Suleiman's oath address.

Hezbollah trying to barter: International Tribunal for Resistance

Hezbollah is trying to make a deal over the issue of the arms of the resistance in the ministerial policy statement by offering to barter it for the International tribunal, charged with trying the killers of Lebanon's former PM Rafik Hariri

The majority has offered to refer the issue of the Hezbollah and its arms in the ministerial policy statement until the national dialogue. Hezbollah in turn is proposing that the Tribunal should be handled in the same fashion

Al-Hayat newspaper has reported that Hezbollah's representative to the ministerial committee drafting the new cabinet's policy statement Mohammed Fneish, made the proposal during the meeting on Friday.

However, **Hezbollah sources** said Fneish believes that the tribunal was accepted "in principle. However, details require further discussion to guarantee that the tribunal wouldn't be biased and politicized."

Lebanon backs Hezbollah's arms

Hassan Nasrallah, the secretary-general of Hezbollah rejects calls for the group to disarm.

Lebanon's newly formed national unity government has agreed on a policy statement that may allow Hezbollah to keep its weapons.

The draft statement written on Friday agreed "on the right of Lebanon's people, the army and the resistance to liberate all its territories".

The "resistance" is a common term for Hezbollah in Lebanon, pointing to its stance in the country as a **movement dedicated to fighting Israeli occupation**. The issue has been a point of disagreement, with many in Lebanon's Western-backed majority wanting to disarm Hezbollah - a demand the group rejects. The statement, agreed at the 14th meeting of a ministerial committee set up to draft it, will be presented to parliament next week for a vote of confidence.

Political sources said the statement renewed Lebanon's commitment to UN Security Council Resolution 1701 which ended the 2006 war and refers the fate of Hezbollah's weapons to the drafting of a "national defence strategy" to be agreed at the national dialogue meeting.

Lebanon MP: Hezbollah may use its arms to sweep 2009 elections

Lebanese MP Marwan Hemadeh said having good relations with Syria means having normal relations between two brotherly nations and two people that are fraternal twins

Hemadeh said "good relations means recognitions of Lebanon's sovereignty , freedom and independence , demarcation of the borders between our two nations , establishing diplomatic relations and refraining from interfering in the Lebanese internal affairs"

During an interview with Qatari newspaper al Sharq he further spelled out what he meant by normal relations with Syria ." First it means that Syria has to end its prejudice against the International Tribunal (charged with identifying and trying the criminals behind the crimes of assassinations and assassination attempts since 2004) and Second the liberation of Lebanese detainees from Syrian prisons."

Hemadeh **expressed concern** that Hezbollah may use its weapons in 2009 parliamentary elections to sweep the elections

Hemadeh doubts Hezbollah will ever willingly give up its arms even after the liberation of the Shebaa Farms and placing them under the custody of the United Nations

Geo strategic issues

Iran links solving Lebanon problem to its nuclear negotiations

Iranian Vice President Reza Aghazadeh said Thursday that negotiations with world powers on ***Tehran's nuclear program could solve problems in Lebanon and Iraq.***

"If the negotiations get under way, then solutions could be found for many problems like Iraq, Lebanon or fuel prices," said Aghazadeh, who also heads Iran's Atomic Energy Organization.

The New York Times published Tuesday what it said was an informal document outlining Iran's strategy, calling for seven more rounds of talks, stressing the need for an end to sanctions, and making no mention of an incentives package offered by six world powers in exchange for a suspension of uranium enrichment by the Islamic republic.

World powers have offered to start pre-negotiations during which Tehran would add no more uranium-enriching centrifuges and in return face no further sanctions -- the so-called "freeze-for-freeze" approach.

Britain, China, France, Germany, Russia and the United States -- the so-called "P5+1" powers leading the talks -- have warned that Iran has only a fortnight to respond to their latest offer seeking to end a five-year crisis that has raised fears of regional conflict and sent oil prices spiraling.

Aghazadeh did not comment on the "**freeze-for-freeze**" offer, saying only that the **P5+1** group "needs time to study our proposal," adding that Iran hopes "it will merge into one single document in the end" that both sides can agree to.

The Iranian nuclear chief's talks with the IAEA come the day after Iran's President Mahmoud Ahmadinejad vowed he would make no concessions in the country's nuclear drive.

Iran is already under three sets *of U.N. Security Council sanctions over its refusal to halt* sensitive uranium enrichment activity, which the West fears could be aimed at making nuclear weapons.

Tehran denies the allegations, insisting that its program is designed to provide energy for its growing population.

Iranian officials have repeatedly said they have no intention to freeze enrichment and that as a signatory to the nuclear Non-Proliferation Treaty; Iran has the right to make its own nuclear fuel.

Social front

Fatfat blames Hezbollah for north Lebanon clashes

Former Youth and Sports Minister Ahmad Fatfat on Saturday said that the events of Jabal Mohsin and Bab al-Tabbaneh were totally linked to the political situation in Lebanon, blaming **Hezbollah for the recent violence in Tripoli** and pointing out that the Lebanese army could not "carry out its duty to prevent clashes."

Fatfat, who is currently a member of the Lebanese parliament, said he felt that there had to be "a party with an interest in propagating this dispute for political gains."

US scholarships to Lebanese Universities exceeds \$10 million

The United States embassy in Beirut issued the following press release about the USAID assistance scholarship program to the Lebanese American University (LAU) and other Lebanese universities

"On July 24, 2008, the United States Agency for International Development (USAID)/Lebanon Acting Director Thomas Staal presented scholarship assistance checks totaling **\$1,652,434 to the** Lebanese American University (LAU) represented by the Assistant Vice President for Finance, Emile Lamah.

Jordan

Political Issues

Gov't clarifies situation of four Jordanian detainees

The government is following up on the issue of Jordanian prisoners abroad on a daily basis and is working relentlessly to secure their release, a top government official said on Tuesday.

Intensive diplomatic efforts in cooperation with related authorities and the Kingdom's embassy in Tel Aviv led to the release of four Jordanian prisoners last year, not a written "deal" as some news reports have claimed. In July last year, four Jordanian prisoners serving life sentences in Israel were transferred to the Kingdom to spend a maximum of 18 months in a local prison.

The understanding between the two governments stipulates that the prisoners can be released if other prisoners in Israel who are serving comparable sentences for similar charges were freed, Judeh said.

"There has been no written agreement between the two governments on the issue but rather understandings, including conversations between officials. We are still following up on the situation of the rest of the prisoners and are committed to these understandings," Judeh said. The government is following up daily on the legal interpretation of these understandings, which are mostly verbal, he added.

The **government official denied reports** by a local daily newspaper claiming that the government, represented by Minister of Foreign Affairs Salah Bashir, met with the prisoners and informed them that they will not be released. Government is focused on any measure that could facilitate negotiations on the release of Jordanian prisoners in Israel.

The ministry is reviewing the issue closely in order not to make any decision that would negatively affect the release of other Jordanians still held in Israel, Habashneh stressed.

Committee to review proposals relocating JAF headquarters, KHMC

The government has recently formed a committee, headed by Prime Minister Nader Dahabi, to study proposals for relocating the Jordan Armed Forces headquarters and the King Hussein Medical City (KHMC) to eastern Amman, a government official said on Tuesday. The government will be transparent and clear regarding any plan to relocate the institutions, Minister of State for Media Affairs and Communications Nasser Judeh told reporters during his regular meeting with the media yesterday. He added that the committee includes membership of the chairman of the joint chiefs-of-staff, the minister of finance and the Amman mayor.

Economic front

Expatriates' remittances up by 13%

Remittances of Jordanians working abroad **grew by 13 per cent** during the first five months of this year, compared to the same period last year, the Central Bank of Jordan said in a report posted on its website.

The bank put the total amount of money transfers by the end of May at JD1.054 billion compared with JD917 million in the same period last year.

In 2007, remittances of Jordanian expatriates **reached JD2.4 billion with 36 per cent** growth compared to 2006.

According to the Department of Statistics (DoS) figures, the number of Jordanians working abroad is estimated **between 600,000 and 670,000**.

The majority of Jordanian expatriates **work as technicians and experts in various** professions in several sectors such as **engineering, medicine, pharmaceuticals, IT and education, according to DoS**, which added that remittances have been the largest source of the Kingdom's foreign currency incomes.

Labour offices at the Kingdom's embassies in Gulf countries have also recently helped.

OPIC extends \$250m in financing for housing initiative

The Overseas Private Investment Corporation (OPIC) announced on Tuesday up to \$250 million in financing to enable Jordanian banks to extend long-term mortgage lending to low-income citizens benefiting from the Decent Housing for Decent Living Initiative.

Under the financing agreement, new OPIC loan facilities will provide up to **\$100 million** each to the Arab Bank and the Housing Bank for Trade and Finance, and up to **\$50 million** to the Cairo Amman Bank, Robert Mosbacher, Jr., OPIC president and CEO, told reporters yesterday.

The banks will use the OPIC financing to fund 25-year mortgages for low-income households in Jordan in connection with the Royal initiative launched by His Majesty King Abdullah late February. Names of some 256 beneficiaries have already been announced to receive housing units. The initiative seeks to provide housing for hundreds of thousands of low- and limited-income Jordanians, civil servants, Jordan Armed

No down payment is required and the monthly instalment will not exceed one-third of a beneficiary's salary, according to the scheme, which stipulates that unit owners will not be allowed to sell or lease them.

A US embassy statement received by The Jordan Times yesterday indicated that a joint venture by the Middle East Investment Initiative (MEII) and CHF International (CHF) will serve as the US sponsor for the project.

The two organizations will provide technical oversight for the project, review mortgage credit policies and origination and servicing procedures, as well as conduct onsite monitoring of bank performances.

Meeting between Dahabi, MPs postponed until today

A scheduled meeting between Prime Minister Nader Dahabi and lawmakers to discuss crucial economic issues has been postponed until today, according to Parliament sources.

The gathering was slated to discuss economic challenges facing the Kingdom in light of rising international oil prices.

According to Qarneh, the government so far has netted **JD180 million** in revenue after repeatedly increasing the price of fuel derivatives. The MP also said the issue of high prices in basic commodities, particularly with the approach of Ramadan, will be on top of the lawmakers' agenda.

Deputies are also expected to call on the government to set prices of certain essential items to prevent traders from profiteering.

Jordan, Russia Plan RPG Production In 2009

Jordan and Russia have agreed to launch production of new-generation rocket-propelled grenade systems in 2009. Officials said the state-owned King Abdullah Design and Development Bureau has reached agreement with Russia's Bazalt to launch the production of the RPG-32. The weapon, also known as Hashim, would be assembled by a joint venture based in Jordan in early 2009.

Social Issues

Defence team calls on SSC to drop charges against five suspected Hamas affiliates

The defence team for five defendants standing trial at the State Security Court (SSC) on charges of obtaining information that would threaten national security, on Wednesday asked the court to acquit their clients of all charges.

The defence team presented their closing arguments to the military tribunal arguing that their clients are all well-educated, with two preparing for a PhD in sharia, upstanding citizens who "could never conduct any activity that would harm their country because this goes against their religious belief".

The lawyers also contested the jurisdiction of the SSC and the interrogation procedures, claiming their clients were questioned by security forces before being referred to the SSC prosecutor.

The **defendants are accused** of being affiliated with Hamas and are charged with possessing firearms with illicit intent, according to the charge sheet. The defendants, who were arrested in September 2007, monitored several sites, including the Israeli embassy in Jordan, and sent information to Hamas members using Google Earth and a regular camera, the charge sheet said, adding that they also monitored C-Town stores.

The defendants saved the information they collected on a flash memory stick and sent it to Hamas members located in the neighbouring country, the charge sheet said.

The tribunal adjourned the session until September 14, after the judicial break is over.

Goodwill campaign provides scholarships, projects to Maan Governorate citizens

The National Goodwill Campaign, headed by HRH Princess Basma, presented on Tuesday financial assistance, scholarships and income-generating projects to underprivileged citizens in the Governorate of Maan. During a visit to the town of Taiba, Princess Basma, president of the campaign's higher committee, also handed out assistance to 15 charitable societies. At the Petra Youth Hostel, she presented income-generating projects to 35 underprivileged families and scholarships to 24 university students. Stressing the importance of continued support for these societies, the Princess underlined the contributions of women and young Jordanians to achieve sustainable development. During a meeting at the Princess Basma Centre for Development with the women's committee at the centre, discussions focused on the centre's role in empowering women and activating their participation in the workforce and tourism sector.

AND official discusses narcotics in the Kingdom

The Anti-Narcotics Department (AND) seized last year JD12 million worth of drugs, 85 per cent of which was destined for neighbouring countries, AND representative Captain Mahmoud Abu Ata said on Tuesday. Addressing Jordanian and Arab guides at the Princess Basma Scout Camp in Dibbeen, Abu Ata said narcotics in the Kingdom has not yet reached the point where it can be labelled "a phenomenon", explaining that Jordan often acts as a "passageway" for narcotics being smuggled across the region. He announced that 3,707 people were arrested for drug cases last year, 203 of whom received treatment at a rehabilitation centre.

Geo Strategic Issues

Dahabi inaugurates regional anti-corruption conference

Prime Minister Nader Dahabi inaugurated on Tuesday a regional anti-corruption conference on boosting cooperation among Arab anti-corruption bodies. During the two-day event, organised by the **United Nations Development Programme and the Jordan Anti-Corruption Commission**

(ACC), participants from 19 Arab countries will launch a regional Arab anti-corruption network. ACC President Abed Shakhanbeh noted that the Kingdom's anti-corruption legislation aims at achieving justice and equality, adding that the government works to enhance political, economic and social development. Concerned authorities are reviewing national laws to ensure they are in line with international anti-corruption agreements the Kingdom is signatory to, Shakhanbeh added. He called for regional and international cooperation to counter corruption, pointing out that the practice has become an obstacle to development in many countries. The **ACC president stressed on judicial and legal cooperation between Arab countries** to open the door to the exchange of expertise, training and information.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Gulf Cooperation Council (GCC)

Madiha Kaukab

Weekly Report: from 25th July 2008 to 31st July 2008

Presentation: August 8, 2008

GCC

Economic Issues

- Gulf stakes high as Iran nuclear row simmers
- Gulf inflation shows signs of stabilizing but pressures remain

Bahrain

Political Front

- Volatile situation as ruling family undertakes revenge
- King Hamad meets religious scholars

International Front

- Senate Resolution on US- Bahrain Relations
- Bahrain committed to UN, NAM objectives
- Iranian President meets Bahraini Foreign Minister

Social Front

- King of Bahrain must stand up for Human Rights – Avebury
- Better pay scale for nurses
- 'Soap' threat to Bahraini values

Economic Front

- Bahrain inflation steady at 3.1pc

Kuwait

International Front

- Kuwaiti Prime minister concludes Japan tour
- Kuwaiti Premier arrives in Seoul

OMAN

Economic Front

- Oman UAE exchange ties up with Yes Bank
- [BankMuscat net jumps 43.7pc to RO57.8m in H1](#)

Qatar

Geo-Strategic Front

- Talks on Qatar-UK military ties

International Front

- Jordan's foreign ministry secretary general met with Qatar's ambassador
- Hungary-Qatar ties
- Qatar-Kingdom of Morocco/congratulation

Economic Front

- *Qatar economic review - QNB report*
- Qatar-Kuwait signed a development agreement

Saudi Arabia

International Front

- Saudi Monarch gets phone call from Turkish President

Social Front

- Makkah Emir stresses for more jobs for women
- Saudi food safety draft law ready
- Reconciliation panels ease pressure on courts

Economic Front

- New Saudi plan for oil export

UAE

Social Front

- Two UAE women cadet pilots fly into aviation record book

Economic Front

- Office rents rise 14pc in Abu Dhabi
- Up to 55% of Takaful shares offered to UAE, GCC nationals
- UAE's labor market posts 36% growth

MONITORING REPORT

GCC

Economical Issues

Gulf stakes high as Iran nuclear row simmers

Global markets already live in fear of an escalation of the dispute over Iran's nuclear plans which could shake an already fragile world economy. But the Gulf states' growing integration with the world economy poses an additional threat, as well as the obvious one to oil prices and supplies. The emergence of the Gulf Co-operation Council (GCC) as a major source of global funding means any disruption to the flow of oil revenues would shake already stressed capital markets. "Today the Gulf countries are so intertwined with the rest of the world that anything that happens to their economies will have some influence on the rest of the world," said Farid Abolfathi, managing director risk service at Global Insight. This financial clout has never been more apparent than in recent months when the credit crisis roiled global markets. Gulf states and companies spent some \$60bn on foreign assets last year, almost double the previous two years combined, with major Western financial institutions such as Citigroup and Merrill Lynch selling stakes to regional sovereign wealth vehicles such as Kuwait Investment Authority and Abu Dhabi Investment Authority. These investments are part of a larger international capital flow from the oil-rich bloc whose cumulative current account surplus is estimated to have hit nearly \$1tn since 2002. "External account surpluses in the GCC are generally directed abroad, providing an automatic sterilization of monetary flows to prevent inflationary pressures from building up," said Standard & Poor (S&P) analyst Luc Marchand. The ability of the GCC to generate these surpluses could be threatened if tensions flare up over Iran's nuclear programme, which the Islamic republic insists is for power generation but the West says is a cover for making bombs. Negotiations between Iran and six major powers to rein in its nuclear programme have ended in stalemate and Iran, the world's fourth largest oil producer, faces tougher international sanctions after test launching missiles earlier this month. Israel, widely believed to have the Middle East's only atomic arsenal, has described Tehran's nuclear programme as a threat to its existence and has hinted of possible military strikes against Iranian nuclear facilities. A military attack on Iranian facilities could spark off a short-term capital flight from the region, spurring the Gulf's decades-long drive to acquire assets overseas and more deposits into Western banks. "It will be bad news for local stock markets but the Gulf's overseas drive is about diversifying risk. A diversified portfolio is a less vulnerable portfolio," said Keith Crane, senior economist at US think-tank Rand Corporation. Iran has threatened to retaliate if attacked, by destroying Israel and US military bases in the Middle East. Although most analysts cast doubt on Iran's military reach, the threat puts states which host US military base at risk. If the US — a key Israeli ally — is drawn into a wider conflict with Iran, the protracted instability could also have devastating economic consequences should oil production be disrupted.

Gulf inflation shows signs of stabilizing but pressures remain

Gulf inflation showed signs of moderating yesterday after months of rapid rises drove it to record levels, but pressures from elevated food and housing costs threaten to plague the region for years. Kuwait's red hot inflation cooled slightly in May while Bahrain price rises steadied, new data showed, one day after money supply figures from Saudi Arabia, the Gulf's biggest economy, indicated that price pressures may wane. Inflation has been a source of stress in the Gulf, where most states rely heavily on migrant labour.

In Kuwait, hundreds of Bangladeshis went on strike this week seeking better pay, while workers have protested in the UAE and Bahrain over wages lost to the tumbling dollar.

Inflation in Saudi Arabia, Kuwait and three other states began accelerating in the second half of last year, soaring above 10 per cent in all states in the first half of the year.

Headline inflation rates would likely begin to level off on Gulf government measures to control rent rises, new housing supply and lower global food price increases, analysts said.

"Inflation cannot continue to go up at such a rapid pace," said Jadwa Investment research head Paul Gamble.

"Increases in food and commodity prices have slowed down now. But the worst isn't over. It's going to take a number of years for it to go down significantly."

Gulf governments have increased price controls, boosted subsidies and cut import duties on some goods to cool down prices, while also raising employee wages.

In Saudi Arabia, inflation more than doubled in the seven months to April to 10.5pc - the highest level since at least the oil boom of the 1970s. Between 2000 and 2005, inflation was less than 1pc in the kingdom. Saudi inflation eased slightly to 10.4pc in May, and price rises are likely to come off in the second half of the year, the Saudi central bank governor has said.

Echoing those comments, Oman's deputy central bank chief said this month inflation probably hit a peak at a record 13.2pc in May.

Growth in money supply, an indicator of future inflation, is beginning to ease after Gulf central banks tightened lending curbs this year.

Bahrain

Political Front

Volatile situation as ruling family undertakes revenge

The situation in Bahrain appears to be entering a new phase as new political polarizations unfold and Sheikh Hamad's political programme falters. There are now new fault lines between the people of Bahrain and the ruling Al Khalifa family; and fears are growing that a new campaign of collective punishment against the native majority Baharna. This follows months of non-stop protests and pickets, international negative reports about the government, intensification of repression and sharp rises in commodities.

To face these developments the ruling family has undertaken the following steps:

1- The cabinet, headed by Sheikh Khalifa bin Salman Al Khalifa, who has been prime minister since 1971, has threatened any public employee if he-she shows signs of non-conformity with policies of the ruling family, oppose its political agenda. The new threat issued on Sunday was so outrageous that it openly threatens Bahrainis with dismissal from jobs if they take part in open protests, rallies or demonstrations. This repressive measure is likely to lead to more attacks on the natives but it is also likely to cause more frustration and could lead to more protests. The future of Bahrain has never looked more bleaker. The cabinet appears also to be putting final touches to plans of collective punishment against the natives in various villages. The Al Khalifa aggression may begin with an onslaught on Al Malkiyya town whose youth have allegedly made few Molotov cocktail to defend the town against aggression by the foreign-staffed security forces. In recent days several towns and villages have been targeted by Death Squads for writing anti-regime slogans and calls for democracy and an end to hereditary dictatorship.

2- The media run by agents of the ruling family has waged a war against the people of Bahrain, and targeted the opposition in the most vicious way. In today's Al Watan newspaper, which is the mouthpiece of the regime has labelled the anti-Al Khalifa campaigners as saboteurs, agents of foreign powers and destructive elements. It has named prominent figures inside the country and outside in this campaign without providing the slightest of proofs. Since the country has become a police state theirs are the only voices that are allowed, and those aggrieved have no right of reply to these slanders and unfounded allegations. The ruling family has recently imposed the Press Law that ensures no one gets out of step with the regime.

3- As a prelude to more aggression, the media, instigated by members of the ruling family has repeatedly targeted Bahraini political exiles, especially those residing in UK. The ruling family has been angered by the granting of political asylum to several Bahraini activists by several countries including UK. This is despite the policies of deception adopted by the ruling family aimed at distorting the facts about the real repression inside the country.

4- Ten days ago the ruling family passed harsh sentences against ten people for their activities in opposing the hereditary dictatorship and opposing the authoritarian regime of Sheikh Hamad. Hassan Abdul Nabi, an active member of the National Committee of the Unemployed was sentenced to seven years in jail for organising pickets and protests. Four youth were sentenced to five years: Maytham Bader Jassim Al Sheikh, Isa Al Sarh,

Naji Ali Fateel and Mohammad Abdulla Al Singace. Six were sentenced to one year: Ali Ahmad Al Mahdi, Hussain Abdul Hassan Al Khatam, Ahmad Jaffar Mohammad Ali, Hussain Shakir Fardan, Mahmood Hassan Saleh and Ahmad Abdul Hadi Salman.

5- These sentences have outraged the Bahrainis and their supporters especially among the human rights activists. They were seen as a revenge for the continued resistance adopted by Bahrainis against the ruling family which has failed to investigate the crimes of torture. The victims had shown their wounds during the show trial, and challenged Mohammad Al Khalifa, the “independent” judge, to order an investigation. It must be pointed out that Sheikh Hamad had offered torturers impunity from prosecution with his notorious Law 56/2002.

King Hamad meets religious scholars

HM king Hamad bin Isa Al Khalifa met with a number of religious scholars on 29th July to strengthen interaction with the people and create a transparent atmosphere of dialogue for better national unity. During the audience, HM king directed them to use mosque rostrums to preach unity and fraternity and warned that the situation the kingdom’s surroundings necessitate stronger social cohesion to close the door for foreign interference and threats.

International Front

Senate Resolution on US- Bahrain Relations

Senators Sessions (R-Alabama) and Coleman (R-Minnesota) have introduced a resolution which expresses support for a constructive dialogue on human rights issues between the United States and Bahrain. S. Res. 619 has been referred to the Senate Foreign Relations Committee.

Bahrain committed to UN, NAM objectives

Bahrain is fully committed to the principles and objectives of the Non Aligned Movement and those of the United Nations, the Minister of State for Foreign Affairs, Dr. Nizar bin Sadiq Al Baharna said, stressing the need for commitment to the non-use of force and protection of world security. In his address to the 15th meeting of NAM foreign ministers in Tehran yesterday, Dr Al Baharna also emphasized that Bahrain’s commitment to UN and NAM principles were in line with its Gulf, Arab and Islamic commitments for a more prosperous era of construction, security and stability for all. This could be attained within the frame of cooperation between aligned and non-aligned states to reach balanced international relations, he said. He called on all sides concerned with Iran’s nuclear crisis to find out peaceful solutions, based on Iran’s right to use energy for clean and peaceful purposes. He also stressed the need to bring all Israeli nuclear facilities under the International Atomic Energy Agency’s inspection to guarantee Tel Aviv’s accession to the Non- nuclear Weapons Proliferation Treaty and free the whole region from weapons of mass destruction as per international resolutions. On the global food, energy and climate change crises, he called for common action to address the problems.

Iranian President meets Bahraini Foreign Minister

The Iranian President Mahmoud Ahmadinejad met here last night with the Bahraini Foreign Minister Khalid Bin Ahmed Al-Khalifa on the sidelines of the Ministerial meeting of Non-Aligned states. Discussions at the meeting covered bilateral relations and means of enhancing and developing them in all fields.

Social Front

King of Bahrain must stand up for Human Rights - Avebury

The King of Bahrain has been reported to the United Nations Rapporteur on Human Rights Defenders following threats he made to human rights defenders in Bahrain. Lord Eric Avebury, Liberal Democrat Foreign Affairs spokesperson and vice-chair of the UK Parliamentary Human Rights Group, has written to the UN Special Reporter on Human Rights Defenders, Ms Hina Jilani, about the threats made against pardoned former exiles in the country. Commenting, Lord Avebury said, "Bahrain tries hard to prevent human rights activists from getting heard abroad. The King's remarks should be seen in the context of recent cases of detention and torture of activists reported by the Bahrain Centre for Human Rights and as calculated to intimidate and silence human rights defenders in Bahrain. I have written to ask the UN Special Rapporteur on Human Rights Defenders to consider the King's threat and to take the matter up with the Bahraini authorities."

Better pay scale for nurses

AN improved pay scale and allowances for government nurses will be submitted for Cabinet approval within two weeks, officials said yesterday. The new cadre will benefit 2,597 nursing staff, including 223 trained practical nurses, as well as another 600 nurses who work in primary health care.

'Soap' threat to Bahraini values

A TURKISH soap opera, which has gained a loyal following of fans, is corrupting morals and a threat to the country's traditions, according to a Bahraini religious leader. The phenomenon of the Arabic-dubbed series Noor is making people lose their spirituality and ethics, according to Shaikh Isa Qassim. His comments come as the grand mufti of Saudi Arabia, Shaikh Abdul Aziz Al Sheikh, condemned the soap opera and prohibited people from watching it.

Economic Front

Bahrain inflation steady at 3.1pc

Annual inflation in Bahrain was steady at 3.1 per cent last month, while month-on-month consumer prices raised 0.95pc on higher housing costs, government data showed yesterday.

Rising global food prices and soaring rents have spurred price rises across the Gulf, where economies are booming on a more than six-fold rise in oil prices since 2002.

Price rises in Bahrain are the slowest in the region. Annual inflation has crossed 10pc in Saudi Arabia, Qatar, the UAE, Oman and Kuwait this year. The annual inflation rate amounted to 3.1pc," the Central Informatics Organisation (CIO) said in a statement. It said in January it had revised the consumer price index and was using 2006 as the base year. It has yet to release new weightings for previous years.

The month-on-month rise in inflation - the highest this year - was due to a 1.5pc rise in housing and utility costs, the data showed. Bahrain's consumer price index rose to 106.5 points on June 30 compared to 105.5 points at the end of May.

Kuwait

International Front

Kuwaiti Prime minister concludes Japan tour

Kuwaiti Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah concluded an official visit to Japan and left for South Korea on a three-day official visit.

During his visit to Japan, Kuwaiti Prime Minister and Japanese Prime Minister Yasuo Fukuda expressed willingness to conclude bilateral tax treaties at the earliest time, in an effort to help businesses and investors avoid double taxation, Kuwait News Agency (KUNA) reported.

The two governments agreed to start official negotiations for bilateral tax treaties in 2006. The two sides also agreed to set up a joint ministerial committee to promote the bilateral economic partnership as well find investment opportunities that achieve a common interest to both countries.

According to (KUNA), Sheikh Nasser pledged a stable crude oil supply to Japan amid rising prices. For his part Japanese Prime Minister expressed his aspiration that Kuwait will take an initiative in stabilizing crude oil prices.

The Kuwaiti Prime Minister arrived here on Saturday from Brunei on the second leg of his seven-nation Asian tour that also includes, Cambodia, Laos, Myanmar, and Thailand.

Kuwaiti Premier arrives in Seoul

Kuwaiti Prime Minister Sheikh Nasser al Mohammed al Ahmed al Sabah arrived in the Korean capital, Seoul, as part of his current Asian tour.

During the visit, the Kuwaiti Premier is to hold talks with senior Korean officials on bilateral relations and issues of common interests.

OMAN

Economic Front

Oman UAE exchange ties up with Yes Bank

Oman UAE Exchange tied up with India's new age private sector bank 'Yes Bank'. The speed remittance arrangement with Yes Bank concluded on July 21, and will allow the account holders to credit the money to their accounts within 24 hours.

The recent accolade to Yes Bank include the distinction of being ranked India's No.3 in a recent survey of listed banks in India, also ranked No.1 in safety, efficiency and growth in a recent survey by Business World. The bank was recently ranked No. 2 amongst new private sector banks in the Financial Express survey of India's Best Banks for 2006.

BankMuscat net jumps 43.7pc to RO57.8m in H1

The nation's largest bank, yesterday announced an impressive 43.7 per cent jump in net profit for the first half year ended June 30, 2008 on higher lending and a rise in fee income.

The bank's net profit raised to RO57.8 million for the first half as against a net profit of RO40.2 million reported during the same period in 2007. Net interest income increased by 25.9 per cent to RO74.7 million during the first half, from RO59.3 million reported for the corresponding period.

Qatar

Geo-Strategic Front

Talks on Qatar-UK military ties

Qatari Armed Forces Chief of Staff HE Major General Hamad bin Ali al-Attiyah met in Doha yesterday the visiting British Royal Air Force (RAF) Chief of Staff Air Chief Marshal Sir Glenn Torpy. They discussed bilateral relations between the two countries and ways to bolster them, especially in military domains. The meeting was attended by the Emiri Air Force Commander Brigadier (Air Commodore) Mubarak Mohamed al-Kumait and senior Qatari Armed Forces officers.

International Front

Jordan's foreign ministry secretary general met with Qatar's ambassador

Jordan's foreign ministry secretary general Omar al-Rifai met with Qatar's ambassador on 29th July in Amman Manna Abdu Hadi al-Hajiri. The meeting discussed bilateral ties and ways to boost them in all domains.

Hungary-Qatar ties

Hungarian undersecretary of ministry of labour and social affairs Edit Rauh met in Budapest with Qatar's ambassador to Hungary Mubarak bin Rashid al Buainain. They discussed the Qatar-Hungary relations and ways to enhance them in all fields.

Qatar-Kingdom of Morocco/congratulation

The Emir Sheikh Hamad bin Khalifa al-Thani has sent a cable of congratulations to King Mohammed VI of Morocco on the occasion of his country's national day. H.H. the Heir Apparent Sheikh Tamim bin Hamad Al Thani has also sent a similar cable of congratulation to King Mohammed VI, congratulating him on the occasion.

Economic Front

Qatar economic review - QNB report

Qatar stands among the highest rated GCC countries along with UAE and Kuwait, and is currently rated by Capital Intelligence, Moody's, and Standard and Poor's.

On January 30th, 2008 Capital Intelligence (CI) raised the sovereign long- term foreign and local currency ratings to AA- from A+, and the short-term foreign and local currency ratings to A1+ from A1. The outlook for Qatar's ratings is stable. Capital Intelligence stated that the upgrade reflects the increasing strength and flexibility of the government's balance sheet and Qatar's external finances, which in turn are underpinned by the sheer scale of hydrocarbon production relative to the small size of the population and supported by the high level of energy prices. CI further stated that the ratings also take into account the good progress made in diversifying the economy and the expanding role of the private sector.

Qatar-Kuwait signed a development agreement

Qatar Entertainment City, Abu Dhabi Investment House's unique mega mixed-use development in Qatar, has signed a development agreement with United Real Estate Company, Kuwait, to develop the first of the districts in the country's first integrated family destination. The \$3 billion development, also commercially known as Tarfeeh City, covers one million sqm of land including 1km of prime Gulf beach-front, and is the anchor development for Lusail, the 35 sqkm northern expansion of Doha.

Saudi Arabia

International Front

Saudi Monarch gets phone call from Turkish President

Custodian of the Two Holy Mosques King Abdullah bin Abdul aziz of Saudi Arabia received a telephone call on 30th July from Turkish President Abdullah Gul. The two leaders, during the call, reviewed latest regional and international developments and bilateral ties.

Social Front

Makkah Emir stresses for more jobs for women

Prince Khalid Al-Faisal, Emir of Makkah said the participation of women in the private sector development of the Kingdom is vitally important. While receiving Adel Kaaki, Chairman of the Board of Directors of Makkah Chamber of Commerce and Industry (MCCI) and its members on Saturday, in Ammarah Prince Khalid said staff of the chambers of commerce and industry must provide increased and better quality services, Al-Hayat reported Sunday. He said this is important in order to upgrade the standards of industry in the Kingdom as well as promoting the motto “Made in Makkah.” Prince Khalid said the Ministry of Commerce and Industry and the chambers of commerce and industry must give attention to the role of women in the Kingdom and provide more working opportunities for them.

Saudi food safety draft law ready

Saudi Food and Drug Authority (SFDA) is putting the final touches to a food safety draft law, said its chairman Dr. Muhammad Al-Kanhal.

If passed by the Cabinet, the law will help ensure that all imported and indigenous foodstuff is in conformity with local specifications and internationally recognized standards.

Reconciliation panels ease pressure on courts

Following the continued success of the Reconciliation Committee at Jeddah’s General Court, the Ministry of Justice is mooting whether to introduce similar committees at courts across the Kingdom.

A massive backlog of cases and a shortage of judges have in recent years lent greater importance to the work that reconciliation committees do in settling disputes. These committees look into cases, especially those dealing with cases relating to blood money and marital disputes, before they reach judges.

Economic Front

New Saudi plan for oil export

Saudi Ara-mco won't sell any spot fuel oil after its peak summer demand season, on rising requirements from domestic utilities and new secondary refining units, traders said on 29th July. Saudi Arabia's state oil firm, which typically offers at least two 80,000 tonne parcels of fuel oil onto the spot export market monthly outside the summer period, will absorb these parcels for its domestic market.

UAE

Social Front

Two UAE women cadet pilots fly into aviation record book

ABU DHABI - Two Emirati female cadet pilots have attained a prestigious place in aviation history as they have been included in a book printed in the UK about the world's greatest women aviators, according to an Etihad Airways Press. These two young Emirati women have made history for themselves by becoming Etihad's first ever female cadet pilots and we wish them all the very best as we enter the second century of women in flight.

Economic Front

Office rents rise 14pc in Abu Dhabi

Demand for office space in the capital continues to be high, as rents have increased by 14 per cent in the second quarter of the year, a report said.

Up to 55% of Takaful shares offered to UAE, GCC nationals

Dubai – Mohamed Musabbeh Al-Neaimi, chairman of Takaful House, announced that Takaful House has joined Securities and Commodities Authority as the Minister of Economy made a Public Joint Stock Company after its registration certificate. Takaful House will be listed on August 4.

Al-Neaimi disclosed a capital of Dh100 million, with 55 percent of company shares offered to UAE and GCC nationals.

He also said that the board of directors obtained a prior approval from the constitutive general assembly that expatriates residing in the country will be allowed to own 25 percent of the company shares. Takaful House, headquartered in Dubai, will shortly open branches in all emirates.

UAE's labor market posts 36% growth

Dulscio HR Solutions has announced that it has kicked off an aggressive expansion program, as a result of a continued surge in demand for blue-collar workers to service the UAE's expanding multi-sector economy.

Recent statistics have revealed that the UAE's labour market posted a remarkable growth rate of 36.04 per cent during the period 2001-2005; a figure that has been increasing even further with no signs of slowing down, creating exciting growth opportunities for DulSCO's wide range of human resource solutions.

Leveraging its excellent track record and extensive industry experience, DulSCO HR Solutions has been focusing its growth strategy on various workforce-intensive sectors, particularly the blue-collar labour market, which has been a critical asset in powering the UAE's program of economic diversification in non-oil sectors.

"DulSCO HR Solutions has stepped up its efforts to satiate the UAE's burgeoning demand for blue-collar workers as we are fully aware that our ability to adequately supply the manpower needs of these critical sectors will be an important contributing factor to the overall growth of the national economy. Scouring the labour market can be a daunting task for many firms; it is our objective to facilitate this process and help them optimise their staffing initiatives," Dsouza Valerian, GM, Manpower Services, DulSCO HR Solutions.

DulSCO HR Solutions has been outsourcing manpower in almost all the relevant industries such as manufacturing, telecom, infrastructure, retail etc. In addition, it has a specialized team which handles all manpower related needs of companies into logistics business.

"With the phenomenal increase in demand for manpower support, many firms in these different sectors are failing to cope with the growing complexities involved in the whole process. In view of this, DulSCO HR Solutions offers clients strategic and economic advantages by helping companies streamline their employment processes and achieve greater financial control by limiting overall HR overhead," Dsouza Valerian.

Aside from its extensive experience in the industry, solid track record as a reliable outsourcing company, and cost-effective HR solutions, DulSCO HR Solutions also offers some of the most attractive packages to firms seeking human resource services, as it takes care of all the paperwork related to sponsorship, payroll, medical insurance, accommodation and transportation of workers.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH EAST ASIA

Tatheer Zahra

Presentation: August 8, 2008

Monitoring Report

- **Indonesia**

Politics

- Asean talks fail to ease Thai-Cambodia tensions
- Rice urges Indonesian military reform

Economy

- Samsung to develop bio diesel in Indonesia
- OECD urges Indonesia to tackle inflation

Social issues

- Indonesians accused of burning village houses
- Indonesia and Timor-Leste: An historic opportunity missed to provide justice
- Combating terrorism in Indonesia
- Indonesia 's attorney general

- **Malaysia**

Politics

- Rice urges 'transparency' in M'sian probe on Anwar

Economy

- Malaysia's inflation soars to 26-year high in June

- **Thailand**

Politics

- Boarder tensions
- Thai-Cambodia border meeting starts
- Asean offers help to fix up Thai-Cambodian relations
- Cambodia takes temple dispute to Security Council

Social Issues

- Health retreat
- Rights group says Thailand should stop returning Burmese refugees
- Thailand rules out mediation in border dispute

- The New York-based Human Rights Watch yesterday blasted Thailand for forcing 52 Karen refugees to return to a conflict-zone in Myanmar

Singapore

Geo strategic

- M'sia disappointed with S'pore minister's statement to claim waters around Pedra Branca

Economy

- Japan to Help Trim ASEAN Development Gap

Social issues

- SE Asia begins negotiations to set up rights body
- M'sia disappointed with S'pore minister's statement to claim waters around Pedra Branca

Philippine

Social front

- Muslim warriors" threaten bishop in Philippines
- Sabah police begin Filipino deportations
- Philippines human rights agency confirms Oceana Gold probe
- Nigerian Court Charges 14 Filipinos over Stolen Oil
- Reinforcements arrive to battle NPA guerrillas(pol/social)
- Armed gang attacks Philippines mine rig-Indophil

- **Vietnam**

Politics

- Vietnam supports peaceful negotiations for Mideast conflicts

Economy

- Vietnam most successful in attracting investors(government statements)
- Vietnam sees huge gap between registered FDI and disbursement (is really attractive for investment? an analysis)

Social front

- Bird flu hits one more Vietnamese province
- Swiss government assists Lao trade and export

Laos

Social front

- Three southern provinces receives environmental grant aid

Cambodia

Political

- Cambodia and Thailand on brink of war
- Cambodia seeks U.N. intervention to resolve Thailand standoff

Economy

- Cambodians buy food, oil over Thai border fearing border closure

Summary

At political front of South East Asia there are issues of Elections in Malaysia, security issues between Thailand and Cambodia are most significant that are shaping or reshaping the governments and this border issue between Thailand and Cambodia is disturbing the peace of region because Asean has been failed in this regard and UN is now meddling in this dispute to resolve it peacefully. At geo-strategic front in South East Asian there is no such prominent progress/issue expect the water issue in this week. At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability. There are different analyses about different countries by ADB about their economic policies.

The summary of news item is as follows:

Indonesia

- **Rice urges Indonesian military reform**

US Secretary of State Condoleezza Rice on Thursday underlined the need for reform of Indonesia's military after a report blamed the country for gross human rights abuses in East Timor in 1999.

- **OECD urges Indonesia to tackle inflation**

Indonesia should tackle problems affecting its supply-side sectors such as poor infrastructure in order to help lower inflation over the longer-term to levels on a par with its main trading partners, the OECD said on Thursday

- **Samsung to develop biodiesel in Indonesia**

South Korea's largest company Samsung Group plans to develop a 25,000-hectare oil palm plantation and a biodiesel refinery in Riau province with an investment of up to 15 trillion rupiah (about 1.63 billion U.S. dollars)

- **Indonesians accused of burning village houses**

About 100 villagers in Papua New Guinea's Western province are displaced and homeless after Indonesian soldiers allegedly raided their village and burnt their houses, reports the English-language National newspaper.

- **Indonesia and Timor-Leste: An historic opportunity missed to provide justice**

The governments of Indonesia and Timor-Leste have missed an historic opportunity to provide justice for more than 1,000 people killed during Timor-Leste's vote for independence in 1999, Amnesty International.

- **Combating terrorism in Indonesia**

Indonesia's police counterterrorism unit -- stormed a high school in North Sumatra. The raid was not carried out based on a tip that terrorists were hiding in the school, nor that the teachers or students were involved in terrorist acts

- **Indonesia 's attorney general**

Indonesia 's attorney general said on Monday he hopes three men sentenced to death for their role in the 2002 Bali bombings will be executed before the Islamic holy month of Ramadan in September

- **Asean talks fail to ease Thai-Cambodia tensions**

ASEAN ministers failed to ease tensions between member states Thailand and Cambodia during crisis talks on Tuesday over an escalating standoff at a disputed historic site, diplomats said. 'Cambodia wants it resolved through Asean but the Thai side wants it resolved bilaterally,' he added.

Malaysia

- **Rice urges 'transparency' in M'sian probe on Anwar**

US Secretary of State Condoleezza Rice on Thursday urged Malaysia to ensure a 'transparent' investigation into sex misconduct allegations against opposition leader Anwar Ibrahim. Malaysia has accused the United States of meddling in its internal affairs

- **Malaysia's inflation soars to 26-year high in June**

Malaysia's consumer price index in June soared to a 26-year high of 7.7% year-on-year following a 3.8% increase the month before, the country's statistics office said Wednesday.

Thailand

- **Boarder tensions**

The renewed tensions on the border between Thailand and Cambodia come amid heightened political situations in both countries. Cambodia is preparing for general elections on July 27, during which Prime Minister Hun Sen is expected to extend his decades-long grip on power.

- **Thai-Cambodia border meeting starts**

A special meeting of Thai-Cambodia General Border Committee (GBC) to defuse conflicts over disputed border area of Preah Vihear Temple started in Thailand's Sa Kaew Province on Monday. Thai side is represented by Supreme Commander Gen. Thailand calls for talks, but Cambodia not optimistic

- **Asean offers help to fix up Thai-Cambodian relations**

The Association of Southeast Asian Nations (Asean) offered its facility if neighboring Thailand and Cambodia failed to solve their dispute over the Hindu temple of Preah Vihear peacefully, Singapore's Foreign Minister George Yeo said. ASEAN Foreign Ministers decided to offer its facilities to be placed at the disposal of Cambodia and Thailand, in the event that they felt the need for further support to find an early resolution to the issue.

- **Cambodia takes temple dispute to Security Council**

The Cambodian government has referred its dispute with Thailand over the historic Hindu Preah Vihear temple to the Security Council alleging its neighbor of interference on its soil. The Thai ambassador to the UN has told the Thai government of Cambodia's letter to the Security Council.

- **Health retreat**

A significant number of people from Qatar head to Thailand, not as tourists, but to avail medical treatment for a wide range of illnesses. Thailand is well-known for its tourism, but the excellent medical facilities and services offered here also attract patients from all over the world," said Dr Ahmed Afundee, Physician Co-ordinator at Bangkok Referral Centre.

- **Rights group says Thailand should stop returning Burmese refugees**

The New York-based Human Rights Watch is urging Thailand to stop returning refugees to neighboring Burma. Some 35 ethnic Karen refugees, part of a larger group of 280 who fled a military offensive in eastern Burma in early 2008, were sent back across the border on Thursday

- The New York-based Human Rights Watch yesterday blasted Thailand for forcing 52 Karen refugees to return to a conflict-zone in Myanmar on Asarnha Buccha Day, the beginning of Buddhist lent.
- **Thailand rules out mediation in border dispute**

Cambodian military police patrol the historic Preah Vihear temple, about 245 kilometres north of Phnom Penh. Military negotiators from Cambodia and Thailand have failed to settle the border dispute between the two countries

Singapore

- **SE Asia begins negotiations to set up rights body**

The Association of South East Asian Nations (ASEAN) has begun negotiations for the creation of a human rights body, a senior Philippine official said on Monday, with hopes of concluding talks in Bangkok next July

- **Japan to Help Trim ASEAN Development Gap**

Japan signed a trade accord under which about 90% of trade between Japan and ASEAN will be tariff-free within 10 years.

- **M'sia disappointed with S'pore minister's statement to claim waters around Pedra Branca**

Singapore wants to claim a territorial sea and an exclusive economic zone (EEZ) around Pedra Branca - going back on its word to discuss with Malaysia territorial issues and activities around the rocky outcrop

Philippine

- **Muslim warriors" threaten bishop in Philippines**

A Catholic bishop in the southern Philippines' Basilan province has received a letter from self-described "Muslim warriors," possibly linked to Abu Sayyaf, who are threatening him with harm if he does not convert to Islam or pay "Islamic taxes."

- **Sabah police begin Filipino deportations**

Police have detained 193 alleged illegal immigrants in raids ahead of the large-scale operations set to start next month. The detainees, mostly Indonesians and Filipinos, were among 1,104 foreigners who were rounded up after a 12-hour operation on Friday night.

- **Philippines human rights agency confirms Oceana Gold probe**

A Philippines human rights agency has sought an investigation into alleged violations against indigenous tribes by Oceana Gold Corp., which is developing the Didipio Copper Gold Project in the north of the country

- **Nigerian Court Charges 14 Filipinos over Stolen Oil**

Nigeria has arraigned 14 Filipinos for allegedly stealing crude oil from the country's oil-producing south, court officials said Tuesday

- **Reinforcements arrive to battle NPA guerrillas**

Philippines troops supported by tanks and armoured vehicles have been sent to Mindanao in a renewed effort to defeat New People's Army guerrilla
Davao City, July 24: A battalion of soldiers, about 500 troops, complete with tanks and armoured vehicles have arrived in Davao City

- **Armed gang attacks Philippines mine rig-Indophil**

An armed gang attacked and set fire to a mine exploration rig at the giant Philippines Tampakan copper and gold prospect held jointly by Xstrata Copper and Australia-listed Indophil Resources NL, Indophil said on Monday.

Vietnam

- **Vietnam supports peaceful negotiations for Mideast conflicts**

Peaceful negotiations remain the only means to deal with Israel-Palestine and Israel-Arab conflicts, said Ambassador Le Luong Minh, permanent representative of Vietnam to the United Nations Security Council

- **Vietnam most successful in attracting investors(government statements)**

Vietnam, Cambodia, Laos and Myanmar are countries in the Southeast Asian region that have only recently liberalized their economies to allow more foreign investment

- **Vietnam sees huge gap between registered FDI and disbursement (is really attractive for investment? an analysis.**

Vietnam lured 31.6 billion U.S. dollars in registered foreign direct investment (FDI) in the first half of this year, but the disbursed capital stood at just about five billion at the same time. The gap made many people ask whether Vietnam has favorable condition for actual capital investment.

- **Bird flu hits one more Vietnamese province**

Bird flu has stricken Vietnam's central Nghe An province, raising the total number of affected localities in the country to three, according to a local veterinary agency on Tuesday

Laos

- **Three southern provinces receives environmental grant aid**

The National Environmental Protection Fund has given 304 million kip of grant aid to four environmental protection projects in three southern provinces

- **Swiss government assists Lao trade and export**

Trade promotion and export development in Laos has been boosted by a 2.9 billion kip (US\$345,000) grant from Switzerland.

The grant was signed between the Deputy Minister of Industry and Commerce Ms Khemmany Pholsena, and Switzerland's State Secretary for Economics on 11 July, at the Ministry of Industry and Commerce.

Cambodia

- **Cambodia and Thailand on brink of war**

Thailand and its down-at-heel neighbor Cambodia are literally on the brink of war in a bitter dispute over a 1,000-year-old temple that clings to the top of a 1,700ft escarpment separating the two Southeast Asian nations

- **Cambodia seeks U.N. intervention to resolve Thailand standoff**

Cambodia asked the U.N. Security Council and its Southeast Asian neighbors Tuesday to intervene in resolving a military standoff over disputed border territory around an ancient temple, stepping up its rhetoric against Thailand

- **Cambodians buy food, oil over Thai border fearing border closure**

Anxieties regarding an imminent border closure by Thailand over a disputed zone near an ancient temple led to over one thousand Cambodians to cross the border Saturday to stock up on dried foodstuffs and oil from a market in Aranyaprathet district opposite Cambodia's Poi Pet

Detailed Monitoring Report

- Indonesia

Politics

- Rice urges Indonesian military reform

It was the first time Indonesia has accepted responsibility for the 1999 violence in its former province, which it annexed in 1975. East Timor finally gained formal independence in 2002.

This is a good democratic government that has a strong record of wanting to work and be responsive on human rights issues," she said of Indonesian President Susilo Bambang Yudhoyono's administration."We've known for a long time there are concerns about reform in the military, need for reform in the military. The United States has been active in helping and encouraging that agenda with Indonesia.

Economy

- **OECD urges Indonesia to tackle inflation**

Indonesia should tackle problems affecting its supply-side sectors such as poor infrastructure in order to help lower inflation over the longer-term to levels on a par with its main trading partners, the OECD said on Thursday. The Organization for Economic Cooperation and Development said the measures were needed aside from monetary tightening to contain inflation over the short-term. Inflation is currently higher in Indonesia than in many of its main trading partners. At nearly 14%, Indonesia's average consumer-price inflation from 1995-2007 is well above the 2% average of its trading partners, the OECD said in a report.

- **Samsung to develop biodiesel in Indonesia**

South Korea's largest company Samsung Group plans to develop a 25,000-hectare oil palm plantation and a biodiesel refinery in Riau province with an investment of up to 15 trillion rupiah (about 1.63 billion U.S. dollars). Head of the Indonesian national team for biofuel development AlHilal Hamdi said the company had spent 1.5 trillion rupiah (about 163 million U.S. dollars) on acquiring the land and the factory.

Hamdi said Samsung was expected to go online next year and produce 50,000 kiloliters of biodiesel per year. However, Indonesia-based Kang Hyonghyun of Samsung C and T Corporation said he had yet to be informed of the plan. Indonesia produces two types of biofuel -- bioethanol, made from cassava, sugarcane and sorghum; and biodiesel, made from castor and crude palm oil. The country's annual biofuel production is currently 2 million kiloliters and is expected to grow to 5 million kiloliters by 2010.

- **Combating terrorism in Indonesia**

Indonesia's police counterterrorism unit -- stormed a high school in North Sumatra. The raid was not carried out based on a tip that terrorists were hiding in the school, nor that the teachers or students were involved in terrorist acts

Environment

Social issues/ Politics

- **Indonesians accused of burning village houses**

About 100 villagers in Papua New Guinea's Western province are displaced and homeless after Indonesian soldiers allegedly raided their village and burnt their houses, reports the English-language National newspaper. About 25 armed Indonesian soldiers had crossed the border as part of a search for an military officer and burnt down 10 houses. The next day about ten armed Indonesian soldiers met three Medapor villagers in Papua New Guinea territory and assaulted them with rifle butts. Deputy Prime Minister Dr Puka Temu told parliament the government has instructed that the Indonesians be sent a diplomatic note complaining about the border incursions.

- **Indonesia and Timor-Leste: An historic opportunity missed to provide justice**

The governments of Indonesia and Timor-Leste have missed an historic opportunity to provide justice for more than 1,000 people killed during Timor-Leste's vote for independence in 1999, Amnesty International said today.

The Indonesian and Timorese governments have accepted a report released today by the Commission for Truth and Friendship (CTF) in Bali, which accuses the Indonesian security forces of gross human rights violations during the 1999 Timor-Leste independence ballot. The report lays the majority of the blame for the violence and deaths on the Indonesian security forces.

However, the Indonesian government refused to issue an apology, to commit to bringing those individuals responsible for the violence to justice, to investigate and reform institutions which were involved in the violence, or to provide reparations for victims.

"There must be no impunity for those responsible for the violations, including unlawful killings, rape, torture and arbitrary detention," said Donna Guest, Amnesty International's Asia-Pacific Deputy Director. There can be no justice for the victims of the violence nor assurance that such atrocities will not be repeated, without those responsible being held accountable

- **Combating terrorism in Indonesia**

Indonesia's police counterterrorism unit -- stormed a high school in North Sumatra. The raid was not carried out based on a tip that terrorists were hiding in the school, nor that the teachers or students were involved in terrorist acts.

When violent acts began to take place in Indonesia during the first few years after President Soeharto quit office, they were generally believed to be the work of Soeharto's cronies. Even after the dreadful 9/11 attacks and as some radical Muslims eyed Indonesia's susceptibility to similar attacks, the government would still not budge.

Positions changed, however, once terrorists blasted Bali in October 2002, killing more than 200 innocent civilians. Since then, serious measures have been undertaken, yet terrorist exploits remained frequent occurrences, included the blasting of the Jakarta Marriott hotel, the bombing of the Australian Embassy and the second Bali bombing.

With the help of the U.S. and Australian governments, Indonesia improved its capacity to combat terrorism. During five years of hard work, many terrorist leaders were arrested, around 400 suspects were captured and some were killed. Many of them were tried and sentenced, with punishments including the death penalty, life imprisonment and years in jail.

There are some serious problems regarding terrorism. Taking into account all these concerns, we can readily believe the threat of terrorism is still very much out there.

First, the doctrinal or theological basis for terrorism has not been fully addressed. There have been no serious efforts to deal with this particular issue.

Second, the question of terrorism vis-^{*}-vis Islam remains unsolved. Many, if not all, terrorists have been identified as Muslims

Third, the insensitivity in dealing with the question of terrorists' religious background. The attempts to link Islamic educational institutions such as pondok, pesantren or madrasah with terrorism have irritated many Muslims.

Fourth, law enforcement remains weak. In spite of the relative success of counterterrorism units, such as Detachment 88, the government has yet to demonstrate earnest willingness to uphold the law. Fifth, no concerted efforts have been made to include major Muslim figures in combating terrorism.

What should be done?

Trust is an important element in fighting terrorism

Second, the Indonesian government needs to uphold the law.

Third, Muslim figures need to be included in devising campaigns against terrorism. Including Muslim leaders will also court broader support among Muslims, which will minimize distrust and convince Muslims Islam is not the target of counterterrorism. Through this approach a coalition of the willing can be established among Muslim moderates.

- **Indonesia 's attorney general**

Indonesia 's attorney general said on Monday he hopes three men sentenced to death for their role in the 2002 Bali bombings will be executed before the Islamic holy month of Ramadan in September because it would not be appropriate to execute the men during the fasting month. These three men said that they have said they will not seek presidential clemencies and are looking forward to becoming martyrs

- **Malaysia**

Politics

- **Rice urges 'transparency' in M'sian probe on Anwar**

US Secretary of State Condoleezza Rice on Thursday urged Malaysia to ensure a 'transparent' investigation into sex misconduct allegations against opposition leader Anwar Ibrahim. Malaysia has accused the United States of meddling in its internal affairs by raising concern over Datuk Seri Anwar's arrest last week on sodomy charges - the same charge that saw him jailed a decade ago. But Dr Rice defended the stance and said the United States would continue to speak out on cases involving human rights and politics although it did so 'in a spirit of respect for Malaysia'.

'The United States doesn't recognise this very firm barrier that it is simply internal affairs when a case of this kind comes up, but we are going to continue to work with Malaysia', she told reporters

Anwar was sacked as deputy premier in 1998 and jailed on sodomy and corruption charges widely seen as politically motivated. The sex conviction was overturned by the nation's highest court in 2004

Economy

- **Malaysia's inflation soars to 26-year high in June**

Malaysia's consumer price index in June soared to a 26-year high of 7.7% year-on-year following a 3.8% increase the month before, the country's statistics office said Wednesday. The main reason for the surge in inflation is the substantial rise in the price of petrol and diesel announced by the Malaysian government in early June

Environment/Social issues

- **Thailand**

Politics

- **Boarder tensions**

The renewed tensions on the border between Thailand and Cambodia come amid heightened political situations in both countries. Cambodia is preparing for general elections on July 27, during which Prime Minister Hun Sen is expected to extend his decades-long grip on power. He has portrayed the UN recognition of the ruins as a national triumph, organizing huge public celebrations. In Thailand, critics of Samak already the target of street protests against his months-old government -- have stoked the temple controversy to fire up nationalist sentiment

- **Thai-Cambodia border meeting starts**

A special meeting of Thai-Cambodia General Border Committee (GBC) to defuse conflicts over disputed border area of Preah Vihear Temple started in Thailand's Sa Kaew Province on Monday. Thai side is represented by Supreme Commander Gen. Boonsang Niempradit while the Cambodian side by Defense Minister Gen. Tea Banh.

Despite commitment to a peaceful resolution of the standoff, Thailand now has some 1,500 military personnel and border patrol police officers, reinforcing security on roads in Soi Dao and PongNam Ron districts, bordering Cambodia, the state-run Thai News Agency reported

- **Thailand calls for talks, but Cambodia not optimistic**

Thailand said Sunday that a military standoff with Phnom Penh over disputed land should be resolved through negotiations, but a top Cambodian general said he had little faith in talks. We have very little hope about the negotiations," Brigadier Chea Keo said on day six of the confrontation.

"We have only a little hope because the new Thai government has written a letter to our prime minister saying that the land they are stationed on belongs to them," he told reporters. We're on high alert. Cambodia's opposition Sam Rainsy Party (SRP) on Sunday called for the government to withdraw its ambassador from Thailand and refuse to negotiate with their neighbors "as long as the Thai army remains on Cambodian territory".

- **Cambodia takes temple dispute to Security Council**

The Cambodian government has referred its dispute with Thailand over the historic Hindu Preah Vihear temple to the Security Council alleging its neighbor of interference on its soil. The Thai ambassador to the UN has told the Thai government of Cambodia's letter to the Security Council.

The standoff almost erupted into violence late Thursday, when witnesses said troops twice pointed their weapons at each other but the atmosphere was less tense Saturday evening as some Cambodian and Thai troops lowered their weapons and chatted.

the disputed border area between Thailand and Cambodia is in "no-man's land" and that talks between officials of both countries were needed to iron out the dispute.

Almost 1,000 Cambodian troops and more than 500 Thai soldiers face each other in the disputed territory.

- **Asean talks fail to ease Thai-Cambodia tensions**

ASEAN ministers failed to ease tensions between member states Thailand and Cambodia during crisis talks on Tuesday over an escalating standoff at a disputed historic site, diplomats said. 'Cambodia wants it resolved through Asean but the Thai side wants it resolved bilaterally,' he added. When asked if any progress had been made towards a resolution, he replied: 'Nothing'.

- **Thailand rules out mediation in border dispute**

Cambodian military police patrol the historic Preah Vihear temple, about 245 kilometres north of Phnom Penh. Military negotiators from Cambodia and Thailand have failed to settle the border dispute between the two countries

The Thai government will not allow the Association of Southeast Asian Nations to mediate its border dispute with Cambodia, reports The Bangkok Post. Instead, the government wants the demarcation of the border within the surrounds of the historic Hindu temple, Preah Vihear, about 245 kilometres north Phnom Penh, settled through bilateral negotiations, says the newspaper.

Economy

Environment

Social issues

- **Health retreat**

A significant number of people from Qatar head to Thailand, not as tourists, but to avail medical treatment for a wide range of illnesses. Thailand is well-known for its tourism, but the excellent medical facilities and services offered here also attract patients from all over the world," said Dr

Ahmed Afundee, Physician Co-ordinator at Bangkok Referral Centre. "Many patients arrive in Bangkok from all parts of the world to treat all sorts of diseases and medical condition.

Bangkok is gradually becoming popular as a health retreat. Many patients from Europe are keen to receive medical treatment here as hospitals like the Bangkok Hospital have capable medical personnel backed by good infrastructure and highly competitive fees for consulting doctors, minor and major surgeries. The cost of admitting patients for surgery and recuperation is also much cheaper. Around 45 to 50 patients from Qatar arrive in Bangkok in a month to receive treatment for mental problems, post accident trauma, paralysis and cancer. Most patients from Qatar choose to come here on their own. They are not referred to Bangkok Hospital (BGH) by any hospital in Doha, according to a spokesperson here.

- **Rights group says Thailand should stop returning Burmese refugees**

The New York-based Human Rights Watch is urging Thailand to stop returning refugees to neighboring Burma. Some 35 ethnic Karen refugees, part of a larger group of 280 who fled a military offensive in eastern Burma in early 2008, were sent back across the border on Thursday.

Brad Adams, Asia director at Human Rights Watch says forcing civilians back into an active war zone may be an easy answer for Thailand, but it's brutal and an unacceptable solution.

The rights group has called on the UN, EU and the US to pressure the Thai government to provide sanctuary to those fleeing Burma. Almost 140,000 Karen refugees have been living in Thai refugee camps for up to 20 years.

- **The New York-based Human Rights Watch yesterday blasted Thailand** for forcing 52 Karen refugees to return to a conflict-zone in Myanmar on Asarnha Buccha Day, the beginning of Buddhist lent.

On Thursday, Thai paramilitary troops forced 52 Karen civilians, most of them women and children, to leave two refugee camps in Thailand's Mae Hong Son province and cross to the Myanmar side of the border, whence they had fled a military offensive in early 2008.

"The Thai government cynically launched this illegal operation during the first day of a major

Buddhist holiday,” said Brad Adams, Asia director at Human Rights Watch. Thailand is a predominantly Buddhist country.

This, along with the Thai media’s preoccupation with escalating border tensions with Cambodia over the Preah Vihear temple, provides effective cover for Thailand’s serious breach of international law,” said Adams in a statement issued from New York. Thai media attention has been focused this week on the Thai- Cambodian border, where Thai and Cambodian troops have amassed over an escalating row over the ancient Hindu temple Preah Vihear, perched on the border and subject to a territorial dispute. Thailand, a magnet for hundreds of thousands of refugees and illegal workers from its less developed neighbours - Cambodia, Laos and Myanmar, also known as Burma - has not signed the 1951 Refugee Convention, but Adams argued that Bangkok is still bound by the principle of non-refoulement, a prohibition in customary international law, from returning refugees to any country where they are likely to be persecuted or their lives are at risk.

Human Rights Watch called on the UN High Commissioner for Refugees (UNHCR), the European Union, the US and other countries to pressure the Thai government to immediately cease the refoulement of refugees and continue to provide sanctuary to people fleeing fighting or persecution in Myanmar

- **Singapore**

Politics

Economy

- **Japan to Help Trim ASEAN Development Gap**

Japan signed a trade accord under which about 90% of trade between Japan and ASEAN will be tariff-free within 10 years. Japan on July 22 promised to help the Association of Southeast Asian Nations narrow the gap between its rich and poor members that could undermine economic integration. Japanese Foreign Minister Masahiko Komura met with his ASEAN counterparts in

Singapore and promised Tokyo would soon appoint a permanent ambassador to the bloc, ASEAN secretary general Surin Pitsuwan said

ASEAN leaders also agreed at a summit last year to advance a plan to transform itself into a rules-based, EU-style community by five years to 2015.

ASEAN groups oil-rich Brunei and ultra modern Singapore, with some of the region's poorest nations including Laos, Myanmar and Cambodia. Other members are Malaysia, the Philippines, Indonesia, Thailand and Vietnam.

Social issues/ Environment

- **SE Asia begins negotiations to set up rights body**

The Association of South East Asian Nations (ASEAN) has begun negotiations for the creation of a human rights body, a senior Philippine official said on Monday, with hopes of concluding talks in Bangkok next July.

Rosario Manalo, Manila's representative on a high-level panel drafting the framework, said they expected to show ASEAN foreign ministers a draft of the terms of reference of the rights body by December 2008. In a communique, ASEAN foreign ministers meeting in Singapore on Monday "reaffirmed the commitment by all member countries to ratify the ASEAN Charter by the 14th ASEAN summit in Bangkok" in December.

Only Indonesia, the Philippines and Thailand have yet to approve the charter after Myanmar formally informed the bloc of its ratification this week. The minister of Laos was supportive of the human rights body and was doing more positive things," said Manalo, a former diplomat

- **M'sia disappointed with S'pore minister's statement to claim waters around Pedra Branca**

Singapore wants to claim a territorial sea and an exclusive economic zone (EEZ) around Pedra Branca - going back on its word to discuss with Malaysia territorial issues and activities around the rocky outcrop.

However, the court awarded Middle Rocks to Malaysia, with ownership of the third marine feature in the area - South Ledge - to be decided based on the territorial waters of which it is located.

Following the court's decision, a joint committee was set up to carry out consultations on activities in the locality of the three marine features. The committee is jointly headed by Malaysia's Foreign Ministry secretary-general Tan Sri Rastam Mohamed Isa and his Singaporean counterpart

This is because an island, defined as being able to support habitation and sustain economic life, can claim its own territorial seas and EEZ, whereas other marine features can only claim territorial sea joint survey of the area around Pedra Branca island and two nearby maritime features: Middle Rocks and the South Ledge in the next phase that will take place later this year.

This will pave the way for both countries to discuss maritime delimitation issues related to the three areas, which are in the Singapore Strait 40km east of the Republic. Malaysia had asserted that it would continue to look for further evidence on the Pedra Branca case with a view to seeking a revision of the judgment of the ICJ.

- **Philippine**

Politics

Geo-Strategic

Economy

Environment

Social Front

- **Muslim warriors" threaten bishop in Philippines**

A Catholic bishop in the southern Philippines' Basilan province has received a letter from self-described "Muslim warriors," possibly linked to Abu Sayyaf, who are threatening him with harm if he does not convert to Islam or pay "Islamic taxes."

Further, authorities are seeking the return of three adults and two children, all Catholics, who were kidnapped in the same area this week.

On July 19 Bishop Martin Jumoad of Isabela sent a copy of the threatening letter to Church-run Radio Veritas in Quezon City, UCA News reports. Bishop Jumoad told UCA News that a student at Claret College in Isabela was told to give the letter to the school secretary who could pass it along to the bishop.

The writers of the letter claimed to be "Muslim warriors" who "don't follow any laws other than the Qur'an." They say the bishop should convert to Islam or pay the Islamic tax, called a jizya, to their group in exchange for protecting him "in the place of Muslims." If the bishop refuses, the letter threatened, "force, weapons or war may be used" against him. Citing bombings in other Philippines cities, the letter said he should not feel safe even if protected by soldiers.

Muslims who commit violence were rebuked at a joint conference between Catholic bishops and Muslim scholars on Monday in Manila, where Hamid Barra, the Muslim convener of the conference, underlined Islamic belief in the sacredness of life. "It is God who gave life; he is the only one authorized to take life," he said. Barra, an Islamic law expert, explained that non-Muslims protected by an Islamic state are required to pay the jizya tax, which is used to support the needy, but no such payment is required in a non-Islamic state.

- **Philippines human rights agency confirms Oceana Gold probe**

A Philippines human rights agency has sought an investigation into alleged violations against indigenous tribes by Oceana Gold Corp., which is developing the Didipio Copper Gold Project in the north of the country.

Commission on Human Rights Chairperson Leila De Lima said some of the indigenous groups live in the vicinity of mining operations of Oceana Gold Philippines Inc, according to a statement emailed to Business Wire.

The probe is into claims by various community groups that houses were illegally demolished without a court order or offer of relocation, the statement said. Some 187 homes had been destroyed, the commission said, citing the claims.

Oceana Gold, operator of Macraes, New Zealand's biggest gold mine, has said it is complying with Philippines law and rejects accusations the development is harming indigenous tribes.

Oceana Gold expects to start producing from the A\$320 million Didipio project in 2009 at an average rate of 120,000 ounces of gold and 15,000 tonnes of copper per annum, with over 15 years mine life.

The company said it hasn't heard from the Philippines human rights agency. Oceana Gold acquired Didipio through a merger with Climax Mining in 2006. Its shares were unchanged at NZ\$1.25.

- **Nigerian Court Charges 14 Filipinos over Stolen Oil**

Nigeria has arraigned 14 Filipinos for allegedly stealing crude oil from the country's oil-producing south, court officials said Tuesday.

The Filipinos were brought before a chief magistrate court in the southern oil city of Warri Monday and charged on three counts of felony and tampering with oil pipelines.

They were also accused of "tampering with the free flow of petroleum products through pipelines and dealing in petroleum products without lawful authority or appropriate licence. The stealing of crude oil from the Niger Delta by armed gangs, pirates and their foreign collaborators costs Nigeria millions of dollars in lost revenue every year.

- **Sabah police begin Filipino deportations**

Police have detained 193 alleged illegal immigrants in raids ahead of the large-scale operations set to start next month. The detainees, mostly Indonesians and Filipinos, were among 1,104 foreigners who were rounded up after a 12-hour operation on Friday night.

The others were freed. Philippines news agencies reported that 321 Filipino illegal migrants from Malaysia were repatriated to Zamboanga City late Saturday.

An immigration official in Zamboanga said most of the deportees were men. They were among the latest Filipino deportees from Sabah and these are facing problems of food and severe punishment.

- **Armed gang attacks Philippines mine rig-Indophil**

An armed gang attacked and set fire to a mine exploration rig at the giant Philippines Tampakan copper and gold prospect held jointly by Xstrata Copper and Australia-listed Indophil Resources NL, Indophil said on Monday.

The attack at one of the world's largest untapped copper deposits happened late on Saturday, Indophil said, adding that no one was injured. It was the latest in a series of attacks on big businesses in the southern Philippines. The Tampakan project is held 62.5 percent by Xstrata Copper, 34.23 percent by Indophil and the rest by Philippine interests

- **Reinforcements arrive to battle NPA guerrillas**

Philippines troops supported by tanks and armoured vehicles have been sent to Mindanao in a renewed effort to defeat New People's Army guerrilla Davao City, July 24: A battalion of soldiers, about 500 troops, complete with tanks and armoured vehicles have arrived in Davao City, on the southern island of Mindanao, to help defeat New People's Army guerrillas. We are continuously intensifying our clearing operations,

“It has become a pattern for the Communist NPA to target our business industries, which provides jobs to our people. This has seriously threatened their livelihood,” the Lieutenant Colonel said

The arrival of the troops from the central Philippines followed the decision of the Anglo-Swiss conglomerate Xstrata to suspend work at its \$3 billion Tampakan copper-gold project after New People's Army guerrillas attacked the site on the weekend.

- **Vietnam**

Politics

- **Vietnam supports peaceful negotiations for Mideast conflicts**

Peaceful negotiations remain the only means to deal with Israel-Palestine and Israel-Arab conflicts, said Ambassador Le Luong Minh, permanent representative of Vietnam to the United Nations Security Council

At the UNSC Open Debate on “The situation in the Middle East, including the Palestine question” in New York on July 22, the Vietnamese Ambassador called upon the concerned parties to renounce violence, implement agreements, abide by their obligations under international law, particularly human rights and humanitarian laws, and take further concrete action to keep the peace process going in line with the UN resolutions and the Arab Peace Initiative.

He also emphasized the role of the international community, especially the UN, the Quartet and regional countries in the search for a solution to the Israeli – Palestinian conflict.

The Vietnamese Ambassador expressed his concern about Israel's continued military incursions into the West Bank, its ongoing construction of the separation wall and detention of thousands of Palestinian prisoners.

Regarding Lebanon, Mr Minh underlined the importance of the Doha negotiations and the ongoing mediation efforts of the League of Arabia States and regional countries. He also urged all parties in Lebanon to build on the momentum of national reconciliation and support the newly established national unity government to promote the country's political stability, socio-economic development and regional and international integration

Economy

- **Vietnam most successful in attracting investors(government statements)**

Vietnam, Cambodia, Laos and Myanmar are countries in the Southeast Asian region that have only recently liberalized their economies to allow more foreign investment. Therefore, these late comers are viewed as the last unexplored frontier for foreign investors compared with their regional peers where foreign investors have already established a strong presence,” said Ho Chi Minh City-based Mekong Securities head of investment research Cheah King Yoong. The business dynamics in Vietnam have not changed and it still offers exciting long-term growth although their equity markets have corrected somewhat.

- **Vietnam sees huge gap between registered FDI and disbursement (is really attractive for investment? an analysis.**

Vietnam lured 31.6 billion U.S. dollars in registered foreign direct investment (FDI) in the first half of this year, but the disbursed capital stood at just about five billion at the same time. The gap made many people ask whether Vietnam has favorable condition for actual capital investment.

According to figures from the Ministry of Planning and Investment (MPI), FDI disbursement made up between 50 and 80 percent of the nation's newly registered capital in the 2000-2005 periods. However, the ratio fell to 4.1 billion out of 10.2 billion in 2006, while eight billion out of 21.3 billion in 2007.

Disbursement of FDI refers to actual capital investment made following an earlier commitment by foreign investors in the form of registering for a investment license. It is therefore a more accurate measure of the real impact of FDI on the national economy.

It is understandable that after investors obtain the license for the project, it takes a certain period of time to prepare for project implementation, like site clearance, mobilizing capital and recruiting people, but some projects in Vietnam takes too long and the gap between FDI registration and disbursement stands huge now. The problem reflects the absorbability of the Vietnamese economy, according to a recent MPI report. Bottlenecks like poor infrastructure, shortage of electricity and skilled personnel still fail to match the economic development, said the report.

- **ADB Warns Vietnam Must Prevent Economic Meltdown**

Vietnam must act decisively to avoid the kind of economic meltdown suffered by Thailand in 1997 which triggered the Asian financial crisis, the Asian Development Bank warned Tuesday.

As Vietnamese inflation rockets towards an annual rate of 30% and the nation's trade deficit balloons, the Manila-based agency said there were growing worries that the country's economy could face major problems. Hanoi's loose monetary and fiscal policy helped to explain surging inflation and the rising trade deficit, it said, leading to an economic dilemma similar to Thailand's in the 1990s, although Vietnam's "Vietnamese inflation hit 26.8% in June compared with a year earlier, one of the highest rates in Asia as oil and food prices soar. The country's trade deficit more than tripled to \$16.9 billion in the first half. The ADB forecast Vietnam's economic growth would slow to 6.5% this year and then hit 6.8% in 2009, from 8.5% last year and 7.3% annually in the previous decade.

Inflation should average 19.4% for the whole of 2008, falling to 10.2% next year, compared to 8.3% in 2007, it said. The bank said Vietnam had already taken steps to cool its economy, whereas Thailand acted after it was engulfed by crisis.

It also cited reduced government spending, continued strong foreign direct investment flows, a stabilizing local currency and a projected 14.4% yield gain in this year's rice harvest fundamentals appear stronger."

Environment/Social issues

- **Bird flu hits one more Vietnamese province**

Bird flu has stricken Vietnam's central Nghe An province, raising the total number of affected localities in the country to three, according to a local veterinary agency on Tuesday. Bird flu has, since July 18, killed 30 chickens and 160 ducks raised by a household in Nghi Loc district, the Department of Animal Health under the Ministry of Agriculture and Rural Development said,

adding that Nghe An and the two southern provinces of Dong Thap and Tra Vinh are being hit by the disease. Bird flu outbreaks in Vietnam, starting in December 2003, have killed and led to the forced culling of dozens of millions of fowls in the country.

Laos

Politics

Economy

- **Swiss government assists Lao trade and export**

Trade promotion and export development in Laos has been boosted by a 2.9 billion kip (US\$345,000) grant from Switzerland.

The grant was signed between the Deputy Minister of Industry and Commerce Ms Khemmany Pholsena, and Switzerland's State Secretary for Economics on 11 July, at the Ministry of Industry and Commerce. The grant marks the third phase of financial assistance for the trade project, which will end in June next year, This includes a trade network linking the Lao government, trade institutes, businesses and export companies. Export strategies will address the needs of sectors wanting to export garments, silk-handicrafts, wood products, medicinal herbs and spices, organic agriculture and tourism services.

The project is also developing strategies for upgrading the trade information service to provide information that will assist institutes, export companies, competency projects, quality export management and trade finance.

It is also providing training in market analysis, Lao textile and clothing sector analysis, export market research and training of trainers

Environment

- **Three southern provinces receives environmental grant aid**

The National Environmental Protection Fund has given 304 million kip of grant aid to four environmental protection projects in three southern provinces. The grant aid was signed in Khammouane province last week by Director of National Environmental Protection Fund, Mr. Soukkata Vichit, President of Khammouane Steering Committee for Social and Environment Protection Project, Mr. Khamsy Outhivong in the presence of Deputy Chief of Nakai district, Mr. Viengkham Pheng-Outhai and concerned officials.

The Environment Protection Fund is to focus on strengthening environment protection project, sustainable natural resource management, bio-diversity protection and community assistance in three southern provinces namely Bolikhamsay, Khammouane and Savannakhet.

The fund also went to four projects of strengthening environmental protection for young, bamboo forest protection, water resource conservation area, and road safety and road environmental projection. These projects will run in Nakai district, Khammouane province.

Social issues

- **Cambodia**

Politics

- **Cambodia and Thailand on brink of war**

Thailand and its down-at-heel neighbor Cambodia are literally on the brink of war in a bitter dispute over a 1,000-year-old temple that clings to the top of a 1,700ft escarpment separating the two Southeast Asian nations

However, the only reliable maps of the jungle-covered region, drawn up by French colonial authorities 100 years ago, show that the temple ruins actually stand on Thai territory, and Thailand decided this week to stake its claim to the land around the site by moving in 1,500 troops and heavy artillery. Cambodia responded with a similar

- **Cambodia seeks U.N. intervention to resolve Thailand standoff**

Cambodia asked the U.N. Security Council and its Southeast Asian neighbors Tuesday to intervene in resolving a military standoff over disputed border territory around an ancient temple, stepping up its rhetoric against Thailand. Thai Foreign Ministry spokesman Tharit Charungvat said every state had the right to appeal to the council, adding "we believe that bilateral options are still not exhausted.

The dispute over 1.8 square miles of land near the Preah Vihear temple escalated earlier this month when UNESCO approved Cambodia's application to have the complex named a World Heritage Site

Economy

Environment

Social issues

- **Cambodians buy food, oil over Thai border fearing border closure**

Anxieties regarding an imminent border closure by Thailand over a disputed zone near an ancient temple led to over one thousand Cambodians to cross the border Saturday to stock up on dried foodstuffs and oil from a market in Aranya prathet district opposite Cambodia's Poi Pet. Tensions in the area have increased in recent days as both countries have reinforced their troops near the disputed temple. A Cambodian villager who crossed the border and bought food supplies said Cambodians in Poi Pet feared that fighting could break out

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 26 July 2008 to 1 August 2008

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Bangladesh:

POLITICAL:

- BNP influential leaders differ in opinion over contesting local polls

- referendum to settle UZ poll issue
- HC validates August 15 as National Mourning Day
- Any detraction from December election not acceptable to Washington
- EC prepared to hold parliamentary election in time: CEC
- 131 foreign observers to monitor local polls
- HC grants bail to M Bhuiyan, S Islam, M Hossain and others
- Saudi Arabia will welcome Khaleda Zia if she wants to go
- AL protests EC's stand against politicians' participation in local polls campaign

SOCIAL:

- TB returns with vengeance
- Bangladesh in Earthquake Zone
- Around 1.50 lakh females are drug addicts
- Road accidents claim 30,103 lives in 10 yrs
- Farmers face acute fertilizer crisis across country
- Flood situation likely to improve gradually

ECONOMY:

- Prices of essentials keep on rising
- Singaporean investments in Bangladesh to increase

BNP influential leaders differ in opinion over contesting local polls

Centering local-body election, difference of opinion between the mainstream BNP has developed as its Secretary General Khandaker Delwar Hossain announced the party will boycott the local government election while BNP Chairperson's Adviser Brigadier General (ret'd) ASM Hannan Shah said BNP is yet to take any decision in this regard. Secretary General Khandaker Delwar Hossain has been demanding from the very beginning that BNP will boycott all sorts of election if the government does not fulfill their demands including release of party Chairperson Begum Khaleda Zia and her two sons. He also warned the government that if they (government) try to arrange local-body-polls before national election, BNP will resist it, a party insider said, "BNP high ups have been supporting the leaders and activists who are contesting the polls behind the scene. On the other hand, BNP could not be able to take action against them (candiadtes) as the upcoming polls are non-political." But Hannan Shah said that the party is yet to decide whether it would boycott or resist the upcoming local government elections. Without consulting with the party high ups, if any body takes any decision unilaterally to boycott these polls, the party leaders and activists might not abide by the decision.

Referendum to settle UZ poll issue

Former President and Bikalpadhara Bangladesh (BDB) chief Professor AQM Badruddoza Chowdhury questioned reservation of some political parties about the Upazila polls ahead of the general elections but suggested that a referendum could settle the debate. No political

party raised objections when the polls schedules were announced for city corporations and nine municipalities. Some parties are now opposing plans to stage upazila elections and some even have pledged to resist it, raising suspicions of anarchy or violence.

HC validates August 15 as National Mourning Day

The High Court has validated observance of August 15 as "National Mourning Day as well as public holiday" in a bid to pay respect to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman as he along with most of his family members was assassinated on the day in 1975.

Any detraction from December election not acceptable to Washington

US Assistant Secretary of State for South Asia Richard Boucher reiterated that any detraction from general election slated for December in Bangladesh would not be acceptable to Washington. The US wants to see establishment of an elected government in Bangladesh as there is no alternative to democratic rule," he said during the meeting with the former PM. Boucher viewed that the transition to democracy-now underway in the interim period-would help ensure development in Bangladesh.

EC prepared to hold parliamentary election in time: CEC

Chief Election Commissioner ATM Shamsul Huda said that the election commission is fully prepared to hold the long stalled general election by the end of this year. He said there is no cause for the election being delayed by any activity of the election commission, if there is no other reason.

131 foreign observers to monitor local polls

More than 5650 observers including 131 foreigners have applied to the Election Commission seeking permission to monitor the upcoming four city corporations and nine municipalities polls scheduled to be held on August 04The EC will allow the applicants intending to work as observers under the existing rules as the newly proposed rules for selecting observers are yet to be finalised, EC sources said. But observations of other polls would be held under the proposed new rules and the EC is expecting that it would be finalised within a few days. Foreign observers including diplomats and mission staffs have sought permission to monitor the upcoming local

government elections as well.

HC grants bail to M Bhuiyan, S Islam, M Hossain and others

A number of top politicians including Mannan Bhuiyan, Shamsul Islam, Engineer Mosharraf Hossain, Nasiruddin Pintu and late Col Akbar's son Simon have been granted ad-interim bail by the High Court in different graft cases. have been granted to Mannan Bhuiyan, Shamsul Islam and Simon in GATCO corruption cases, Mosharraf Hossain in graft cases for irregularities in distributing plots and amassing illegal wealth beyond his known sources of income and Nasiruddin Pintu in corruption cases for stealing CI sheets meant for relief. Granting bail a Division Bench comprising Justice Sharifuddin Chaklader and Justice Emdadul Huq Azad also stayed all proceedings of cases against them. The Court also issued Rule on the government asking it to show cause as to why cases against them shall not be quashed. In this case earlier another politician MK Anwar already obtained bail. The proceedings of GATCO case against the above-mentioned accused have been stayed for two months on the ground that there is 'no prima facie case' against them. The verdicts came as Mannan Bhuiyan and others filed petitions praying for quashment of GATCO case under Section 561 of the Code of Criminal Procedure claiming that there is no prima facie allegation against them and this "false case" has been filed in a bid to harass them politically.

Saudi Arabia will welcome Khaleda Zia if she wants to go

Newly appointed Saudi Arabia Ambassador Dr. Abdullah- Bin-Naser-AL-Busairee has met with BNP Secretary General Khandaker Delwar Hossain at his NAM flat residence. After an hour long meeting Dr. Abdullah told reporters, "We have discussed present political situation of Bangladesh, lifting of state of emergency and upcoming national election." Replying to a query about release of BNP Chairperson Begum Khaleda Zia, he said, "We did not discuss the issue at all. It was just a courtesy call. As a part of my programme to hold meeting with all political parties, I met with BNP Secretary General. I wanted to know about the present political situation of Bangladesh." Delwar also said we did not discuss regarding release of our party chairperson. But the ambassador said that if Chairperson Begum Khaleda Zia wants to go to Saudi Arabia, they will cordially welcome her. It is personal matter of Begum Zia whether she will go there or not. Earlier, she went to Saudi Arabia as a Prime Minister and now if she wants to go as a former Prime Minister, they will welcome her. The AL general secretary said the Saudi government is keen to strengthen relationship with all parties and the people of Bangladesh. Asked about their meeting, Dr Abdullah Bussairy said he came to meet Zillur Rahman as a courtesy call, nothing else.

AL protests EC's stand against politicians' participation in local polls campaign

Awami League (AL) lodged a protest with the election commission against the EC's views that political leaders cannot participate in the campaign for ensuing local government elections. But the party agreed with the EC that these local government polls are non-political and nobody can take part in the local body elections under the banner of any political party.

Farmers face acute fertiliser crisis across country

Farmers around the country are facing acute fertiliser shortage during the peak cultivation season of planted Aman due to inadequate fertiliser supply, mismanagement and shortfall in its production, said a source in the Agriculture Ministry. It further confirmed that the serious fertiliser crisis now prevailing in the country may take serious turn in future and the situation is unlikely to improve in the near future. The country's seven fertiliser factories have a production capacity of 22 lakh metric tons against the demand for 39.850 lakh metric tons of fertiliser per year. The rest of the fertiliser is imported and also procured from the country's export-oriented Karnafuli Fertiliser Factory in Chittagong. However, the demand for fertiliser is increasing gradually but the government is yet to take any proper initiative to set up new factories or undertake rehabilitation programme in this sensitive and potential sector, causing crisis across the country during the peak cultivation season.

Flood situation likely to improve gradually

Flood situation in different districts of the country including Dhaka and adjacent regions is likely to start improving gradually as monsoon remains weak over Bangladesh and neighbouring Indian states for consecutive days. According to sources in Bangladesh Water Development Board, after continuous rising for last few weeks, water level of the important rivers of the country have started falling. However, five rivers of the country are still flowing above danger level at different points. About the general river condition, Flood Forecasting and Warning Centre sources said, water level of the rivers is being monitored at around 73 stations. Of these rivers, water level of 53 rivers decreased while the water level of 16 rivers rose to different extent and only five rivers are flowing above danger level on Thursday. Three of them remained steady. According to sources in the ministry of food and disaster management, the government has taken necessary measures to manage natural calamities like flood.

TB returns with vengeance

Around three lakh people are being afflicted with TB (Tuberculosis) while 70 thousand people die every year in Bangladesh. Besides 22 countries are affected by TB across the

world; worst affected 5 countries are situated in south Asia. Bangladesh stands at the fifth position of these countries. Tuberculosis experts said it at a press conference on "Advocacy as the Tool of Social Mobilisation for TB Control" organised by NATAB (National Anti-Tuberculosis Association of Bangladesh) They said 15 to 49 years old people are being affected by it and it is one of the major causes for women-death. According to the latest report every year 229 of every one lakh people are being affected by it, of them 103 are smear positive. The treatment success and case detection rates in the country continue to improve. They also said that the collaboration with the private sector is increasing, which may help improve case-findings. They said that the main reason of this disease in the developing country is malnutrition, lack of education, lack of awareness, poverty and living of many people in a small space.

Bangladesh in Earthquake Zone

A moderate earthquake measuring 5.6 on the Richter scale rocked country's north-east and central districts including the capital Dhaka. Today expert of Met office said a devastating catastrophe may take place in Dhaka as it has been identified as earthquake prone city due to geographical characteristic and indiscriminate and unplanned construction of high-rise and multi-storied buildings. Unplanned digging of the earth for multi-storied building is also creating a vacuum intensifying the earthquake possibility, the expert said adding that immediate initiatives must be taken to identify and retrofit vulnerable buildings in Dhaka, Chittagong, Sylhet and other cities.

Road accidents claim 30,103 lives in 10 yrs

A large number of college and university female students are being addicted to various drugs and the situation is deteriorating day by day due to moral degradation. According to government and non-government sources, around 1.50 lakh female mostly teenagers across the country are taking different types of narcotic items daily. Most of them are student of different colleges, public and private universities in the capital as well as other metropolitan cities and towns. A source in the Narcotic Control Department said there are around 50 lakh drug addicted people in the country. But in the recent days, the female students are being addicted to drugs and their number is on the rise. According to United Nation survey report some 65 lakh people in Bangladesh are drug addicts. Of them 13 per cent are female and rest 87 per cent are male.

Road accidents claim 30,103 lives in 10 yrs

Around 40,000 road accidents in Bangladesh claimed 30,103 lives and injured 30,833 others in last ten years costing an amount of about Tk 45,000 crore, nearly 2 per cent of the GDP, according to reports of police and Roads & Highways Department. According to these reports, some 2358 people were reportedly killed in road accidents in the year of 1998, 2893 in 1999, 3058 in 2000, 2388 in 2001, 3053 in 2002, 3334 in 2003, 3150 in 2004, 2960 in 2005, 3160 in 2006 and 3749 in 2007. Of the victims, 49 per cent were pedestrians, 37 per cent passengers

and 14 per cent drivers and transport workers. According to a study conducted by TRL of UK, over 70 per cent of the road accidents victims' families reported sharp decrease in their household income and food consumption. It also reported that 61 per cent of the poor victims' families were forced to arrange loan on interest while 34 per cent of the families (not-poor) needed to borrow from friends and relatives after the road accidents. According to the Roads & Highways Department, the cost of damages by the road accidents on an average was Tk 55,430 for fatal ones, Tk 73,210 for severe ones and Tk 60,620 for simple ones. Apart from that, an UNICEF report published in 2005 said out of the country's 30,000 children being killed from injuries each year, 3400 of them got injuries in road accidents and they mainly came from poor families. It said around 14 lakh people were disabled in Bangladesh because of road accidents which account for 15 per cent of the total disabled person in the country. Over 50 per cent of the emergency beds in government hospitals remain occupied by the victims of road accidents, mostly poor, according to a survey conducted by ARC of BUET. According to the ARC, around 4,000 people die in road accidents in Bangladesh every year and 60 per cent of the road accidents occur for the road users' errors, 30 per cent for adverse road conditions or environment and 10 per cent for faulty vehicles.

Prices of essentials keep on rising

Prices of most essentials are continuously spinning out of the reach of low and middle income groups and it has forced them to retrench their consumption bundle significantly. Traders apprehended that the all government efforts to curb the prices of essentials could be futile if it fails to take immediate action against the hoarders and the business syndicates responsible for the continuous price spiral for the last few weeks.

Singaporean investments in Bangladesh to increase

The visiting High Commissioner of Singapore to Bangladesh Mr. Verghese Mathews, said during a call on Dr. Iftekhar Ahmed Chowdhury, Foreign Adviser, that investment from Singapore to Bangladesh which is already over \$ 1 billion is likely to increase in the near future. The Foreign Adviser told him that he had met with Mr. George Yeo, the Foreign Minister of Singapore during the very successful ASEAN Regional Forum Meeting in Bangladesh and both had shown keen interest in "widening and deepening political and economic relations." Bangladesh had recently held an investment forum in Singapore which was largely attended by Singaporean business houses who were also eager to invest in Bangladesh.

SRILANKA:

POLITICAL:

- **Air Force Fighter Jets destroy training camp of LTTE suicide bombers**

- **Security Forces seize control over 'Sugandan Base'**
- **President condemns bomb attacks in India**
- **Government censures EU delegation**
- **Obama maintains silence on LTTE**

SOCIAL:

- **'Treasures from the Island of Gems' for SAARC summit**
- **Government commitment to protect Intellectual Property Rights**

ECONOMY:

- **Doctors up in arms against CEPA**

Air Force Fighter Jets destroy training camp of LTTE suicide bombers

Sri Lanka Air Force fighter jets bombed a training facility of LTTE suicide bombers also known as Black Tigers located in the Iranamadu area. Meanwhile, defence intelligence sources said the targeted "Black Tiger" camp was operated directly under guidance of LTTE's notorious intelligence wing leader Pottu Amman. The target was obtained after receiving real time ground information that an activity of suicide bombers was going on at the camp, said the sources. The exact location of the target was in the Thirivaaiaru area , just 3 Km off from the LTTE's main stronghold at Kilinochchi, the sources added.

Security Forces seize control over Sugandan Base

Troops of the 59 Division led by Brigadier Nanadana Udawatte seized total control over 'Sugandan' base a satellite base of the LTTE's 'One-Four-base' complex located North of Kiriibbanwewa inside the thick jungles of Mullaittivu, following days of heavy confrontations. Meanwhile, an LTTE area leader identified as 'Veandan' was reported seriously wounded during a separate confrontation with troops operating North of Janakapura today. 5 terrorists were killed and similar numbers injured including a senior cadre 'Maran' during the fighting. Defense sources said citing ground troops. A soldier has laid his life, while another sustained injuries, in the confrontation according to initial reports. Also, troops operating North of Kiriibbanwewa have reportedly destroyed and gained control over an LTTE bunker defence and a mortar pit as troops said that at least 3 terrorists were wounded in the attack. Another terrorist was killed, 2 wounded in a similar confrontation with LTTE in general area West of Kiriibbanwewa, according to military.

President condemns bomb attacks in Indias

President Mahinda Rajapaksa condemning terrorist's attacks in India has said the government remains firm in their commitment to "jointly fight the menace of terrorism in all of South Asia". I unreservedly condemn the cowardly terrorist attacks in Ahmedabad, India, killing and injuring a large number of persons, as well as the terrorist attacks in Bangalore. Sri Lanka being a country gravely affected by the scourge of terrorism for more than two decades, we understand well how the manipulators of terror seek to destroy the harmonious relations among communities and the democratic traditions that prevail in our societies.

Government censures EU delegation

Foreign Minister Rohitha Bogollagama criticised the European Parliament's delegation for taking hasty decisions on the human rights situation in Sri Lanka. He also declared that the EU delegation's claim that it was prevented from visiting the east was a misinterpretation of what really occurred. The Minister also denied the EU delegation's statement that its plans to visit the east and observe the implementation of democratic process were brought to an end by the last minute cancellation of its flight at the airport. The Sri Lankan Government needs to pay more attention to the repeated tales of human rights violations. The military is immune from prosecution and over 500 members of the military had been investigated for such abuses. If the government wants to create a sense of security, it should take serious action against these HR violations.

Obama maintains silence on LTTE

Despite his pledge to defeat the Taliban and al Qaeda terrorism in Berlin last week, White House hopeful Senator Barack Obama continues to remain mum on the LTTE, defined as the world's most ruthless terrorist organisation by the FBI. He described the Sri Lankan crisis as the inability of people to accommodate others "who are not like us," and mentioned Sri Lanka as an example, pointing out that war rages even when "everybody there looks exactly the same." After his comment, the Consortium of Sri Lankan Expatriates, in a letter addressed to Senator Obama, urged him to review his stand on Sri Lankan conflict in the name of democracy and fair play. The Nation learnt that the Obama camp has been continuously lobbied by the US-based pro-LTTE supporters during the last few months.

Treasures from the Island of Gems'for SAARC summit

The Sri Lanka National Gem and Jewellery Authority will hold 'Treasures from the Island of Gems,' a special two-day gem exhibition, in connection with the forthcoming SAARC summit in Colombo. Two of Sri Lanka's priceless gem stones – 'Star of Lanka' weighing 393 carats and 'Ray of Treasure' weighing 105 carats – will be displayed at this exhibition which is being held with the cooperation of the Ministry of Foreign Affairs. This is the first time after a very long period, that the two precious stones will be on public display. These two rare gems of

antique value are part of the NGJA's finest collection of gems. 'Ray of Treasure' is an exquisite Chrysoberyl Cat's Eye mined in the gravels of this country. It displays the most desirable qualities of a 'Milk and Honey' effect, good transparency and a well-defined silver ray. While being a nearly flawless specimen, its cut and proportions are excellent. 'Star of Lanka' has the reputation of being the third largest Star Sapphire of similar quality in existence. This splendid phenomenal gem stone is a rich deep blue in colour and has a well-defined six-rayed star. It is another sensational discovery in Sri Lanka's gem mining history.

Government commitment to protect Intellectual Property Rights

Bandula Saman Kumara, owner of Tec Touch International, situated in Yogyana, Dankotuwa, and his associates, Shantha Senarath and Gamini Padmasiri were charged in court under the Intellectual Property Act No. 36 of 2003 for music and software copyright infringement. During the raid, thousands of counterfeit copies of local music, movies, teledramas and business software belonging to members of the Business Software Alliance were seized by the Police. This copyright case conducted by the Colombo Crime Division follows closely behind the recent raids conducted in Colombo against retail outlets which were selling counterfeit business software. Pursuant to a complaint filed by the BSA earlier this year, several shops were raided and hundreds of illegal software belonging to software companies such as Adobe, Autodesk, Corel, Microsoft and Symantec were seized. The raids were led by A.S.P. Nuwan Vedasinghe of the Colombo Crime Division. Within 24 hours, the owners of these outlets were charged and convicted by the Magistrate of Mount Lavinia and were sentenced with a fine of Rs.450,000/- each and 6 months imprisonment suspended for 5 years. Sadly, Sri Lanka is no stranger to the issue of piracy, being ranked as the country with the sixth highest piracy rate in the world at 90%, and the second-highest in the Asia-Pacific region - bringing notoriety and unwanted global attention on the island. In a global software piracy study conducted independently for the BSA by IDC, the information technology (IT) industry's leading global market research and forecasting firm, the high software piracy rate has resulted in US\$86 million in retail revenue losses to the local Sri Lankan software economy.

Doctors up in arms against CEPA

The Government Medical Officers' Association will launch an island-wide protest if the Sri Lankan Government moves to sign the Comprehensive Economic Partnership Agreement (CEPA) with India relating to tele-medicines. GMOA Spokesman told The Nation that they were against the tele-medicine system in the CEPA and that not a single officer of the Health Ministry had seen the draft and its contents. Dr. Gunasekara asserted that the government should have consulted medical expertise if it was signing any document relating to the health sector. Dr. Gunasekara also said that the government should have studied a pilot programme before signing such an agreement, which would affect the entire health sector. He highlighted that the GMOA had already handed over a letter of protest to the Health Ministry, informing it about the island-wide protest against CEPA.

BHUTAN:

POLITICAL:

- **Elections Bill scrapes through Parliament**
- **Govt's own 100-day review**

ECONOMIC:

- **India's credit facility to help Bhutan**
- **Audit-aligned good governance**

Elections Bill scrapes through Parliament

After much deliberations and running between the two houses, the Election Bill of Bhutan was adopted by the joint sitting of parliament with 21 parliamentarians voting against the move. The result startled the parliament, when 21 “no” votes flashed across the digital screens. While the house required 47 votes to win the two-third majority, as demanded by section 4 of Article 13 of the Constitution, only two votes had saved the parliament from declining the much-debated bill. Out of 70 MPs in the parliament, excluding the speaker and one absentee, only 48 voted “yes”. Twenty-one voted “no,” while one had not cast a vote at all. The two houses had discussed the bill about four times. The outcome of the electronic voting was followed by more than an hour’s discussion, where members claimed that the electronic voting was not very appropriate, as the procedure encouraged outcomes that contradicted previous discussions. Some suggested that decisions should be made with general consensus or a different procedure altogether to adopt bills. The parliament had performed a mock voting through electronic devices, during which some of the members had fumbled and made mistakes.

Govt's own 100-day review

On completing 100 days in office, the DPT government held a press conference at the prime minister’s office where the ministers shared the most important achievements, policies and plans in the various sectors. Lyonchhen Jigmi Y Thinley said that, in the 100 days, the achievements were not in terms of material productivity but in the policies to create the environment and facilitate the development process. Of the 100 days, the government spent only 44 days in office, according to the PM, who added that the number got reduced because of the half-day National Assembly sessions and public holidays. The ten ministers informed the media on the five to six most important achievements in their ministries and the challenges facing them. They also briefed the media on future policies and development plans for different sectors. Spending about 56 days at the NA session, the government also enacted seven bills, including the Constitution. Among various other issues discussed, the government assured that the goal of self reliance would be largely fulfilled by the year 2020,

so that Bhutan is not always and perpetually aid-donor-dependent. “One major strategy is to realize the 10,000 MW target by 2020, beyond that we will continue to develop other power plants. The prime minister said that the government is not going to measure in terms of how strong a party they have become but in terms how democracy has flourished in the country.

Audit-aligned good governance

The transition of the country to a democratic constitutional monarchy has provided a strong foothold for the royal audit authority (RAA) to play a greater role in promoting good governance. While aligning RAA’s function with overall constitutional direction and the Audit Act of Bhutan, it will also focus on economic, efficiency and effectiveness in the use of public resources. According to RAA’s head of policy and planning division, Dorji Tenzin, they are preparing realistic annual audit schedules and rationalizing fieldwork. He said that RAA would lessen fieldwork by making use of Information technology. “We’ll start outsourcing auditing jobs and focus on government agencies,” he said. “We’ll also outsource auditing jobs to private firms and reduce frequency of audit for projects.

India's credit facility to help Bhutan

To help meet Bhutan the shortage of Indian currency, New Delhi will grant the Himalayan nation a standby credit of Rs 400 crore. The commitment was made during Prime Minister Jigme Y Thinley's recent four-day visit to India. The Royal Monetary Authority (RMA), the country's central bank, has managed the shortage by borrowing from the State Bank of India (SBI) at an interest rate of 10 per cent. With more than 80 per cent of Bhutan's trade with India alone, the demand for Indian rupee has been steadily rising within the country in tandem with growing disposable incomes and increasing imports. Central bank officials explained that rupee flows in the Bhutanese economy have demonstrated a cynical pattern that revolves around mega projects. At the commissioning of mega projects, the economy experiences a rupee surplus and when such projects, like Chukha and Tala, wind up, the economy faces a shortage.

NEPAL:

POLITICAL:

- **Nepal PM told to cancel visit to regional summit**
- **Nepal President calls on Maoists to form government**
- **Nepal president’s first address to republic**

- **Koirala to represent Nepal at SAARC meet**

SOCIAL:

- **MJF student wing protests in Terai**

ECONOMY:

- **Fuel crisis may deepen**
- **Nepal Oil Corporation to pay Rs.500 million to Indian Oil Corporation**

Nepal PM told to cancel visit to regional summit

Nepal's major political parties demanded that the caretaker prime minister withdraw plans to take part in a regional conference in Sri Lanka. Girija Prasad Koirala, who resigned earlier this month but is continuing as head of a caretaker government, is planning to fly to Colombo for the South Asian Association of Regional Cooperation summit. "It is not right for a prime minister who has already resigned to represent the nation in an important conference like that," said C.P. Gajurel of the Communist Party of Nepal (Maoist), the party of the former communist rebels who have emerged as the largest political entity. Gajurel said the newly elected president should go to the summit instead, even though he holds only a ceremonial position with no executive powers. Bhim Rawal of the Communist Party of Nepal (United Marxist Leninist) also said it asked Koirala to cancel his summit plans. The SAARC summit is regarded as an important event involving heads of government of the eight South Asian nations _ Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAARC requires all member countries to participate or the conference will be postponed.

Nepal President calls on Maoists to form government

President Ram Baran Yadav has called on the Communist Party of Nepal (Maoist) to forge political consensus for the constitution of the Council of Ministers and appointment of the Prime Minister in accordance with Article 38 Clause (1) of the Interim Constitution of Nepal, 2007. The President has given seven days' time for the CPN (Maoist) to forge consensus for that purpose. The move by Yadav will end the political deadlock that has plagued the nation since the abolition of the 240-year-old monarchy. The move comes at a time when the Maoist leaders have started consultations with the leaders of 24 other political parties which have representation in the Constituent Assembly to seek support to form a new government. The CPN (Maoist) is expected to present its common minimum programme seeking response from other political parties. The Maoists have also threatened to launch a protest if caretaker Prime Minister G P Koirala represented the country at the SAARC summit beginning August 2.

Nepal president's first address to republic

Nepal's president Ram Baran Yadav urged the people from different ethnic groups to maintain harmony to build a stronger nation. In his first address to the nation, the president said that all people living in mountainous, hilly and Terai regions of the country are all Nepalis. In fact, Yadav's appeal has come at a time when there has been a growing difference between the people in the hills and the Terai (the southern plains bordering India). During the last four days, there has been a strong and violent anti-Hindi movement in different parts of Nepal after the country's first vice-president Padmanand Jha took his oath in Hindi. Yadav said he would extend complete support and play a coordinating role in the drafting of a new constitution.

Koirala to represent Nepal at SAARC meet

Girija Prasad Koirala will represent Nepal at the 15th SAARC Summit to be held in Colombo on August 2 and 3. Though Koirala resigned as Prime Minister on June 26, he would represent the country as the political parties could not form the new government even after more than three-and-half months of the Constituent Assembly election. The cabinet meeting decided to send a 35-member delegation to the SAARC Summit under Koirala's leadership. The 'caretaker' Prime Minister's daughter Sujata Koirala is also part of the delegations. Interestingly, the Maoists and the Communist Party of Nepal (UML) ministers did not attend the meeting as they have already resigned from the government.

MJF student wing protests in Terai

Madhesi Janadhikar Forum (MJF) affiliated Madhesi Youth Forum (MYF) imposed a bandh or shutdown strike in Bara district to protest vandalism of MJF's Central Secretariat office in Kathmandu by student groups protesting against Vice President taking his oath in Hindi. Due to the strike life in the district headquarter Kalaiya has been thrown out of gear with reports of sporadic protests. Reports also said that educational institutions, factories and businesses in the main part of the city were forced to remain shut while vehicles mostly stayed off the road. The protests had spread over to Kanchanpur, Nawalparasi and Siraha districts also with their supporters and MYF cadres taking our rallies in support of VP Jha, burning government vehicles and obstructing vehicle movement. The most intense protest were seen in southern Industrial town of Birgunj in Parsa district where protestors resorted to vandalism, smashing vehicles and

shops. They staged demonstration supporting VP Jha and denounced attack on the MJF central office. There were also reports of irked protestors torching Dhaka topi and Nepali novel as well. MJF has warned it will step up protest if the ongoing agitation against VP Jha is not called off immediately.

Fuel crisis may deepen

The Nepal Oil Corporation (NOC) has warned that the fuel crisis in the country might further deepen as its fuel stock is depleting very fast. The state-owned distributor of petroleum products, which has already curtailed petroleum supplies citing shortfall in imports, said that the current stock of petrol is just enough to support two day's demand. NOC officials told local newspapers that the problem arose because it has not been able to pay for adequate imports. They said that its Indian supplier (Indian Oil Corporation) has now reduced supply to 1,000 Kiloliters a day, which is a third of the country's daily demand. According to NOC, it has to pay Rs 5.44 billion to IOC in outstanding dues just to resume normal supplies.

Nepal Oil Corporation to pay Rs.500 million to Indian Oil Corporation

Out of the Rs.one billion to be paid as per the previous announcement, the state-owned Nepal Oil Corporation is set to pay 50 per cent to the Indian Oil Corporation. The remaining fifty percent of the amount would be submitted by the first week of August. Currently, only 25 percent of the total demand for 83,000 kilo liters of fuel is being bought in the country. The Nepal Oil Corporation has already paid about Rs. 1 billion 760 million in installments in July this year. Fuel supply has been compromised owing to the Nepal Oil Corporation delivering less quantity of petroleum products.

Maldives:

POLITICAL:

- **Gayoom checkmates critics; To ratify new Constitution on August 7**
- **Shahid sounds tough; Says Maldives not "colony" to bow down to external pressure**
- **Maldives attends NAM meeting in Iran**
- **Ratification by end July needed for free & fair election – Alliance**
- **Yamin elected as PA's leader**
- **EU statement, ill informed – Ministry**

SOCIAL:

- **Islands report food shortage**
- **Maldives celebrates Independence Day**

- **Drug Abuse Start with Heroin Only In Maldives**

ECONOMY:

- **Biggest ever boost to make housing affordable in Maldives**

Gayoom checkmates critics; to ratify new Constitution on August 7

Says no undue delay; Draft to be sent back to Special Majlis speaker as formality for minor editorial corrections; Work on independent institutions being attended to in parallel President Maumoon Abdul Gayoom today declared that he would ratify the new Constitution on August 7. The announcement made at a press conference puts an end to unfounded speculation and allegations from the Opposition that President would either delay ratification or hold elections under the old Constitution. The passage of the new Constitution in the Special Majlis took 3 years and 11 months before it was finally passed on June 26, 2008. President Gayoom also noted that he has sent a letter to Special Majlis Speaker Qasim Ibrahim for few editorial errors in the Constitution for correction and to inform the members. However the President assured that the ratification of the Constitution will take place with or without the passage of those editorial errors in response to queries if ratification will be delayed in the event those errors were not addressed. Gayoom said it has been only 27 days to date since he got the new Constitution from the Special Majlis. The President also said that, in the process to ratification, he has completed major seven tasks, which included identifying the changes that will come to the work of various government agencies, taking legal advice of the Attorney General and seeking the views of Cabinet Members. In his address to the nation on Independence Day, the President also reminded the people that ratification wasn't a mere ceremony but a massive national responsibility.

Shahid sounds tough; Says Maldives not "colony" to bow down to external pressure

Taking a tough stand Foreign Minister Abdullah Shahid said Maldives was not a "colony" to unnecessarily bow down to international pressure. Maldives is a sovereign state, with its own flag and identity. We are not a colony to bow down to international pressure. The Foreign Minister's comments came at the same news conference where President Gayoom announced his landmark decision on the date of the ratification of the new Constitution.

Maldives attends NAM meeting in Iran

The Maldives is taking part in the 15th meeting of the Non-Aligned Movement (NAM)

foreign ministers meeting being held in Tehran, Iran from July 27-30. The country's delegation is led by Ahmed Khaleel, Permanent Representative to the United Nations and Athaulla Ahmed Rasheed, Director at the Ministry of Foreign Affairs. The Maldives will discuss matters relating to United Nations reform, development (LDC graduation), national reform initiatives, climate change and human rights at the Ministerial meeting theme of which is 'Solidarity for Peace, Justice and Friendship.' Foreign Ministry said the Maldives remains committed to further strengthening efforts by the NAM and the promotion of international peace and security with respect to the national sovereignty and the integrity of its members. The 15th Ministerial Conference will focus on numerous issues including terrorism, reform, expansion of the UN Security Council, disarmament, peaceful settlement of disputes, self-determination, human rights and the global economic situation and food security. The 118 member states of the NAM, 15 observer members, and eight international and regional organizations will be attending the meeting.

Ratification by end July needed for free & fair election – Alliance

The chances of having a free and fair presidential election before the 10 of October will be greatly diminished if President Gayoom fails to ratify the newly adopted constitution by the end of this month, the Alliance of the opposition, National Unity Alliance (NAU) has said. Mohamed Nasheed (Anni) presidential candidate of the largest opposition party, Maldivian Democratic Party (MDP) speaking at a news conference by the Alliance said that it is vital to get the constitution ratified before the end of this month.

Yamin elected as PA's leader

People's Alliance (PA) at its inaugural has elected its president and other senior officials. Abdulla Yamin, the only candidate to compete for the party presidency, was elected as the President. Yamin was elected as the party's president with 404 votes out of 413 members in attendance. Two candidates contested for the position of the party's Vice Leadership and Moosa Zameer of Nivaidhashuge / Burunee of Thaa atoll was elected as the Vice President. He was elected with the support of some 301 members out of the 413 in attendance. The election of 7 members to the executive council was also held. In addition party logo, party colors, party insignia and flag as well as party's governing procedures were also endorsed by members. Speaking at the inaugural meeting Yamin said PA will work to solve the economic crisis facing the country and also will

work to create job opportunities for the youth. Abdulla Yamin is an experienced politician and has served the government as trade and economic developments minister as well as higher education and employment minister.

EU statement, ill informed – Ministry

Foreign Ministry has issued to a statement stating that news release issued by European Commission Delegation in Colombo on the 25 th of this month is not based on accurate information. According to Foreign Ministry's statement the EU's press release came as a surprise to the government. Ministry said EU was a long-standing and trusted partner throughout the evolution of the Government's Democratic and Human Rights Reform Agenda. The relationship between the government and the EU is based on dialogue and cooperation; and that this cooperation has made a key contribution to the major democratic strides made by the country over the past four years. Ministry said that the government is disappointed that the EC Delegation in Colombo has decided to make an ill-informed and ill-judged public intervention at such a crucial and sensitive juncture in the reform process. Foreign ministry's statement declared that the government fully understood the urgent need to ratify the new constitution in order to pave the way for the country's first multiparty presidential elections later this year. The EU delegation in Colombo, on the 25 th of this issued a press release expressing great concern over the delays in establishing independent institutions needed to guarantee free and fair elections. EU release expressed called on the government to ratify the constitution to ensure elections are held in a timely, transparent and credible manner. Further EU noted that the government had repeatedly given assurances that the forthcoming elections would go ahead as scheduled. EU while expressing concern over the delays in the ratification also stated that it was ready to provide assistance and support required to establish these institutions. Further EU urged all parties to work together to establish the preconditions for free and fair elections, including on issues of voter awareness and fair media access for all the candidates.

HRCM issues report on Maafushi Center

Human Rights Commission of Maldives (HRCM) has issued a report following a monitoring visit to the Education and Training Center for Children in the island of Maafushi in Kaafu atoll, on 28 July 2008. According to HRCM, the purpose of this visit was to assess the general condition of the institute and also to review the extent to which the recommendations proposed by this commission have been implemented subsequent to its initial visit to the center on 1 April 2004. The condition of ETCC was found to be generally good and the education provided at the school seemed to be rather prolific and as a result some children who were educated and trained at the institute have been employed at various establishments, HRCM said in the report. HRCM informed that concerned authorities have been notified of the commission's recommendations and hoped for a speedy rectification of the issues noted. The commission believes this is obligatory for the development and enhancement of the services and conditions of ETCC.

Drug Abuse Start with Heroin Only In Maldives

The only country that illegal drug abusers begin with heroin is Maldives, says the Representative for South Asia, Garry Lewis of United Nations Office on Drugs and Crime (UNODC). He said that in his career in the field working in other nations the Republic of Maldives is the only country he had known where drug abusers start the habit with powerful illicit narcotic, heroin. According to Lewis the drug abusers in other countries start the habit some other kind of hallucinating product and then after getting addicted to it but here in Maldives he saw was kicking the habit at the first stage was the strong illicit heroin. He said that it is a bigger problem and also a concern. It is a huge concern that an expert on illegal trafficking and abuse of narcotic drugs stating his concern on the drug abuse in the country. He has worked internationally and also assessed potential dangers of the trade and abuse in drug havens. According to statistical reports and findings in Maldives the drug abusers here in Maldives use two types of narcotics. They are said to be cannabis and heroin and the common abusive drug was said to have a mixture or an additive with heroin. The street name for the so called drug is "brown sugar". The drug watch dog, the Narcotics Control Board in the Maldives says there is a huge market in the Maldives and approximately a MRF. 2 m is also traded in the Maldives every day. And the official figure of abusers reach up to 12,000. A Drug control master plan was launched in 22nd March this year and technical assistance is provided by UNODC.

Islands report food shortage

Island offices have reported shortage of food items due to difficulties in arranging transport to the islands resulting from severe weather conditions prevalent over the country. Maavaidhoo Island Chief Hussain Mohamed informed that most of the shops in the island have exhausted their stock of staple foods. He said rough seas and heavy rains are preventing usual travel of cargo ships and dhonis from Male'. Island office of Kumundhoo of the same atoll informs that they are too facing food shortage due to severe weather conditions and stock of staple foods from most shops are nearly empty. Atolls ministry speaking on the matter informed that so far only one island have reported shortage of staple food. Ministry also said they were constantly reviewing the matter and is in touch with atoll and island offices. Ministry also informed that in previous years islands have faced similar situations due to severe weather and that the ministry was monitoring the situation.

Maldives celebrates Independence Day

The Maldives will celebrate its 43rd anniversary of its independence from the British on Saturday. In a scaled down ceremony as part of the Government's austerity measures, it was decided to hold this year's Independence Day celebrations except the official reception hosted by the President and the First Lady. Independence Day reception is the country's biggest ceremony that President Gayoom has been hosting annually at Dharubaaruge with leading politicians and foreign diplomats. However, the reception was cancelled as part of cutting down on Government expenses, in the backdrop of a global economic crisis. The British occupied Gan, in the southernmost addu atoll as a wartime airfield until the Maldives gained independence from the United Kingdom on July 26, 1965.

Biggest ever boost to make housing affordable in Maldives

The effort to make housing affordable and safe in the Maldives has got the biggest ever boost thanks to a massive US\$ 28 million initiative by multilateral donors and a specialist regional institution. The Asian Development Bank (ADB), the International Finance Corp. (IFC), and HDFC Investments Ltd. of India are investing in Maldives to help reduce the country's severe housing shortage. The investment, comprising an equity and loan component, will enable privatization of the government-owned housing finance institution, Housing Development Finance Corporation Plc, Maldives (HDFC-M) and transform it into a commercially viable, private sector led company, the ADB said. The total equity component is \$12.75 million, wherein ADB and IFC, a member of the World Bank group, will each invest \$4.5 million and HDFC Investments Limited will invest \$3.75 million. ADB will also be providing a senior term loan of \$7.5 million. IFC has received board approval to provide a senior term loan in the same amount. HDFC, India with over 30 years of expertise in mortgage financing will provide technical assistance to HDFC-M. There is an urgent need for housing in Maldives. The country also faces a growing population and pressure on the limited land resources. HDFC-M was established by the government in 2004 to provide long-term mortgage financing. IFC has helped the Maldives Monetary Authority set up the country's first leasing company and is in the process of helping to set up a credit information bureau. Renu Sud Karnad, Joint Managing Director of HDFC, India said: "It is HDFC, India's privilege to bring our expertise of over 30 years in mortgage finance to Maldives. With this cooperation, HDFC has now provided consultancy services and technical assistance in housing finance to all countries of the SAARC region.

Myanmar:

POLITICAL:

- **UN humanitarian chief meets Myanmar PM**
- **US threatens punitive 'measures' if Myanmar rejects UN demands**
- **Bush signs sanctions against Myanmar into law**

SOCIAL:

- **Mass overseas infection of dengue fever recorded**
- **Females hit worst by Cyclone**

ECONOMIC:

- **UN envoy says aid getting to Burma's cyclone victims**
- [700,000 Myanmar children need long-term aid: UNICEF](#)
- **UN says Myanmar government has been stealing aid**
- **Bulk of \$34m for Myanmar, China aid yet to be spent**
- **US Congress renews Myanmar import ban legislation**
- **Activists accuse insurers on Burma**

UN humanitarian chief meets Myanmar PM

Visiting United Nations Humanitarian Chief John Holmes met with Myanmar Prime Minister General Thein Sein in the new capital of Nay Pyi Taw. No details were disclosed so far by both sides about their second meeting since the cyclone onslaught in early May. Arriving on Tuesday for a three-day visit, Holmes, who is Under Secretary-General for UN Humanitarian Affairs and Emergency Relief Coordinator, toured some villages in Bogalay and Dedaye of cyclone-worst-hit Ayeyawaddy delta region and viewed relief and rehabilitation works in the areas. Besides meeting with Myanmar Deputy Foreign Minister U Kyaw Thu, who is also Chairman of the ASEAN-Myanmar-UN Tripartite Core Group representing Myanmar, Holmes also met with aid workers and donors in Yangon. Holmes's trip, which was aimed at looking into Myanmar's post-disaster relief and resettlement efforts, came a day after the simultaneous release at Singapore ASEAN Ministerial Meeting and Yangon of a Post-Nargis Joint Assessment (PONJA) Report on the impact of the Myanmar cyclone compiled by the Association of Southeast Asian Nations, Myanmar and the United Nations. The report estimated the total damage and losses at over 4

billion U.S. dollars, stressing that the preliminary recovery needs will be at over 1 billion dollars over the next three years.

US threatens punitive 'measures' if Myanmar rejects UN demands

The United States said that it would seek to impose "stronger measures" if Myanmar's military regime continues to refuse to implement democratic reforms and release political prisoners, including opposition leader Aung San Suu Kyi. US Ambassador Zalmay Khalilzad said following a UN Security Council meeting that UN special envoy for Myanmar Ibrahim Gambari must bring back "concrete results" from his scheduled mid-August visit to Myanmar. "If they don't cooperate in a time-bound negotiation on the issue of the release of political prisoners, and if they try to buy time with the visit of Gambari, then there will be Security Council's focus on this issue.

Bush signs sanctions against Myanmar into law

President George W. Bush renewed a ban on imports from military-ruled Myanmar and also signed a new law that aims to keep Myanmar's gems from entering US markets via third-party countries. "On the Burmese regime, our message is: the United States believes in democracy and freedom," Bush said during a White House ceremony in which he signed the two laws. The Burmese Freedom and Democracy Act, referring to Myanmar's former name, renews a sanctions regime imposed since 2003 over the suppression of opposition leader Aung San Suu Kyi's democracy movement. Bush also signed a new sanctions regime aimed at stopping gems including jade and rubies from entering the United States via third nations such as Thailand, China, Taiwan, Malaysia and Singapore. The so-called Tom Lantos Block Burmese JADE Act will deprive its ruling junta of hundreds of millions of dollars in annual revenue. The gems trade is one of the most lucrative sources of profit for the military rulers, accused of blatant human rights abuses and stifling democratic opposition. The bill also makes the generals and their families ineligible for visas to the United States and enhances existing financial sanctions against the regime.

Mass overseas infection of dengue fever recorded

Ten members of a Taiwan religious group have been infected with dengue fever while taking part in volunteer relief efforts in Myanmar in the aftermath of Cyclone Nargis,

marking the first case of mass overseas dengue fever infections to be recorded in Taiwan in recent years. A subsequent investigation conducted by health authorities found that she and 10 other members of her group had visited Myanmar to help with the aftermath of the disaster, and that 10 of the 11-member mission had been infected with the disease in Myanmar and had already fallen ill while in the Southeast Asian country, Shih said. The patients were aged between 48 and 87 and come from Taipei County.

Females hit worst by Cyclone

Nearly three months after the powerful Cyclone Nargis tore through Burma's Irrawaddy Delta, it has emerged that the majority of those who died in the devastated area were women. Sixty one percent of those who died were female, reveals the Post-Nargis Joint Assessment (PONJA), a report released by the tripartite group set up to respond to the humanitarian crisis in military-ruled Burma, or Myanmar. "In some severely affected villages, twice as many women aged 18-60 died as men," the report said. The same pattern was also evident in the deaths of children in the 5-12 age group and the among the children below five years, where there was a noticeably higher number of young girls who died when Nargis struck than young boys, adds the 187-page report, released last week. But this report stuck to the official death toll that was released in the weeks after Nargis struck on the night of May 3. "The official death toll stood at 84,537 with 53,836 people still missing and 19,359 injured," it notes. "Assessment data shows that some 2.4 million people were severely affected by the cyclone, out of an estimated 7.35 million people living in the affected townships." Yet other estimates have put the human toll much higher, with possibly close to 300,000 people being killed and some 5.5 million people affected. The report also shed light on the economic and social cost of the natural disaster. "Nargis struck just as the Delta's paddy farmers were at the very last stage of harvesting the so-called 'dry season' crop, which accounts for about 25 percent of the annual (rice) productions in the affected area, and destroyed several rice warehouses and their stocks," it reveals. "A million acres of farmland were inundated with seawater, causing serious death and destruction to humans, livestock, farm animals, infrastructure, and means of production and livelihoods.

UN envoy says aid getting to Burma's cyclone victims

The United Nation's humanitarian envoy John Holmes says aid money for Burma in the wake of Cyclone Nargis is going to those in needs. Mr Holmes has just returned from a visit to the isolated nation. Total spending on relief is expected to reach \$500 million, while the rebuilding effort will total about \$1 billion. Mr Holmes says independent monitoring is being done through agencies working on the ground and the diplomatic missions inside the isolated nation. He says he saw great improvements since his last visit almost two months ago. But he says people in the remotest areas are still in need of basic supplies.

[700,000 Myanmar children need long-term aid: UNICEF](#)

Around 700,000 children are in need of long-term aid in Myanmar due to the devastating effects of May's Cyclone Nargis, the United Nations Children's Fund (UNICEF). The agency has launched an appeal for just over 90 million dollars (just under 60 million euros) it needs for operations through to April 2009. The United Nations and the Association of Southeast Asian Nations (ASEAN) have estimated that it will cost about one billion dollars in total to rebuild Myanmar after the cyclone left more than 138,000 people dead or missing and over two million survivors in need of aid. In the crucial days after the cyclone hit, Myanmar's notoriously secretive leadership blocked access for foreign relief workers, raising fears thousands more people would die after being denied life-saving aid.

UN says Myanmar government has been stealing aid

The UN has admitted that nearly US\$10 million of the aid meant for the survivors of Cyclone Nargis in Myanmar has been skimmed off by the ruling junta. In a well-planned cash scam, which is still running, the military regime of the country has insisted the UN aid agencies buy the local currency, the kyat, at a higher rate from banks run by the government. The UN has spent US\$200 million on aid to Myanmar since the cyclone struck.

Bulk of \$34m for Myanmar, China aid yet to be spent

SINGAPOREANS have given almost \$34 million to aid agencies to help survivors of Myanmar's Cyclone Nargis and the Sichuan earthquake, but the lion's share of the amount has yet to be spent. The Singapore Red Cross, which received the bulk of the donations at \$32 million, has spent 25 per cent of the money raised for Myanmar. For China, the tally was about 11 per cent. In Myanmar, it is finalising plans to reconstruct two villages that include homes, a clinic, schools, a community hall and even a cyclone shelter. The projects will cost about \$1.3 million. In the almost three months since the two natural disasters, the Singapore Red Cross and another local humanitarian organisation, Mercy Relief, have poured over \$5 million into Myanmar and China. Most went to food, medicine, tents and water. In later stages of the missions, the money had gone to building shelters for survivors, rebuilding schools and installing water treatment plants, among other things. Mercy Relief has managed to spend a large portion of the money it raised. Of the \$560,000 it raised for Myanmar relief, it has spent \$435,000, or 78 per cent. Of the \$1.1 million it raised for China, 95 per cent, or \$1.05 million, has been used. It gave the figures at the opening of its new office at the void deck of an HDB block in Toa Payoh, Lorong 1. A spokesman said staff would continue to visit China to see how else they could help. The remaining monies for Myanmar would be used for 'future medical relief and reconstruction', the spokesman said. The China Embassy here has also received donations of more than \$20 million from Singaporeans to date.

US Congress renews Myanmar import ban legislation

The US Congress has voted to renew a legislation banning all imports from military-ruled Myanmar and sent it for President George W. Bush's signature. The Burmese Freedom and Democracy Act was passed by the House of Representatives and by the Senate renewing a sanctions regime imposed since 2003 over the suppression of opposition leader Aung San Suu Kyi's democracy movement. The legislation maintains sanctions on the ruling military generals until the regime makes fundamental changes, including steps toward reconciliation and democratization, an end to attacks on ethnic minorities and the release of all "prisoners of conscience."

Activists accuse insurers on Burma

Activists pressing for an end to military rule in Burma are accusing global insurance groups of "underwriting" the Burmese junta by directly and indirectly insuring businesses that provide a cash lifeline for the generals. In a new report titled "Insuring Repression", the Burma Campaign UK urges global insurance companies, including Lloyd's of London and Japan's Tokio Marine, to pledge to stop underwriting policies issued by state-owned Myanma Insurance, the monopoly provider of insurance policies in Burma. The report says global insurers have facilitated businesses such as airlines, natural gas pipelines, and ports and shipping services, which provide cash revenues to the regime. It claims three members of Lloyd's have previously helped insure an aircraft carrier.

Business and Politics in Muslim World

India

2nd August to 8th August 2008

Sadia Khanum

Presentation: August 8, 2008

Political front:

- Sonia seeks BJP's cooperation
- Controlling inflation highest priority, says Sonia
- I regret killing of Rajiv Gandhi, says Nalini
- PM to meet top political leaders today
- National interest betrayed, says Buddhadeb
- BJP demands "corrective measures" on land issue

Domestic situation:

- Stampede near Naina Devi temple claims 146 lives
- Four killed in Kolkata blast
- Pravin Togadia wants ban on madrassas and enactment of law stronger than POTA to fight terrorism
- ISI agent arrested in Patiala
- Gujarat Police claim first breakthrough in blasts case
- Probe dead-end?
- 350 ULFA cadres active in Assam, says top army official
- Nod for admissions under Muslim quota
- Free SIMI dangerous'
- Thirty two militants surrender in Assam

- North Chhotanagpur bandh peaceful

Economic Front:

- Inflation crosses 12%
- MF assets fall more than 6%
- Markets extend weekly gains despite RBI's hawkish policy
- Indian crops at risk from slow monsoon start
- UK is top destination for Indian acquisitions
- Blame US for WTO impasse'
- Japan interest boosts Delhi-Mumbai corridor
- India among world's top automakers
- Government rules out fuel price cut

Geo-strategic developments:

- India nuclear inspection plan backed
- IAF gets advanced radar system

Indo-US ties:

- US says China, India put trade talks in jeopardy
- US fast-tracks nuclear deal

Kashmir

- Curfew continues, more troops sought for Jammu
- Don't flee Jammu, Geelani asks Muslims
- Valley traders to snap ties with Jammu counterparts
- Shutdown in valley
- Army opens fire in Kathua, one killed
- Vohra appoints panel to end Jammu stalemate
- BJP puts three demands before govt on Amarnath row
- Curfew in Poonch following incidents of violence

Social front

- Briton opposes Indian rapist bail
- Dalit activists stage rally demanding women's rights
- "MDGs hinge on India, China child health care"
- Abortion law needs review, say doctors
- Malnutrition getting worse in India
- India's HIV testing best, says study
- Mahavira bas-relief tells a story
- SC notice to Centre on pollution in Ganga

Foreign Relations

- Radio station in U.S. strives to reunite Indians, Pakistanis
- India yet to be recognised as a nuke power: Russia
- Pak does it again, fires at Indian troops from across LoC
- End terrorist activities, Manmohan tells Pakistan
- Manmohan to meet Pak PM even as relations dip
- Afghan president reaches India to strengthen ties
- India announces more Afghan aid
- China thanks India for backing its efforts

Political front:

Sonia seeks BJP's cooperation

Congress president Sonia Gandhi spoke to Bharatiya Janata Party president Rajnath Singh on Sunday seeking his party's cooperation in controlling the ongoing agitation in Jammu. Ms. Gandhi is understood to have explained to Mr. Singh that the situation in Jammu was 'delicate' and the Congress was looking forward to the BJP for resolving the issue peacefully.

Controlling inflation highest priority, says Sonia

Congress president Sonia Gandhi has said that "With the nuclear deal on path," controlling inflation was the highest priority of the government. "The government can now concentrate single-handedly on ensuring that the inflation rate [that touched 11.98 per cent] was brought down," she said, adding that Prime Minister was personally monitoring the situation. Ms. Gandhi cautioned party workers against becoming complacent following the government's victory in the trust vote. Increase in international prices of crude oil and other commodities had an impact on the domestic prices of essential commodities.

I regret killing of Rajiv Gandhi, says Nalini

Nalini Sriharan, serving a life sentence for her involvement in the assassination of Rajiv Gandhi, has said she "regretted" the killing of the former Prime Minister and claimed that the real conspirators had not been booked yet. Calling Rajiv Gandhi a "great leader" and a "loss" to the country, Nalini, the lone surviving member of the five-member squad behind the killing, said "I regret the assassination of Rajiv Gandhi." Dhanu, a suicide bomber, had carried out the attack at Sriperumbudur in Tamil Nadu on the fateful night of May 21, 1991 killing Rajiv Gandhi and 15 others on the spot. Dhanu perished in the bomb attack.

PM to meet top political leaders on Wednesday

As violence continued unabated in Jammu as well as Kashmir valley, Prime Minister Manmohan Singh will meet top leaders of political parties in New Delhi on Wednesday to discuss measures

to calm the situation in the state and seek a consensus on how to end the impasse. The Centre decided to rope in all the parties to find a consensus to the problem that emerged over the land allocation to Sri Amarnath Shrine Board, a body overlooking the conduct of pilgrimage to the Holy cave shrine. Congress President Sonia Gandhi, BJP chief Rajnath Singh and top leaders of Left parties' leaders are expected to attend the meeting.

National interest betrayed, says Buddhadeb

The United Progressive Alliance government has betrayed the national interest by going in for the India-United States nuclear deal that should not be viewed in isolation but as part of an overall strategic alliance with the U.S. that includes a defence framework agreement, Chief Minister Buddhadeb Bhattacharjee said

BJP demands "corrective measures" on land issue

Leader of the Opposition L.K. Advani is understood to have told Prime Minister Manmohan Singh and Congress president Sonia Gandhi that it was for the Centre to initiate "corrective measures" to help cool the protests in Jammu on the issue of land for the Amarnath Shrine Board.

Domestic situation:

Stampede near Naina Devi temple claims 146 lives

A stampede on a slender trail leading to the famous hilltop Naina Devi temple in Bilaspur district of Himachal Pradesh on Sunday killed 146 people, mainly women and children, and injured about 230. Naina Devi, a key shrine of the temple tourist circuit of the hill State, is about 165 km from the State capital and is very popular among the people from neighbouring Punjab and the lower plains of Himachal. According to officials, rumours of a landslip uphill triggered the stampede as terrified people started running down. More than 5000 devotees were on their way to the temple, situated at a height of about 4000 metres, at the time of the incident. Since this was an auspicious time of the year, the rush was more, said a temple official.

Four killed in Kolkata blast

Four persons were killed and six injured, some of them seriously, in an explosion in a slum beside the Hooghly near the Sarbomangala ghat in the city's North Port thana area on Sunday. The incident was "not an act of terrorists" according to preliminary investigations, J. Shamim, Deputy Commissioner, Detective Department (I), Kolkata Police, said. The source of the explosion was being ascertained though initial reports suggested that it could have been a shell, the police said. The Commissioner of Police, with the bomb disposal squad and other officials, visited the spot.

Pravin Togadia wants ban on madrassas and enactment of law stronger than POTA to fight terrorism

Vishwa Hindu Parishad international general secretary Pravin Togadia has demanded a ban on madrassas and the enactment of a law “stronger than” the repealed Prevention of Terrorism Act (POTA) to fight terrorism. Mr. Togadia claimed that madrassas bred terrorism and must be banned immediately. He said the police dealing with the “jehadis” should be given a free hand to deal with them. He wanted the Central government to follow the British pattern of enacting a special law which gave death penalty to anyone for professing, propagating and practicing “jihad.”

ISI agent arrested in Patiala

The Jagroan police, on Saturday, arrested a Pakistani Inter-Services Intelligence (ISI) agent who was staying in Patiala under a fake identity. Shahid Iqbal, who hails from Lahore, was trying for a maintenance contract of computers used by the Army at Patiala cantonment.

Gujarat Police claim first breakthrough in blasts case

The Detection of Crime Branch (DCB) of the city police has achieved its first major breakthrough in the July 26 serial blasts, which confirms involvement of local operatives. Investigations by the police and forensic officials has established that the liquefied petroleum gas (LPG) cylinders used in the blast at the Civil Hospital, which claimed the maximum number of lives in all the 23 blasts, were bought from a local supplier in Kalupur area. The supplying agency has been identified as Bhamani Enterprises and the owner is being interrogated.

Probe dead-end?

Despite grueling interrogation, activists of the Students’ Islamic Movement of India, arrested in March for their ‘role’ in a slew of bombings, have revealed nothing that implicates or links them to terror outfits like the Lashkar-e-Toiba, police told HT. This raises questions about how justified the government and intelligence agencies are in repeatedly linking this group to various terrorist acts. Even when subjected to the debilitating, and some say draconian, narco-analysis tests — during which suspects are given an injection that renders them semi-conscious — the activists maintained that they had nothing to do with the bomb blasts, a senior police officer told

350 ULFA cadres active in Assam, says top army official

About 350 ULFA cadres and some fundamentalists are active in Assam and they are now using improvised explosive devices (IED), a senior army official said. To queries about fresh recruitments by the banned ULFA, Jamwal, also the Anti-Insurgency Unified Command Structure

Commander, said "I believe they are endeavouring to carry out recruitment in upper Assam." Asked about the activities of the underground Muslim United Liberation Tigers of Assam (MULTA), the general said, "in lower Assam some fundamentalists are getting activated. We have recovered explosives, specially IEDs and there may be a transition from the normal threats of the terrorists to employ IEDs".

Nod for admissions under Muslim quota

The Supreme Court on Tuesday allowed the Andhra Pradesh government to admit students under the 4 per cent Muslim quota law in engineering, medical and other courses for 2008-2009.

Free SIMI dangerous'

The ban on the Students Islamic Movement of India (SIMI) would continue for now as the Supreme Court on Wednesday stayed a designated tribunal's order quashing the centre's notification proscribing it under the Unlawful Activities (Prevention) Act, 1967. A bench headed by the Chief Justice of India, K.G. Balakrishnan, stayed the August 5 order of the tribunal after Additional Solicitor General Gopal Subramaniam contended that it would lead to "serious consequences" if SIMI was allowed to operate freely. The court also issued notice to SIMI and posted the matter for hearing after three weeks.

Thirty two militants surrender in Assam

As many as 32 militants belonging to different outfits on Monday surrendered before the army with huge quantities of arms and ammunition in Upper Assam's Dibrugarh district. The militants surrendered at the Dinjan army camp before senior army and district officials. Among them, fifteen, including a woman cadre, are from United Liberation Front of Assom (ULFA), four from National Socialist Council of Nagaland-Isac Muivah (NSCN-IM), three each from National Socialist Council of Nagaland-Khaplang (NSCN-K) and Karbi Longri National Liberation Front (KLNLF), five from Adivasi National Liberation Army (ANLA) and one each from National Democratic Front of Bodoland (NDFB) and Dima Halam Daoga (DHD), official source said.

North Chhotanagpur bandh peaceful

Barring a few stray incidents, the 24-hour bandh in North Chhotanagpur, called by the Maoists on Thursday, to protest the killing of three of its cadre in an encounter in the district last week, was largely peaceful.

Economic Front:

Inflation crosses 12%

The rate of inflation breached the psychological barrier of 12 per cent for the week ended July 26, mainly on account of higher prices of certain edibles such as pulses, spices, eggs, fish and meat and some manufactured products. However, even as the wholesale price index (WPI)-based inflation peaked to a new high of 12.01 per cent — the highest level in over 13 years — from 11.98 per cent a week earlier.

MF assets fall more than 6%

For the second consecutive month, the mutual fund industry witnessed a fall of more than 6 per cent in its assets under management (AUM). As per data released by the Association of Mutual Funds in India (AMFI) on Saturday, the average AUM for the industry fell by 6.3 per cent or Rs 35,494 crore in July to reach Rs 5,30,519 crore. Over the past two months as many as 11 fund houses lost their AUM by more than 15 per cent, while the industry has lost more than Rs 70,000 crore or 11.8 per cent in the same period. “The fall is not on account of the stock market,” said Ajay Bagga, CEO, Lotus India AMC (asset management company). “It’s the debt and liquid funds that have lost. As the bank’s liquidity is drying up, around Rs 50,000 crore to Rs 60,000 crore has gone out of the system.” The three biggest losers during the month were Principal, ING and TATA that lost 14 per cent or more during the month.

Markets extend weekly gains despite RBI's hawkish policy

The markets showed greater resilience despite the Reserve Bank's hawkish monetary policy and extended their weekly winning streak as the benchmark Sensex added 382 points to its kitty in the week under review. The markets remained volatile throughout because of the expiry of Futures contract at the month-end. In the week ended August 2, the 30-share index of the Bombay Stock Exchange settled at a seven-week high of 14,656.69 points, a net rise of 381.75 points, or 2.67 per cent, from its previous weekend's close. Similarly, the broader 50-share Nifty of the National Stock Exchange gained 101.70 points, or 2.36 per cent, to close the week at 4,413.55 points from its last week's close.

According to analysts, the markets drew support largely from high expectations that the reform process would get a boost following a statement by Finance Minister P Chidambaram the government would reach out to all political parties to seek support for bills on economic reforms. Investor morale was also uplifted as the government on Friday introduced norms for 3G mobile services, an indication of its willingness to put reforms on a fast track.

Indian crops at risk from slow monsoon start

India is on tenterhooks as a weak start to the annual monsoon rains in the agriculturally crucial western states threatens to disrupt crops, potentially driving up food prices at a time when

inflation is already high. As of last Wednesday, rainfall from the monsoon, which starts in June and ends in September, was 8 per cent below normal nationwide but up to 38 per cent lower in some western states, such as Maharashtra, whose capital is Mumbai. The monsoon is the lifeline of the drier western states, some of which receive nearly all of their rainfall during this period. Although rain began falling in some parts of the western states this week the slow start to the season has already affected the sowing of crucial crops including rice, cotton, oilseeds - such as sunflower and sesame seeds, and pulses - the beans, lentils and chickpeas used to make dhal, one of India's staple dishes.

UK is top destination for Indian acquisitions

Indian businesses are spending more on buying companies in the UK than in any other country, with acquisitions totalling £1.52bn (\$3bn) in the first half of the year. A report from Grant Thornton accountants on Monday says Britain has become the number one destination for offshore acquisitions by Indian companies, in spite of gloomy economic conditions.

Blame US for WTO impasse'

India on Thursday accused the United States of giving primacy to "commercial interests" over livelihood of billions of poor people that led to the breakdown of the latest round of multilateral trade negotiations under the World Trade Organisation (WTO). While the Special Products are designed to allow developing countries to impose higher duties on their vulnerable products, especially those affecting the livelihoods of subsistence farmers and affecting the food security of a nation, SSM is designed to protect farmers from sudden import surges and price dips by applying an additional safeguard duty over and above the bound rate.

The trade talks held in Geneva collapsed on Tuesday after India and other developing countries insisted that there should be enough scope to protect subsistence farmers and small industries from being submerged by a flood of cheap imports from the US and the EU.

Japan interest boosts Delhi-Mumbai corridor

Japan has indicated that it would extend extensive support for the ambitious Delhi-Mumbai Industrial Corridor (DMIC), according to government officials. The project, as well as another flagship infrastructure project, the Delhi-Mumbai Dedicated Freight Corridor, was extensively discussed at the second India-Japan Strategic Dialogue on Economic Issues held in Tokyo this week, they said. The 1,483-km DMIC would include six mega investment regions of 200 square kilometres each, and will run through seven states—Delhi, Uttar Pradesh, Haryana, Rajasthan, Gujarat and Maharashtra. It would be built along the proposed Delhi-Mumbai dedicated rail freight corridor. The DMIC would have six specifically delineated investment regions planned for manufacturing facilities for domestic and export-led production, along with associated services and infrastructure.

India among world's top automakers

With the boom in the domestic auto industry in recent years, India has found a place among the world's top 15 automakers and has been ranked fourth in the list of automobile manufacturers in the leading developing countries' category. According to United Nations Industrial Development Organization's (UNIDO) 'International Yearbook of Industrial Statistics 2008', India occupies the 12th position in the global list of top 15 automakers.

Textile sector

In the textile sector, India has been placed fifth among the world's top 15 producers in the world, after Japan. The top slot has gone to China, followed by the U.S., Italy and Japan.

Government rules out fuel price cut

The Union government on Wednesday ruled out an immediate reduction in petrol and diesel prices following a softening of global crude prices. It said the domestic rates were still pegged at roughly half the current international prices.

Geo-strategic developments:

India nuclear inspection plan backed

The United Nations atomic watchdog has approved a controversial agreement that would increase the number of Indian nuclear reactors it inspects in a move that should ease the way for a nuclear co-operation deal between the US and India. The unanimous approval by the board of the International Atomic Energy Agency in Vienna will expand from six to 14 the numbers of reactors under IAEA safeguards, leaving eight others not under the agency's remit. The approval is the first of two international steps required before the US-India pact, which allows the sales of civil nuclear technology and materials to India, can be finalized.

IAF gets advanced radar system

The Indian Air Force on Wednesday got an indigenously-developed advanced radar system that can track missiles and fighter jets travelling at supersonic speed of over 3,000 km per hour.

Indo-US ties:

US says China, India put trade talks in jeopardy

A surge of optimism around the so-called "Doha round" of global trade talks was tempered on Monday by a war of words breaking out between the US, India and China over farm and industrial goods trade. David Shark, deputy US representative to the World Trade Organisation,

told ministers: "[China and India's] actions have thrown the entire Doha round... into the gravest jeopardy of its nearly seven-year life." India and China said that the US accusations were unfair and that it was merely trying to push its own export interests.

US fast-tracks nuclear deal

Days after the Nuclear Suppliers Group meets in Vienna on August 21-22 to give India a clean waiver to move ahead on the nuclear deal, the United States Congress is likely to discuss it in September.

The U. S. government has stepped up its "diplomatic offensive", with President George W. Bush and Secretary of State, Condoleezza Rice, themselves talking to the NSG member countries to provide India a "clean exemption" to facilitate the civilian nuclear deal between the two countries, its ambassador David C. Mulford said on Tuesday. Mulford said the government wanted to submit the legislation for ratification of the deal by early September to the Congress to give it sufficient time for consideration. He said the administration understood India would not sign the Nuclear Non-Proliferation Treaty (NPT) and discussions on the deal had proceeded on this assumption.

Kashmir

Curfew continues, more troops sought for Jammu

The Jammu and Kashmir government on Sunday sought more Army troops and imposed curfew in two more towns of Jammu region to quell protests that started in Jammu over a month ago against the cancellation of the order on transfer of land to the Shri Amarnath Shrine Board.

While Samba and Jammu districts have been under curfew for the last two days, curfew was extended to Udhampur and Rajouri towns to arrest the spread of the agitation that has taken a violent turn in various places.

Don't flee Jammu, Gilani asks Muslims

As Jammu continued to simmer over the Amarnath land row, hard line Hurriyat leader Syed Ali Shah Gilani asked Muslims not to leave the region and lashed out at Hindu outfits for the 'economic blockade' of the Kashmir Valley. "Muslims of Jammu should stay put in their homes and not even think about migration. This time around they will not be left at the mercy of the rioters," the separatist leader said in a statement after a meeting of the advisory council of the hard line faction of the Hurriyat.

Gilani claimed that the protests in Jammu to demand the restoration of land to the Sri Amarnath Shrine Board (SASB) 'had a connection with New Delhi' and called for a general strike on Monday to express solidarity with Muslims of Jammu and the traders who has suffered 'immense losses' due to the "economic blockade" of Kashmir Valley. People of Jammu, Doda, Rajouri and Poonch are also requested to observe a complete shutdown to send a message to the rioters," he said.

Jammu has been rocked by violent protests since July 1 when the Congress-led state government cancelled its May 26 order of diverting nearly 40 hectares of forest land to the SASB, following massive protests in the Kashmir Valley and withdrawal of support by PDP.

Gilani accused the administration of complete failure in protecting the lives and assets of Muslims in Jammu region. He said the 'economic blockade' of the Valley should be eye opener for the people.

Valley traders to snap ties with Jammu counterparts

Faced with an economic blockade of the valley by Shri Amarnath Sangharsh Samiti, the Kashmir Traders Federation on Tuesday said it will snap all business ties with traders in Jammu region and instead buy products directly from other cities like Amritsar and Delhi.

"The situation in the aftermath of economic blockade of the valley and attacks on minority community in Jammu has made it clear that it is part of a well-thought out conspiracy and the Centre is involved in it," Koul said and charged the Centre with supporting the communal groups for unleashing "naked terrorism", he said.

Shutdown in valley

Kashmir valley was thrown out of gear following a strike call given by the Syed Ali Shah Geelani-led hardline faction of the Hurriyat Conference. Shops, business establishments, schools, government and private offices remained closed across the valley, official sources said in Srinagar. Vehicles also remained off the roads.

Army opens fire in Kathua, one killed

For the first time since the agitation on the Amarnath land row started, the Army opened fire on protesters in Kathua when they tried to block the entry of essential commodities to the Kashmir valley. Mass protests continued as they defied curfew orders at various places. Around 2 p.m. the troops fired on protesters at Palli Morh on the Jammu-Pathankot National Highway in Kathua. One person, identified as Narinder Sharma, was killed while two others were injured when they tried to disrupt an Army convoy escorting the supplies by pelting stones. Later the protesters placed the body of Sharma on the highway and squatted there.

Vohra appoints panel to end Jammu stalemate

In yet another attempt to bring peace in Jammu and Kashmir marred by violence over Amarnath land transfer issue, Governor N N Vohra has appointed a four-member committee to hold talks with Shri Amarnath Sangarsh Samiti (SASS), spearheading the agitation in Jammu.

The committee comprising former J&K Chief Secretary S S Bloeria, vice-chancellor of Jammu University Amitabh Mattoo, retired judge of Jammu and Kashmir High Court Justice G D Sharma and Chief Executive Officer of Shri Amarnath Shrine Board B B Vyas would make a fresh approach to the agitating group for ending the stalemate that has affected normal life in Jammu region.

BJP puts three demands before govt on Amarnath row

BJP has made three demands before the government for the peaceful settlement of the Amarnath land row, including the revocation of the Shrine Board land allotment cancellation. "BJP has demanded that the land allotted to the Shrine Board be given back, Governor N N Vohra be recalled and the Centre initiates discussion with the Sangharsh Samiti in Jammu,"

Curfew in Poonch following incidents of violence

Curfew was on Friday imposed and army staged a flag march in the border town of Poonch in Jammu and Kashmir as a precautionary measure following incidents of violence and tension over the Amarnath land transfer issue.

Social front

Briton opposes Indian rapist bail

An Indian guesthouse owner who raped a British woman has been freed on bail three months after being sentenced to life imprisonment. The woman, who cannot be named but is from London and in her late 30s, is launching a campaign to have him sent back to jail.

Dalit activists stage rally demanding women's rights

Dalit activists from the National Campaign on Dalit Human Rights (NCDHR) staged a rally demanding among other things, women's rights, land and economic rights. "It is a declaration rally to flag the initiation of four movements — the National Dalit Movement for Justice, the All India Dalit Women's Rights Forum, the Dalit Economic Campaign and the Land Rights Campaign. We also want to reclaim the spirit of B. R. Ambedkar," said the campaign convener Paul Divakar. Volunteers from Kerala, Tamil Nadu Karnataka and Puducherry took part. J. Vincent Manoharan, general secretary, NCDHR highlighted a new trend in caste discrimination in Tamil Nadu.

He said that walls were being erected around temples to bar the entry of Dalits, but it was being done in the name of protection. The marchers wore blue bandanas sporting the slogan 'caste out caste'.

MDGs hinge on India, China child health care

India and China hold the key to the world meeting health-related millennium development goals (MDGs), according to the United Nations Children's Fund.

In its report on State of Asia-Pacific's Children 2008, the UNICEF says unless India makes major achievements in health, nutrition, water and sanitation, education, gender equality and child protection, global efforts at reaching the MDGs will fail. In 2006, 2.5 million child deaths occurred in the two countries accounting for nearly one-third of all child deaths.

Abortion law needs review, say doctors

Gynaecologists feel there is an urgent need to review the country's abortion law, which does not permit medical termination of pregnancy beyond 20 weeks, since certain abnormalities can only be detected after the foetus is 20 weeks old.

"Heart abnormalities are best detected only by an electrocardiography when the foetus is 22 to 24 weeks old. Some neurological abnormalities also become evident only after 20 weeks," said Dr Rishma Pai, consultant gynaecologist with Jaslok Hospital. "We have no choice but to turn away such patients." In 1971, when the abortion law was framed there was hardly any technology. Now, we have technology to diagnose problems in the foetus. But what is the purpose of the technology when we can't offer patients a solution?" said Dr C.M. Purandare, secretary general, FOGSI.

Malnutrition getting worse in India

India has some of the highest rates of child malnutrition and mortality in under-fives in the world and Madhya Pradesh state has the highest levels in India.

There are around 10 million children in the state. A decade ago 55% were malnourished. Two years ago the government's own National Family Health Survey put the figure for Madhya Pradesh at around 60%. You might think we are somewhere in Africa. But this is the central Indian state of Madhya Pradesh - modern India, a land of booming growth. In Madhya Pradesh the situation is compounded by two significant factors. For four years in a row the rains have failed, so food crops have failed too. And now global food prices have risen, stretching many families beyond breaking point.

"In the past year food prices have increased significantly, but people's incomes haven't improved," says Dr Agarwal. "Like wheat, earlier they used to buy it at eight rupees a kilogram, now it's 12 rupees."

Because of the increase in food prices a mother cannot buy an adequate quantity of milk, fruits and vegetables. So their staple diet has become wheat chapattis," she explains.

"A child cannot survive on wheat chapattis alone. About 80% of mothers and children are anaemic because they can't get good quality food."

India's HIV testing best, says study

India topped the list of five mid-income countries that provide free HIV testing and counselling to people, reported the scientific journal 'The Lancet'. The unexpected pat on the back came after a comparison of testing and counselling facilities in India, Russia, Mexico, Uganda and South Africa that showed India's was not only the cheapest but also the most cost-effective. Russia did the worst. India's programme, run by the National AIDS Control Organisation, is also the most cost effective, costing the government US\$ 3 (Rs 120) per person.

Mahavira bas-relief tells a story

An exquisitely carved bas-relief of Mahavira, the 24th tirthankara in the Jaina pantheon, has been discovered at Panaipadi village in Tamil Nadu's Villupuram district. R. Sivanandam, epigraphist, Tamil Nadu Department of Archaeology, made the discovery when a team under the guidance of R. Vasanthakalyani, epigraphist-cum-instructor of the Department, was on a regular survey camp of epigraphy to study inscriptions around Panaipadi.

The discovery confirms that the area covering present-day Villupuram district was an important centre of Jainism in Tamil Nadu. The sculpture, from the Chola period, was about 1,000 years old, said K. Arulmozhi, Commissioner, State Department of Archaeology.

SC notice to Centre on pollution in Ganga

The Supreme Court on Thursday issued notice to the Centre on the allegation that it was not performing its statutory duty related to checking pollution in the Ganga.

Foreign Relations

Radio station in U.S. strives to reunite Indians, Pakistanis

Thousands of miles away from the Indian subcontinent, a radio station in the United States is striving to be a bridge between Pakistanis and Indians kept apart by old animosities. Breakthroughs weren't on the mind of Jaipal Reddy, a 39-year-old immigrant from Hyderabad, when he set up "Salam Namaste" station as a way to market a South Asian-themed mall he planned to build in the Dallas area.

But over the last two years, "the blend of Muslim and Hindu worlds with U.S. pop culture" has become critical to the radio station's success, says Mansoor Shah, a Pakistani who is a partner in

the radio and retail businesses. "The country got divided for whatever reason, but the people never did," he says. The station says its goal is to bring the highest quality of Indian and Pakistani and other sub-continental music to immigrants who miss home. Both Indian and Pakistani jockeys work at the station that caters to the South Asian community in North Texas. "Once we enter this radio station, our nationalities are left behind," says Mirza Ubaid Baig, a Pakistan-born Muslim who trained to be a medical doctor, but whose passion is radio.

India yet to be recognised as a nuke power: Russia

Russia has welcomed the IAEA-nod for the India-specific safeguards agreement, but has said the approval of the nuclear watchdog did not imply a recognition of the country as an official nuclear power as stipulated in the Non-Proliferation Treaty.

Consistently acting in favour of developing peaceful cooperation with India, we welcome the decision of this country to put its nuclear fuel and facilities in the civilian nuclear sector under IAEA supervision and safeguards," Russian permanent envoy in Vienna, Alexander Zmeyerovsky was quoted as saying by the local media.

Zmeyerovsky, however, underscored that India-specific safeguards agreement "does not contain clauses, which could be interpreted as recognition of India as a nuclear weapon state in the sense of NPT or giving India the right to withdraw from the IAEA safeguards at its own discretion".

He expressed hope that implementation of the IAEA safeguards will be expanded to the nuclear fuel cycle and would serve as "a reliable mechanism to purely peaceful nature of New Delhi's international nuclear cooperation".

Russia is completing the construction of two nuclear reactors for the Kudankulam nuclear power plant in Tamil Nadu, even as the two countries have signed an MoU to build four more reactors after an NSG clearance.

Pak does it again, fires at Indian troops from across LoC

There was firing on an Indian post along LoC in 12 Brigade area of Uri sector in Baramulla district of Kashmir Valley yesterday," defence sources said. At least 15 to 16 small arms firing targeted the ward post, but the Indian troops did not retaliate and no casualties were reported, they said. "We are investigating if it was ceasefire violation. Militants may have targeted troops on this side to push in armed ultras," they said.

End terrorist activities, Manmohan tells Pakistan

Prime Minister Manmohan Singh has asked Pakistan to implement in "letter and spirit" its commitments to end terrorist activities from its soil and ensure an "atmosphere free from terrorism" to carry forward the bilateral ties. "India seeks to establish peaceful, friendly and cooperative ties with Pakistan. We are committed to addressing all outstanding issues, including the issue of Jammu and Kashmir, through bilateral discussions.

"However, improvement in our relations requires an atmosphere that is free from terrorism," he said, adding "we have a duty to ensure that our people prosper and progress in a secure environment.

Manmohan to meet Pak PM even as relations dip

The premiers of India and Pakistan meet on Saturday in a worsening atmosphere of bomb attacks on Indian targets that New Delhi says has sent their four-year-old peace process to its lowest point.

Prime Minister Manmohan Singh will send a strong message to his Pakistani counterpart Yousaf Raza Gillani as the two try to salvage talks after a string of bombs hit Indian cities and its embassy in Kabul last month, together killing over 100 people.

India also blames Pakistan for a breach of a 2003 ceasefire on its de facto border in disputed Kashmir, and accuses its spy agency of involvement in the Kabul attack, in which two senior diplomats were among 58 people killed. The two prime ministers are meeting on the sidelines of a two-day South Asian summit beginning on Saturday. The atmosphere of unease between two of the region's biggest members has affected the summit, where terrorism would dominate the otherwise central theme of trade and social cooperation.

Afghan president reaches India to strengthen ties

Afghan President Hamid Karzai arrived in India on Sunday to cement ties with New Delhi, just weeks after a suicide bombing at the Indian embassy in Kabul underscored the security tensions in the region. Karzai will meet Prime Minister Manmohan Singh on Monday.

Both Singh and Karzai share a common interest in stopping any Pakistan-sponsored violence and talks will probably centre on this issue, analysts said.

India announces more Afghan aid

India has announced an additional \$450m aid to Afghanistan for development projects in the country. Earlier, India had pledged \$750m to rebuild Afghanistan's infrastructure. The announcement was made by Indian PM Manmohan Singh at the end of his talks with Afghan President Hamid Karzai.

China thanks India for backing its efforts

China on Thursday thanked India for taking “effective” steps to ensure the smooth run of the Olympic torch relay in New Delhi and for backing Beijing’s efforts to stage a “unique and well-run” Game. Chinese Vice-President and top Communist leader Xi Jinping stated this during a meeting with visiting UPA chairperson and Congress president Sonia Gandhi here.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

August 15, 2008

Nadia Tasleem:	Snr Research Associate Asia Region	142
Madiha Kaukub:	Report on GCC	160
Ghashia Kayani:	Report on South Asia	167
Sadia Khanum:	Report on India	198

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 2 August to 8 August 2008

Presentation: 15 August 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia, Fertile Crescent and GCC from 2nd to 8th August as have been collected by interns.

Summary

South Asia

Political Front:

Bangladesh:

Local bodies' elections went well in Bangladesh. Despite few incidents of beating up of rival supporters and dismantling of camps outside polling centers, things remained under control. Reporters claimed that long queues of voters, waiting in front of polling stations indicate their enthusiasm. Hence after a long span, Bangladesh has observed a positive development.

UK's Secretary of State for Communities and Local Government Hazel Blears however asked interim regime to lift emergency as it would be difficult to hold national elections under the state of emergency.

Srilanka:

Nine Tamils have been killed while 6 wounded during an operation launched by Sri Lanka Navy's Special Boats Squadron (SBS) and the Rapid Action Boat Squadron (RABS) in Northern and Westerns Tamils' basis.

Meanwhile the Presidential Secretariat in Colombo and the Sri Lanka Embassy in France received dozens of letters signed by different individuals with Tamil and French names; being posted from different localities in Paris, accusing government and security forces for human rights violations against Tamils.

Nepal:

As Maoists failed to form national government within the time period being given by the government; President extended deadline for them. Finally by the end of this week the Major four parties--CPN-Maoist, Nepali Congress (NC), CPN-UML and Madhesi People's Rights Forum (MPRF) reached an agreement to hold a joint meeting to form a national consensus government. Meanwhile President and PM Koirala held consultations with Madhesh-based and other fringe parties and tried to convince them to reach at a consensus in order to make government.

Bhutan:

Bhutan's new Parliament faced constitutional dilemma in its very first session, over the issue of annual budget. Divide occurred between the National assembly and National Council on procedure for passing economic budget. In fact NA refused to accept NC's recommendations as binding, NC in response claimed to take that issue to the judiciary. Discussions have started to reach at a conclusion.

Myanmar:

Bombs exploded in two eastern states of Burma leaving no casualties but damaging government infrastructure. The blasts, hitting an electricity pylon and telephone operator office, were blamed on ethnic Karen anti-government insurgents.

Maldives:

Ruling party has condemned the Opposition party MDP for asking a British foreigner to indulge in their internal affairs and called it to be an attempt of opposition to re-colonize Maldives.

Meanwhile President Gayoom's party DRP has successfully chosen first deputy leader of the party and Atolls Development Minister Ahmed Thasmeen Ali as the running mate of the party's presidential candidate, President Maumoon Abdul Gayoom.

All the while, former Attorney General Dr. Hassan Saeed who is one of the favorite candidates for the upcoming presidential elections has said the political parties in the Maldives are not good enough for him to join. He said he would prefer running for the presidency as an independent candidate without joining any parties.

India:

Kashmir:

Jammu & Kashmir remained stuck in violent protests made by pro-Amarnath temple protestors. They even called for economic blockade in order to damage trade in Kashmir. Muslims have accused government for not taking any serious action against protestors. This led government to impose curfew and then to open fire killing one of the protestor. Chairperson of Congress Sonia Gandhi as well as Indian PM Man Mohan held talks with BJP leaders and asked them to cooperate with the government in order to maintain peace and stability in Jammu & Kashmir. BJP in return placed three demands in front of government asking her to relocate Shrine land and also to start negotiations with the Sangharsh Samiti in Jammu as well as to call Governor back.

Domestic unrest:

Amidst violence 146 people were killed while 230 got injured in Himanchal Pradesh due to a stampede on a slender trail leading to the famous hilltop Naina Devi temple. Meanwhile four persons were killed and six got injured in an explosion in a slum in Kolkata. Maoists also launched protests, though peaceful, in North Chhotanagpur, against the killing of three of its cadre in an encounter in the district last week.

Army officials claimed that 350 ULFA cadres have been active in anti-government movement in the State. Amidst all these negative developments, in government's perspective, one positive development has been surrender of thirty two militants in Assam.

Indo-US nuclear deal:

The United Nations atomic watchdog has approved an agreement that would increase the number of Indian nuclear reactors that would be inspected. According to it the number of reactors under IAEA safeguards will expand from six to 14, leaving eight others not under the agency's rems. The approval is the first of two international steps required before the US-India pact can be finalized.

Social Front:

Bangladesh:

Growing prices of commodities and lack of availability of jobs in villages have made lives miserable for poor. This has led them to leave their home towns and move towards urban areas in search of better living conditions. As a result cities are getting over burdened because of rapidly increasing number of people over there; meanwhile these migrants also do not gain much.

Srilanka:

Mobile holders have condemned Sri Lankan Government for imposing Environmental Conservation Tax on the communication and transportation sectors.

Nepal:

Government has formed a special task force to provide recommendations to the government to help end all forms of Violence against Women (VAW). Task force has been asked to submit its recommendations to the government within two months in order to address the demands and grievances of women right activists. Women activists however denounced the structure of the task force.

Bhutan:

The Civil Society Organizations (CSO) Act that was passed through the legislature and the National Assembly still needs to be enforced. This act intends to ensure transparency and accountability in the functioning of non-government organizations (NGOs) and also specify their roles and responsibilities. After the enforcement of the Act Civil societies would be able to play more important role in uplifting the people and making them understand government policies.

Myanmar:

Anti-Junta activists have asked global consumers to boycott souvenirs and jewelry made of Burmese jade in order to avoid supporting Burma's abuse-ridden jade mining industry that provides the military regime with one of its largest sources of solid cash. Appeal was made through a report named "Blood Jade: Burmese Gemstones & the Beijing Games", that was released by All Kachin Students & Youth Union (AKSYU) Olympic spectators and Olympic athletes and visitors to China for the 2008 Summer Olympics to boycott the sale of Burma blood in Beijing and beyond.

Meanwhile the Myanmar authorities have re-planted 32,925 shade-providing trees in the Yangon municipal area to replace those which collapsed during Nargis Cyclone.

Besides all that, issue of women trafficking to neighboring countries like China and Thailand; amidst economic slump and human rights violations being carried by military, remained prominent.

Maldives:

Growing number of foreign workers as well as climate changes have been identified as potent threat by Maldives government.

Meanwhile several people of Manukudhoo in H D Atoll have written to President Maumoon Abdul Gayoom about the grievances suffered by the people in the island due to the delay and neglect of the Government to provide some urgent services committed by the Government.

India:

Dalit activists from the National Campaign on Dalit Human Rights (NCDHR) staged a rally demanding women's rights. Meanwhile India has some of the highest rates of child malnutrition and mortality in under-fives in the world and Madhya Pradesh state has the highest levels in India. In order to keep environment safe, Supreme Court has asked Centre to control pollution in River Ganges. The only positive development at social front is that according to the scientific journal 'The Lancet', India topped the list of five mid-income countries that provide free HIV testing and counseling to people.

Meanwhile in order to compensate Muslim minority the Supreme Court allowed the Andhra Pradesh government to admit students under the 4 per cent Muslim quota law in engineering, medical and other courses for 2008-2009.

Economic Front:

Bangladesh:

One significant development at economic front is Tata industries' decision not to go ahead with their US\$ 3 billion investment plan in Bangladesh, over unsettled issue of gas supply between the government and the Tata Group. Finance Advisor however denied any chance of its effect on foreign investments.

Nepal:

The government of Nepal has received Rs 3.035 billion from the World Bank's Emergency Peace Support Program to provide Rs 100,000 relief to the families of each person killed during the decade-long Maoist insurgency.

Bhutan:

The most significant development at economic front is that Bhutanese vegetables are in huge demand in the Bangladeshi capital Dhaka after their successful marketing in Bangladesh.

Myanmar:

Despite ongoing economic crisis Nargis cyclone has also added a lot to the miseries of common people particularly in economic terms. According to the recent Post-Nargis Joint Assessment (PONJA), 42 percent of all food stocks were destroyed and 55 percent of families only had stocks for one day or less. According to another report more than 21,000 hectares of aquaculture ponds were destroyed and more than 2,000 larger mechanized fishing boats lost. Moreover, tens of thousands of non-mechanized boats, accounting for the livelihoods of thousands of families in the affected area, are believed to have been lost.

India:

The rate of inflation crossed 12% mainly due to higher prices of certain edibles such as pulses, spices, eggs, fish and meat and some manufactured products. Infact slow rain fall has adversely effected crops production in various Indian states. Meanwhile the mutual fund industry witnessed a fall of more than 6 per cent in its assets. In order to cope with ongoing economic crises Sonia Gandhi declared controlling inflation to be the top most priority of the government.

The trade talks held in Geneva collapsed after India and other developing countries insisted that there should be enough scope to protect subsistence farmers and small industries from being submerged by a flood of cheap imports from the US and the EU. India accused the US for WTO impasse. US however blamed both India and China for the deadlock.

The only positive development is that India has been placed at number 15 in textile sector.

Geo-strategic Front:

Maldives:

President Mahinda Rajapaksa of Sri Lanka has expressed happiness about the growing investment between Maldives and Sri Lanka. He emphasized greatly on the important role of students and businessmen in furthering the ties of friendship between the two neighbours.

India:

Indo-Pak ties:

Firing across LoC has been observed this week as well. India has asked Pakistan to end terrorist activities across the border. Meanwhile Indian and Pakistani Prime Ministers held meeting in order to discuss prevailing issues between the two states.

On the other hand a radio station named as 'Salam Namaste' has been striving hard in the US, to reunite Pakistanis and Indians. It intends to bring South Asian community (living in the United States) closer and has got remarkable success in achieving its objective.

Indo-Afghan ties:

India has announced an additional \$450m aid to Afghanistan for development projects during Hamid Karzai's visit to India.

Positive development in Indo-Sino ties:

China thanked India for taking “effective” steps to ensure the smooth run of the Olympic torch relay in New Delhi and for backing Beijing’s efforts to successfully arrange this game.

East Asia

Political Front:

Indonesia:

Indonesia has decided to hold Parliamentary elections on April 9 next year that would be followed by Presidential elections after few months. Candidates’ lists have to be submitted by October this year. Observations reveal that children of political leaders seem to be domineering in the lists of candidates. Meanwhile President has refused to dismiss two ministers being alleged for corruption and asked for objective investigation of cases against them.

Malaysia:

At political front rivalry between Prime Minister Abdullah Badawi and opposition leader Anwar Ibrahim has further lessened support for the PM. A recent survey showed that PM’s support has declined to 42% that has been the lowest since his oath taking. Anwar Ibrahim has accused PM for putting wrong allegations against him in order to defeat him in by-elections. He however expressed confidence about his victory in upcoming elections.

Thailand:

Thai PM has recently dismissed five ministers on the ground to tackle slowing economic growth. Government defended its decision by claiming to have heavy public mandate in order to run government successfully.

Philippines:

The intended signing of an agreement between the Philippines government and the Moro Islamic Liberation Front, of MILF, for a Muslim homeland in the southern Philippines had to be abandoned after 15 judges of the country's Supreme Court issued an order temporarily restraining the ceremony saying they wished to assess the proposed agreement's legality. Expected deal has already led Christians to launch protests against government's decision to grant minority Muslims an expanded homeland as part of efforts to end a bloody Islamic insurgency.

Meanwhile government gave 24 hours to Muslim rebels for leaving Catholic farming villages in Southern area that they had forcefully occupied.

Cambodia:

Despite filing complain against Thailand on ground of its interference in the Preah Vihear temple area, Cambodia has reiterated its call for a peaceful solution to the dispute.

Social Front:***Indonesia:***

Bird flu causing deaths of many people has been identified as key social issue by Indonesian health Ministry.

Thailand:

Government has amended Article 63 of the constitution that aims to threat basic right of free expression through public gatherings. According to it organizers of unauthorized public gatherings would be liable to imprisonment of up to three years if violence occurs at the protest site. Decision has been condemned by various political parties.

Vietnam:

Another province of Vietnam has been hit by bird flu. Meanwhile a special investigation squad of the Tokyo District Public Prosecutors Office arrested a former president and three former senior executives of Pacific Consultants International (PCI), a Tokyo-based construction

consulting firm, on suspicion of paying about 90 million yen in bribes to an official of Ho Chi Minh City in Vietnam for highway construction projects funded by Japan's ODA program.

Economic Front:

Indonesia:

Indonesia has decided to ask Pakistan to lower import tariffs for palm oil products to boost its palm oil exports. Meanwhile Chile and Egypt have expressed their support for Indonesia's initiative to take its food crisis to a higher level UN meeting in September.

Malaysia:

Uncertain political situation has scared foreign investors to invest in Malaysia.

Singapore:

The Malaysia-Singapore Joint Ministerial Committee for Malaysia's Iskandar economic development region held its third working meeting in Singapore last week. Besides that top US officials appreciated Singapore for its free trade as it has brought economic benefits for both countries.

Geo-strategic Front:

Malaysia:

Malaysia has reversed its decision to withdraw monitoring troops from Southern Philippines where they have been observing the ceasefire between Muslims and the government; despite the fact that it has already pulled out 28 out of 40 troops back since May.

Fertile Crescent

Political Front:

Iraq:

Parliament held sessions in order to pass the provincial council elections law but adjourned without reaching at any conclusion. An MP from the Kurdistan Coalition (KC) declared pressure being exerted by some parliamentary blocs to be the main reason of early ending of the session. Hence issue of Kirkuk Province has further delayed expected upcoming elections that were due to be held on 1st October. Government has announced to get consensus over this issue in order to maintain peace and stability. Thousands of Arabs staged a rally in Iraq's northern city of Hawija to protest fresh moves to incorporate the oil province of Kirkuk into the autonomous Kurdish region. Meanwhile the President of Kurdistan has emphasized on the need to unify two main parties of Kurdistan in order to protect the region.

Apart from these political developments violence remained there. In one such incident of roadside bombing killed 2 US soldiers and nine Iraqi in Baghdad.

Israel/Palestine:

Hamas and Fatah got engaged in fight in Gaza leaving four dead and 80 wounded, making it to be one of Gaza's bloodiest rounds of internal fighting since Hamas seized the territory more than a year ago. As a result 30 pro-Fatah Palestinians fled away from Gaza to Israel but were sent back soon and detained by Hamas forces. Besides that Mahmood Abbas asked Hamas to reverse its separation plan regarding division of Gaza and West Bank. Meanwhile he asked leadership of Hamas to immediately release Dr. al-Agha and his brothers, reopen the headquarters of the institutions they seized, remove the roadblocks and allow freedom of expression to common people; otherwise unity of the homeland would be threatened.

Lebanon:

The cabinet headed by Lebanon's Premier Fouad Siniora adopted its Ministerial Policy Statement despite reservations voiced by four Christian ministers on a clause related to the resistance.

Syria:

Syria's government has confirmed the assassination of a senior military officer, last week, believed to have been a close aide to President Bashar Assad.

Prime Minister Mohammad Naji Ottri chaired a weekly Cabinet meeting, during which a number of bills, decrees and issues were discussed.

Jordan:

The Muslim Brotherhood rejected the resignation of four Shura council members following a long-awaited meeting of the Shura council, putting an end to a crisis that has engulfed the movement for months. Internal polls, however, revealed that the power struggle between the doves, who adopt a pragmatic approach, and the hawks, which support Hamas and oppose the Kingdom's peace treaty with Israel, still continues.

Meanwhile the higher committee of the National Opposition Political Parties voiced their concern over the Kingdom's economic conditions. The parties called on the government to find solutions to rising food and fuel prices, particularly during Ramadan and winter.

Social Front:

Iraq:

Number of women carrying explosives targeting US soldiers has increased manifold. It is generally assumed that they have been doing so either to take revenge of their family members who have either been martyred or detained; or to show their commitment to Islam.

According to an anonymous official five Iraqi athletes left for Kuwait where they'll await visas before traveling on to China in order to participate in Olympics, amidst doubts about their participation.

Israel/Palestine:

A tram called Israel has begun touring Vienna's city centre with films, photos and food, in a bid to paint a different picture of the small country than what is regularly seen on the news.

Two boats carrying activists from 17 countries have started traveling towards Gaza in order to break Israeli blockade of Palestinian territory. The two boats carry some food and medical

supplies, plus hearing aids for Palestinian children. They will return some exiled Gaza residents and hope to carry back seven Palestinians with visas to study in the United States.

Lebanon:

A huge fire broke out in forests surrounding four villages in southeast of Beirut consuming thousands of trees.

Syria:

The Ministry of Social Affairs and Labor announced the launch of the Association for Defending Syrian Workers Abroad, a non-governmental association dedicated to defending the rights of all Syrian workers abroad. Meanwhile, Minister of Religious Endowments (Waqf) Dr. Mohammad Abdul Sattar al-Sayyed affirmed the importance of establishing dialogue among scholars and intellectuals from all over the world; during his meeting with an American academic delegation headed by Prof. Norton Mezvinsky.

Jordan:

Around 500 members of five professional associations staged a protest in front of the Prime Ministry, reiterating a call on the government to increase their professional allowance from 120 to 150 per cent.

Economic Front:

Iraq:

International donors have agreed to lend Iraq \$300 million on condition that the money is spent on developing the country's agricultural industries. Meanwhile Iraq and Syria have agreed to expand value of their bilateral trade to \$1 billion in 2009.

Apart from others' cooperation, Iraq has been earning a lot by exporting its crude oil. Hence in last seven months Iraq has exported 411 million barrels of oil, at an average of 58,714 million barrels per month; earning \$104.62 a barrel.

Jordan:

The Association of Foodstuff Traders issued a new list of basic foodstuff prices including sales tax. Meanwhile prices of fuel derivatives are also expected to drop due to the significant drops in crude oil prices in the international markets.

Geo-strategic Front:

Iraq:

The United States has received reports that its combat casualties in Iraq dropped to their lowest level in July with glee. The Pentagon and the White House saw it as an indication of the success of their military tactics and that security conditions were improving in the country. Analysts however disagreed with the US opinion.

Israel/Palestine:

Recent meetings between Jordanian and Hamas officials have opened the door to restoring relations that have been strained for two years. Jordan and Hamas cut ties in 2006, when Jordanian security services captured a Hamas cell that smuggled a large quantity of weapons into Jordan a few months after winning the Palestinian Authority elections. Meanwhile Palestinian Prime Minister Salam Fayyad's announcement to visit Yemen indicates brotherly ties between Palestine and Yemen.

Sweden and Iceland have announced to take in about 200 Palestinian refugees living in refugee camps along the Iraqi-Syrian border.

Syria:

At geo-strategic front Syrian President's visit to Iran, Syrian keenness to boost economic and diplomatic ties with Iraq, Syrian agreement with Turkey on Combating Money Laundering and Terrorism Financing, Syrian rejection of pressure against Sudan, its growing ties with South Africa and Syrian emphasis on unity of Arab nations remained significant developments.

Jordan:

At geo-strategic front Jordanian participation in the “Promoting Peace through Dialogue” leadership conference, hosted by the United Nations, growing number of Swiss tourists enhancing ties between the two countries, strong economic ties with Saudi Arabia, Jordanian foreign minister’s meeting with Israeli counterpart in order to discuss Middle East peace process and meeting between Jordanian and Egyptian Islamist deputies and MPs respectively, in order to discuss political affairs in both sides, grabbed attention.

GCC

Political Front:

Bahrain:

King Hamad Bin Eisa Al Khalifa of Bahrain announced to pardon rioters and protestors in order to bring joy to their families even before Eid-ul-Fitr.

Social Front:

Bahrain:

An activist has called for the NGO's Support Fund, established in 2006 to finance distinguished projects by civic organizations, to be made autonomous. Meanwhile the Bahrain Transparency Society (BTS) has, for the first time, announced to publish a national report examining the level of corruption in the government, private sector and among political societies.

The Bahrain Human Rights Watch Society (BHRWS) has called for an independent investigation by the authorities to gather information from all the parties involved and prepare a comprehensive report on the reasons behind the failure of Bahrain to secure a seat on the United Nations Committee on the Elimination of All Forms of Discrimination against women (CEDAW).

Kuwait:

Over the past few days more than 1000 Bangladeshis have been deported from Kuwait. In fact hundreds of Asian foreign workers in Kuwait staged demonstrations and went on strike last week to demand better pay and working conditions. Strike ended within few days when government assured them to look into their grievances. Bangladeshi workers however accused Kuwaiti government for beating as well as abusing them.

UAE:

The Abu Dhabi Judicial Department (ADJD) in a press release pointed out its objectives and claimed that it intends to evolve an efficient and independent judicial system based on excellence that provides world-class judicial services. This vision is based on the department's values of maintaining judicial independence, fairness and integrity, good customer service, commitment to excellence and teamwork.

Saudi Arabia:

Three social issues emerged as the most significant in Saudi Arabia. These include unemployed graduates' demand for jobs, submission of 200 cases of family violence to the Family Protection Center (FPC) of Jeddah and announcement made by a senior member of the Board of Senior Ulemas, allowing women to join the board in order to break the monopoly held by men. He also allowed women to be scholar as well as mufti who could give fatwa even.

Oman:

The ministry of manpower in Oman has begun implementing the restriction by not issuing permits for private sector companies operating businesses such as import and export and clothing to hire foreign workers in order to provide more job opportunities to Omanis.

Economic Front:

Kuwait:

Kuwait and Japan have agreed to boost their economic ties by further investments that would follow an agreement to avoid double taxation between the two countries, which would help strengthen investment flows. Both have already agreed to sign the taxation deal.

UAE:

A five per cent rise in the prices of building materials such as steel is seen for the third-quarter of the year on the back of strong demand, record oil prices and rising freight charges.

Geo-strategic Front:***Bahrain:***

King Hamad held meeting with Turkish President Abdullah Gul during his recent visit to Turkey. Both discussed bilateral ties and the developments in the regional and international scene.

UAE:

Vice President and Prime Minister of UAE and Ruler of Dubai H.H Sheikh Mohammed bin Rashid Al Maktoum has arrived in the United States upon invitation from President George W. Bush. Both held talks on issues of mutual concern focusing primarily on energy, fighting terrorism and economic & trade cooperation between the two countries.

Saudi Arabia:

The Council of Ministers in its weekly meeting chaired by Crown Prince Sultan stressed the need for the Palestinians to unite so that they can present their stances in an effective manner internationally.

GCC:

Looking GCC as a whole it can be seen that pressure continued on GCC markets, with losses in Muscat and Dubai reaching 3.8% and 1.1% respectively within two days. The Saudi market ended its week down 3.3%. The downward trend also continued in Doha, which fell 0.23%. Kuwait and Bahrain both rose slightly, by 0.22% and 0.07% respectively.

Analysts said the Gulf markets are suffering from lack of confidence, with international markets facing declining trends and the extensive sales by foreign investors, especially in Doha and Dubai.

**Business and Politics in the Muslim World
Gulf Cooperational Council(GCC)
Article Reviws
Presentation on 15th August**

MadihaKaukab

**Article#1
(Geostrategic Issue)**

Kuwait Readyng for War in Gulf?

By CLAUDE SALHANI (Editor, Middle East Times)

Published: August 11, 2008

The small oil-rich emirate of Kuwait – situated between Iraq, Iran and an un-enviable geographic hard place on the northern end of the Persian Gulf – has reportedly activated its "Emergency War Plan" as a massive U.S. and European armada is reported heading for the region.

Coming on the heels of Operation Brimstone just a week ago that saw U.S., British and French naval forces participate in war games in the Atlantic Ocean, the object of which was to practice enforcing an eventual blockade on Iran, the joint task force is now headed for the Gulf and what could easily turn into a major confrontation with Iran.

The naval force comprises a U.S. Navy super carrier battle group and is accompanied by an expeditionary carrier battle group, a British Royal Navy carrier battle group and a French nuclear hunter-killer submarine.

Leading the pack is the nuclear-powered carrier, the USS Theodore Roosevelt and its Carrier Strike Group Two; besides its 80-plus combat planes the Roosevelt normally transports, it is carrying an additional load of French Naval Rafale fighter jets from the French carrier Charles de Gaulle, currently in dry dock.

Also reported heading toward Iran is another nuclear-powered carrier, the USS Ronald Reagan and its Carrier Strike Group Seven; the USS Iwo Jima, the Royal Navy aircraft carrier HMS Ark Royal and a number of French warships, including the nuclear hunter-killer submarine Amethyste.

Once the naval force arrives in the Gulf region it will be joining two other U.S. naval battle groups already on site: the USS Abraham Lincoln and the USS Peleliu; the Lincoln with its carrier strike group and the latter with an expeditionary strike group.

Telephone calls to the Pentagon were not returned by publication time.

This deployment is the largest naval task force from the United States and allied countries to assemble in the strategic waters of the Persian Gulf since the two Gulf wars.

The object of the naval deployment would be to enforce an eventual blockade on Iran, if as expected by many observers, current negotiations with the Islamic republic over its insistence to pursue enrichment of uranium, allowing it, eventually, to produce nuclear weapons yields no results.

Adding to the volatility is the presence of a major Russian navy deployment affected earlier this year to the eastern Mediterranean comprising the jewel of the Russian fleet, the aircraft carrier Admiral Kuznetsov with approximately 50 Su-33 warplanes that have the capacity for mid-air refueling. This means the Russian warplanes could reach the Gulf from the Mediterranean, a distance of some 850 miles and would be forced to fly over Syria (not a problem) but Iraq as well, where the skies are controlled by the U.S. military, and the guided missile heavy cruiser Moskva. The Russian task force is believed to be composed of no less than a dozen warships as well as several submarines.

However, Russia is unlikely to get involved in a military showdown in the Persian Gulf, particularly at this time when it is engaged in a major confrontation with the Republic of Georgia in South Ossetia.

For Iran however, a naval blockade preventing it from importing refined oil would have devastating effects on its economy, virtually crippling the Islamic republic's infrastructure. Although Iran is a major oil producer and exporter, the country lacks refining facilities having to re-import its own oil once refined.

Iran's oil – both the exported crude as well as the returning refined product – passes through the strategic Straits of Hormuz, controlled by Iran on one side and the Sultanate of Oman – a U.S. ally – on the other. The strait is about 30 miles wide at its narrowest

point, making it easy to control, but at the same time placing Western naval vessels within easy reach of Iran's Revolutionary Guards fast moving light crafts that could be used by Iranian suicide bombers.

Although Kuwait is on the opposite end of the entrance to the Gulf and the Straits of Hormuz, Kuwait City is less than 60 miles from Iran – and with good reason to worry. "Kuwait was caught by surprise last time, when Iraqi troops invaded the small emirate and routed the Kuwaiti army in just a few hours," a former U.S. diplomat to Kuwait told the Middle East Times.

Article Review

Kuwait is situated between Iraq, Iran and Persian Gulf. It activated its "Emergency War Plan" after having some reports of U.S. and European arms' movement for the region a week after the war games in the Atlantic Ocean.

The purpose of the war game was to create influence on Iran and to practice the blockade on it because of its nuclear moves. Since the gulf war, this deployment is the largest naval task force from western countries to pressurize Iran to stop the enrichment of uranium.

Russia will remain indifferent from the issue because of its involvement in Georgia. After blockade Iran will be unable to import refined oil and it would be destructive for Iran's economy and infrastructure. As Iran lacks refining facilities though it is major oil producer. Iran's oil passes through the strategic Strait of Hormuz, controlled by Iran on one side and the Oman- U.S. ally- on the other.

What is worrisome for Kuwait, when it is on the opposite end of the entrance to the Gulf and the Strait of Hormuz, is that it is about 60 miles from Iran.

Article#2

(political Issue)

The Gulf States and Iranian Hostility

Saturday 09 August 2008

By Tariq Alhomayed

The Arab Gulf states responded with one collective voice to statements made by Iran's Assistant Minister of Foreign for Research Affairs Manuchehr Mohammadi, in which he questioned the legitimacy and survival of the Gulf States.

The response was made by Dr. Abdul Rahman al Attiya, Secretary General of the Gulf Cooperation Council (GCC), who pointed out that the Gulf States felt "very disappointed and

deeply concerned" about the Iranian official's statements. Al Attiya described these words as "irresponsible and blatant", stressing that the GCC states await an immediate clarification from the Iranian side.

Here we must discuss two points, with words that are clear and explicit. First, I'm disappointed by the actual disappointment of the Gulf States from the Iranian regime, because when have the Gulf States ever really believed that the Iranian regime viewed them from a neighborly perspective or one of mutual respect?

Haven't the Gulf States seen first hand what Iran is doing with the entire region's security in Iraq, Lebanon, Palestine, Bahrain, Kuwait, Qatar, Egypt, Saudi Arabia, since the start of the Khomeini revolution?

Do the Gulf States believe for a second that Iran's problem lies only with Riyadh? Or with Kuwait or the UAE solely? Whoever is of that belief is incorrect and the Gulf States are making a mistake by forgetting that the main reason for the establishment of their Council was to confront Iranian ambitions?

What must be said to all the people of the Gulf and not just the Qataris who welcomed Ahmadinejad at the Doha summit, is that sideline flirting and the sending of contradictory messages to Tehran based on political miscalculations is what has made it easy for the Mullahist regime to tamper and intervene in the Arab Gulf's security and stability.

The Gulf States weak positions on Lebanon, Syria, Iraq and Hamas has given Iran the opportunity to interfere in our affairs, break our ranks and in the process reach a level of egomania and arrogance as to question the legitimacy of the GCC, while clearly threatening it with the nuclear issue.

The people of the Gulf need to recognize that they are under an illusion if they believe that Iran perceives them as regimes and states that deserve to live safely. If that were the case then that would mean that Tehran has forsaken the revolution and has turned against itself, which is unimaginable.

Consequently, the second point must be raised here in the form of a question; do the Gulf States want to see Arab regimes similar to them in political rationality stability and development or do they want totalitarian revolutionary regimes?

The leaders of the Gulf Arab States' need to clearly specify their positions concerning Iraq, Syria, Lebanon, Hamas and Hezbollah, likewise the people of the Gulf need to determine whether they are Arabs who fear Iran or Arabs that are dedicated to the stability of their homeland and people.

As long as the Gulf States here have decided to speak politically with one voice, they must also act collectively, since it is unacceptable to be a prince or sheikh while at the same time a friend of Hassan Nasrallah's, offering words of condolence for Imad Mughniyeh and collaborating with the regimes that shelter and sponsor them. The Gulf countries must decide because everything has a price!

REVIEW

About the writer

Tariq Alhomayed is the Editor-in-Chief of Asharq Al-Awsat, the youngest person to be appointed that position. Mr. Alhomayed has an acclaimed and distinguished career as a Journalist and has held many key positions in the field.

Understanding of the issue

Iran threatened that it will close the oil routes in Gulf in case of any aggression from U.S. Gen. Jfari Saeed said that enemy would prefer to make the duration of the war as short as possible but Iran will prolong it. Kuwait, the world's seventh-largest oil producer, has no alternative export route.

Article review

The Gulf Arab states responded collectively and show their disappointments to the statements made by Iran, when it questioned the legitimacy and survival of the Gulf Arab states. The writer shows his disappointment over the disappointment of the Gulf States. He is of the view that Iranian regime never view Gulf States from a neighborly perspective. He considers the Iran, since its revolution, as a continuous threat to the region's security, and the reason for the establishment of GCC was to confront Iranian ambitions. Qatar's warm welcome of Ahmadi Nejad at Doha Summit delivering contradictory messages which makes it easy for Iran to intervene in the Gulf Arab's security and stability. These states have weak positions on Lebanon, Syria, Iran and Hamas, which give Iran a chance to interfere in Gulf Arab's affairs and to threaten their security with the nuclear issue. Iran doesn't perceive Gulf Arab's states as regimes that deserve to live safely. He questioned Gulf Arab states that either they want to live as developed states or as revolutionary regimes. Leaders of Gulf Arab states should adopt clear positions, with collective action and one voice, about Iraq, Syria, Lebanon, Hamas, and Hazbollah issues without any fears from Iran considering their stability only.

Article#3 **(Economical Issue)**

The rise of the Gulf

Apr,24th,2008

From *The Economist* print edition

The Gulf is managing its wealth better during this boom than it did during the last one

Justin Pumfrey

MOST countries earn their keep through effort and ingenuity. Those of the Gulf owe their living to geological serendipity. The harder China works, the faster India grows, the higher oil prices climb.

The Gulf swells with confidence or despair depending on the price of “Arabian light” or “Oman blend”. Five years ago, though up from its \$9 low in the 1990s, the oil price stood at a mere \$26 a barrel. Many of the Gulf’s governments were indebted and insecure. Saudi Arabia was facing an al-Qaeda insurgency. Expatriates, used to a secure if sequestered life, tried not to think about the tanks parked outside their compounds. Now the same oil fetches over \$100 a barrel and confidence has returned. The insurgency in Saudi Arabia has been quashed. The Gulf is once again a source of envy more than concern (see [article](#)).

Surely only good can come from so much cash? Hardly. In the 1970s the Gulf’s money was a disaster for Latin America, for, recycled through Western banks, it caused a decade-long debt crisis. The Gulf itself suffered by inflicting stagflation on the West, thus causing a 20-year-long slump in oil prices. They built white elephants such as the King Khalid airport in Riyadh, one of whose terminals has been mothballed since the airport opened in 1983. They allowed a greedy few, many of them arms dealers, to pocket huge fortunes. They distorted their economies in the name of diversification, for example by growing wheat in the desert.

A better Xanadu

Are the Gulf countries handling their windfall any better this time? The sheer quantity of cash is hard to manage. It is too plentiful for small economies to spend, and has therefore added to the glut of global saving that is in part responsible for the financial excesses of recent years. Indeed, some economists see an analogy with the 1970s. Gulf petrodollars have been recycled not to improvident governments in Latin America but instead to improvident homebuyers in the uncreditworthy fringes of America.

The Gulf is doing its best to spend its windfall. Stately pleasure domes are springing up all along the coast. Saudi Arabia announces six, no seven!, new economic cities, which it hopes will create millions of jobs for its restive, youthful population. There are worrying echoes of the wasteful 1970s. But this time round, more of the spending is being done by private companies, with an eye to consumer demand, rather than by states.

Awash with capital, the Gulf countries need labour. Thanks to a liberal attitude to guest workers, in the UAE, for instance, over 90% of the private labour force is made up of foreigners. Some of the follies these Indians, Bangladeshis, Chinese and Filipinos build will not earn much return, but at least they help spread the wealth around. And now that American spending is faltering, a splurge is welcome. As Adam Smith said, outlays on “trinkets of frivolous utility” are what “keeps in continual motion the industry of mankind.”

Still, the Gulf’s splurge might be better spent if governments were doing even less of the splurging. Despite tentative reforms, too much money remains in state hands. The Saudis have become friendlier to business, taking steps to liberalise the financial system, airlines and telecommunications. But the government is still too fond of its grandiose projects and too slow to get unglamorous things right. It takes an age, for example, to enforce a contract in the country’s courts.

By the same token, it would help if local currencies were allowed to strengthen. Currency reform is not just a way to constrain inflation, but also a means of redistributing spending. At present, the petrodollars are converted into local money at a fixed rate and doled out as governments see fit. With stronger local currencies the state would get fewer

dirhams, dinars or riyals for every petrodollar. But Gulf residents would be able to buy more with their money, and guest workers could send more rupees home to families in Kerala.

There is another way to transfer economic initiative from governments to people. At present the Gulf states buy social peace by doling out generous benefits and subsidies, such as cheap housing and medical care, expanding the public payroll and forcing private companies to hire locals in the name of Omanisation or Saudi-isation. Too many Gulf nationals receive a government pay cheque for a meaningless job, or owe their jobs in private firms to a hiring quota. They pretend to work and have neither the time nor the incentive to start businesses or acquire skills.

Could there be a better way? Last winter, 604,000 Alaskans each pocketed a \$1,654 cheque from the state's Permanent Fund, which invests Alaska's oil revenues on their behalf. Each year, the fund distributes a fraction of its profits, averaged over five years, to every resident. They do not have to work for it, and are free to spend it as they wish. This notion is as foreign to the Gulf as a glacier to the desert. But in a region that likes to impress people with outlandish projects, paying a simple dividend cheque to every Gulf national would be a more audacious venture than the tallest new tower.

Buy some insurance, while you're at it

Given the impressive levels of spending on education in the Gulf, it is hard to imagine that its middle classes will put up with so little control over their countries' wealth—or, indeed, their governments—for long. There are some signs of change, but they are small. By Saudi standards, King Abdullah is a reformer; by any other standards, he moves exceedingly slowly. There is external danger, too. When Saddam Hussein sent his tanks streaming into Kuwait, he was cheered on by many Arabs whose own countries never won a geological lottery and who continue to resent the undeserving fat cats with oil.

Today's dangers are different. Saddam is gone. But the Gulf states are threatened by the chaotic politics in Iraq and by the rivalry between America and Iran for influence in the region. In their volatile part of the planet, the sheikhs cannot buy perfect security. But they might consider investing a bit more of their windfall in stabilising Iraq and the broader Middle East, not just in their fabulous pleasure domes.

Article Review

Countries make progress through hard work but Gulf States have benefit of Oil reserves. During 1990s oil prices stood only at \$ 26 a barrel. 1970s onward Arab states use their petrodollars without any proper planning. Now Gulf is doing its best to spend its windfall according to consumer's demands. As Saudi Arabia announces six new economic cities which will create job opportunities. It becomes business friendly and making its financial system more liberal. But still, some how, government is fond of high-flying projects and seems to be unwilling for unglamorous projects. In UAE huge number of foreign workers are the reason for the spread of the wealth around.

Strong local currencies will be able to constrain inflation and will redistribute spending. Then states will get less money for every petrodollar, but the Gulf residents would become rich.

Economic initiative can be transfer from governments to people by adopting the Alaska's example, where state's Permanent Fund invites Alaska's oil revenues on 604,000 Alaskans' behalf. Every resident get share in the profit while staying at home. This kind of projects would be strange and risky to the Gulf because here people are more impressed with huge projects like, high towers, rather to have simple divided cheques. There are some signs of change in political structure of these regimes but at slow rate. Now instead of Saddam, Gulf states are threatened by the instability in Iraq and by the rivalry between America and Iran. Sheiks cannot assure perfect security but can only invest their windfall to stabilize Iraq and the broader Middle East.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 2 August 2008 to 8 August2008

Presentation: 15 August 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Sri Lanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar.

Bangladesh:

POLITICAL:

- Local body polls largely peaceful
- SAARC Summit concludes adopting declaration on dos
- Difficult to hold credible election under emergency
- Over 1000 Bangladeshis deported from Kuwait

SOCIAL:

- 780 recruiting firms misappropriated
- Poor people start moving to cities in search of work and livelihood
- City dwellers continue to face mosquito menace

- Vitamin-A can save 20,000 infants in Bangladesh per year
- Titas gas to introduce computerised ledger system to reduce customer hazard
 - Severe earthquake may kill one lac people and destroy 25%

ECONOMY:

- Bangladesh emerging as shipbuilding nation
- Tata decision unlikely to affect FDI in other sector
- BB Governor for banks to support HRD to spur economic growth
- ADB to give \$170m emergency assistance for food security to BD

Local body polls largely peaceful

The local body polls were largely peaceful. Faulty voter lists were also reported from Sylhet City Corporation polls, while stray incidents of beating up of rival supporters and dismantling of camps outside polling centers were reported from Barisal. Reports reaching UNB central desk from the polling areas say, voting in the four city corporations and nine municipal corporations were largely peaceful, while a good number of voters were waiting in the queue for a long time reflecting their enthusiasm to exercise their franchise.

Severe earthquake may kill one lac people and destroy 25% buildings in Dhaka

A powerful earthquake may hit the country anytime causing a loss of life of at least one lac people in the capital Dhaka due to fragile and faulty structure of the residential buildings and commercial centres. As geographically Bangladesh remains at the earthquake-prone zone and neighbouring countries are being hit frequently by powerful earthquakes, there is possibility for Bangladesh to experience a devastating earthquake said VC of BRAC University Prof Jamilur Reza Chowdhury at a seminar titled " earthquake risk in Bangladesh and mitigatory measures" . He added that if an earthquake with the magnitude of 7 Richter scale hits the country, around one lac people will die and one-fourth buildings will collapse as the buildings were not constructed properly.

Titas gas to introduce computerised ledger system to reduce customer hazard

Titas Gas's domestic consumers are likely to come into computerised ledger system from January next, official sources said. According to the sources, Tatas Gas Transmission and Distribution Company Limited is now implementing a project-"Domestic Customer Ledger Computeris-ation"- to build a customer database and bring its accounting system under the programme. Titas Gas is a state-owned organisation responsible for transmission and distribution of natural gas to Dhaka city and its adjoining . It has a total of 11 lakh domestic customers across the city and elsewhere. But initially, the ledger computerisation system will be introduced for its domestic customers in capital city and adjoining Jinjira area. At present, the Titas consumers have to frequently face one problem to ensure that the Gas bills they pay through prescribed banks are subsequently recorded in official ledger books. As a result, the customers are often issued notices saying that they have defaulted in payments and asked to clear their 'arrears'.

ADB to give \$170m emergency assistance for food security to BD

The Asian Development Bank (ADB) will provide Bangladesh US\$ 170 million to finance the Emergency Assistance for Food Security. A loan agreement, to this effect, was signed between the ADB and the Government of Bangladesh at the Economic Relations Division. ERD Joint Secretary Monwara Begum and Nurul Huda, Officer in-Charge of ADB's Bangladesh Resident Mission, signed the agreement on behalf of their respective sides. Bangladesh, being a net importer of food grains, has been seriously affected by food price shocks, driven by higher international prices due to two successive natural disasters and cyclone Sidr. In order to save the poor people from soaring food price, the government requested ADB to provide US\$ 200 million as emergency support to assist the government in implementing its vastly expanded safety net programmes for the poor and vulnerable. In response, ADB conducted the need assessment jointly with IMF, World Bank and JBIC to determine the country's safety net requirement which has resulted in ADB's providing of US\$ 170 million as budget support. ADB is one of the largest multilateral development partners of Bangladesh extending assistance to the country since it became a member of ADB in 1973.

SAARC Summit concludes adopting declaration on dos

The two-day 15th SAARC Summit concluded with the adoption of Colombo declaration, Colombo statement on food security and the signing of four agreements on cooperation in core areas under the graduating South Asian grouping. The four agreements that got the seal of approval of the South Asian countries are the Charter of SAARC Development Fund, agreement on the Establishment of South Asian Regional Standard Organization (SAR-SO), SAARC Convention on Mutual Legal Assistance in Criminal Matters and Protocol on Accession of Afghanistan to South Asian Free Trade Area (SAFTA) agreement.

Difficult to hold credible election under emergency

Visiting UK's Secretary of State for Communities and Local Government Hazel Blears said it would be very difficult to hold free, fair and credible election under the state of emergency. There is a need to balance safety and security for free and fair election. It is difficult to have election under the state of emergency and therefore I encourage the government to gradually lift the state of emergency. If the state of emergency is not lifted, panic and fear will haunt voters. Concluding her two-day visit to Bangladesh, in her statement, she reiterated UK's encouragement for all sides in Bangladesh to engage constructively in democratic processes for a smooth transition to an elected government in 2008 and to commit to furthering reforms for sustainable democracy.

Over 1000 Bangladeshis deported from Kuwait

Over the past few days more than 1000 Bangladeshis have been deported from Kuwait. Nearly 170 Bangladesh workers returned home from Kuwait, complaining they had been beaten and expelled after taking part in a rare labour protest in the Gulf state. Another batch of nearly 250 Bangladeshis flew back to Dhaka from Saudi Arabia saying they also had been summarily expelled. Hundreds of Asian foreign workers in Kuwait staged demonstrations and went on strike last week to demand better pay and working conditions. The protests turned violent when some workers overturned cars and ransacked offices, but ended after the government said it would look into their grievances. The strike in the major oil exporting Gulf Arab state came against a backdrop of soaring inflation and high prices, with workers complaining they couldn't survive on their salaries once labour agents took their cut or unscrupulous employers deducted housing, medical and meal costs. A senior government official in Dhaka said Bangladesh embassies in the Gulf were looking into the matter, but workers complained the response had been hopeless. Over 5 million Bangladeshis work abroad, mostly in Saudi Arabia and other Middle eastern countries, sending home around \$8 billion a year and providing a vital foreign exchange boost to Bangladesh's economy.

780 recruiting firms misappropriated

The Taskforce on corruption has made recommendations to suspend the licenses of around 27 recruiting agencies of the country on charge of widespread corruption and irregularities in the name of manpower export abroad and causing endless miseries to the Bangladeshi workers. According to sources, about one thousand recruiting agency owners adopted unfair means in exporting hundreds of thousands of workers to other countries from Bangladesh over the last several years, tarnishing the image of the country abroad. Taking full advantage of ignorance and simplicity of the Bangladeshi workers, they made crores of Taka illegally and unethically under the very nose of different law enforcing agencies. It has warned 45 recruiting firms against punishment along with cancellation of their licenses if they fail to perform their activities properly and transparently by the next six months.

Bangladesh emerging as shipbuilding nation

As a massive development in the shipbuilding sector, Bangladesh embarked upon a new era with the export of seven more ocean-going ships - one cargo vessel to Denmark and six other passengers' ships to Mozambique. As part of putting Bangladesh on the global shipbuilding arena, Bangladesh will officially become an ocean-going shipbuilding nation. Shipbuilding would emerge as the next major industry after garments in the country, with the country expected to export ships worth \$10 billion by 2016.

Tata decision unlikely to affect FDI in other sector

Finance Adviser Dr Mirza Azizul Islam said the Tata Group's decision not to go ahead with their US\$ 3 billion investment plan in Bangladesh is unlikely to affect foreign direct investment in other sectors of the country. Tata sought guaranteed gas supply to its planned projects for a 20-year period from Bangladesh, which itself is suffering from lack of smooth supply since last year due to sharp rise in domestic demand. The Indian industrial giant said it would not pursue its long-awaited US\$ 3 billion investment plan in Bangladesh, as the country would not be in a position, in the foreseeable future, to grant the projects the natural gas commitment. The much-publicized Tata investment offer ran into trouble since the Group signed an Expression of Interest with Board of Investment (BoI) in 2004. Tata suspended the investment proposal in 2006 following a decision by the then BNP government that the next elected government should take the final decision.

BB Governor for banks to support HRD to spur economic growth

Bangladesh Bank Governor Dr Salehuddin Ahmed called upon the banks to support the country's human resources development efforts as a strategy to accelerate economic growth. He made the call eyeing on manpower market in the developed countries, including Europe, where population growth was now almost zero. "There will be a time when Europe will require skilled manpower. So, we'll have to emphasise on education," the governor told a stipend distribution ceremony of Exim Bank Foundation at Bangladesh-China Friendship Conference Centre. He urged the BB Governor and other high government officials, who attended the function, to help the Bangladesh Association of Banks (BAB) get an approval for setting up a non-profit university in the country to facilitate poor students pursuing higher studies. Majumder also requested the Governor's help in getting tax exemption on corporate spending against social responsibility.

Poor people start moving to cities in search of work and livelihood

The poor people have started moving to different metropolitan cities including the capital Dhaka and towns in search of work and livelihood. Especially during the monsoon the day labourers living in different places of the country have to face serious job crisis as they don't get any kind of jobs in their respective places. On the other hand, abnormal prices of essential commodities have destroyed hopes and aspirations breaking the financial backbones of the people, specially the poor and the destitute. Many of them are passing inhuman lives with their family members in their villages. Even, they are failing to feed their children two times in a day. The city's bus and launch terminals are regularly witnessing huge rush of poor and destitute.

City dwellers continue to face mosquito menace

Lives of city dwellers specially living besides the water bodies, drain, narrow lanes and slums have become unbearable as mosquito menace has taken a serious turn. Although Dhaka City Corporation (DCC) has sanctioned taka 15 crore in its budget to control the mosquito menace but the DCC is yet to take any effective measures to reduce the people's sufferings from mosquitoes related diseases. Talking to The Bangladesh Today an official of DCC on condition of anonymity, said like in the past, the money which has been sanctioned for mosquito control, was not spent properly as a section of employees with the association of their high ups, are engaged in looting money instead of eradicating mosquitoes. The sources said the DCC does not provide enough spray men, machines, mosquito eradication medicines and vehicles for each ward that is badly affecting the eradication work

Vitamin-A can save 20,000 infants in Bangladesh per year

The experts at a conference here on Tuesday said as many as 20,000 Bangladeshi infants' lives could be saved each year if all new born babies were fed oral dose of vitamin A shortly after birth. According to a study conducted by Johns Hopkins University and published in July, 2008 in pediatrics, official Journal of the American Academy of pediatrics, giving a single dose of vitamin A to Bangladeshi newborns can reduce infant deaths by 15 percent

SRILANKA:

POLITICAL:

- LTTE takes French ACTC for a ride
- Opposition Parties Oppose CEPA Agreement
- Navy Raids Iranativu Island in the North
- SAARC Summit took far-reaching decisions of key issues
- SAARC takes measures to ensure food security in region
- At least 9 LTTE terrorists killed, 6 wounded in clashes

SOCIAL:

- Dialog sponsors National Best Quality Software Awards 2008
- Sri Lankan President to attend Beijing Olympics

ECONOMY:

- Bangladesh invites investors to invest in man power training field
- Sri Lanka Government imposes a new tax on mobile phone and motor vehicles

Bangladesh invites investors to invest in man power training field

Bangladesh High Commissioner in Sri Lanka Shahdat Hossain invites Sri Lankan investors to invest in manpower training in Bangladesh. He said the Bangladesh High Commission in Colombo plans to meet local investors and the business community shortly to discuss business and investment opportunities in both countries. According to the government sources the real GDP growth of 5.6 per cent was achieved in 2007, although higher rates of growth will be needed to meet the millennium target of halving the number of people below the poverty line by 2015.

LTTE takes French ACTC for a ride

In recent weeks the Presidential Secretariat in Colombo and the Sri Lanka Embassy in France received dozens of letters signed by different individuals with Tamil and French names. Though they were posted from different localities in Paris, all the letters had the same content accusing the government of Sri Lanka of alleged human rights violations and alleging that soldiers torture Tamil citizens. The most intriguing part is that all these letters have been initiated by an appeal in the monthly newsletter of the ACAT France, which is affiliated to the International Christian Federation Against Torture and has a consultative capacity at the UN, at the European council, and at the African Commission on Human and Peoples Rights.

Opposition Parties Oppose CEPA Agreement

Major opposition political parties have shown opposition to the proposed Comprehensive Economic partnership Agreement – CEPA and said it will affect local services sector.

Sri Lanka Government imposes a new tax on mobile phones and motor vehicles

Sri Lanka Government has imposed Environmental Conservation Tax on the communication and transportation sectors. Mobile telephone users and motor vehicle owners are worried about recent taxes on mobile phone bills and motor vehicle licenses. They said the government tries to end the usage of mobile phones and motor vehicles. They said at present a number of taxes on phone bills were imposed by the government

and the recent tax is Environmental Conservation Tax on motor vehicle licenses and mobile phone bills.

Navy Raids Iranativu Island in the North

Sri Lanka Navy's Special Boats Squadron (SBS) and the Rapid Action Boat Squadron (RABS) launched an offensive landing into the Iranahivu Island and completely destroyed the make-shift LTTE sea tiger camp situated on the Island. The elite team destroyed a sea tiger boat and captured another two during the confrontation killing four tigers and went onto attack the fleeing tigers till areas closer to Nachchikudha (an area under tiger control). Naval craft on observing another cluster of boats which came to assist their withdrawing cadres came under a surprise sea borne attack both from the northern and southern flanks where the tiger boats were left with the only option of withdrawing with heavy casualties.

Dialog sponsors National Best Quality Software Awards 2008

Dialog Enterprise Solutions, an integrated business division of Dialog Broadband Networks (DBN), sponsors the National Best Quality Software Awards 2008, the only national competition of its type in Sri Lanka. The event is organized by the British Computer Society, Sri Lanka section. The competition which marks its tenth anniversary this year, has made a remarkable contribution to the ICT industry in Sri Lanka by recognizing and promoting exceptional local ICT achievements, since its inception in 1998.

Sri Lankan President to attend Beijing Olympics

Sri Lankan President Mahinda Rajapakse will attend the Beijing Olympics. A senior official said on condition of anonymity that Rajapakse will go to Beijing for the Olympic Games, but his detailed schedule can not be disclosed for security reason. Chinese Vice Minister of Foreign Affairs Wu Dawei, who is in Sri Lanka's capital Colombo to attend the 15th SAARC (South Asian Association Regional Cooperation) Summit, told the president that the Chinese government welcomes his presence at the Beijing Olympics.

SAARC Summit took far-reaching decisions of key issues

President Mahinda Rajapaksa addressing the concluding session of the SAARC said that a South

Asian university based in New Delhi will begin its first session in 2010. In the social sector, we have directed that the South Asian University based in New Delhi should begin its first session in 2010. The University is perhaps one of the most far-sighted SAARC projects, for, by bringing together the best of our youth in a centre of academic excellence, it will over the years cement even further the bonds of friendship among the peoples of South Asia

SAARC takes measures to ensure food security in region

SAARC countries resolved to take measures to ensure region wide food security by implementing a regional strategy for the purpose. In view of the emerging global situation of reduced food availability and worldwide rise in food prices, summit directed that an Extraordinary Meeting of the Agriculture Ministers of the SAARC Member States be convened in New Delhi, India in November 2008, to evolve and implement a people-centred short to medium term regional strategy and collaborative projects that would, among others, lead to Increase in food production; Investment in agriculture and agro-based industries; Agriculture research and prevention of soil health degradation; Development and sharing of agricultural technologies; Sharing of best practices in procurement and distribution; and Management of the climatic and disease-related risks in agriculture.

At least 9 LTTE terrorists killed, 6 wounded in clashes

At least 9 LTTE terrorists were killed and 6 wounded during the progressive counter-terrorist operations launched in the Northern and Wannu battle theaters, according to military reports. On the Jaffna battlefield, 2 terrorists were reported killed sniped separately ahead of LTTE defences in general Nagarkovil. Meanwhile, an LTTE terrorist was also killed by security forces in general area Kalvilan, in the combined Mannar-Vavuniya front. Also a soldier has laid his life during a confrontation with LTTE in general area Vellankulama, Mannar. The Task Force-2 troops operating in Palamoddai and Navvi general areas have reportedly killed 3 terrorists. According to military, another terrorist was killed sniped in general area Konpivithakulam in addition to a soldier who sustained injuries due to an anti-personal (AP) mine explosion at Navvi.

NEPAL:

POLITICAL:

- Nepal extends deadline for new govt
- PM intensifies meetings with Madhes-based leaders
- Big four parties agree to meet for national govt
- PM Koirala busy in discussion with Indian ministers
- PM expresses support for Nepal, meets various leaders
- Govt staff shut down offices

SOCIAL:

- Govt forms task force to end VAW

ECONOMY:

- **Poor suffering most from oil crisis**
- WB grant to pay PLA, conflict victims
- No need to repay Rs 1.5b loan: Maoists tell farmers
- SAARC concludes, leaders vow to boost economy

Govt staff shut down offices

After the government employees came to the streets closing their offices three days ago, locals from the district are facing problems getting their official work done. After the government failed to provide security even as extortion, kidnapping and intimidation against them continued unabated in the recent times, the employees have resorted to protests, demanding security at workplace. They have closed all offices, including banks, and keeping open only emergency services at hospitals. The stirring employees, who have also formed a struggle committee, said that the security agencies and local administration remained mere spectators when various groups have become rampant in abducting, extorting and beating up government servants even inside office premises.

Nepal extends deadline for new govt

Nepal's president has extended a deadline for ex-rebel Maoists to form the new republic's first government. President Ram Baran Yadav had asked the Maoists, who won recent elections, to form a national consensus government by Tuesday, but they failed to attract support from other parties. Political wrangling has left Nepal in limbo with no formal government since it abolished its 240-year-old monarchy and became a federal democratic republic in May. The Maoists presented a policy programme earlier this week in a bid to build a consensus to lead the next government. It focused on land reform, youth unemployment, and fuel and food supplies.

Poor suffering most from oil crisis

As the government has failed to get its priorities right regarding the petroleum sector, low-end consumers - for whose sake the country suffered oil losses of over Rs 18 billion over the last four years - have been left to suffer the most from the deepening oil crisis. According to Nepal Oil Corporation's (NOC's) sales records and distribution priority, it distributed a mere 36 percent of the required amount of kerosene - the cooking and lighting fuel of the poor - during the last two years. While this quantity was the lowest among major petroleum products, consumer activists

said the government was forcing low-income customers to live in perennial crisis.

PM intensifies meetings with Madhes-based leaders

At a time when the major parties are struggling to form a new government with national consensus, President of Nepali Congress (NC) and caretaker Prime Minister Girija Prasad Koirala held consultations with Madhes-based and other fringe parties . Prime Minister Koirala separately consulted with the leaders of Terai Madhes Democratic Party (TMDP), Mahato-led Nepal Sadbhawana party and Nepali Workers and Peasants Party at Baluwatar and discussed on the government with national consensus. At the meeting, the leaders of the parties urged the Prime Minister to continue attempts as there was no alternative than national consensus.

WB grant to pay PLA, conflict victims

The government has finally managed more than 3 billion rupees for relief for conflict-hit people and to provide allowances to Maoist combatants which is due for more than a year. The government received Rs 3.035 billion from the World Bank's Emergency Peace Support Program to provide Rs 100,000 relief to the families of each person killed during the decade-long Maoist insurgency. Now, each Maoist combatant will receive around Rs. 40,000 in lump sum. The amount received from WB as grant will be spent for paying allowances for the last 13 months to the Maoist combatants who are in 27 UN-monitored cantonments. The Maoist combatants are entitled to get Rs 3,000 every month as per the Comprehensive Peace Accord signed by the government and the Maoists. Payment of the allowances has long been one of the major concerns raised by the Maoists during their meetings with other ruling parties but the Finance Ministry had been releasing partial amounts citing lack of necessary budget.

No need to repay Rs 1.5b loan: Maoists tell farmers

The eastern regional office of Agriculture Development Bank in the district has failed to collect Rs 1.5 billion loan provided to the farmers after Maoists persuaded small farmers not to repay their loan. Around 46,000 farmers, who drew loans between Rs 5000 to 100,000 from 1990 to 2006, have failed to repay, said a source at the bank. Some clients who used to pay interest regularly have also stopped after CPN (Maoist) became the largest party after the Constituent Assembly election. The source informed that Maoists have collected names and the loan amount of all small farmers of Koshi zone from the bank, so that farmers having to repay loans between Rs 5000 to 100,000 would be exempted. It has been known that Maoists have already issued directives to party offices throughout the eastern districts about its decision to exempt loan repayment of small farmers.

Big four parties agree to meet for national govt

The Major four parties--CPN-Maoist, Nepali Congress (NC), CPN-UML and Madhesi People's Rights Forum (MPRF) reached an agreement to hold a joint meeting to form a national consensus government. In separate consultations among the parties, the parties cited the need to prepare a common minimum programme as the national government cannot be formed without the agreement of the four parties. The parties have stressed on the need to seek an agreement after discussing the Maoists' proposal of common minimum programme. The leaders of NC discussed with MPRF leaders and UML discussed with NC at the UML office and NC also discussed with the Maoists. The leaders have also informed that the meeting of the major four parties can finalise the government formation issues although the discussion revolved around the Maoists proposal. However, the Maoists said that no changes would be made in their common minimum programme and would be concluded after discussions.

PM Koirala busy in discussion with Indian ministers

Prime Minister Girija Prasad Koirala is busy in parleys with the top leaders of Indian ministers. Prime Minister Koirala had reached the neighboring country India after attending the 15th South Asian Association Regional Corporation (SAARC) summit. PM Koirala held a consultation with Socialist Party leader Mulayam Singh Yadav. He had consulted Indian Prime Minister Manmohan Singh on the formation of the government at Colombo in Sri Lanka itself. Prime Minister Koirala is also scheduled to meet Bharatiya Janata Party (BJP) leader Lalkrishna Adwani. According to the report, PM Koirala is also scheduled to hold a consultation with Chairperson of UPA and President of Congress Soniya Gandhi on the present political development of the country.

SAARC concludes, leaders vow to boost economy

The 15th South Asian Association for Regional Cooperation (SAARC) summit ended releasing a 41-point Declaration with the commitment to put in collective regional efforts to accelerate economic growth and social progress for the benefit of its people. In a Declaration issued at the end of the two-day Summit, the representatives of the of eight SAARC member nations reaffirmed their commitment for collective regional efforts to accelerate economic growth, social programmes and cultural development to promote welfare of the people of the region.

PM expresses support for Nepal, meets various leaders

Prime Minister Manmohan Singh expressed India's commitment to supporting Nepal in its transition to democracy. Mr Koirala briefed Dr Singh on the internal situation in Nepal where a democratically-elected government has been installed. Dr Singh said India wanted a stable, democratic and peaceful Nepal and expressed appreciation for transiting to democracy and

conducting elections. They also reviewed the bilateral relations and expressed satisfaction with the state of the relationship.

Govt forms task force to end VAW

The government formed a seven-member task force under the coordination of secretary at Office of Prime Minister and Council of Ministers Brinda Hada to provide recommendations to the government to help end all forms of Violence Against Women (VAW). The task force formed under a ministerial decision has been entrusted to submit its recommendations within two months to address the demands and grievances of women right activists. However, protesting women denounced the structure of the task force. After receiving the statement from the home ministry, women took to the street and burnt Home Minister Krishna Prasad Sitaula's effigy. They demanded at least three women from among protesting women, including the coordinator. The talks team reached the conclusion that a task force should be formed to draft Terms of Reference (TOR) in order to form a high level autonomous women's commission to deal with all forms of violence against women. The agreement reached between the government and the women also says that the task force will investigate the alleged murder of Laxmi Bohara and guarantee WHRD's security.

BHUTAN:

POLITICAL:

- Bhutan-Nepal talks to resume
- SAARC countries need to act to implement their past commitments
- Parliament's Constitutional Dilemma

SOCIAL:

- Tackle Poverty
- Civil Society Act: Passed but not in practice

ECONOMY:

- Thimphu – Financial hub of SAARC fund
- Bhutan export vegetables to Bangladesh
- More commercial banks for Bhutan

Bhutan-Nepal talks to resume

After meeting Nepal's Prime Minister, Mr Girija Prasad Koirala, on the sidelines of the 15th SAARC summit in Colombo, Lyonchhen Jigmi Y Thinley said that the two governments had agreed to continue the stalled talks on the people in the camps in Nepal.

Thimphu – Financial hub of SAARC fund

A SAARC development fund (SDF), which would serve as the umbrella financial institution for all SAARC projects and programmes, will be based in Thimphu. Leaders of the SAARC nations endorsed the decision during the 15th SAARC Summit held in the Sri Lankan capital, Colombo on August 2 and 3. Lyonchhen Jigmi Y Thinley told the Bhutanese media in Colombo that there were several SAARC member countries interested in hosting the fund in their capitals. SDF will finance the social, economic, and infrastructure development sectors in the region through various arrangements, the principal source being membership contributions. Lyonchhen Jigmi Y Thinley said that India's contribution will be about 300 million dollars, Bhutan's could be 15 to 20 million dollars and other countries would make contributions according to their capability. According to the agreement, funds may be mobilised and generated from both within and outside the SAARC region. Technical and financial assistance from UN agencies, multilateral and regional funds, and other non-regional partners, as approved by the governing council, may also be availed.

SAARC countries need to act to implement their past commitments

Bhutanese Prime Minister Lyonchhen Jigmi Y. Thinley said that the South Asian Association for Regional Cooperation (SAARC) countries need to act to implement their past commitments. Addressing the inauguration of the 15th SAARC Summit here, Thinley said the SAARC countries had made numerous commitments and created several worthy arrangements to provide enabling frameworks for cooperation in a wide range of areas. He emphasized that the SAARC could bring about visible and tangible benefits to their peoples only if the creations were implemented. He pointed out that the rising oil prices put considerable strain on the South Asian economies by pushing up the cost of living and fueling inflation. Thinley called on oil producing and exporting countries to take steps to stabilize the oil markets by enhancing their capacities and output. Thinley also identified some key sectors including the economic cooperation, tourism and cultural exchange in which the South Asian countries could make joint efforts to promote regional cooperation.

Tackle Poverty

The nations in Saarc account for 22 percent of the world's population and 2 percent of its economic output. Officials from Japan, China, South Korea, the U.S. and the European Union attended as observers. The World Bank estimates about 40 percent of South Asia's 1.4 billion people live on less than \$1 a day. To tackle poverty, Bhutan Prime Minister Lyonpo Jigme Thinley offered yesterday to host a development fund in the Himalayan Kingdom. The Saarc leaders also signed an agreement to start the Saarc Development Fund to improve roads, ports and other infrastructure in the region.

Civil Society Act: Passed but not in practice

Pushed through the legislature and overwhelmingly passed by the National Assembly, it was expected to play an important role in Bhutan's new political system. A year has passed and the Civil Society Organizations (CSO) Act has yet to be enforced. Chief justice Lyonpo Sonam Tobgye, who along with other judiciary officials drafted the Act, said that it would ensure transparency and accountability in the functioning of non-government organizations (NGOs) and also specify their roles and responsibilities. But, after its enactment at the 87th National Assembly session on June 20, 2007, the CSOs in the country are still waiting for the 19-chaptered Act to come in to force. CSOs refer to associations, societies, foundations, charitable trusts, not-for-profit organisations or other entities, that are not part of government and do not distribute any income or profits to their members, founders, donors, directors or trustees. CSOs do not include trade unions, political parties, cooperatives or religious organisations as per the Act. The Act also states that an independent CSO authority will be set up after its enactment and that all CSOs will have to register with the authority. Meanwhile, observers say that civil societies are expected play a major role in uplifting the people and making disadvantaged people understand government policies. Lyonpo Sonam Tobgye also said that one of the main objectives of the Act was to facilitate a constructive partnership between the government and CSOs in order to advance public interest.

Parliament's Constitutional Dilemma

Bhutan's young parliament after its very first session seems headed for a constitutional dilemma. This is because of a growing divide between the National Council (NC) and National Assembly (NA) on procedures for passing the annual budget. NA members had pointed out that NC's recommendations on the budget were not binding. NC, meanwhile, argued that it would, which would mean a joint sitting where a two-third vote would be needed to pass the budget on any disagreement. The National Council has decided that it would approach members of the judiciary and drafting committee to get legal advice on how to interpret the budget. Some NC members in a meeting yesterday wanted an immediate judicial review but other members felt that some research was needed before taking any step. They are researching other country's constitutions and consulting experts to gauge the strength of their stand. Lyonpo Khandu Wangchuck said that the government as the executive branch was accountable for undertaking socio-eco development and, in view of this; the Constitution fully empowers NA to decide on the annual budget in a speedy manner.

Bhutan export vegetables to Bangladesh

Bhutanese vegetables are in huge demand in the Bangladeshi capital Dhaka. The first consignment of fresh vegetables was flown by Druk Air on a trial basis. The trial marketing of

fresh vegetables to Bangladesh has been a huge success according to agriculture officials. The Agriculture Marketing Services of the Agriculture Ministry says the trail export of fresh vegetables has received encouraging response from importers in Bangladesh. The agriculture marketing services said a Memorandum of Understanding with the importers will have to be signed so that production planning for future export can be done and also Bhutanese will know about the quality required.

More commercial banks for Bhutan

Bhutan could see more commercial banks by the first quarter of 2009 with the royal monetary authority (RMA), the country's central bank, having received nine applications to start banking. These include four joint ventures with partners from India, Nepal and Kazakhstan and stand-alone proposals. The first applicants were the Tashi group and Singye group way back in July 2006. The others are from the Samden group, the Bhutan development financial corporation limited (BDFCL), and a joint venture promoted by Hotel Riverview. The process to allow new commercial banks, which had been shelved for more than eight months, according to a government directive, picked up pace this week with a special committee formed to study the proposals.

MYANMAR:

POLITICAL:

- Can the 2010 election change Burma
- New UN rights envoy on first mission to Myanmar
- Aid work opens 'positive door' for UN, Myanmar cooperation
- Bomb blasts in two states in Burma

SOCIAL:

- **Food shortages significant**
- Police arrest 200 illegal Myanmar workers in Mae Sot
- Increase in Kachin women trafficking to China: KWAT
- Landslide in Burma
- Activists urge people to boycott Burmese "blood jade" in Beijing Olympics
- Myanmar lifts ban on operation of motor cycles in Yangon
- 1st Myanmar woman to referee in Beijing Olympic soccer event
- Myanmar plants 33,000 trees in Yangon to replace cyclone-downed ones
- Myanmar cooperates with UN organization in avian influenza prevention

ECONOMY:

- **Myanmar, India to build IT centers in Myanmar**

Food shortages significant

Three months after Cyclone Nargis hit southern Myanmar, hundreds of thousands of people are still not back on their feet. According to the recent Post-Nargis Joint Assessment (PONJA), 42 percent of all food stocks were destroyed and 55 percent of families only had stocks for one day or less. Moreover, 924,000 people will need food assistance until the November harvest this year, while around 300,000 will need relief until April 2009. In June, the UN Food and Agriculture Organization (FAO) reported that about 200,000 hectares, or 16 percent, of the delta's total 1.36 million hectares of agricultural land had been severely damaged in the cyclone and would "not be available for planting this season". In mid-July, just as the planting season was coming to a close, the FAO reported that upwards of 75 percent of farmers in the area lacked sufficient seeds. The government claims 80,000 hectares of paddy fields were not planted in time, while others estimate that 25 percent of farmers were not able to plant at all. According to the FAO, almost 18,000 fishermen lost their lives in the cyclone, with another 10,000 still missing. More than 21,000 hectares of aquaculture ponds were destroyed and more than 2,000 larger mechanised fishing boats lost. Moreover, tens of thousands of non-mechanised boats, accounting for the livelihoods of thousands of families in the affected area, are believed to have been lost. The government plans to sell 9,000 boats by installment, of which 3,000 have so far been completed. Food assistance from donors and the government notwithstanding, many survivors complain they simply cannot get by on what they receive and are concerned about where their next meal will come from. Others still find themselves forced to borrow money from local money lenders, increasingly placing them in debt from which they may never recover.

Police arrest 200 illegal Myanmar workers in Mae Sot

Thai police have arrested about 200 illegal Myanmar workers in this Thai-Myanmar border province ahead of this week's US presidential visit to Thailand. The illegal workers are mainly young people, thought to be Myanmar students, who have come to Thailand to try to meet President George W. Bush and his wife Mrs. Laura Bush in their move to free Myanmar democracy advocate Aung San Suu Kyi, who has been under house arrest in her homeland for 12 of the last 18 years, since her party won the country's elections in 1990. The United Nations reports Mae La as having a population of somewhat over 35,000 persons, while the Burma Border Consortium, an umbrella-organisation, says there are about 38,000 persons being fed daily.

Increase in Kachin women trafficking to China: KWAT

The economic slump in Burma coupled with human rights violations by the Burmese military regime has led to Burmese women being trafficked to neighbouring countries like China. The trafficking is increasing by the year, said a Kachin women's group. A new report "Eastward

Bound” launched today by the Kachin Women’s Association Thailand (KWAT) said about two-thirds of the women and children from Kachin State and about one-third from northern Shan State were trafficked to China. About 25 per cent of trafficked women were under 18 while most girls were as young as 14. The majority of the women and girls are from poor quarters of larger towns. According to the report, women and girls were trafficked when they sought work to support their families. Most women were trafficked to provide wives for Chinese men. The new report released by KWAT documented trafficking cases which occurred between 2004 and mid – 2007 involving 163 women and girls. According to a Trafficking in Persons Report 2008 by the US State Department, Burma is a source country for women, children and men trafficked for the purpose of forced labour and commercial sexual exploitation. Burmese women and children are trafficked to Thailand, the People’s Republic of China, Bangladesh, Malaysia, South Korea and Macau for sexual exploitation, domestic servitude and forced labour.

Can the 2010 election change Burma?

In 2010, Burma’s military generals are going to hold an election under their new helmetocracy constitution, which was more than a decade in the making and aims to allow the generals to run the country for decades to come. Prior to the referendum to approve the constitution, the ministers of the junta’s war office worked rapidly in both rural and urban areas of Burma, using populist appeals and fear-mongering, to persuade the people to vote Yes. Can this helmetocracy constitution and the planned bulletocracy election change Burma? Will Burma become a semi-democratic state or remain under authoritarian rule in the post-election years? Will Daw Aung San Suu Kyi, U Tin Oo, Ko Min Ko Naing and all other political prisoners be released? Will the exile movement and overseas Burmese in rich first-world countries go back to Burma to vote in this election and to run for office? Under the helmetocracy constitution, there will be no genuine change in Burma. 110 members of the 440-seat People’s Parliament, and 56 members of the 224-seat National Parliament will be selected by the elite generals. Rather than making a transition to democracy, it is incontrovertible that Burma’s elite generals are instead following the models of North Korea and Suharto’s Indonesia. Finally, the possibility for regime change in Burma depends on when people power rises up again to throw this helmetocracy constitution into the dustbin. People power can override this constitution and it will come about without a Burmese Ramos. A human sovereignty clock is ticking in Burma.

LANDSLIDE IN BURMA

A landslide in Phakant jade mine killed at least 20 people. They were killed while searching for gold in the dumping site of jade mining companies in the afternoon of July 30 at Hmawsizar jade mine in Phakant, Myitkyinar district, Kachin State, northern Burma. There is very little chance of retrieving the bodies from the landslide. Most of the dead hail from central Burma. Landslides frequently kill people in these remote jade and gold mines, about 960 kilometres north of

Rangoon, but the news of these tragic deaths rarely reach the outside world. Jade from Phakant mines are famous the world over.

Myanmar, India to build IT centers in Myanmar

Myanmar and India will cooperate in setting up 11 centers for enhancement of information technology (IT) skill in some key cities of Myanmar. The project of establishing these centers in major cities of Yangon and Mandalay and others will start implementation by the Center for Development Advanced Computing (CDAC) of India and the state-run Myanmar Posts and Telecommunications (MPT) at the end of this year under a memorandum of understanding signed between the two countries during a visit to New Delhi of Myanmar Deputy Foreign Minister U Kyaw Thu in December last year. With regard to the project, Myanmar has sent 100 government servants to India to undergo the training early this year. Myanmar and India have been cooperating in the technical aspect in recent years. In March 2006, Indian President APJ Abdul Kalam paid a state visit to Myanmar, during which the two countries signed three documents on bilateral cooperation including a framework agreement on using India's satellite to directly receive data for agricultural forecasting with India providing a grant aid of 1.3 million U.S. dollars to upgrade remote sensing ground receiving station in Yangon and another 3 million dollars with delineation of Myanmar's continental shelf in addition to technical assistance for the project. A contract between the MPT and the Telecommunications Consultants India Limited (TCIL) was also endorsed on the occasion, according to which, the two sides will implement SDH/STM 4 optical fiber link between Moreh, northeastern border town of India, and Mandalay, the second biggest city in central Myanmar, and the ADSL systems.

Activists urge people to boycott Burmese “blood jade” in Beijing Olympics

Activists are calling on global consumers to boycott souvenirs and jewelry made of Burmese jade in order to avoid supporting Burma's abuse-ridden jade mining industry that provides the military regime with one of its largest sources of solid cash. The report named “Blood Jade: Burmese Gemstones & the Beijing Games” was released by All Kachin Students & Youth Union (AKSYU) Olympic spectators and Olympic athletes and visitors to China for the 2008 Summer Olympics to boycott the sale of Burma blood in Beijing and beyond. For the first time in history, Olympic medals will include a material other than gold, silver, and bronze while the medals of the Beijing Games are made with Chinese nephrite jade, Burmese jadeite has eclipsed nephrite in popularity in China. Gem-quality jade, a class of jadeite, is only produced by Burmese mines, which are controlled and operated by the military regime and its business partners. The report also details about how the military regime that rules Burma makes millions of dollars per year from the export of jade, primarily to China. The report ends with a reminder: “It is

critically important that the International Olympic Committee (IOC) and the rest of the Olympic movement find clear and creative means to distance itself from the trade in Burmese blood jade to protect the integrity of the most important symbols of the Olympics and the fundamental values enshrined in the Olympic Charter. They should take swift action to safeguard the trust of the world citizens who are at risk of becoming unwitting parties to a global blood jade industry mired in a system of abuse and lawlessness.” On 29 July, US president George W Bush signed legislation into law to prevent US retailers of Burmese gems from legally profiting from the trade.

New UN rights envoy on first mission to Myanmar

The UN's new human rights envoy for Myanmar for his first mission to the military-run nation, where his predecessor made little headway in pushing the junta to reform. United Nations special rapporteur Tomas Ojea Quintana, who took up his post in May, arrived in Yangon. Quintana has said he wants to travel to areas devastated by Cyclone Nargis, which hit three months ago leaving more than 138,000 people dead or missing and about 2.4 million people in dire need of aid. Before his trip ends, he also aims to meet state officials, ethnic groups and political parties, and try to open talks with the generals on improving their human rights record.

Myanmar lifts ban on operation of motor cycles in Yangon

The Myanmar authorities have lifted a ban on operation of motor cycles in Yangon division starting this month, the local weekly Voice quoting the traffic rule enforcement committee. Licenses are being issued to such vehicles to run in the Yangon municipal area and 14 suburban townships, it said. Motor cycles were previously banned for public operation in the city's municipal areas except for authorized persons. Although motor cycles are allowed for running in other parts of the country especially northern Mandalay division, most of them are illegally-imported from neighboring countries across border without being taxed. In the latest development, the Myanmar authorities have started to issue licenses also to such illegally-imported motor cycles beginning this month after related taxes are paid.

Aid work opens ‘positive door’ for UN, Myanmar cooperation

UN humanitarian chief John Holmes (L) and Deputy Foreign Affairs Minister U Kyaw Thu (2L) talk with delta residents during a tour of Ayeyarwady Division. CYCLONE Nargis relief work has opened a “positive door” for cooperation among the international community, ASEAN and the Myanmar government, which could be extended to other humanitarian activities in Myanmar, Mr John Holmes, the emergency relief coordinator for the United He also expressed hope that the international community more generally might continue to contribute to humanitarian work in the country, even after the emergency phase for relief work is over. He emphasised that this could be done on a “totally non-political basis” as it is approached elsewhere in the world. For Mr Holmes, the Association of Southeast Asian Nations has played a crucial role in the tripartite discussions involving ASEAN, the UN and the Myanmar government that have facilitated the opening of the positive door.

1st Myanmar woman to referee in Beijing Olympic soccer event

A Myanmar female referee is to make her debut in the upcoming women's soccer event at the Beijing Olympic Games next week in China, according to state-run newspaper . Myanmar's international female linesperson Kaw Jar, who will be the first Myanmar women's referee permitted to take such responsibility in the Olympic Games history, will referee as a linesperson in the Olympic women's soccer event in the Beijing Summer Games in China from Aug. 6 to 23. A total of 36 female officials -- 12 referees and 24 linespersons -- from five continents will take responsibility in the Olympic women's soccer tournament in China.

Bomb blasts in two states in Burma

Bombs exploded in two eastern states of Burma leaving no casualties but damaging government infrastructure. The blasts, hitting an electricity pylon and telephone operator office, were blamed on ethnic Karen anti-government insurgents by the New Light of Myanmar newspaper. An electricity pylon collapsed in one explosion in Lawpita-Toungoo, Hpa-an district in Karen state.

Myanmar plants 33,000 trees in Yangon to replace cyclone-downed ones

The Myanmar authorities have re-planted 32,925 shade-providing trees in the Yangon municipal area to replace those which collapsed during a severe cyclone storm in early last May. The May storm brought down over 13,000 old-aged trees and thousands of other shade-providing ones. Numerous such downed trees and debris then pressed and rested on houses, while some dragged down many lamp-posts with wire lines and blocked roads in the city. At present, almost all of downed trees and debris on the roads have been cleared and accumulated on some vacant plots in the city from where stem roots and branches have been or are being sorted out for

auction. These stem roots of trees of 30 to 100 years of age are sold freely to both domestic and foreign entrepreneurs for use in sculpture and decoration. The deadly tropical cyclone Nargis, which occurred over the Bay of Bengal on last May 2 and 3 killed 84,537 people, leaving 53,836 missing and 19,359 injured.

Myanmar cooperates with UN organization in avian influenza prevention

Myanmar is cooperating with the United Nations Food and Agriculture Organization (FAO) in prevention against highly pathogenic avian influenza under a three-year project. The three-year project (2008-2011) involves a financial aid of 1.315 million U.S. dollars pledged by the World Bank. With the FAO's cooperation, the Livestock Breeding and Veterinary Department (LBVD) of Myanmar will implement the project. In April this year, the World Animal Health Organization (OIE) declared Myanmar as a bird-flu-free country three months after the country was proved that there was no residual bird flu virus remained over the period since January. There were numerous outbreaks of the avian influenza in Myanmar covering 25 townships of six states and divisions over the past two years since February 2006 until December 2007. In fight against the disease, Myanmar has been cooperating with experts from the FAO and USAID. Despite the declaration as a bird-flu-free country, the Myanmar livestock authorities continue to call on the country's people to exercise a long-term precaution against the deadly H5N1 bird flu.

MALDIVES:

POLITICAL:

- Thasmeen running mate
- Govt stops major projects
- President ratifies two new laws
- Majlis rejects bill on HRC
- Dr. Hassan Saeed says our political parties not good
- SAARC Support Maldives Security Council Seat
- President Gayoom calls on the President of Sri Lanka
- The President meets with Chief Adviser of Bangladesh
- Gayoom calls support smooth transition
- Majlis delegation attends 54th CPA meeting
- DRP warns MDP not to recolonise Maldives
- Maldives to host next Summit
- President says sustainable solutions to energy crucial

SOCIAL:

- Slow population consolidation a serious problem
- Climate change our biggest challenge
- Health Ministry warns to eat well cooked chicken
- Makunudhoo people send protest letters to President

ECONOMY:

- Maldives increasing 2500 new foreign workers a month
- Investment growing between Lanka and Maldives

Thasmeen running mate

As long speculated, President Gayoom's party DRP has chosen first deputy leader of the party and Atolls Development Minister Ahmed Thasmeen Ali as the running mate of the party's presidential candidate, President Maumoon Abdul Gayoom. Thasmeen was widely tipped as the most likely leader to be running mate and successor of Gayoom. Former Finance Minister Gasim Ibrahim who was deputy leader of the party was vying for the powerful post, but did not enjoy such huge support from the party as Thasmeen did, and Gasim was always speculated he will contest president Gayoom for the Presidency.

Govt stops major projects

The Government has stopped several major development projects after deciding to cut 20 per cent of the government budget expenditure. These projects include construction of harbours, housing, schools, water, sewerage systems, erosion protection, stadiums and jails. The cut will amount to Mrf 191 million mainly from the public sector investment programs. There will be a deficit of more than Mrf 300 million even after the 20% cut. The Government made this hard decision after it could not get the projected income from some mega projects. Former Finance Minister Gasim Ibrahim and Economic and Trade Minister Mohamed Jaleel resigned recently after they were criticized by the People's Majlis about the failure to raise the finance for the Mrf 12 billion budget passed for this year. Former Finance Minister convinced a concerned Majlis he will raise the finance and Jaleel too pledge his confidence in the projects. Finance Minister Jihad told Miadhu daily last night he is trying his best to stabilize the situation and he is very hopeful of reducing the budget deficit considerably. He also said Government is working to find possible additional avenues for generating more income.

President ratifies two new laws

The President today ratified the Police Act and the Law on General Regulations, at a ceremony held at the President's Office. Following ratification, the two Acts have been published in the Government Gazette. After the ratification of the Police Act, in accordance with the Article 3(iii) of this Act, the President signed the papers that will make the Maldives Police Service an institution operating under the Ministry of Home Affairs. Also, in accordance with the Article 54 (ii) of the Act, the President appointed Mr. Adam Zahir as the Commissioner of Police and Mr. Abdul Shakoor as the Deputy Commissioner of Police. The Police Act, states the basic regulations relating the mandate, responsibilities, roles and obligations of the Police. It also states the powers vested on the Police, as well as all other regulations regarding the Police. The Law on General Regulations provides legal support to those regulations that were not established by a legislative enactment, and that are needed for Government administration and to continue providing services to the people.

Majlis rejects bill on HRC

In meeting of the People's Majlis, members rejected the bill on Human Rights Commission Law. Only 20 members supported the bill and 12 members in the meeting were not in favour of the bill. There was a long debate on the bill and several members have expressed their concern about amending the Law. They said proposed amendments would weaken the Commission and will have a negative impact on the objectives of the Law and the effectiveness of the Commission. Some members of the Majlis have been critical of the Human Rights Commission saying the Commission has not been impartial in some of its decisions. Yesterday's meeting was interrupted few times because of losing quorum.

Slow population consolidation a serious problem

Some members of the People's Majlis have expressed concern about the delay in implementing a decisive policy on population and consolidation. They said it was a very serious matter and counter productive to the policies of the Government if large reclamation projects are undertaken in many islands while there is a pressing need to fast track resettlement of people from smaller and more vulnerable islands to larger islands. It is very important for all parties to seriously think about the adverse effects of these shortsighted projects and encourage and support a holistic and farsighted approach in deciding reclamation projects, indicated these members. They said reclamation of land is very expensive and the economics of reclamation has to be carefully considered before indulging in these huge projects. A member suggested there is plenty of land available in Laamu Gan to resettle people from very congested islands.

Maldives increasing 2500 new foreign workers a month

Number of foreign workers in the country is increasing at a very fast rate. According to statistics of Employment Ministry, over 2500 new foreigners are being employed every month. These statistics have revealed there were 76755 foreign workers in the Maldives in June this year while this figure stood at 73866 in May. While there are more than 76,000 foreign workers in the country, the largest numbers of these people are working in the construction industry. There are 31905 foreigners working in construction works. The second largest number 12688 persons are working in tourism. The Ministry also has reported largest numbers of foreign workers are from Bangladesh totaling 34239; second largest number 23834 is from India. According to the Ministry's information out of the total foreign workers, 70704 or 92 percent are men and women represent only 8 percent. When the total number of workers on a yearly basis is compared, the largest increase was recorded in 2007 which recorded a 10 percent increase over the previous year. 53901 foreign workers were in the Maldives at the end of 2006, and last year there were 70075 foreign workers.

Dr. Hassan Saeed says our political parties not good

Former Attorney General Dr. Hassan Saeed who is one of the favourite candidates for the upcoming presidential elections has said the political parties in the Maldives are not good enough for him to join. He said he would prefer running for the presidency as an independent without joining any parties. He has refused the call of the presidential candidate of the main opposition party MDP Mohamed Nasheed, Anni, who has recently called Dr. Saeed and his colleagues to join one of the political parties in order to strengthen the Alliance of the parties and win the election. Dr. Hassan has said he will be able to campaign and run for presidency independently, and he is very confident of rally the support to win the election. He has already announced his manifesto and policies in which he has committed improved services living standards, better education and health and other opportunities to the people.

SAARC Support Maldives Security Council Seat

South Asian leaders have supported Maldives to be the candidate of SAARC for election as a non-permanent member of the United Nations Security Council during 2019-2020 period. Gayoom said this decision was reached by SAARC leaders when he proposed the matter, and he said Indian Prime Minister Manmohan Singh was the first to support the proposal. Other leaders also extended their support, the President said. The Maldivian Leader said this is a great victory for the Maldives and the Government would be contacting other governments to seek their support to Maldives candidature.

President Gayoom calls on the President of Sri Lanka

President Gayoom called on the President of Sri Lanka, Mr. Mahinda Rajapaksa. In the meeting, the Sri Lankan President thanked President Gayoom for visiting Sri Lanka to attend the SAARC Summit and extended a very warm welcome to him. He noted that Sri Lanka had received the opportunity to host the Summit this year, following a gesture by the Government of Maldives, as the Maldives was earmarked to host the Fifteenth Summit. He thanked President Gayoom for the gesture, and noted that, as this was Sri Lanka's 60th anniversary of Independence, his Government greatly valued the opportunity to host this year's Summit. President Rajapaksa said that the Maldives and Sri Lanka were old and close friends, and emphasized the important role of students and businessmen in furthering ties between the two neighbours. President Gayoom spoke on the importance of building on the existing close friendly relations between the two countries, and emphasized that people-to-people contact was the foundation upon which ties can be elevated to a higher plane. He noted that, while many Maldivian families were now residing in Sri Lanka, thousands of Sri Lanka professionals and workers were gainfully employed in the Maldives. He also emphasized the importance role of superior air links between the two countries.

The President meets with Chief Adviser of Bangladesh

President Gayoom met with the Chief Adviser of Bangladesh, Mr. Fakhruddin Ahmed. Chief Adviser Fakhruddin Ahmed commended the President on his role of championing global warming on the international stage. He noted that global warming and sea level rise posed grave dangers for the peoples of Bangladesh and the Maldives. He also highlighted the importance of strengthening joint efforts in climate change diplomacy. Further, he said that President Gayoom's environmental diplomacy over the past 21 years had benefited people in vulnerable communities across the world, and urged him to keep highlighting the issue at major forums in the time ahead. The President and the Bangladeshi Chief Adviser discussed issues of bilateral importance, and the need to further strengthen development ties in key areas such as trade and tourism.

Climate change our biggest challenge

President Maumoon Abdul Gayoom has warned Leaders of South Asia Association for Regional Cooperation, SAARC, that serious and escalating threats of climate change is posing the most urgent challenges to the countries of South Asia and SAARC must make renewed efforts to tackle climate change.

Investment growing between Lanka and Maldives

President Mahinda Rajapaksa of Sri Lanka has expressed happiness about the growing investment between Maldives and Sri Lanka. Mr. Rajapaksa said that the Maldives and Sri Lanka were old and close friends, and emphasized the important role of students and businessmen in furthering the ties of friendship between the two neighbours. Mr. Rajapaksa added that the volume of bilateral investment was growing in both countries. He noted that for many years businessmen had invested in the Maldives especially in the country's booming tourism industry.

Gayoom calls support smooth transition

In his Address at the Inaugural Session of the Fifteenth SAARC Summit in Colombo, President Gayoom has urged SAARC Member States and the international community to extend their support in ensuring that the Maldives makes a smooth and successful transition to a modern liberal democracy. He announced that he would be ratifying the new Constitution on the 7th of August, and noted that the country was looking forward to holding its first multiparty presidential elections within the next two months. He also noted the introduction of a multiparty political system was a key development in the country's political transformation.

Majlis delegation attends 54th CPA meeting

A delegation from the People's Majlis comprising of 2 Raa Atoll members, Ali Waheed and Ibrahim Shaheed Zaki and Secretary General of the Majlis Ahmed Mohamed is visiting Kuala Lumpur to attend the 54th Annual Meeting of the Commonwealth Parliamentary Association, CPA. The 10 day meeting will deliberate on issues of environment development and security and on widening the role of parliament in these matters. Along side the main meeting, there will be a meeting for small states of the Commonwealth which will deal with sustainable development, water and waste management, conflicts of interest, corruption, and democratic elections. Maldives became a member of CPA in 2000 .

DRP warns MDP not to recolonise Maldives

President Maumoon Abdul Gayoom's party, DRP has condemned opposition MDP for their attempts to recolonise Maldives under the British. The Statement said The Maldives has remained an independent and sovereign state for 43 years and independence anniversary was celebrated on 26 July 2008, Not even a week has passed after the occasion, when MDP has made attempts to recolonise the country under the British when they entertained a foreigner to

indulge in the internal affairs of the country. The foreigner spoke behind the podium of the party's meeting about his desire which is interference in the internal affairs of the state, in that they want shape the affairs of this country in their particular way and expressed the desire of achieving their objectives. DRP is extremely concerned about this statement and condemn it in most serious terms.

Maldives to host next Summit

The president said that the deliberations at 154th SAARC Summit have demonstrated that SAARC truly is a people's Association. He made the statement in his vote-of-thanks at the Closing Session of the 15th SAARC Summit in Colombo. The members decided that the 16th SAARC summit will be held in the Maldives. In his speech, the president said that the look forward to welcoming all members in Male' in 2009.

Health Ministry warns to eat well cooked chicken

Ministry of Health has warned to eat well cooked frozen chicken as a strong preventive measure against bird flu. Deputy Minister of Health Dr. Abdul Azeez Yoosuf answering a question from Maidhu daily confirmed there is no bird flu in the country but he warned to take all preventive measures to keep the country free from the disease But Dr. Azee was very confident of the situation in the country and he said there was no danger of eating frozen chicken but it must be cooked well, he advised. He further said bird flu is acquired through diseased live chicken when you touch it and pluck its feathers. The risk of this disease is from live birds, ducks and chicken, he said. That is why Ministry of Agriculture has banned import of live chicken older than a day.

President says sustainable solutions to energy crucial

President Maumoon Abdul Gayoom has said finding solutions to our energy needs in a manner which would not hamper development and progress of the countries of SAARC is crucial. Mr. Gayoom highlighted on the critical importance of finding urgent solutions to the mounting problems of energy. He suggested four important areas to be considered in addressing the issue. The four areas are to formulate a national policy on sustainable energy, forge cooperation with economic partners such as member countries of Asean, environment sustainability in economic development.

Makunudhoo people send protest letters to President

Several people of Manukudhoo in H Dh Atoll have written to President Maumoon Abdul Gayoom about the grievances suffered by the people in the island due to the delay and neglect of the Government to provide some urgent services committed by the Government. A person from Makunthoo said more than 80 letters have been sent to the President expressing the concern and displeasure of the people for delays caused in delivering some important services to the Island.

Business and Politics in Muslim World

India

2nd August to 8th August 2008

presentation 15th August

Sadia Khanum

Political front:

- Sonia seeks BJP's cooperation
- Controlling inflation highest priority, says Sonia
- I regret killing of Rajiv Gandhi, says Nalini
- PM to meet top political leaders today
- National interest betrayed, says Buddhadeb
- BJP demands "corrective measures" on land issue

Domestic situation:

- Stampede near Naina Devi temple claims 146 lives
- Four killed in Kolkata blast
- Pravin Togadia wants ban on madrassas and enactment of law stronger than POTA to fight terrorism
- ISI agent arrested in Patiala
- Gujarat Police claim first breakthrough in blasts case
- Probe dead-end?
- 350 ULFA cadres active in Assam, says top army official
- Nod for admissions under Muslim quota
- Free SIMI dangerous'
- Thirty two militants surrender in Assam
- North Chhotanagpur bandh peaceful

Economic Front:

- Inflation crosses 12%
- MF assets fall more than 6%
- Markets extend weekly gains despite RBI's hawkish policy
- Indian crops at risk from slow monsoon start
- UK is top destination for Indian acquisitions
- Blame US for WTO impasse'
- Japan interest boosts Delhi-Mumbai corridor
- India among world's top automakers
- Government rules out fuel price cut

Geo-strategic developments:

- India nuclear inspection plan backed
- IAF gets advanced radar system

Indo-US ties:

- US says China, India put trade talks in jeopardy
- US fast-tracks nuclear deal

Kashmir

- Curfew continues, more troops sought for Jammu
- Don't flee Jammu, Geelani asks Muslims
- Valley traders to snap ties with Jammu counterparts
- Shutdown in valley
- Army opens fire in Kathua, one killed
- Vohra appoints panel to end Jammu stalemate
- BJP puts three demands before govt on Amarnath row
- Curfew in Poonch following incidents of violence

Social front

- Briton opposes Indian rapist bail
- Dalit activists stage rally demanding women's rights
- "MDGs hinge on India, China child health care"
- Abortion law needs review, say doctors
- Malnutrition getting worse in India
- India's HIV testing best, says study
- Mahavira bas-relief tells a story
- SC notice to Centre on pollution in Ganga

Foreign Relations

- Radio station in U.S. strives to reunite Indians, Pakistanis
- India yet to be recognised as a nuke power: Russia
- Pak does it again, fires at Indian troops from across LoC
- End terrorist activities, Manmohan tells Pakistan
- Manmohan to meet Pak PM even as relations dip
- Afghan president reaches India to strengthen ties
- India announces more Afghan aid
- China thanks India for backing its efforts

Political front:

Sonia seeks BJP's cooperation

Congress president Sonia Gandhi spoke to Bharatiya Janata Party president Rajnath Singh on Sunday seeking his party's cooperation in controlling the ongoing agitation in Jammu. Ms. Gandhi is understood to have explained to Mr. Singh that the situation in Jammu was 'delicate' and the Congress was looking forward to the BJP for resolving the issue peacefully.

Controlling inflation highest priority, says Sonia

Congress president Sonia Gandhi has said that "With the nuclear deal on path," controlling inflation was the highest priority of the government. "The government can now concentrate single-handedly on ensuring that the inflation rate [that touched 11.98 per cent] was brought down," she said, adding that Prime Minister was personally monitoring the situation. Ms. Gandhi cautioned party workers against becoming complacent following the government's victory in the trust vote. Increase in international prices of crude oil and other commodities had an impact on the domestic prices of essential commodities.

I regret killing of Rajiv Gandhi, says Nalini

Nalini Sriharan, serving a life sentence for her involvement in the assassination of Rajiv Gandhi, has said she "regretted" the killing of the former Prime Minister and claimed that the real conspirators had not been booked yet. Calling Rajiv Gandhi a "great leader" and a "loss" to the country, Nalini, the lone surviving member of the five-member squad behind the killing, said "I regret the assassination of Rajiv Gandhi." Dhanu, a suicide bomber, had carried out the attack at Sriperumbudur in Tamil Nadu on the fateful night of May 21, 1991 killing Rajiv Gandhi and 15 others on the spot. Dhanu perished in the bomb attack.

PM to meet top political leaders on Wednesday

As violence continued unabated in Jammu as well as Kashmir valley, Prime Minister Manmohan Singh will meet top leaders of political parties in New Delhi on Wednesday to discuss measures

to calm the situation in the state and seek a consensus on how to end the impasse. The Centre decided to rope in all the parties to find a consensus to the problem that emerged over the land allocation to Sri Amarnath Shrine Board, a body overlooking the conduct of pilgrimage to the Holy cave shrine. Congress President Sonia Gandhi, BJP chief Rajnath Singh and top leaders of Left parties' leaders are expected to attend the meeting.

National interest betrayed, says Buddhadeb

The United Progressive Alliance government has betrayed the national interest by going in for the India-United States nuclear deal that should not be viewed in isolation but as part of an overall strategic alliance with the U.S. that includes a defence framework agreement, Chief Minister Buddhadeb Bhattacharjee said

BJP demands "corrective measures" on land issue

Leader of the Opposition L.K. Advani is understood to have told Prime Minister Manmohan Singh and Congress president Sonia Gandhi that it was for the Centre to initiate "corrective measures" to help cool the protests in Jammu on the issue of land for the Amarnath Shrine Board.

Domestic situation:

Stampede near Naina Devi temple claims 146 lives

A stampede on a slender trail leading to the famous hilltop Naina Devi temple in Bilaspur district of Himachal Pradesh on Sunday killed 146 people, mainly women and children, and injured about 230. Naina Devi, a key shrine of the temple tourist circuit of the hill State, is about 165 km from the State capital and is very popular among the people from neighbouring Punjab and the lower plains of Himachal. According to officials, rumours of a landslip uphill triggered the stampede as terrified people started running down. More than 5000 devotees were on their way to the temple, situated at a height of about 4000 metres, at the time of the incident. Since this was an auspicious time of the year, the rush was more, said a temple official.

Four killed in Kolkata blast

Four persons were killed and six injured, some of them seriously, in an explosion in a slum beside the Hooghly near the Sarbomangala ghat in the city's North Port thana area on Sunday. The incident was "not an act of terrorists" according to preliminary investigations, J. Shamim, Deputy Commissioner, Detective Department (I), Kolkata Police, said. The source of the explosion was being ascertained though initial reports suggested that it could have been a shell, the police said. The Commissioner of Police, with the bomb disposal squad and other officials, visited the spot.

Pravin Togadia wants ban on madrassas and enactment of law stronger than POTA to fight terrorism

Vishwa Hindu Parishad international general secretary Pravin Togadia has demanded a ban on madrassas and the enactment of a law “stronger than” the repealed Prevention of Terrorism Act (POTA) to fight terrorism. Mr. Togadia claimed that madrassas bred terrorism and must be banned immediately. He said the police dealing with the “jihadis” should be given a free hand to deal with them. He wanted the Central government to follow the British pattern of enacting a special law which gave death penalty to anyone for professing, propagating and practicing “jihad.”

ISI agent arrested in Patiala

The Jagroan police, on Saturday, arrested a Pakistani Inter-Services Intelligence (ISI) agent who was staying in Patiala under a fake identity. Shahid Iqbal, who hails from Lahore, was trying for a maintenance contract of computers used by the Army at Patiala cantonment.

Gujarat Police claim first breakthrough in blasts case

The Detection of Crime Branch (DCB) of the city police has achieved its first major breakthrough in the July 26 serial blasts, which confirms involvement of local operatives. Investigations by the police and forensic officials has established that the liquefied petroleum gas (LPG) cylinders used in the blast at the Civil Hospital, which claimed the maximum number of lives in all the 23 blasts, were bought from a local supplier in Kalupur area. The supplying agency has been identified as Bhamani Enterprises and the owner is being interrogated.

Probe dead-end?

Despite grueling interrogation, activists of the Students’ Islamic Movement of India, arrested in March for their ‘role’ in a slew of bombings, have revealed nothing that implicates or links them to terror outfits like the Lashkar-e-Toiba, police told HT. This raises questions about how justified the government and intelligence agencies are in repeatedly linking this group to various terrorist acts. Even when subjected to the debilitating, and some say draconian, narco-analysis tests — during which suspects are given an injection that renders them semi-conscious — the activists maintained that they had nothing to do with the bomb blasts, a senior police officer told

350 ULFA cadres active in Assam, says top army official

About 350 ULFA cadres and some fundamentalists are active in Assam and they are now using improvised explosive devices (IED), a senior army official said. To queries about fresh recruitments by the banned ULFA, Jamwal, also the Anti-Insurgency Unified Command Structure

Commander, said "I believe they are endeavouring to carry out recruitment in upper Assam." Asked about the activities of the underground Muslim United Liberation Tigers of Assam (MULTA), the general said, "in lower Assam some fundamentalists are getting activated. We have recovered explosives, specially IEDs and there may be a transition from the normal threats of the terrorists to employ IEDs".

Nod for admissions under Muslim quota

The Supreme Court on Tuesday allowed the Andhra Pradesh government to admit students under the 4 per cent Muslim quota law in engineering, medical and other courses for 2008-2009.

Free SIMI dangerous'

The ban on the Students Islamic Movement of India (SIMI) would continue for now as the Supreme Court on Wednesday stayed a designated tribunal's order quashing the centre's notification proscribing it under the Unlawful Activities (Prevention) Act, 1967. A bench headed by the Chief Justice of India, K.G. Balakrishnan, stayed the August 5 order of the tribunal after Additional Solicitor General Gopal Subramaniam contended that it would lead to "serious consequences" if SIMI was allowed to operate freely. The court also issued notice to SIMI and posted the matter for hearing after three weeks.

Thirty two militants surrender in Assam

As many as 32 militants belonging to different outfits on Monday surrendered before the army with huge quantities of arms and ammunition in Upper Assam's Dibrugarh district. The militants surrendered at the Dinjan army camp before senior army and district officials. Among them, fifteen, including a woman cadre, are from United Liberation Front of Assom (ULFA), four from National Socialist Council of Nagaland-Isac Muivah (NSCN-IM), three each from National Socialist Council of Nagaland-Khaplang (NSCN-K) and Karbi Longri National Liberation Front (KLNLF), five from Adivasi National Liberation Army (ANLA) and one each from National Democratic Front of Bodoland (NDFB) and Dima Halam Daoga (DHD), official source said.

North Chhotanagpur bandh peaceful

Barring a few stray incidents, the 24-hour bandh in North Chhotanagpur, called by the Maoists on Thursday, to protest the killing of three of its cadre in an encounter in the district last week, was largely peaceful.

Economic Front:

Inflation crosses 12%

The rate of inflation breached the psychological barrier of 12 per cent for the week ended July 26, mainly on account of higher prices of certain edibles such as pulses, spices, eggs, fish and meat and some manufactured products. However, even as the wholesale price index (WPI)-based inflation peaked to a new high of 12.01 per cent — the highest level in over 13 years — from 11.98 per cent a week earlier.

MF assets fall more than 6%

For the second consecutive month, the mutual fund industry witnessed a fall of more than 6 per cent in its assets under management (AUM). As per data released by the Association of Mutual Funds in India (AMFI) on Saturday, the average AUM for the industry fell by 6.3 per cent or Rs 35,494 crore in July to reach Rs 5,30,519 crore. Over the past two months as many as 11 fund houses lost their AUM by more than 15 per cent, while the industry has lost more than Rs 70,000 crore or 11.8 per cent in the same period. “The fall is not on account of the stock market,” said Ajay Bagga, CEO, Lotus India AMC (asset management company). “It’s the debt and liquid funds that have lost. As the bank’s liquidity is drying up, around Rs 50,000 crore to Rs 60,000 crore has gone out of the system.” The three biggest losers during the month were Principal, ING and TATA that lost 14 per cent or more during the month.

Markets extend weekly gains despite RBI's hawkish policy

The markets showed greater resilience despite the Reserve Bank's hawkish monetary policy and extended their weekly winning streak as the benchmark Sensex added 382 points to its kitty in the week under review. The markets remained volatile throughout because of the expiry of Futures contract at the month-end. In the week ended August 2, the 30-share index of the Bombay Stock Exchange settled at a seven-week high of 14,656.69 points, a net rise of 381.75 points, or 2.67 per cent, from its previous weekend's close. Similarly, the broader 50-share Nifty of the National Stock Exchange gained 101.70 points, or 2.36 per cent, to close the week at 4,413.55 points from its last week's close.

According to analysts, the markets drew support largely from high expectations that the reform process would get a boost following a statement by Finance Minister P Chidambaram the government would reach out to all political parties to seek support for bills on economic reforms. Investor morale was also uplifted as the government on Friday introduced norms for 3G mobile services, an indication of its willingness to put reforms on a fast track.

Indian crops at risk from slow monsoon start

India is on tenterhooks as a weak start to the annual monsoon rains in the agriculturally crucial western states threatens to disrupt crops, potentially driving up food prices at a time when

inflation is already high. As of last Wednesday, rainfall from the monsoon, which starts in June and ends in September, was 8 per cent below normal nationwide but up to 38 per cent lower in some western states, such as Maharashtra, whose capital is Mumbai. The monsoon is the lifeline of the drier western states, some of which receive nearly all of their rainfall during this period. Although rain began falling in some parts of the western states this week the slow start to the season has already affected the sowing of crucial crops including rice, cotton, oilseeds - such as sunflower and sesame seeds, and pulses - the beans, lentils and chickpeas used to make dhal, one of India's staple dishes.

UK is top destination for Indian acquisitions

Indian businesses are spending more on buying companies in the UK than in any other country, with acquisitions totalling £1.52bn (\$3bn) in the first half of the year. A report from Grant Thornton accountants on Monday says Britain has become the number one destination for offshore acquisitions by Indian companies, in spite of gloomy economic conditions.

Blame US for WTO impasse'

India on Thursday accused the United States of giving primacy to "commercial interests" over livelihood of billions of poor people that led to the breakdown of the latest round of multilateral trade negotiations under the World Trade Organisation (WTO). While the Special Products are designed to allow developing countries to impose higher duties on their vulnerable products, especially those affecting the livelihoods of subsistence farmers and affecting the food security of a nation, SSM is designed to protect farmers from sudden import surges and price dips by applying an additional safeguard duty over and above the bound rate.

The trade talks held in Geneva collapsed on Tuesday after India and other developing countries insisted that there should be enough scope to protect subsistence farmers and small industries from being submerged by a flood of cheap imports from the US and the EU.

Japan interest boosts Delhi-Mumbai corridor

Japan has indicated that it would extend extensive support for the ambitious Delhi-Mumbai Industrial Corridor (DMIC), according to government officials. The project, as well as another flagship infrastructure project, the Delhi-Mumbai Dedicated Freight Corridor, was extensively discussed at the second India-Japan Strategic Dialogue on Economic Issues held in Tokyo this week, they said. The 1,483-km DMIC would include six mega investment regions of 200 square kilometres each, and will run through seven states—Delhi, Uttar Pradesh, Haryana, Rajasthan, Gujarat and Maharashtra. It would be built along the proposed Delhi-Mumbai dedicated rail freight corridor. The DMIC would have six specifically delineated investment regions planned for manufacturing facilities for domestic and export-led production, along with associated services and infrastructure.

India among world's top automakers

With the boom in the domestic auto industry in recent years, India has found a place among the world's top 15 automakers and has been ranked fourth in the list of automobile manufacturers in the leading developing countries' category. According to United Nations Industrial Development Organization's (UNIDO) 'International Yearbook of Industrial Statistics 2008', India occupies the 12th position in the global list of top 15 automakers.

Textile sector

In the textile sector, India has been placed fifth among the world's top 15 producers in the world, after Japan. The top slot has gone to China, followed by the U.S., Italy and Japan.

Government rules out fuel price cut

The Union government on Wednesday ruled out an immediate reduction in petrol and diesel prices following a softening of global crude prices. It said the domestic rates were still pegged at roughly half the current international prices.

Geo-strategic developments:

India nuclear inspection plan backed

The United Nations atomic watchdog has approved a controversial agreement that would increase the number of Indian nuclear reactors it inspects in a move that should ease the way for a nuclear co-operation deal between the US and India. The unanimous approval by the board of the International Atomic Energy Agency in Vienna will expand from six to 14 the numbers of reactors under IAEA safeguards, leaving eight others not under the agency's remit. The approval is the first of two international steps required before the US-India pact, which allows the sales of civil nuclear technology and materials to India, can be finalized.

IAF gets advanced radar system

The Indian Air Force on Wednesday got an indigenously-developed advanced radar system that can track missiles and fighter jets travelling at supersonic speed of over 3,000 km per hour.

Indo-US ties:

US says China, India put trade talks in jeopardy

A surge of optimism around the so-called "Doha round" of global trade talks was tempered on Monday by a war of words breaking out between the US, India and China over farm and industrial goods trade. David Shark, deputy US representative to the World Trade Organisation,

told ministers: "[China and India's] actions have thrown the entire Doha round... into the gravest jeopardy of its nearly seven-year life." India and China said that the US accusations were unfair and that it was merely trying to push its own export interests.

US fast-tracks nuclear deal

Days after the Nuclear Suppliers Group meets in Vienna on August 21-22 to give India a clean waiver to move ahead on the nuclear deal, the United States Congress is likely to discuss it in September.

The U. S. government has stepped up its "diplomatic offensive", with President George W. Bush and Secretary of State, Condoleezza Rice, themselves talking to the NSG member countries to provide India a "clean exemption" to facilitate the civilian nuclear deal between the two countries, its ambassador David C. Mulford said on Tuesday. Mulford said the government wanted to submit the legislation for ratification of the deal by early September to the Congress to give it sufficient time for consideration. He said the administration understood India would not sign the Nuclear Non-Proliferation Treaty (NPT) and discussions on the deal had proceeded on this assumption.

Kashmir

Curfew continues, more troops sought for Jammu

The Jammu and Kashmir government on Sunday sought more Army troops and imposed curfew in two more towns of Jammu region to quell protests that started in Jammu over a month ago against the cancellation of the order on transfer of land to the Shri Amarnath Shrine Board.

While Samba and Jammu districts have been under curfew for the last two days, curfew was extended to Udhampur and Rajouri towns to arrest the spread of the agitation that has taken a violent turn in various places.

Don't flee Jammu, Gilani asks Muslims

As Jammu continued to simmer over the Amarnath land row, hard line Hurriyat leader Syed Ali Shah Gilani asked Muslims not to leave the region and lashed out at Hindu outfits for the 'economic blockade' of the Kashmir Valley. "Muslims of Jammu should stay put in their homes and not even think about migration. This time around they will not be left at the mercy of the rioters," the separatist leader said in a statement after a meeting of the advisory council of the hard line faction of the Hurriyat.

Gilani claimed that the protests in Jammu to demand the restoration of land to the Sri Amarnath Shrine Board (SASB) 'had a connection with New Delhi' and called for a general strike on Monday to express solidarity with Muslims of Jammu and the traders who has suffered 'immense losses' due to the "economic blockade" of Kashmir Valley. People of Jammu, Doda, Rajouri and Poonch are also requested to observe a complete shutdown to send a message to the rioters," he said.

Jammu has been rocked by violent protests since July 1 when the Congress-led state government cancelled its May 26 order of diverting nearly 40 hectares of forest land to the SASB, following massive protests in the Kashmir Valley and withdrawal of support by PDP.

Gilani accused the administration of complete failure in protecting the lives and assets of Muslims in Jammu region. He said the 'economic blockade' of the Valley should be eye opener for the people.

Valley traders to snap ties with Jammu counterparts

Faced with an economic blockade of the valley by Shri Amarnath Sangharsh Samiti, the Kashmir Traders Federation on Tuesday said it will snap all business ties with traders in Jammu region and instead buy products directly from other cities like Amritsar and Delhi.

"The situation in the aftermath of economic blockade of the valley and attacks on minority community in Jammu has made it clear that it is part of a well-thought out conspiracy and the Centre is involved in it," Koul said and charged the Centre with supporting the communal groups for unleashing "naked terrorism", he said.

Shutdown in valley

Kashmir valley was thrown out of gear following a strike call given by the Syed Ali Shah Geelani-led hardline faction of the Hurriyat Conference. Shops, business establishments, schools, government and private offices remained closed across the valley, official sources said in Srinagar. Vehicles also remained off the roads.

Army opens fire in Kathua, one killed

For the first time since the agitation on the Amarnath land row started, the Army opened fire on protesters in Kathua when they tried to block the entry of essential commodities to the Kashmir valley. Mass protests continued as they defied curfew orders at various places. Around 2 p.m. the troops fired on protesters at Palli Morh on the Jammu-Pathankot National Highway in Kathua. One person, identified as Narinder Sharma, was killed while two others were injured when they tried to disrupt an Army convoy escorting the supplies by pelting stones. Later the protesters placed the body of Sharma on the highway and squatted there.

Vohra appoints panel to end Jammu stalemate

In yet another attempt to bring peace in Jammu and Kashmir marred by violence over Amarnath land transfer issue, Governor N N Vohra has appointed a four-member committee to hold talks with Shri Amarnath Sangharsh Samiti (SASS), spearheading the agitation in Jammu.

The committee comprising former J&K Chief Secretary S S Bloeria, vice-chancellor of Jammu University Amitabh Mattoo, retired judge of Jammu and Kashmir High Court Justice G D Sharma and Chief Executive Officer of Shri Amarnath Shrine Board B B Vyas would make a fresh approach to the agitating group for ending the stalemate that has affected normal life in Jammu region.

BJP puts three demands before govt on Amarnath row

BJP has made three demands before the government for the peaceful settlement of the Amarnath land row, including the revocation of the Shrine Board land allotment cancellation. "BJP has demanded that the land allotted to the Shrine Board be given back, Governor N N Vohra be recalled and the Centre initiates discussion with the Sangharsh Samiti in Jammu,"

Curfew in Poonch following incidents of violence

Curfew was on Friday imposed and army staged a flag march in the border town of Poonch in Jammu and Kashmir as a precautionary measure following incidents of violence and tension over the Amarnath land transfer issue.

Social front

Briton opposes Indian rapist bail

An Indian guesthouse owner who raped a British woman has been freed on bail three months after being sentenced to life imprisonment. The woman, who cannot be named but is from London and in her late 30s, is launching a campaign to have him sent back to jail.

Dalit activists stage rally demanding women's rights

Dalit activists from the National Campaign on Dalit Human Rights (NCDHR) staged a rally demanding among other things, women's rights, land and economic rights. "It is a declaration rally to flag the initiation of four movements — the National Dalit Movement for Justice, the All India Dalit Women's Rights Forum, the Dalit Economic Campaign and the Land Rights Campaign. We also want to reclaim the spirit of B. R. Ambedkar," said the campaign convener Paul Divakar. Volunteers from Kerala, Tamil Nadu Karnataka and Puducherry took part. J. Vincent Manoharan, general secretary, NCDHR highlighted a new trend in caste discrimination in Tamil Nadu.

He said that walls were being erected around temples to bar the entry of Dalits, but it was being done in the name of protection. The marchers wore blue bandanas sporting the slogan 'caste out caste'.

MDGs hinge on India, China child health care

India and China hold the key to the world meeting health-related millennium development goals (MDGs), according to the United Nations Children's Fund.

In its report on State of Asia-Pacific's Children 2008, the UNICEF says unless India makes major achievements in health, nutrition, water and sanitation, education, gender equality and child protection, global efforts at reaching the MDGs will fail. In 2006, 2.5 million child deaths occurred in the two countries accounting for nearly one-third of all child deaths.

Abortion law needs review, say doctors

Gynaecologists feel there is an urgent need to review the country's abortion law, which does not permit medical termination of pregnancy beyond 20 weeks, since certain abnormalities can only be detected after the foetus is 20 weeks old.

"Heart abnormalities are best detected only by an electrocardiography when the foetus is 22 to 24 weeks old. Some neurological abnormalities also become evident only after 20 weeks," said Dr Rishma Pai, consultant gynaecologist with Jaslok Hospital. "We have no choice but to turn away such patients." In 1971, when the abortion law was framed there was hardly any technology. Now, we have technology to diagnose problems in the foetus. But what is the purpose of the technology when we can't offer patients a solution?" said Dr C.M. Purandare, secretary general, FOGSI.

Malnutrition getting worse in India

India has some of the highest rates of child malnutrition and mortality in under-fives in the world and Madhya Pradesh state has the highest levels in India.

There are around 10 million children in the state. A decade ago 55% were malnourished. Two years ago the government's own National Family Health Survey put the figure for Madhya Pradesh at around 60%. You might think we are somewhere in Africa. But this is the central Indian state of Madhya Pradesh - modern India, a land of booming growth. In Madhya Pradesh the situation is compounded by two significant factors. For four years in a row the rains have failed, so food crops have failed too. And now global food prices have risen, stretching many families beyond breaking point.

"In the past year food prices have increased significantly, but people's incomes haven't improved," says Dr Agarwal. "Like wheat, earlier they used to buy it at eight rupees a kilogram, now it's 12 rupees."

Because of the increase in food prices a mother cannot buy an adequate quantity of milk, fruits and vegetables. So their staple diet has become wheat chapattis," she explains.

"A child cannot survive on wheat chapattis alone. About 80% of mothers and children are anaemic because they can't get good quality food."

India's HIV testing best, says study

India topped the list of five mid-income countries that provide free HIV testing and counselling to people, reported the scientific journal 'The Lancet'. The unexpected pat on the back came after a comparison of testing and counselling facilities in India, Russia, Mexico, Uganda and South Africa that showed India's was not only the cheapest but also the most cost-effective. Russia did the worst. India's programme, run by the National AIDS Control Organisation, is also the most cost effective, costing the government US\$ 3 (Rs 120) per person.

Mahavira bas-relief tells a story

An exquisitely carved bas-relief of Mahavira, the 24th tirthankara in the Jaina pantheon, has been discovered at Panaipadi village in Tamil Nadu's Villupuram district. R. Sivanandam, epigraphist, Tamil Nadu Department of Archaeology, made the discovery when a team under the guidance of R. Vasanthakalyani, epigraphist-cum-instructor of the Department, was on a regular survey camp of epigraphy to study inscriptions around Panaipadi.

The discovery confirms that the area covering present-day Villupuram district was an important centre of Jainism in Tamil Nadu. The sculpture, from the Chola period, was about 1,000 years old, said K. Arulmozhi, Commissioner, State Department of Archaeology.

SC notice to Centre on pollution in Ganga

The Supreme Court on Thursday issued notice to the Centre on the allegation that it was not performing its statutory duty related to checking pollution in the Ganga.

Foreign Relations

Radio station in U.S. strives to reunite Indians, Pakistanis

Thousands of miles away from the Indian subcontinent, a radio station in the United States is striving to be a bridge between Pakistanis and Indians kept apart by old animosities. Breakthroughs weren't on the mind of Jaipal Reddy, a 39-year-old immigrant from Hyderabad, when he set up "Salam Namaste" station as a way to market a South Asian-themed mall he planned to build in the Dallas area.

But over the last two years, "the blend of Muslim and Hindu worlds with U.S. pop culture" has become critical to the radio station's success, says Mansoor Shah, a Pakistani who is a partner in

the radio and retail businesses. "The country got divided for whatever reason, but the people never did," he says. The station says its goal is to bring the highest quality of Indian and Pakistani and other sub-continental music to immigrants who miss home. Both Indian and Pakistani jockeys work at the station that caters to the South Asian community in North Texas. "Once we enter this radio station, our nationalities are left behind," says Mirza Ubaid Baig, a Pakistan-born Muslim who trained to be a medical doctor, but whose passion is radio.

India yet to be recognised as a nuke power: Russia

Russia has welcomed the IAEA-nod for the India-specific safeguards agreement, but has said the approval of the nuclear watchdog did not imply a recognition of the country as an official nuclear power as stipulated in the Non-Proliferation Treaty.

Consistently acting in favour of developing peaceful cooperation with India, we welcome the decision of this country to put its nuclear fuel and facilities in the civilian nuclear sector under IAEA supervision and safeguards," Russian permanent envoy in Vienna, Alexander Zmeyerovsky was quoted as saying by the local media.

Zmeyerovsky, however, underscored that India-specific safeguards agreement "does not contain clauses, which could be interpreted as recognition of India as a nuclear weapon state in the sense of NPT or giving India the right to withdraw from the IAEA safeguards at its own discretion".

He expressed hope that implementation of the IAEA safeguards will be expanded to the nuclear fuel cycle and would serve as "a reliable mechanism to purely peaceful nature of New Delhi's international nuclear cooperation".

Russia is completing the construction of two nuclear reactors for the Kudankulam nuclear power plant in Tamil Nadu, even as the two countries have signed an MoU to build four more reactors after an NSG clearance.

Pak does it again, fires at Indian troops from across LoC

There was firing on an Indian post along LoC in 12 Brigade area of Uri sector in Baramulla district of Kashmir Valley yesterday," defence sources said. At least 15 to 16 small arms firing targeted the ward post, but the Indian troops did not retaliate and no casualties were reported, they said. "We are investigating if it was ceasefire violation. Militants may have targeted troops on this side to push in armed ultras," they said.

End terrorist activities, Manmohan tells Pakistan

Prime Minister Manmohan Singh has asked Pakistan to implement in "letter and spirit" its commitments to end terrorist activities from its soil and ensure an "atmosphere free from terrorism" to carry forward the bilateral ties. "India seeks to establish peaceful, friendly and cooperative ties with Pakistan. We are committed to addressing all outstanding issues, including the issue of Jammu and Kashmir, through bilateral discussions.

"However, improvement in our relations requires an atmosphere that is free from terrorism," he said, adding "we have a duty to ensure that our people prosper and progress in a secure environment.

Manmohan to meet Pak PM even as relations dip

The premiers of India and Pakistan meet on Saturday in a worsening atmosphere of bomb attacks on Indian targets that New Delhi says has sent their four-year-old peace process to its lowest point.

Prime Minister Manmohan Singh will send a strong message to his Pakistani counterpart Yousaf Raza Gillani as the two try to salvage talks after a string of bombs hit Indian cities and its embassy in Kabul last month, together killing over 100 people.

India also blames Pakistan for a breach of a 2003 ceasefire on its de facto border in disputed Kashmir, and accuses its spy agency of involvement in the Kabul attack, in which two senior diplomats were among 58 people killed. The two prime ministers are meeting on the sidelines of a two-day South Asian summit beginning on Saturday. The atmosphere of unease between two of the region's biggest members has affected the summit, where terrorism would dominate the otherwise central theme of trade and social cooperation.

Afghan president reaches India to strengthen ties

Afghan President Hamid Karzai arrived in India on Sunday to cement ties with New Delhi, just weeks after a suicide bombing at the Indian embassy in Kabul underscored the security tensions in the region. Karzai will meet Prime Minister Manmohan Singh on Monday.

Both Singh and Karzai share a common interest in stopping any Pakistan-sponsored violence and talks will probably centre on this issue, analysts said.

India announces more Afghan aid

India has announced an additional \$450m aid to Afghanistan for development projects in the country. Earlier, India had pledged \$750m to rebuild Afghanistan's infrastructure. The announcement was made by Indian PM Manmohan Singh at the end of his talks with Afghan President Hamid Karzai.

China thanks India for backing its efforts

China on Thursday thanked India for taking “effective” steps to ensure the smooth run of the Olympic torch relay in New Delhi and for backing Beijing’s efforts to stage a “unique and well-run” Game. Chinese Vice-President and top Communist leader Xi Jinping stated this during a meeting with visiting UPA chairperson and Congress president Sonia Gandhi here.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

August 22, 2008

Nadia Tasleem:	Report on Asia	217
Ashia Rehman:	Report on Fertile Crescent	225
Tatheer Zehra:	Report on South East Asia	229
Ghashia Kayani:	Report on South Asia	248
Sadia Khanum:	Report on India	277

BUSINESS AND POLITICS IN THE MUSLIM WORLD
SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

This report is based on review of few articles related to different regions i.e. South Asia, India, GCC and Fertile Crescent. Interns have collected these articles, reviewed them according to their understanding and sent them to me. In this report I will try to discuss basic ideas of all these articles in terms of recent developments in the respective regions, if any.

Articles Review

South Asia:

First two articles from *Foreign Affairs*, being reviewed in case of South Asia focus primarily on Burma while the third one, being taken from *Kantipur* (a local Nepali newspaper) discusses Nepal's political scenario.

The first article named as "Sino India competition for Burma" by Ryan Clarke & Sangeet Dalliwall, highlights Chinese and Indian interest in Burma, their efforts to enhance ties with this small country, Indian efforts to lessen Chinese impact and lastly Indian stakes in this regard. Writers consider China to be at an advantageous position because of its authoritarian rule as well as due to its already developed infrastructure in Burma that helps China to further enhance investments over there. Burma, being energy rich has become a source of competition for two regional powers i.e. India and China. Both have increased their efforts to get close to this resource rich land being occupied by military junta. Various projects have been initiated by both these countries to enhance their influence in Myanmar; yet Indian position seems to be weak in comparison with that of China. Thorough evaluation of Indian stakes involved in growing ties with military junta of Myanmar clearly evince that being so-called biggest democracy Indian close collaboration with oppressive military junta of Burma will deteriorate Indian democratic image. Besides that Indian relation with ASEAN, European Union and US can also get adversely affected because of its growing ties with Burma as all these actors have been strongly condemning military junta. The US and the EU have even imposed strict sanctions against Burma. Finally as far as Indian objective to dislodge China from Myanmar is concerned that also seems to be a hard task as China already has strong footing in this land. Writers conclude by asking India to reformulate its foreign policy particularly in the above mentioned aspect and to look more towards democratic states of Europe, Australia and the US in order to balance Chinese effect.

My own view: By observing recent developments in terms of Myanmar and role of different states in this regard it is clearly evident that India and China have adopted a divergent course of action while dealing with Myanmar, basically in order to balance one another. Writers however have over estimated Indian stakes as Indian continuous support for Myanmar's military junta has not brought any repercussions for India as yet. India closely growing ties with the US, main opponent of Burmese military regime as well Indian close economic collaboration with the EU and ASEAN (that has already started policy of engagement with Myanmar) can further substantiate the point. It therefore can be concluded that all states formulate their relations with others in accordance with their own interest.

The second article named as "Asia's Forgotten Crisis: A New Approach to Burma" by Michael Green tries to explore appropriate ways to deal with Burmese issue that has become a source of tension for the whole region. It first discusses background of the Burmese political crisis then moves on to highlight role of foreign players including regional as well as global actors in this regard. It further discusses factors shaping behaviors of different states. Lastly it points out certain strategies that need to be adopted by various states in order to bring change in Burmese condition.

While analyzing social evils that have emerged because of severe political turmoil in Burma since 1990 writer claims that despite being an antidemocratic embarrassment and humanitarian disaster, Burma infact has become a serious threat to its neighbors' security. This thing has led different actors to become keen in terms of their policies towards the country. In this regard the US, Japan, EU, China, India and ASEAN have been named as the most important states. After briefly pointing out main policies of all these states, writer declares India and China, to be the two critical members of the region, who have adopted entirely different approach in case of Burma. Writer further claims that they have been supporting military Junta in order to pursue their own strategic and economic interests. Main reason of their support for Burmese military regime is to compete with one another and to disallow the other one from getting strategic advantage in the region. Both of them however can be persuaded to stop providing unconditional support to military junta. To secure and maintain positive image at international fora can be a potent factor in effecting policies of these two states. Writer concludes by saying that all states need to adopt joint policy to meet this challenge not only for regional security but also to save another generation's lives from getting lost at the hands of their brutal military ruler. This joint policy, according to the writer, should be based on a mixture of isolation and engagement.

My own view: Article seems to be quite relevant to our daily observations. One thing that needs to be added here is that except the US all other states have started bringing change in their policy vis-à-vis Myanmar. ASEAN particularly has shown flexibility in this regard. Meanwhile EU has also expressed its willingness to start talks with military junta. China and India have also

started asking military regime to bring political transformation in accordance with public will though with a soft tone.

The last article in this section, named as “Is Nepal Ready for Republic” by Krishna Giri, sheds light on Nepali political scenario. Writer does not seem to be optimistic about recent elections, Maoists victory and political parties’ decision to abolish monarchy. According to him Maoists’ sole government would lead to further challenges therefore they should form government with collaboration of other political parties. As far as conversion of monarchy into republic is concerned writer claims that monarchy has got long history therefore most of Nepalese still feel associated with the institution. Besides that new systems have their own challenges hence monarchy should not be abolished completely rather should be modified in accordance with public will. While defending monarchy writer further adds that an institution should not be deteriorated because of one person’s mistakes. Monarchy is an institution hence should not be associated with people. Writer concludes by saying that political parties including Maoists should adopt rational behavior to take any action as premature acts filled with vengeance can cause further chaos and instability.

My own view: in the light of recent observations of Nepalese political situation it can be said that writers’ concerns regarding emergence of possible political deadlock are quite genuine. It seems as if Nepalese still are in search of an appropriate way of establishing stable government. Though they intend to transform Nepal into Republic yet are still stuck in various issues. They therefore need to sort out all possible ways to confront existing political challenges and adopt the best one.

India:

Two articles have been reviewed for this section. One has been taken from *Foreign Affairs* while the second one from the web site of *Institute for Defence Studies and Analysis*. First article focuses on Indo-US relations while the other one discusses Indian presence in Afghanistan amidst suicides attack against Indian troops in Afghanistan.

The first article named as “America's Strategic Opportunity with India: The New U.S.-India Partnership” by R. Nicholas Burns discusses Indo-US ties particularly in terms of their cooperation in nuclear field as well as in economic terms. Writer considers pre Cold war period to be a missed opportunity in terms of Indo-US relations as India remained staunch proponent of non-aligned movement, being pro-Soviet Union. End of Cold war and transformation of Indian economic system into liberalized economy played vital role in bridging gap between India and the United States. Shared democratic values and anti-terrorist stance of both countries further boosted their ties. Most of all recent Indo-US civil nuclear deal, (that is still in the process) broke all remaining barriers between the two. Though both states have been cooperating in all these

areas and many more yet writer points out certain areas where relations need to be improved. These include agriculture where India and the US are in clash in Doha rounds. Meanwhile Indian support for anti-democratic military regime of Burma and Indian ties with so-called authoritarian government of Iran have also been pointed out as main obstructions in the way of growing Indo-US ties. Writer concludes by saying that despite Indo-US close collaboration both states still need to work hard to utilize all available opportunities in persuasion of their best interest.

My own view: This article also seems to be quite relevant to the current situation. Ongoing developments in Indo-US nuclear deal and close economic and defence cooperation between the two countries clearly evince their rapidly growing ties. However as far as key challenges being faced by India and the US are concerned, recent deadlock in Doha Summit over agricultural matters caused by India is the best example.

The second and last article of this section, named as “Should India Continue Its Present Course in Afghanistan?” by Shanthie Mariet D’Souza, discusses the issue of presence of Indian troops in Afghanistan after recent suicide attacks being carried against them in Kabul, following many such attacks in previous months and years. Writer accuses Pakistan and Taliban for these attacks and claims that both these parties don not want a stabilized Afghanistan as it would not serve their interest. In case of Pakistan writers further claims that a stable Afghanistan might raise the issue of ‘Pushtunistan’ being in tolerable for Pakistan. Meanwhile Indian efforts to construct Zaranj-Delaram road intends to reduce Afghanistan’s dependence upon Pakistani sea route hence will be beneficial for India. All these things have led Pakistani ISI to speed up its efforts to push Indians back from Afghanistan. Writer also critically discusses point of view of some Indian analysts in this regard who have been asking government to get involved in security affairs of Afghanistan. In this regard he claims that India should remain stick to its developmental activities in war trodden country and should not indulge in its security affairs as Afghans do not like foreigners’ presence in their internal affairs.

GCC

Three articles being reviewed for this section focus on different themes. First has been taken from the *Middle East Times*, second from the *Asharq Al-Awsat* while the third one has been taken from *The Economist*. First article is relevant to the geo-strategic developments, the second one focuses on political scenario while the third one sheds light on economic situation.

The first article named as “Kuwait Ready for War in Gulf?” by Claude Salhani, discusses probability of war with Iran amidst increase of the US naval forces in the Gulf region. Writer considers Kuwait to be the main actor being a close ally of the US. Though the US has been sending its troops to impose naval blockade against Iran; it can lead to war with that country in

which Kuwait would be compelled to participate. According to the writer Kuwait would probably be the first state that would be targeted by Iran just as was hit by Iraq 18 years ago. Hence Kuwaiti concerns regarding growing number of the US troops can be considered as genuine.

The second article, named as “The Gulf States and Iranian Hostility” by Tariq Alhomayed discusses Iranian-Gulf hostility in perspective of recent Iranian comments questioning legitimacy of the Gulf states and collective disappointment of Gulf states in reaction. Writer expresses his disappointment over reaction of the Gulf States who according to him established GCC to confront Iran. Writer claims that Iran had never shown respect for the Gulf States rather has always tried to challenge their survival. Writer asks Gulf States to be clear about their policies and adopt joint stance vis-à-vis Iran. In this regard he accuses Qatar for its warm welcome of Iranian President at Doha summit. Writer ends by asking all the Gulf States to be one sided while dealing with certain critical issues like that of Iraq, Syria, Lebanon, HezbAllah and Hamas without any fear from any party just by considering their own security and stability.

The third and the last article named as “The rise of the Gulf” by Justin Pumfrey discusses economic rise of Gulf countries without putting much effort just because of having excessive oil resources. Rapidly growing prices of oil have further boosted Arab economy. Though Arab states could not properly utilize their wealth and resources in 70s but now have started launching mega projects to multiply their wealth. Writer still expresses his disappointment with Arabs’ way of spending as their middleclass still is far from upper class in terms of having money. Writer is of the view that these Gulf countries should follow Alaska’s model in order to lessen existing gap between their rich and poor communities.

Fertile Crescent

Five articles being reviewed for this section focus primarily on Syria, Lebanon, Israel and Iraq and French role in the Middle East region. Two articles have been taken from *Syria today*, one from *Asharq Al-Awsat* and one from *Foreign Affairs*.

First article entitled as “Time for peace for Israel” by Elhanan Miller emphasizes on the need of a lasting peace deal between Lebanon and Israel. Writer starts by calling recent prisoners’ exchange to be Lebanese victory yet a small one as real victory would be to ensure peace and stability in the streets of Lebanon as the most precious thing is Lebanese’ lives. Writer asks Fouad Siniora to sign peace deal with Israel at a moment when Italy has offered to play the role of a mediator and Israel has also expressed its eagerness to establish peace with Lebanon as both countries do not have remarkable clash of interest. Writer condemns Lebanon PM’s recent denial of signing any deal with Israel and claims that either he has done this for political reasons

or because of lack of interest in peace deal. In both cases he has to be accountable to his public whenever violence erupts again. While discussing positive aspects of peace deal with Israel writer claims that it would lessen Syrian influence in the region; meanwhile it would also strengthen moderate forces seeking stability and weaken extremist forces within Lebanon. Lastly he presents Egyptian case as an example to motivate Lebanon to go ahead for signing peace deal with Israel.

The second article, “The French-Syrian Honeymoon: a Long Time in the Making” by Ziad Haidar, sheds light on France growing interest and role in the Middle East particularly by enhancing ties with Syria. Writer appreciates France for putting great effort to develop close ties with Syria even at the moment when many states of the world generally and Middle East particularly expressed their reluctance to get engaged with Syria. Writer presents passing of the Doha Accord as an example while showing Syrian influence. Besides that writer also considers Syria to be quite influential in case of Iran, Iraq and Palestine hence regional peace and stability can be achieved through Syria. Writer ends by saying that France has chosen right ally to increase its influence in the region.

Third article named as “Fresh Air in the Region” has been written by Ibrahim Hamidi. This article focuses on changing environment of Middle East because of positive role being played by Syria in this regard. Writer points out five major developments that have led to this change. These developments include; successful Doha Accord to resolve Lebanese political crisis, Indirect talks of Syria with Israel, cease fire between Hamas and Israel in 2005 and Syrian role to keep that accord going, Mediterranean Federation Project between Syria and France and Syrian permission to UN watchdogs and IAEA to inspect their nuclear program. Writer concludes by saying that though Iraq seems to be in the same situation yet change in American regime would probably play an effective role in this regard. Syria also seems to be waiting for American elections as it would like to create positive image on newly elected regime.

Fourth article named as “Expelled from Iraq, Rejected by Syria” by Abdul Rahman Al-Rashed accuses Palestine and other Arab countries for their negligence of millions of poor refugees who have left Palestine in search of safety and have ended in further misery. They have scattered here and there. Many of them have been expelled from Iraq and have been rejected of asylum by Syria hence have been living miserable lives in nearby deserts. Tough UN organizations have been trying their best to provide them food and medicines yet it seems to be a tough task. Quite recently Finland and Sweden have also agreed to provide them refuge in order to compensate them. Writer quotes their example to further accuse Arabs who have been talking about their staunch support for Palestinian cause yet haven’t expressed even humanitarian concern with these poor Palestinians.

Last article of this section entitled as "The Price of the Surge" by Steven Simon focuses on Iraqi situation, the US decision to increase troops over there, its short term and long term outcomes and remaining available options for the US to bring long lasting stability in Iraq. Writer starts his article with President Bush's decision to deploy more troops in Iraq amidst strong opposition at home. Soon after the deployment of troops, marked difference in security situation of Iraq has been observed. Things have improved to a great extent particularly in Baghdad and all this has made the US President excited over his decision. Writer however does not consider increase in troops to be the main factor in changes security situation in various cities of Iraq. According to him many other strategies, being applied by the US as well as Nor al Maliki, have in fact played pivotal role in this regard. He adds that this short term stability has been brought in at the expense of growing tribalism, sectarianism and war lordism; all these things can prove to be devastating in the long run. Writer asks the US to announce withdrawal of troops and start this process in phases in order to gain support from the UN and many other actors including Europeans and also to assure Iraqis that power would be transferred to them soon after the establishment of peace and stability in the country. Such decision would probably lead to challenging situations like renewal of Sunni's agreement with Al-Qaeda, Shiites' efforts to dominate political scenario and government's alliance with Iran. That's why developments should be at slow pace and in an appropriate strategic manner. Writer ends by saying that though this would be a risky course yet much better than the one that has already been pursued by the US as it can only lead to mayhem and instability.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Aisha Rehman

Articles Review

Presentation: 22nd August 2008

This report is based upon summary of five articles from various sources focusing primarily on Syria, Lebanon, Israel and Iraq and French role in the Middle East region. This exercise is an effort to develop understanding of the region and its key political issues.

Time for peace for Israel

By ELHANAN MILLER

Published: July 14, 2008

This article is based on the need of Peace agreement between the two states Lebanon and Israel. Writer explains that the last prisoners swap as the Lebanon's victory and the failure of Israel deterrence. But he also considers Lebanon's victory as a small one. He is of the view that if Lebanon sign written agreement with Israel then it will be a big one because only the prisoners swap between the two nations are not as significant the people of Lebanon are still insecure prisoners swap is not lasting peace.

Writer stress that prisoners is not the true lasting peace why Lebanon is not moving to lasting peace why they are waiting for other chain of violence? Writer also explains that when Italy is ready to play the role of mediator Lebanon Prime Minister Refuse to go for peace writer explains that it might be because of two options.

- Prime Minister readily wants peace agreement but not accepted because of political reasons. But peace agreement is necessary for survival and security of the state.
- He might not be interested in peace agreement but for that reason he must answer the Peres.

Writer also gives some points that show the importance of their peace agreement.

Lebanon should follow the Egypt and Jordan.

Peace agreement is in favour of Lebanon to curtail the influence of Syria.

It also strengthens the moderate forces within Lebanon.

The French-Syrian Honeymoon: a Long Time in the Making

By Ziad Haidar

Syria today: August 2008

In this article writer mainly discuss about the French desire to dominant the region through Syria. He is of the view that only Syria is the key to the region. He also discuss Syria's important and influential role in the region with the reference of Iraq, Iran, Israel- Palestine peace process.

New administration in France intends to establish good relations with Syria from the day first despite the resistance from Egypt and Saudi Arabia. President send message to Syria to keep good bilateral relations and in return Syria also shows the intention for the good relations. Writer also explains that the launch of Sarkozy Mediterranean Union clearly shows France intention in the region.

Fresh Air in the Region

By Ibrahim Hamidi

Syria today: August 2008

The writer discusses about the post Bush Middle East and the world that the world is started to prepare post Bush world. He basically discusses five major developments in which Syria not only play important role but also enhance the role of Syria in the region.

Doha Accord, Relations with Israel, Cease fire between Hamas and Israel in 2005 through the mediation of Egypt. Mediterranean Federation Project, Syria grant permission to UN watchdogs and IAEA to inspect their nuclear program. Writer is of the view that Syria must be regarded as a key to unlocking the door to peace in the region though Iraq is out of these developments but the present role of Syria in the region is very significant.

Expelled from Iraq, Rejected by Syria

By Abdul Rahman Al-Rashed

Asharq Alawsat, 08August 2008

Writer discusses the sensitive humanitarian issue of Palestinian refugees on the Iraqi northern borders. Refugees were settled there from last two years on international aid. But they were expelled by the new regime in Iraq and Syria also refuses to accept them. Refugees are living in very hard conditions, only UN employees take care of them. But later on Sweden and Finland announces that they are ready to provide them shelter, and basic needs of life. Writer criticizes Palestine authority that they must pay attention to the issue of refugees. He also criticizes the Arab world that it's the matter of shame for the Arab world that the distant country is ready to provide them shelter but we are not. He also Criticize that Arab world only ready to help the Leaders not the common poor people. He said that if there was issue of any leader and personality then all the Arab human right organizations and Bar organizations are ready to strive for their rights. But no one is ready to address the issue of refugees in Iraq, Lebanon, Somali, and Palestine.

The price of the surge

By Steven Simon

Foreign affairs, May/ June 2008

In this article writer explains about the US strategy in Iraq. He explains that at the start when US invade the country they gave many reasons to their invasion in the country. But now USA has no reason of her presence in the country. He explains that more deployment in the country cause problem for US their military spirit goes down. He also discusses the US top down to bottom up approach. He also explains the tribal realities in the Middle East region. He explains that in Middle Eastern politics tribes, warlords, and sectarianism was the main issue. He also explains that in past times all the invaders deal them differently.

He also discusses the US strategy of bottom up and explains that US will leave the country more dividend then they invade in. He explains that a large number of troops present in Iraq and it will take more time to with draw. The new up coming government in USA it is difficult for them to give any time table of with drawl. He also explains that USA needs to reestablish the state

before leaving. Writer suggests that USA need to politically establish the state and withdraw swiftly other wise their exit cause civil war and sectarian conflicts in the country.

He also explains that there is much that can be needed to revitalize a top down approach to reconciliation if it is under UN auspices and led by credible envoy. Such as

- The international community should be energized to help Iraq to move forward on provincial elections, so they would test the Sunni leaders popularity.
- International community should mobilize for the rehabilitation of the million of refuges.
- Start international investment in Iraq and create new employment opportunities for the people before the phase of the civil war.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report

From 8th August to 15th August

Presentation: August 22, 2008

- Indonesia.

Economy

- *Indonesia's president hopes to start tackling power crisis in 2009*

- Malaysia

Politics

- *Anwar on bail after denying sodomy*

Reaction of opponent in sodomy case

- *Anwar Challenged to oath*

US reaction over case

- US State Department summons Malaysian envoy

Malaysian reaction over US actions

- *Stay out of Malaysia's affairs, Rais tells US*
- Thailand

Politics

- *Thailand welcomes call for unity by Cambodia's PM*
- Singapore

Economy

- *Singapore's prime minister predicts "bumpy year ahead"*
- Philippine

Political Front

Peace Accord: further situation

- *Philippine court opens hearing on peace pact*
- *Senior Judge Questions Philippine Peace Deal*

Economy

- *Trade pact with India welcomed*

Social front

- *Philippine soldiers to rebuild after battle*
- Vietnam

Social Front

- *Vietnam Flood Toll Hits 112, More Rains Forecast*

Cambodia

Political Front

Cambodian elections

- *Cambodia's ruling party win confirmed*

Geo Strategic

Boarder Dispute

- *Cambodia, Thailand agree to temple troop pull-back*
- *Cambodia set to build more dams (social & Eco)*
- *Cambodia plants 600 trees to celebrate Beijing Games (pol & Environment)*
- *Cambodia: Kuwait Pledges US\$5 Million for Cambodian Muslims*

Summary

South East Asia is a region with some diversity of culture and religion but more similar in political and economic situations. This week there are very few events that are new most of news are the further details of the past events like Cambodian elections, Malaysian food crisis, sodomy case and most important thing about this case is that US is taking

interest in this case, so its consequences are getting more importance . Security issues between Thailand and Cambodia are most significant that are shaping or reshaping the governments and their public report. But now there is hope to resolve the boarder issue peacefully because both countries are agreed to reduce the number of troops unlike the previous situation when both seemed on brink of war. Peace accord among Muslims and philipinian government is also taking controversial position in court. At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability. There are a lot of economy commitments plans on bilateral and multilateral levels among countries to do the better for the betterments of country.

The summary of news item is as follows:

Indonesia

- Indonesia's president hopes to start tackling power crisis in 2009

Indonesia's president vowed Friday to begin tackling a national power supply crisis next year through projects to develop alternative energy and expand electricity capacity by more than 30 percent.

Malaysia

Sodomy Case

- Anwar on bail after denying sodomy

Malaysia's top Opposition leader Anwar Ibrahim yesterday denied a sodomy charge, dismissing it as a "treacherous" accusation, as he was freed on bail to campaign for a seat in Parliament.

- **Reaction of opponent in sodomy case**
- Anwar Challenged to oath

The young man who has accused Malaysian opposition leader Anwar Ibrahim of sodomy said he had visited a mosque to swear he was telling the truth.

He also challenged Anwar to do the same.

US reaction over case

- *US State Department summons Malaysian envoy*

The deputy Malaysian ambassador to the United States has been summoned to the US State Department over issues concerning Parti Keadilan Rakyat adviser Datuk Seri Anwar Ibrahim.

Malaysian reaction over US actions

- Stay out of Malaysia's affairs, Rais tells US

Stay out of the Malaysia's internal affairs, Foreign Minister Datuk Seri Dr Rais Yatim told the United States, reminding Washington to refrain from commenting on how the country handles its legal affairs.

Thailand

- Thailand welcomes call for unity by Cambodia's PM

Thailand yesterday welcomed Cambodian Prime Minister Hun Sen's statement that the border disputes between the two countries need to be resolved through bilateral mechanisms. Foreign Ministry spokesman Tharit Charungvat said the Cambodian leader's stance was in line with Thailand's as Bangkok also wished to find a solution to the Preah Vihear temple issue in a peaceful and amicable manner through bilateral mechanisms.

Singapore

- Singapore's prime minister predicts "bumpy year ahead"

Singapore's Prime Minister Lee Hsien Loong predicted "a bumpy year ahead" Friday as the economic problems gripping the US are starting to have an impact on Asia. On the eve of Singapore's 43rd National Day, Lee said the last 12 months were a period of economic uncertainty worldwide.

Philippine

Peace Accord: further situation

- Philippine court opens hearing on peace pact

The Philippine Supreme Court opened a hearing Friday on an autonomy agreement with Muslim rebels, as tensions remained high with the discovery of a homemade bomb at a southern school.

- Senior Judge Questions Philippine Peace Deal

The Philippines Supreme Court chief justice on Friday questioned the constitutionality of parts of a draft agreement for ending a bloody Muslim separatist war in the south.

- Trade pact with India welcomed

The Philippines welcomed the announcement that the Association of Southeast Asian Nations (Asean) would sign a free trade pact with India in December, the foreign department said on Friday.

- Philippine soldiers to rebuild after battle
Philippine soldiers will help rebuild villages ravaged by military airstrikes and mortar fire during a campaign to force Muslim separatists out of farmlands in the south, an army general said on Tuesday.

Vietnam

- Vietnam Flood Toll Hits 112, More Rains Forecast

At least 112 people have been killed after days of heavy rains triggered by the remnants of a tropical storm. Another 45 people were missing, the government said on Tuesday.

Laos

Cambodia

Cambodian elections

- Cambodia's ruling party win confirmed

Cambodia's ruling party took nearly 60 percent of the popular vote in last month's election, according to figures released by the election committee on Saturday.

Boarder Dispute

- Cambodia, Thailand agree to temple troop pull-back

Cambodia and Thailand have agreed to withdraw most of the 1,000 troops facing off for month near the disputed Preah Vihear temple on their border, a Cambodian commander on the ground said on Thursday.

- Cambodia set to build more dams (social & Eco)

Cambodia will spend roughly 400 million US dollars later this year to begin construction of new dams in a bid to improve the country's irrigation system and boost rice exports.

- Cambodia plants 600 trees to celebrate Beijing Games (pol & Environment)

The Banteay Meanchey provincial authority Friday planted 600 trees in its capital town to celebrate the opening of the 29th Olympic Games in Beijing, China, Khmer-language newspaper the Kampuchea Thmey said Saturday.

- Cambodia: Kuwait Pledges US\$5 Million for Cambodian Muslims

Kuwait has pledged US\$5 million to help support religious activity and education for Cambodia's Muslims, a government official said Friday (8 Aug).

Detailed Monitoring Report

Indonesia

Politics/Economy

- Indonesia's president hopes to start tackling power crisis in 2009

Indonesia's president vowed Friday to begin tackling a national power supply crisis next year through projects to develop alternative energy and expand electricity capacity by more than 30 percent.

Power suppliers are unable to meet higher demand for electricity, driven by population and economic growth, and outages have hit large parts of the country in recent years.

Adding to the problem, much of domestic coal is being exported to India and China for greater profit, causing shortages at home. "God willing, starting by the middle of 2009, the power crisis on Java and Bali will begin to be overcome," said President Susilo Bambang Yudhoyono in his annual State of the Union address to Parliament Friday.

Yudhoyono outlined plans to boost power capacity by a quarter - or 10,000 megawatts - to the national power grid by 2011. That will be produced with new and renewable energy such as micro-hydro power, biofuel and geothermal, he said without giving details.

Indonesia has huge untapped energy resources, yet much of its population is impoverished and large areas regularly experience power outages. Straddling a series of volcanic fault lines, Indonesia is believed to have the world's largest geothermal resource base, with the potential to provide 21,000 megawatts - more than half its energy needs.

Construction of the new power plants will be opened to public tender to create "the widest possible opportunity to private companies to participate in the construction and operation," he said. Indonesia's production of roughly a million barrels a day is at its lowest level in 30 years and Indonesia has said it will quit the Organization of Petroleum Exporting Countries because of declining oil reserves and investments

Social Front

Malaysia

Politics

Sodomy Case

- Anwar on bail after denying sodomy

Malaysia's top Opposition leader Anwar Ibrahim yesterday denied a sodomy charge, dismissing it as a "treacherous" accusation, as he was freed on bail to campaign for a seat in Parliament.

Anwar, who faced a similar accusation a decade ago, was charged in the Kuala Lumpur Sessions Court amid massive police security that underscored the political tensions surrounding the case. He says the charge is designed to thwart the rejuvenated Opposition's bid to topple the Government, which has been in power since independence in 1957.

Government prosecutors accuse Anwar, 60, of sodomising his 23-year-old male aide, Saiful Bukhari Azlan, on June 26 in a condominium in Kuala Lumpur. Defence lawyer Sankara Nair said "there is no case", adding that Anwar, a former deputy prime minister, has an alibi.

"This is a treacherous and malicious accusation. I am not guilty," Anwar said after the charge was read in the courtroom packed with Opposition activists. The court said Anwar could remain free on bail until a September 10 hearing to determine whether the case should go to a higher court.

"This is clearly a political game," Anwar told reporters. "The charge is meant to embarrass me and nothing else. I'm not embarrassed." Prime Minister Abdullah Ahmad Badawi and other Government leaders insist there is no conspiracy against Anwar. Analysts predict Anwar will win the by election.

- **Reaction of opponent in sodomy case**
- Anwar Challenged to oath

The young man who has accused Malaysian opposition leader Anwar Ibrahim of sodomy said he had visited a mosque to swear he was telling the truth.

He also challenged Anwar to do the same.

The move came a day before Anwar is due to register for a by-election in his home state of Penang that is expected to return him to parliament despite the charge - the same allegation that saw him jailed for six years until 2004.

Mohamad Saiful Bukhari Azlan, a 23-year-old former volunteer in the opposition leader's office, denied he was laying down the challenge in an attempt to derail Anwar's chances in the August 26 by-election.

"No, it is not a political matter," he told a news conference where he played a video of him sitting at a city mosque making the oath on the Koran, the Islamic holy book.

"It is just by coincidence that I made the oath today. God gave me the strength to do it," he said. "By swearing in God's home's that I was sodomised by my employer, I challenge Anwar Ibrahim to swear and to do it in a mosque, to deny my allegations." However Mohamad Saiful said: "I would like to emphasise that it happened by force, without my permission."

"This is the first time I was sodomised," he said, denying he had a romantic relationship with Anwar.

Anwar was sacked as deputy premier in 1998 and convicted on sodomy and corruption charges widely seen as politically motivated. He was released from jail in 2004 after Malaysia's highest court overturned the sodomy conviction.

US reaction over case

- *US State Department summons Malaysian envoy*

The deputy Malaysian ambassador to the United States has been summoned to the US State Department over issues concerning Parti Keadilan Rakyat adviser Datuk Seri Anwar Ibrahim.

"We have regular exchanges with Malaysian diplomats in Washington on a number of subjects, including with the Malaysian charge d'affaires yesterday," said a department official. "Anwar Ibrahim's case was one of the topics of conversation." "We take note of the many serious questions raised within Malaysia, including by the Malaysian Bar Council, concerning this case."

Anwar was charged in the Kuala Lumpur Sessions Court on Thursday with committing carnal intercourse against the order of nature at a condominium here in June.

Malaysia last week accused Washington of meddling in its internal affairs when US Secretary of State Condoleezza Rice last month raised concerns over the investigation into the claims against Anwar.

A similar comment was made on Thursday by former US vice-president Al Gore who said in a statement that it was regrettable that the government had on two occasions used the same tactic in an effort to politically destroy Anwar. "There is no way other countries should look down on us in the administration of our own laws. Our Criminal Procedure Code and the Penal Code emanate from the common law.

"Therefore, there is no reason whatsoever for any other power in the world to criticize us in administering justice and the rule of law.

"We have had enough of these armchair criticisms, but if they have substantive legal problems they want to highlight internationally, then they are welcome to discuss with us in a manner that is judicious, respectful and helpful."

Malaysian reaction over US actions

- Stay out of Malaysia's affairs, Rais tells US

Stay out of the Malaysia's internal affairs, Foreign Minister Datuk Seri Dr Rais Yatim told the United States, reminding Washington to refrain from commenting on how the country handles its legal affairs.

Even the UN Secretary-General has not said anything on how Malaysia handles its legal matters, he noted. Dr Rais, responding to a statement by former US vice-president Al Gore that the Government was involved in "character assassination to silence an effective leader of the political opposition", said he would like to see the United States' discriminatory approach being scrutinised by others. "Therefore, there is no reason

whatsoever for any other power in the world to criticize us in administering justice and the rule of law.

"We have had enough of these armchair criticisms, but if they have substantive legal problems they want to highlight internationally, then they are welcome to discuss with us in a manner that is judicious, respectful and helpful."

Dr Rais also called on Asean members to uphold Asian values and be good neighbors in order to be a fine example to the world.

Environment/Social front

Thailand

Politics

- Thailand welcomes call for unity by Cambodia's PM

Thailand yesterday welcomed Cambodian Prime Minister Hun Sen's statement that the border disputes between the two countries need to be resolved through bilateral mechanisms. Foreign Ministry spokesman Tharit Charungvat said the Cambodian leader's stance was in line with Thailand's as Bangkok also wished to find a solution to the Preah Vihear temple issue in a peaceful and amicable manner through bilateral mechanisms.

The existing mechanisms include meetings between the foreign ministers, the Thai-Cambodian Joint Boundary Commission (JBC) and the General Border Committee (GBC). "Differences of views on boundary issues between two neighbouring countries are not unusual. Thailand and Cambodia have in common a 798-kilometre land border. Thailand shares the Cambodian prime minister's view that both countries will be able to find a solution by working together," said Mr Tharit. Cooperation including trade, he said.

Mr Tharit said the Preah Vihear temple issue was only one small part of their overall relations as the two countries have many common interests and cooperation in the economic, political, social and other dimensions.

Also, the people of both countries living along the Thai-Cambodian border have enjoyed close relations, sharing and celebrating the same traditions and cultures, he said.

"Thailand also agreed with Prime Minister Hun Sen that the second meeting between the two foreign ministers should be able to make good progress and pave the way for both sides to find a solution," he said.

The second ministerial meeting between Foreign Minister Tej Bunnag and his Cambodian counterpart Hor Nam Hong is tentatively scheduled for August 18-19 at Hua Hin in Prachuap Khiri Khan.

Social issues

Singapore

Politics

Economy

- Singapore's prime minister predicts "bumpy year ahead"

Singapore's Prime Minister Lee Hsien Loong predicted "a bumpy year ahead" Friday as the economic problems gripping the US are starting to have an impact on Asia. On the eve of Singapore's 43rd National Day, Lee said the last 12 months were a period of economic uncertainty worldwide.

"Considering the external challenges, Singapore's economic results are good," he said in his annual message. For the first half of 2008, growth was 4.5 per cent and expected to be between 4 and 5 per cent for the whole year.

However, with the housing crisis adding further stress to the US financial system, American consumers are spending less, affecting the whole global economy, Lee said. "The difficulties will probably drag on well into next year before getting better," he warned. The Association of South-East Asian Nations (ASEAN) has become less prominent on the radar screen of investors, "who are more focussed on opportunities in China and India." "Several ASEAN countries are pre-occupied with domestic economic and political problems," he said.

Social Front

Philippine

Politics

Peace Accord: further situation

- Philippine court opens hearing on peace pact

The Philippine Supreme Court opened a hearing Friday on an autonomy agreement with Muslim rebels, as tensions remained high with the discovery of a homemade bomb at a southern school.

Under tight security, the court began hearing arguments from the government and opponents of the accord, who claim it is unconstitutional and would lead to the partition of the Philippines.

The military said Friday it found a bomb at the back of an elementary school in M'lang town in North Cotabato province, where troops had earlier dislodged about 1,000 Moro Islamic Liberation Front guerrillas from 15 predominantly Christian villages in a three-day offensive.

Mayor Lito Pinol said the bomb resembled an improvised explosive that went off prematurely in the same town on Thursday and another that was disarmed at the bus terminal in the nearby town of Kidapawan.

Regional military spokesman Maj. Armand Rico suggested the bombs could be retaliation by the rebels for the military offensive. Police said a man arrested in connection with Thursday's explosion admitted to being a rebel, but guerrilla spokesman Eid Kabalu denied the claim.

The Supreme Court said the issues it will resolve include whether it is appropriate to rule on the constitutionality of the agreement, and whether it would commit the government to revising the constitution and recognizing the proposed Muslim homeland as a separate state. The rebels said they back President Gloria Macapagal Arroyo's plan to grant them a federal state.

But critics suspect that changing the constitution to establish a federal system could be used to also change term limits for officials, allowing Arroyo to extend her stay in office beyond 2010

- Senior Judge Questions Philippine Peace Deal

The Philippines Supreme Court chief justice on Friday questioned the constitutionality of parts of a draft agreement for ending a bloody Muslim separatist war in the south.

Chief Justice Jose Carpio made the remarks in a hearing on the suspension of the draft agreement between the government and the separatist Moro Islamic Liberation Front (MILF).

The draft agreement, completed in negotiations between the government and the MILF last month, creates an "ancestral homeland" for the Muslim minority in the southern Philippines, giving them special powers over that area.

However, on Aug. 4, the Supreme Court, acting on petitions from opposition politicians and Christian local officials, suspended the implementation of the deal, ordering both

sides to explain their positions. At Friday's hearing, Carpio questioned a provision in the draft agreement stating that the Muslim area would have a share in natural resources, saying that this violated a constitutional provision that only the national government had control of the country's national resources.

He also questioned another provision saying that the Muslim autonomous area would have its own security forces.

However, the court did not issue any ruling on the dispute and instead ordered lawyers representing the petitioners to make further oral arguments on Aug. 22. The presidential palace, in a statement, defended the draft agreement.

Geo-Strategic

Economy

- Trade pact with India welcomed

The Philippines welcomed the announcement that the Association of Southeast Asian Nations (Asean) would sign a free trade pact with India in December, the foreign department said on Friday. "The Philippines welcomes the conclusion of the Asean-India FTA [free trade agreement]," the Department of Foreign Affairs said in a statement.

Asean aims to create a single market of more than half a billion people by 2015 to help battle competition from China and India. The bloc is also seeking alliances with the fast-rising regional giants. Asean has signed a landmark deal with China to create the world's biggest free trade zone by 2010. Asean groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Social front

- Philippine soldiers to rebuild after battle

Philippine soldiers will help rebuild villages ravaged by military airstrikes and mortar fire during a campaign to force Muslim separatists out of farmlands in the south, an army general said on Thursday.

Around 160,000 people have fled their farmlands in North Cotabato province and adjoining areas since last weekend to escape a fierce four-day military offensive aimed at Moro Islamic Liberation Front (MILF) rebels holed up in the area. "The relief and rehabilitation process might take longer than the security operations," Brigadier-General Jorge Segovia told reporters.

"Our army engineers are ready to help in the rehabilitation efforts, including in rebuilding hundreds of houses destroyed and damaged during the conflict." Military operations ended on Wednesday and the army is trying to coax families back, escorted by armored vehicles and troops. Segovia said an extra battalion of soldiers would be sent to the south to help with the relief effort and to reassure frightened refugees that they were now safe. "The next task would be to help civilian agencies in handling the displaced people," he said.

Vietnam

Politics

Economy

Environment/Social front

- Vietnam Flood Toll Hits 112, More Rains Forecast

At least 112 people have been killed after days of heavy rains triggered by the remnants of a tropical storm. Another 45 people were missing, the government said on Tuesday.

Television footage showed helicopters delivering supplies to residents in the northern mountainous provinces of Lao Cai and Yen Bai. Most roads in the hardest-hit areas have been washed away.

More than 1,100 military troops have been leading rescue work, turning over stones in streams to search for bodies, footage from state-run Vietnam Television station showed. Sniffer dogs have also been sent to the area to aid the search.

A tropical low-pressure system, formed in the Tonkin Gulf and was moving towards the country's north, is expected to make landfall later on Tuesday, the National Flood and Storm Prevention Centre said in an updated report. The system would dump heavy rains and trigger landslides from late Tuesday, the report said.

Cambodia

Politics

Cambodian elections

- Cambodia's ruling party win confirmed

Cambodia's ruling party took nearly 60 percent of the popular vote in last month's election, according to figures released by the election committee on Saturday.

The Cambodian People's Party (CPP) won 58.1 percent of the vote, compared with 21.9 percent for its nearest rival, the main opposition Sam Rainsy party, authorities said.

National Election Committee official Sin Chum Bo said turnout was 75.21 percent -- or six million of the 8.1 million eligible voters. This is just a temporary election result... while we allow for political parties to make complaints before we can divide the number of seats," she told reporters.

The CPP earlier claimed it had captured at least 90 of the 123 seats in parliament, with opposition leader Sam Rainsy and three other small parties dividing the rest.

The Sam Rainsy party on Saturday rejected the outcome, saying the election had not been conducted freely and fairly, and demanding a re-run.

International monitors agreed the election was flawed, despite improvements in the electoral process compared to past polls here.

Geo Strategic

Boarder Dispute

- Cambodia, Thailand agree to temple troop pull-back

Cambodia and Thailand have agreed to withdraw most of the 1,000 troops facing off for month near the disputed Preah Vihear temple on their border, a Cambodian commander on the ground said on Thursday.

"We will leave only 10 armed men for each side," General Chea Mon told Reuters in Phnom Penh. "Other forces will be returned to military bases." The redeployment, negotiated at a meeting between army officers on Wednesday, is scheduled for Saturday, two days before the two countries' foreign ministers meet in Thailand to discuss the dispute, he added.

Thai military officials were not immediately available for comment.

Economy

Cambodia set to build more dams (social & Eco)

Cambodia will spend roughly 400 million US dollars later this year to begin construction of new dams in a bid to improve the country's irrigation system and boost rice exports. The Mekong Times quotes Water Resources Minister Lim Kean Hor as saying that irrigation will eventually cover one million hectares of paddies throughout the country.

He says the first construction steps have started and the government hopes irrigation will reach nearly 60 percent of the entire country's rice fields, currently only 44 percent are irrigated.

Environment

- Cambodia plants 600 trees to celebrate Beijing Games (pol & Environment)

The Banteay Meanchey provincial authority Friday planted 600 trees in its capital town to celebrate the opening of the 29th Olympic Games in Beijing, China, Khmer-language newspaper the Kampuchea Thmey said Saturday.

"Eight o'clock in the evening Aug. 8, 2008, is a luck time for us and means good fortune in Feng-shui theory. Therefore, we are planting 600 trees and also organize football tournament to welcome the Olympic Games to open in China and memorize the friendship between Cambodian and China, too," provincial governor Ong Eoeurn was quoted as saying.

This sports event was very important for the diplomatic relationships between the two countries, which would make the bilateral ties closer, as Cambodian King Norodom Sihamoni attended the opening ceremony of the games, he said.

Social Front

- Cambodia: Kuwait Pledges US\$5 Million for Cambodian Muslims

Kuwait has pledged US\$5 million to help support religious activity and education for Cambodia's Muslims, a government official said Friday (8 Aug).

Prime Minister Sheik Nasser Al-Mohammed Al-Ahmed Al-Jaber Al-Sabah made the pledge during his visit here earlier this week, said Ahmad Yahya, a government adviser who heads the Cambodian Muslim Community Development. He said the fund was in response to a request Cambodian Muslim leaders brought to Kuwaiti officials during the visit. Kuwait and other Gulf states, especially Saudi Arabia, have long funded schools and mosques in Cambodia and neighboring Thailand, both of which have small and generally poor Muslim populations. "Prime Minister Hun Sen very much welcomed the pledge," he said. "The money is not here yet, but when its comes the Cambodian government will manage it accordingly." Cambodia has an estimated 700,000 Muslims,

representing about 5% of the country's 14 million people, according the U.S. State Department's annual report on religious freedom. Most of them live in the rural areas and, in the past decade, have been experiencing a revival of their religious freedom that was abolished, just like all religious practices, when the Khmer Rouge ruled Cambodia from 1975 to 1979. With the rise of Islamic fundamentalism in the past decade, there have been concerns that some projects funded by Middle Eastern money may become breeding grounds for extremists.

The two countries also signed agreements to foster economic cooperation, protect investments, and establish direct flights between them. Cambodia also asked Kuwait for assistance in training its workers in offshore oil exploration and production.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 9 August 2008 to 15 August 2008

Presentation: 22 August 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Sri Lanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar.

Bangladesh:

POLITICAL:

- Begum Zia will be released soon without any precondition
- City polls-results inspiring AL to join UZ
- Khaleda refrains from enlisting herself as a voter
- 10-point major tasks of BD foreign policy spelt out by FA
- Power sector in peril as none punished for wrongdoing

SOCIAL:

- 40pc women in urban and 42pc in rural areas are being tortured
- Garment, construction and transport workers meet tragic end of their Lives everyday
- Religious leaders to come forward in preventing AIDS in Muslim Countries
- Experts call for pre-disaster management instead of post-disaster steps

ECONOMY:

- Govt practically not giving priority to agri-sector
- Remittance inflow in 1st week of new FY over \$ 30 cr
- Govt undertakes Tk 1,200 cr project to improve secondary education
- Officials of NBR, BTTB misappropriate over Tk 8cr during 2000 to '08
- BD to import 150,000-ton petroleum from Maldivian company
- BTRC fines GP Tk 250 cr for illegal VoIP business
- Rice production to stand at 354.84 lakh tonnes this year

GEO- STRATEGIC:

- BD-Myanmar dispute over territorial sea

Begum Zia will be released soon without any precondition

Foreign Adviser Iftexhar Ahmed Chowdhury and Communication Adviser Major General Ghulam Quader (Retd) separately said BNP Chairperson and former Prime Minister Begum Khaleda Zia will be released soon without any pre-condition. Commerce Adviser Hossain Zillur Rahman also said that the process in releasing Begum Zia is at final stage. Echoing the same argument Ghulam Quader said process of release of Begum Khaleda Zia is at final stage and she would be released very soon without any condition. Meanwhile, BNP Secretary General Khandaker Delwar Hossain warned the government if BNP Chairperson Begum Khaleda Zia is not released within 72 hours, a tougher movement will be launched to free her.

Power sector in peril as none punished for wrongdoing

For procedural flaws one after another, many power-plant projects are being cancelled at the

final stages of bidding and their costs are going sky-high while the country keeps smarting from nagging electricity shortages. Problems are getting worse as none is being held responsible or punished for the intentional or unintentional wrongs. Such incidents are frequently happening in the country's power sector, which has been one of the root causes of staggering stagnancy in its development. However, the Power Ministry, its subordinate body Power Development Board (PDB) and the Planning Ministry are blaming one another for the bungling to shift one's own responsibility to others' shoulders. But, for such deliberate misdoing, the country has to pay and its people to bear the brunt of the crisis.

City polls-results inspiring AL to join UZ

The first ever landslide victory in the elections to four city corporations and nine municipalities (pourasabha) after Banaga-bndhu's Premiership, Awami League is now much more confident for getting majority public support. Such type of win ultimately inspired not only the rank and file of AL but also party central decision makers to participate in the Upazila Parishad polls likely to be held on October next. According to AL source, although the central leadership is frequently opposing holding Upazila elections prior to those of Jatiya Sangsad (Parliament), they reportedly started visiting their areas to lay groundwork for local government polls considering that there would be no alternative way but to participate if the Election Commission (EC) finally announces election schedule.

Govt practically not giving priority to agri-sector

The government is practically not giving priority to the country's agriculture sector although it is saying that the highest importance has been given to this vital sector. This was disclosed at a round table discussion on 'Media Role in Developing Agriculture in Bangladesh' held at Agriculture Laboratory Building at Farm Gate in city on Saturday. Some 64 agriculture extension officers from 64 districts placed various problems in improving agricultural production. They said government's commitments and measures for developing the agriculture sector in order to produce more food grains and other produces, would not be implemented due to mismanagement, irregularities and lack of supervision by the assigned authorities. The seeds, fertilisers, pesticides and other equipments sanctioned for the rural farmers, are not reaching them properly. Farmers have to face difficulties in getting seeds, fertilisers and pesticides as the members and chairmen deal with the total system.

Remittance inflow in 1st week of new FY over \$ 30 cr

Remittance inflow into the country from abroad amounted to more than 30 crore US dollars during the first week of the fiscal year 2008-09. According to sources in Bangladesh Bank, during

the period from July 01 to July 10 of the current fiscal year, the Bangladeshi nationals working outside the country sent a total of US 30.25 crore dollars as remittance to Bangladesh. Besides this, letters of credit (L/C) worth US 70.72 crore dollars were opened with banks during the same period of the last month. The letters of credit were opened by businessmen to import goods from outside the country, the sources said. The remittance was sent to the country through different banking channels including the state-owned banks. Of the total remittances sent by the Bangladeshi expatriates from abroad during the period mentioned above, about 9.50 crore US dollars reached the country through four government-run banks. The banks are Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited and Rupali Bank Limited. The amount of remittance sent to the country through private banking channels was more than US 19.70 crore dollars. A total of 72 lakh US dollars reached the country through foreign banking channels while the local specialised banks brought around 29 lakh US dollars to the country from abroad. According to Bangladesh Bank sources, the country's remittance earnings exceeded US 793 crore dollars. As a result of significant increase in expatriates-sent money during the period of first ten days of July last, the annual remittance growth rate stood at 33 percent. Meanwhile, payment of letters of credit of 65 crore US dollars were met during period of first ten days of July last out of the total L/Cs of US 70.72 crore. Out of the total letters of credit, most of the L/Cs were opened in order to import food grains from foreign countries. Of them, L/Cs of US 2.12 crore were opened for imports of wheat while L/Cs worth 2.47 crore US dollars were opened with a view to purchasing sugar from international market. In the fiscal year 2007-08, the traders opened L/Cs of total US 2,405 crore dollars to import goods from outside the country.

40pc women in urban and 42pc in rural areas are being tortured

Around 40 per cent women in urban areas and 42 per cent in rural areas across the country are being tortured physically by their husbands and at the same time they are falling victims to other kinds of domestic violence. Depicting the gravity of women torture, a survey report by Centre for Policy Dialogue (CPD) also said not only in Bangladesh but also around the world domestic violence by husbands or intimate male partners is widespread in recent days. It said in Bangladesh the rate of the girls and women becoming victims of domestic violence are: below 20 years, 13 percent, 20-30 years, 63.5 percent, 30-40 years, 21 percent and 40-50 years, 2.5 percent. Although there is a tough law for prevention of repression on women and children but there is no proper application of this law. So, criminals continue repression against women. Besides, there is no special law to deal exclusively with domestic violence. So, the government should enact such anti-domestic violence law.

Govt undertakes Tk 1,200 cr project to improve secondary education

The government with the support of International Development Association (IDA) has undertaken a Taka 1,200 crore Secondary Education Quality and Access Enhancement Project (SEQAEP) to improve the quality of secondary level education in the country.

Khaleda refrains from enlisting herself as a voter

Detained former Prime Minister and BNP Chairperson Begum Khaleda Zia refrained from being enlisted as a voter for the purpose taking the risk of losing the chance of contesting next parliamentary elections. Although the government had set August 11 as the deadline for the detained politicians who did not become voters to be enlisted as voters, Khaleda Zia and Tarique Rahman both have refused to become voters remaining in the jail. Total number of VIP politicians whose names have not been included in the voter roll, DIG (Prisons) stated that around 30 VIP prisoners including Salauddin Quader in Dhaka central jail, Kashimpur jail and other prisons have not become voters earlier But recently nine of them have applied to the jail authorities for including their names in the voter list and the jail authorities is working in this behalf.

Officials of NBR, BTTB misappropriate over Tk 8cr during 2000 to '08

Anti-Corruption Commission (ACC) has detected that some officials of National Board of Revenue(NBR) and Bangladesh Telegraph and Telephone Board (BTTB) misappropriated Tk 8,06,15,484 during the period from FY 2000/2001 to 2007/2008. The Commission has also detected that around 15 vehicles of BTTB are being used by the concerned ministry ignoring the terms and condition of the department. But the BTTB has borne the cost of Tk 5 crore, 34 lakhs826 for their maintenance -- and it was complete misuse of money on the part of the BTTB. On the other hand, the ACC has detected the misuse of huge money of over Tk 2 crore by a section of corrupt officials of Bangabandhu Sheikh Mujib Medical University (BSMMU).

BD to import 150,000-ton petroleum from Maldivian company

Bangladesh will import 150,000 metric tons of petroleum fuels from the National Oil Company Ltd (MNOC) of the tiny island-state Maldives, spending some US\$ 183.44 million worth Tk 1273.07 crore. The Advisors Committee on Economic Affairs endorsed a proposal giving a waiver to the state-owned Bangladesh Petroleum Corporation (BPC) under which it could import the quantity of gasoline without a state-to-state deal. This is for the first time Bangladesh is going to import fuel from a Maldivian company. Normally, the country imports petroleum from different

Middle-Eastern countries like Kuwait, Qatar and Saudi Arabia to meet its annual demand for 2.5-2.7 million metric tons of liquid fuels.

Religious leaders to come forward in preventing AIDS in Muslim countries

Visiting Datin Paduka Marina Mahathir, daughter of former Malaysian Prime Minister Dr. Mahathir Mohamad said it is a great challenge to prevent AIDS in the Muslim countries and without the assistance of the grass roots religious leaders the work is not possible. She made the "It is not to easy to raise awareness among the people against AIDS in the Muslim countries but it can be possible through educating Muslim community about AIDS by engaging religious leaders of the grass roots levels in the process of raising awareness and conducting anti AIDS campaign". Besides, she stressed the needs for introduction of special education programme for elimination of AIDS from the society.

10-point major tasks of BD foreign policy spelt out by FA

Foreign Adviser Iftekhar Ahmed Chowdhury said the present caretaker government is trying to formulate a foreign policy which is expected to be recognised by the next government in order to focus Bangladesh before the world. "On the basis of national consensus, the foreign policy will be formulated. The foreign policy will be prepared considering the national interest and which bring good result for the nation" the Foreign Adviser told at Round Table Conference on "Foreign Policy of Bangladesh and the Role of Development Partners" held at the National Press Club. In order to achieve aims and objective, the Foreign Adviser pronounced 10-point major tasks of Bangladesh's foreign policy. In a bid to build up strong relation with neighboring countries, ensure quota-free market access and foreign investment, initiatives of ten-point task have been taken. "We believe the way we can best aspire to our goals is to pursue a set of coordinated aims in a calibrated fashion. That is the major task of our foreign policy. To break up these goals yet further, there are roughly ten. Stabilizing our relations with our neighbouring countries including our larger neighbour and partner with whom we want to live in friendship and concord, but clearly as a distinct entity, fostering cooperation within multilateral frameworks, expanding economic cooperation with developed and other developing countries, ensuring duty free quota free access for our products into foreign countries. The task also include exploring new markets for excess manpower and ensuring the well-being of expatriate Bangl-adeshis; attracting foreign investments; negotiating a favourable trade regime ourselves within the WTO; playing a proactive role within the UN system; supporting peace keeping and peace-building operations and finally, propagating Bangladeshi culture abroad whose richness should heighten interest in us of others.

Garment, construction and transport workers meet tragic end of their lives everyday

Workers and day labourers working in various sectors specially garment industries, construction farms and transport sectors meet the tragic end of their lives due to negligence of authorities concerned and lack of awareness and such trend continue to increase. According to a report prepared by Bangladesh Occupational Safety, Health and Environment at least 953 workers were killed and 1,637 others received serious injuries in different incidents across the country during the last six month. Most of the workers were killed when they were on duties at their respective workplaces but their family members were not provided compensation. Joint attack launched by police and outsider hoodlums hired by owners, fire incidents at workplaces, collapse of buildings, torture by the owners of the factories or organisations and road accident claimed the lives of the workers. Although various assurances and commitments have been given by the government and the employers that congenial atmosphere would be created to ensure safety and security for the workers but actually nothing was followed. As a result, workers at different sectors are facing such fate all the time. Besides, the workers specially in the garments industries are the worst sufferers as they are still being tortured in many ways.

BD-Myanmar dispute over territorial sea

Long-standing dispute between Bangladesh and Myanmar regarding demarcation of area of jurisdiction over the sea (Bay of Bengal) is expected to be resolved soon. A reliable source expressing anonymity said Myanmar is seeking India's support during the settlement process that is likely to be held next month and so Myanmar is continuing diplomatic lobbying with Delhi. In a recent development Myanmar High Commissioner to India called on Indian foreign secretary and requested him to extend support in favour of Myanmar in this arbitration. The High Commissioner also tried to instigate Indian side saying that India should have some interest to take the side of Myanmar in its dispute with Bangladesh over the sea. He also offered proposal to have an internal meeting between Myanmar and India before its settlement with Bangladesh. But source confirmed that Indian foreign secretary categorically and indirectly rejected the request of Myanmar High Commissioner expressing his country's stand that India would like to remain a friendly neighbour of Bangladesh and in the present issue

India	will	remain	neutral.
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BTRC fines GP Tk 250 cr for illegal VoIP business

Bangladesh Telecommunication Regulatory Commission (BTRC) has fined GrameenPhone, country's largest cellular phone operator, Tk 250 crore for providing connectivity to the third parties enabling the use of Voice over Internet Protocol (VoIP), said a BTRC press release. According to BTRC the use of VoIP is illegal and unlawful

and caused revenue loss to the government. Last year GrameenPhone paid fine of Tk 168.40 crore for similar offences.

Rice production to stand at 354.84 lakh tonnes this year

The Aman cultivation is now in peak season in a favorable weather condition without floods which had seriously damaged production triggering food crisis in the past few years. The agricultural ministry estimates say the government is planning 137.23 lakh tonnes of Aman production this year, 24.23 lakh tonnes of Aus and 193.38 lakh tonnes of Boro. The total production target thus stands at 354.84 lakh tonnes for 2008-09, the estimates suggest. The country achieved a bumper Boro harvest last year ending June and hopes to exceed the initial target for this year if the weather condition continues favourable and supply of inputs can be ensured. Moreover, wheat production has been estimated on 4.0 lakh hectares, potato on 5.05 lakh hectares, jute on 4.91 lakh hectares, sugarcane on 0.76 lakh hectares, pulses on 5.89 lakh hectares and oil seeds on 7.45 lakh hectares. Spices production this year will cover around 5.26 lakh hectares, vegetable 7.7 lakh hectares and maize 2.17 lakh hectares, the estimates suggest.

Experts call for pre-disaster management instead of post-disaster steps

About 68 per cent area of the country is vulnerable to flood, about 10 lakh people are affected by river erosion and nine thousand hectare cultivable lands are lost by river erosion every year. Also the country is at high risk from draughts, earth quake, cyclone, tornado, arsenic contamination, salinity intrusion, Tsunami and landslide. This was stated by experts in the workshop on "Briefings Programs for Disaster Management Committees" . K.H. Masud Siddique DG, Disaster Management Bureau said we have to change our traditional relief providing culture for the disaster prone people. To mitigate disaster situation we should be more attentive for improving pre-disaster management situation rather than post-disaster situation. AKM Abdul Awal Majumder, Additional Secretary of Food and Disaster Management said to the stake holders that they should not only depend on the government alone for improving their situation rather they should try to improve themselves in disaster management.

SRILANKA:

POLITICAL:

- *Sri Lankan Expiates urge EU action against LTTE*
- Civilians are used by LTTE as buffer against government forces

- LTTE holding IDPs as human shield, preventing them entering Government controlled areas
- Sangaree: Stop air raids to avoid Civilian Casualties: LTTE must lay down their arms
- Sri Lanka President held bilateral talks with Chinese leaders
- Sri Lanka Government to open up A-32 Road
- Washington Chatter: Who is Better for Sri Lanka: McCain or Obama?
- Sri Lankan Representative mourns the death of Palestinian Poet Mahmoud Darwish
- No peace talks says government
- Sri Lankan Representative mourns the death of Palestinian Poet Mahmoud Darwish

SOCIAL:

- *ICRC and UN Humanitarian Agencies announce of supplying food and other needs to IDPs of Vanni*

ECONOMY:

- *All steps are in place for the Eighth SAARC Trade Fair in Colombo*
- *USAID continues to boost Sri Lanka's fishing industry*
- *Tigers receive second largest income by legal and illegal business*

Sri Lankan Expatriates urge EU action against LTTE

Sri Lankan expatriates and Austrians held a strong protest yesterday- Thursday, 14th August, in Vienna, Austria, against LTTE terrorist activities, in front of the Federal Parliament of Austria. The demonstrators urged the Austrian and other EU governments to condemn LTTE terrorist bombings and their recruitment of child soldiers. The protesters called for the EU to take urgent action against the terrorist group's fund-raising activities through front organizations in the EU countries.

ICRC and UN Humanitarian Agencies announce of supplying food and other needs to IDPs of Vanni

Both the United Nation's Humanitarian Agency and the international Committee of Red Cross said they have had access to the internally displaced persons due to the war in Wanni, Sri Lanka and supplied them with food and sanitation kits. The UN humanitarian agency said, "- Adequate supplies are reaching new internally displaced persons (IDPs) in

Sri Lanka's northern areas controlled by the Tamil Tigers, UN and humanitarian relief officials in the capital, Colombo.

Civilians are used by LTTE as buffer against government forces

Amnesty International has squarely alleged that Liberation Tigers of Tamil Eelam – an alleged Terrorist Tamil Organization, is holding the internally displaced people in Vanni region, as buffer against Government forces. The LTTE which has refused lay down its arms and come forward for talks to achieve a negotiated settlement continues to place the Tamil people under their control in the harms way.

All steps are in place for the Eighth SAARC Trade Fair in Colombo

The Federation of Chambers of Commerce and Industry of Sri Lanka has finalized all necessary arrangements to hold the 8th SAARC (South Asian Association of Regional Cooperation) Trade Fair at the BMICH from 28th to 31st August. The added feature this year is the conducting of the first South Asian Economic Summit (SAES) parallel to the Trade Fair and to fulfill this task The Institute of Policy Studies of Sri Lanka (IPS) will join hands with the FCCISL.

LTTE holding IDPs as human shield, preventing them entering Government controlled areas

The Government is making all efforts to minimize the fast emerging human miseries in the North, especially in the Vanni region. With this in view the Government is getting ready to send across sufficient food and medicine into the LTTE controlled area. Speaking to 'Asian Tribune', Basil Rajapakse MP and the senior advisor to President Mahinda Rajapakse said, the President and the Cabinet appointed a Special Task Force regarding Northern Provincen headed by Minister Douglas Devananda also with Abdul Risath Bathiyutheen Minister of Resettlement and Disaster Relief Services and me. According to Bail Rajaopakse the first meeting of the Special Task Force for the Northern Province was held last week at the Parliament complex, along with Victor Perera, Governor of the Northern Province.

No peace talks says government

Government of Sri Lanka said it would not attend talks with the LTTE and the Defence Spokesman Dr. Keheliya Rambukkawela categorically denied false rumors which are spreading in Sri Lanka on peace talks. Issuing a special press statement on Tuesday, he said the government never thinks of talks with the LTTE. He said government troops are doing their duty perfectly and the main objective is to liberate the innocent Tamil people in the LTTE. "Our forces are working under a systematical plan to liberate the area and defeat terrorism. If the LTTE lay down their arms the government could consider talks with the LTTE, he explained.

Sri Lankan Representative mourns the death of Palestinian Poet Mahmoud Darwish

On behalf of Sri Lanka President Mahinda Rajapaksa and people of Sri Lanka, the Representative of Sri Lanka to the Palestinian National Authority Dr. T. Jayasinghe mourns the death of Palestinian Poet Mahmoud Darwish. Dr. Jayasinghe also expressed his condolence on the death of Mahmoud Darwish to Palestinian President Mahmoud Abbas, Palestinian people and Darwish's family.

USAID continues to boost Sri Lanka's fishing industry

The United States Agency for International Development (USAID) on Friday (08 August) marked the completion of another of its large-scale tsunami reconstruction activities, the revitalization of Puranawella fishing harbor. The harbor is the source of livelihoods for 11,000 fishermen and family members in this tsunami-affected area.

Tigers receive second largest income by legal and illegal business

The August issue of the 'Jane's Intelligence Report' said the annual income of the banned terrorist group Liberation Tigers of Tamil Eelam (LTTE) is between US \$ 200-300 million making it the rebel group generating the second biggest income both by legal and illegal business. The report said the huge income is generated perhaps from shipping drugs and extortion by a network of professional managers – both Tamils and others – across a string of countries and as a guerilla group its income is second only to the Revolutionary Armed Forces of Columbia whose income comes from its vast Cocaine sales.

Sangaree: Stop air raids to avoid Civilian Casualties: LTTE must lay down their arms

In an appeal V. Anandasangaree, President of the Tamil United Liberation Front has urged the Liberation Tigers of Tamil Eelam and the Sri Lanka Government to act with restraint in the ongoing war where thousand are being displaced and languishing in the Vanni region under the control of the Tamil Tigers. He further urged the Sri Lanka Government to stop forthwith the air-raids at least now to avoid further civilian casualties. He further said in his press release, if the LTTE do not act with restraint they have nothing to lose but the Government by shirking its responsibility of protecting its citizens wherever they live, cannot afford to lose its credibility. Further more Anandasangaree castigated the LTTE for taking all the Tamils of the North and the East for a ride. He urged, "Now knowing fully well that they can't achieve what they promised, the LTTE must be honest enough to declare a ceasefire unilaterally and agree to come to the democratic fold, laying down their arms.

Sri Lanka Government to open up A-32 Road

One of the main objectives of the present liberation operation in the North is to find an alternate land route for the people of the Jaffna Peninsula to travel down to the South and other parts of the country. Government spokesman expressed optimism that the LTTE controlled Pooneryn in Kilinochchi district is expected to fall soon and A 32 Road will be opened up for the people of the Jaffna peninsula to travel up and down to the country's South.

Washington Chatter: Who is Better for Sri Lanka: McCain or Obama?

John McCain and Barrack Obama have provided an advanced preview of their foreign policy if elected president. The chatter in Washington among many Sri Lankans McCain seems bent on continuing the Bush doctrine of loathing the terrorists unashamedly, while Obama is more inclined to pander to the die-hard human rightists. A former US ambassador in Sri Lanka told that McCain would be very good for Sri Lanka. "An Obama activist countered that Obama foreign policy would be based on realistic assessments rather than any pre-conceived notions." Ambassador Jaliya Wickramasuriya is of the view that "no matter who wins the Presidency, we have to be ready and present Sri Lanka's position quite clearly.

Sri Lanka President held bilateral talks with Chinese leaders

Sri Lanka President Mahinda Rajapaksa held bilateral talks with Chinese President Hu Jintao at the Great Hall, in Beijing. President Rajapaksa who is in China to attend the

2008 Olympic Games, congratulated the Government of China for hosting the Beijing Olympic Games when he met the Chinese President. He said that hosting this year's Olympics in China has brought honor to all of Asia. While responding to Chinese President, Mahinda Rajapakse thanked China for the long-standing support and assistance extended to Sri Lanka and expressed his hope that the two sides could further enhance cooperation in trade and economic fields.

MYANMAR:

POLITICAL:

- Policy Paper: Will America ever wake up to the Burmese Clarion Call?
- Burmese Exiled Politicians Invited to Indonesian Parliament
- UN official to pursue democracy talks in new visit to Myanmar
- [Indonesia invites Burmese MPs to Independence Day celebration](#)
- Myanmar protest ends in arrests
- Laura Bush Visits Refugees on Thai-Myanmar Border
- Bush Committed to Burma Issue, Say Activists
- Myanmar activists face visa problems in Singapore
- Activists rally in Philippines for democracy in Myanmar
- US to keep pressure on Burma

SOCIAL:

- **Human Rights Watch: No Improvement in Burma's Human Rights Since 1988 'Massacre'**
- [*Myanmar Faces More Food Shortages*](#)
- [*Authorities Crack Down on Human Trafficking in Kawthaung*](#)
- **Beijing Olympics: China using Myanmar 'Blood Jade'**

ECONOMY:

- [**Steep rise in food prices continues**](#)

Policy Paper: Will America ever wake up to the Burmese Clarion Call?

US President George W Bush, who has never been to Burma, has at least learnt to pronounce the name of Daw Aung San Suu Kyi correctly for which the Burmese activist dumped him, as well informed has delivered a major policy speech in Thailand and liaise with Burmese dissidents, while the first lady Laura Bush had visited Mae La, the biggest Burmese refugee camps (60,000 souls unofficial figure) to see things for herself. To an average Burmese dissident this is heartening, but if President Bush means business we are wondering of why the USS Essex and other US naval ships withdrew from their positions near Burmese waters, when both Britain and French warships were ready to join

the US in the Nagris Cyclone relief operations and end the Burmese dictatorship once and for all.

Burmese Exiled Politicians Invited to Indonesian Parliament

Five exiled Burmese politicians were invited to attend a session of the Indonesian parliament on Friday, at which President Susilo Bambang Yudhoyono was scheduled to present a state of the nation address. The five—Sann Aung, Teddy Buri, Thein Oo, Tint Swe and Win Hlaing—were all successful candidates in Burma's 1990 election, the results of which were ignored by the military regime. Two Burmese dissident groups in exile, the Members of Parliament Union (MPU) and the National Coalition Government of the Union of Burma (NCGUB), said the five had been invited by the speaker of Indonesia's House of Representatives, Agung Laksono, to attend the session, which marks the country's Independence Day.

UN official to pursue democracy talks in new visit to Myanmar

UN special envoy for Myanmar Ibrahim Gambari was to leave for a five-day visit to the Southeast Asian nation for talks on improving democracy in the military government. It will be his fourth visit to the country since last year to try to convince the military government to democratically reform its institutions, embark on national reconciliation and release political prisoners. The government there has so far refused to release Aung San Suu Kyi, head of the main opposition group, the National League for Democracy.

Beijing Olympics: China using Myanmar 'Blood Jade'
Despite the impassioned plea by Myanmar democracy activists to visitors and athletes at the Beijing Olympic Games to shun 'Blood Jade' from Myanmar, which accounts for a huge source of income for the military junta, such jade is believed to be in use in the medallions to be awarded. Paying much higher prices than that which prevail in the market, China bought Burmese jade from the Sino-Burma border jade markets much before the Beijing Olympic Games were inaugurated on August 8, the Myanmar media in exile reports. The jade that the Chinese selected and bought large amounts of were white-coloured transparent jade also called Bra-fleshed Jade or Maw Seezar Jade in Myanmarese rather than coloured jadeites, jade merchants from Myanmar in Ying Jiang, one of the biggest raw jade markets in Yunnan province in China bordering Northern Myanmar. A Kachin activist group, the All Kachin Students and Youth Union (AKSYU) had urged visitors and athletes before the inauguration of the Beijing Olympic Games not to buy souvenir and jewellery made from Myanmar jade so as not to support the Myanmar military junta, which sources a huge amount of hard cash from the Phakant jade mines where human rights abuses are rampant. The call to avoid 'Blood Jade' was made on an online report, 'Blood Jade' on August 4. The Chinese had claimed that the jade for the Olympic medal is from China's Qinghai province. Gems mined in Myanmar accounted for third largest export item by the ruling junta to US and European countries before US President George W Bush imposed

severe restrictions on import of gems from the Southeast Asian country. China, however, remains the biggest market for gems from Myanmar.

Steep rise in food prices continues

The cost of food and basic commodities has continued to rise, with some estimating that goods have doubled in price since last year, while the government puts the increase at 40 percent. A recent report released by the government after Nargis said that commodity prices had gone up by 37 percent and were estimated to climb to a 40-percent increase due to the expense of the relief effort, Fuel prices had come up due to inflation, and the hike in fuel prices has its own knock-on effects.

Indonesia invites Burmese MPs to Independence Day celebration

In an act of recognition, Indonesia has invited five Burmese Members of Parliament elected in 1990, to its 63rd Independence Day celebrations.

Authorities Crack Down on Human Trafficking in Kawthaung

Burmese authorities have arrested hundreds of people and shut down several hotels in the border town of Kawthaung as part of a continuing effort to curtail human trafficking into Thailand, according to local sources. Around 200 would-be illegal migrants have been arrested each day in Kawthaung, opposite the Thai town of Ranong, according to the sources. At least six hotels have been closed for their alleged involvement in human smuggling. Kawthaung is one of the main border crossing points used by Burmese migrant workers looking for jobs in neighboring Thailand. Around 500 people illegally enter Thailand's Ranong Province from Kawthaung each day, say local residents. Despite the recent anti-human trafficking campaign, human smugglers continue to help hundreds leave the country on a daily basis, said one resident who questioned the effectiveness of the recent crackdown. Efforts to stem human trafficking in Kawthaung have increased since April, when 54 Burmese migrant workers suffocated to death in a container truck while being transported to the Thai resort island of Phuket. Burma's ruling military regime has often been accused of failing to prevent the exploitation of its citizens by human smuggling rings. A US State Department report released in June 2007 said the regime has not done enough to stop human trafficking, particularly of women and children. The report said that a growing number of Burmese women and children face sexual exploitation, forced labor and indentured servitude as street beggars as they leave the country in search of work.

Myanmar protest ends in arrests

At least 48 people have been arrested in Myanmar for holding a march to mark the 20th anniversary of a pro-democracy revolt, activists said. Ko Thein Naing, an official with the League for Democracy, told The Telegraph that most of those picked up were young men. They were walking in silence through Taunggok, a town in the northwest of the country formerly known as Burma, when they were stopped by police, Naing said. The protesters wore black T-shirts with the date 8-8-88 -- when thousands of people took to the streets for demonstrations that lasted six weeks before being put down. [Aung San Suu Kyi](#), the Nobel Peace Prize winner who has been under house arrest for years, emerged as a leader in 1988. Most of the country has been quiet, the British newspaper reported, with heavy security around Buddhist monasteries that have been focal points for dissidents.

Laura Bush Visits Refugees on Thai-Myanmar Border

First lady Laura Bush, meeting with refugees who fled a brutal campaign by Myanmar's military junta, urged China and other countries to join the U.S. in imposing sanctions against the country. Mrs. Bush, who is traveling in Asia with President Bush, flew to the Thai border with Myanmar, previously known as Burma, to visit the Mae La refugee camp and a health clinic run by a woman known as the "Mother Teresa of Burma." An outspoken critic of the junta, Mrs. Bush urged other nations to apply sanctions to force the military into a dialogue with pro-democracy forces in Myanmar. At the border, she met with some of the 38,000 refugees at Mae La, mostly from the Karen ethnic minority group that human rights organizations say is the target of an ongoing Myanmar military campaign marked by murders of civilians, rapes and razing of villages. She also bid farewell to a group of Karen ready to depart for resettlement in the United States, including a family of seven bound for South Carolina who were boarding a bus.

Myanmar Faces More Food Shortages

Almost one million people who survived the deadly cyclone that ripped through this country in May remain vulnerable to food shortages until the October rice harvest, Three months after Cyclone Nargis caused an ocean swell that left 138,000 dead or missing in Myanmar, the nation faces deadly food shortages. Above, people transport donated rice to storm-affected areas. Some 925,000 people affected by the flooding are still relying on food aid, the United Nations estimates. The U.N.'s World Food Programme, which is coordinating the flow of food from international donors, is scrambling to procure enough supplies in the run-up to the harvest, said Chris Kaye, the WFP's country director for Myanmar in Yangon, the nation's largest city. Myanmar's military rulers initially agreed to let the U.N. procure 20,000 metric tons of rice domestically for distribution in the delta. But in the lean period before the harvest, they decided to halve the amount to ensure enough supplies for other parts of Myanmar, a nation of 52 million people. Aid workers also are concerned about a government decision to stop all U.N. helicopter flights into the delta beginning next week as the recovery effort gathers pace. Private aid groups have been relying on those flights to get aid to the swampy area.

Human Rights Watch: No Improvement in Burma's Human Rights Since 1988 'Massacre'

A prominent human rights group is alleging that the Burmese government has made no moves to improve human rights over the past 20 years. Human Rights Watch issued a report Thursday on the eve of the 20th anniversary of what it says was the "massacre" of pro-democracy demonstrators. The New York-based group says millions of Burmese took to the streets on August 8, 1988 to demand an end to military rule. Government forces violently crushed the mass protests, opening fire into crowds of students and Buddhist monks. Political activists in Burma and overseas say they plan to mark the Friday anniversary of the uprising and bloody repression that left nearly three thousand people dead.

Bush Committed to Burma Issue, Say Activists

US President George W Bush told Burmese activists that he would raise the Burma issue when he met with his Chinese counterpart, President Hu Jintao, in Beijing during the Olympics. Bush had lunch with eight Burmese activists and one journalist in Bangkok. Bush told the activists that he would find a way to work with China on the Burma issue, according to activists who met with him. Although China and the US have different views on Burmese politics, there are shared interests in other areas such as stemming illegal drugs, human trafficking and disease, Bush said. Analysts say North Korea and Burma are at the top of Bush's agenda during his final Asian trip as president. Commenting on the US economic sanctions on the Burmese junta and its cronies, Bush told activists that US targeted sanctions are working, saying the sanctions make the generals suffer rather than the Burmese people. He also noted even though the sanctions are still going on, the US administration provided relief aid to refugees after Cyclone Nargis. Meanwhile analyst say the Burmese military junta is probably unhappy that Bush met with Burmese activists in Bangkok.

Myanmar activists face visa problems in Singapore

At least three Myanmar activists were forced to leave Singapore after authorities decided not to renew their visas in an apparent attempt to stop the group's pro-democracy work, another Myanmar activist said. Myo Myint Maung, a spokesman for the group, told Reuters on Friday that six Myanmar nationals are having trouble with their visas and three, including a student, were forced to leave Singapore recently after their various visas were not renewed. The remaining three are Singapore permanent residents, which mean they can stay in the city-state

if they choose to. But they will not be allowed to re-enter Singapore should they leave as their re-entry permits have not been extended. All six were involved in an illegal protest last year against Myanmar's ruling military junta. Though not charged, they were let off with a warning. Protests are rare in Singapore and gatherings of four or more people require police permission.

Activists rally in Philippines for democracy in Myanmar

Dozens of Filipino democracy activists marched with cardboard Olympic torches in the Philippine to protest China's continued support for the military junta in Myanmar. The protesters, wearing sports uniforms, gathered in front of the Chinese and Myanmar embassies in Manila to demand democracy and freedom for the South-East Asian country formerly called Burma. The protest also commemorated the bloody uprising in Myanmar 20 years ago. The anniversary of the August 8, 1988 uprising coincides with the opening of the Olympics in Beijing. The coalition reiterated its call on the Association of South-East Asian Nations (ASEAN) to push Myanmar's military leaders to implement genuine democratic reforms.

US to keep pressure on Burma

United States President George Bush vowed to continue exerting pressure on Burma's military regime. Mr Bush assured a group of 11 pro-democracy activists of America's support during a lunch meeting at the home of US ambassador Eric John on Witthayu road in Pathumwan. He quoted Mr Bush as saying the Burmese regime was difficult to deal with. In an interview with reporters, Mr Bush also pledged to complain to Chinese leaders about human rights abuses in Burma. He also explained why a tough approach towards Burma was still needed. His speech attacked the Burmese junta and also praised Thailand for being what he considered a leader in the region.

NEPAL:

POLITICAL:

- Abolition of monarchy interim
- Over 800 Tibetans detained
- US, EU, India, Japan welcome Dahal's election

SOCIAL:

- **India donates ambulances, books**
- **Indefinite transport strike in east**
- **Govt to bring action plan to deal with food shortage in the north-west**

ECONOMY:

- **Govt talks of increasing oil price**
- **Nepali garment exports to US continues to decline**
- **NARC introduces two new potato varieties**

Abolition of monarchy interim

Chairman of Rastriya Prajatantra Party-Nepal (RPP-N), Kamal Thapa, claimed that abolition of monarchy and implementation of republic were only an interim arrangement because they were provisions of the Interim Constitution. Claiming that 240-year long monarchy was neither uprooted by people's mandate nor through revolution, Thapa said, The discussions in the Constituent Assembly will determine the fate of monarchy in the country before drafting a new constitution. He claimed that monarchy could be restored for the sake of national unity and sovereignty in the country. Thapa further said the RPP-N would struggle to promote nationalism by expanding its party organizations from mid-September. He, however, clarified that this exercise would not be for the reinstatement of monarchy. He also blamed Nepali Congress and CPN-UML for dillydallying in the task to form the next government. Reiterating that Maoists should lead the to-be formed government, Thapa said the RPN-N would vote in favor of Maoists if RPP-N agreed with the latter's common minimum program.

Govt talks of increasing oil prices

With the shortage of petroleum products continuing in market despite rise in the prices some months back, the government is again mulling over possible increase in the prices to ease the supply. Minister for Industry, Commerce and Supplies Shyam Sundar Gupta told parliament unless long-term measures are taken to adjust the prices of the petroleum products at par with the international market, smoothly supply would be impossible. He said policy has been drafted to address the issue. Additionally, Gupta said the

government is also working to import petroleum products from other countries rather than depending on India for all supplies.

Nepali garment exports to US continues to decline

Nepal's readymade garment has witnessed a whopping fall in export by 76 percent to the United States during the month of July, exporting worth only USD 519,524.84. Nepal's export to the US market was at \$2.650 million in January, \$2.014 million in February, \$991,820.70 in March, \$1.266 million in April, \$1.109 million in May and \$929,366.08 in June. The Nepali garments failed to tap the US market after it was opened to all competitions without quota restrictions and is almost in the verge of shutting down. Almost 90 percent of the garment export companies have already been closed. There were over 1,200 exporters at a time Nepali garments had high demand in the US market. The US government has removed quota system for Nepali garments since 2005. The government and private sector sent several lobbying groups to US for free market access, but failed to get any substantial outcome in favour of Nepali products

Govt to bring action plan to deal with food shortage in the north-west

The government is preparing to bring out an action plan to deal with severe food shortage gripping tens of thousands of people in nine districts of northwestern Nepal. According to a recent rapid emergency assessment by the government along with UN World Food Programme (WFP), 280,000 people in the nine districts – Rukum, Humla, Mugu, Bajura, Jajarkot, Dolpa, Dailekh, Kalikot and Achham - are at risk and need immediate food relief. The officials at Nepal Food Corporation (NFC) say that they are making all efforts to reach to these populations. "But due to monsoon and strikes, the surface transport has been hindered and the cost of aerial transport has been hit by high fuel price. However, since this problem concerns the lives of people, we are making all kinds of efforts," said deputy general manager of NFC Sundar Raj Sharma.

Over 800 Tibetans detained

Police detained over 800 exiled Tibetans protesting outside the Chinese embassy building at Hattisar, even as China was busy making the Beijing Olympics more colorful. The Tibetans chanted anti-China slogans and attempted to break a police cordon outside the Chinese embassy visa section. They were taken to various police stations and freed later in the evening, police said. The exiled Tibetans have been protesting almost on a daily basis after unrest erupted in Tibet in mid-March. more than 1,000 Tibetans were arrested in the capital. Nepal is home to about 20,000 exiled Tibetans who began arriving here in large numbers following a failed uprising against Chinese communist rule in 1959.

NARC introduces two new potato varieties

Nepal Agriculture Research Council (NARC) has released two new varieties of potatoes to mark the International Year of the Potato. The year 2008 has been declared the year of the potato by the United Nations with an aim to draw attention to the part potatoes can play in global food security and eradicate poverty. The new varieties were developed with joint efforts of scientists at the National Potato Research Programs of NARC, the Department of Agriculture and farmers. The Variety Approval, Release and Registration Sub-Committee of the National Seed Committee formally introduced Khumal Laxmi and IPY 8 varieties this week. NARC stated that Khumal Laxmi can be harvested in 110 days in the tarai region and 130 days in hilly areas. Productivity of the variety is recorded between 24 tons and 28 tons per hectore. Scientists involved in the research said Khumal Laxmi can resist late blight, early blight, wart diseases. Similarly IPY 8 can be harvested in around 120 days and has productivity of between 25 tons and 27 tons per hectore. It has resistance capacity against late blight and late blight. NARC has already released six varieties of potatoes. According to Bhola Man Sing Basnet, spokesperson of NARC, 2.05 million tons of potatoes were produced in 156,737 hectore across the country in 2007/08.

Indefinite transport strike in east

Life in the eastern districts remained crippled on the first-day of indefinite transportation strike called by various transportation organizations. The strike was called protesting the murder of a bus driver Krishna Kumar Khawas who was killed by robbers in Sarlahi district. A meeting of representatives of over one-and-half-a-dozen organizations, including Nepal Transport Workers' Organization (NTWO), Nepal Drivers' Association and All Nepal Transportation Entrepreneurs Association, held at Itahari also decided to gradually expand their strike all over the country demanding security of entrepreneurs and safety of their vehicles. They also formed a 26-member struggle committee to press for their demands. The transport workers put forward various demands including compensation amount of one million rupees to Khawas' family, free education for the bereaved children, guaranteed security for transport entrepreneurs and declaration of national highways as a zone of peace. NTWO Chairman, Motiraj Sunuwar, said that they would not withdraw their strike but go on to expand it throughout all 14 zones until the government fulfills their demands.

US, EU, India, Japan welcome Dahal's election

The United States, the EU, India and Japan have congratulated Pushpa Kamal Dahal 'Prachanda' on being elected as the first prime minister of the Federal Democratic Republic of Nepal. The US

said it will continue its strong support for peace, democracy, human rights and development in Nepal. Indian Prime Minister Manmohan Singh congratulated newly elected PM Dahal. The statement said India will continue to stand by the people and Nepal in consolidating peaceful democratic transition and developmental efforts. Likewise, European Union Heads of Missions in Kathmandu said the election of Prime Minister Dahal brings to an end a period of uncertainty and paves the way for government formation. Similarly, Japan said it wishes that the peace process will continue through the concerted efforts of all political parties so that the happiness and prosperity of Nepalis will materialize at the earliest.

India donates ambulances, books

On the occasion of the 62nd Independence Day of India, the Indian Government donated properties worth Rs 3 million to hospitals, organisations and academic institutions in the country. India granted about 30 ambulances, 8 buses, books and other study material to various Nepali organisations . Indian Ambassador to Nepal, Rakesh Sood handed over the vehicles and the supplies to the concerned bodies this morning during a function held at the Indian Embassy in the capital.

BHUTAN:

POLITICAL:

- **The pay hike dilemma**
- **SAARC Fund HQ to be established in Bhutan**

SOCIAL:

- **Copyright pirates taken to court**

ECONOMY:

- **How to combat costly oil**
- **Late blight affects potato production in Yusipang**

Copyright pirates taken to court

The Motion Picture Association of Bhutan (MPAB) has hauled ten people to court for illegally copying and distributing two unreleased local films. The seven women and three men were accused of distributing “Lengo II” and “The 49th Day” produced by Chencho Dorji and Namgay Tshering respectively. The secretary of MPAB, Sherub Gyeltshen, said that the association had no choice but to sue the offenders because of rising piracy in local music and film products. According to the Copyright Act 2001, if a person “wilfully or by gross negligence, and for profit-making purposes,” infringes on copyright, s/he will face a jail sentence of up to one year, or pay a fine as high as Nu 1 million.

How to combat costly oil

This is bad news but experts say that the price of oil is not going to drop. In fact it will keep rising indefinitely. The majority of the world’s crude has been discovered and is being already exploited. So oil production worldwide will soon reach a pinnacle, if it has not done so already, and then quickly decline, no matter what governments do. The country’s state-owned oil companies are stopped from passing on the higher cost of crude to their customers and forced to sell fuel at fixed prices below cost. The firms are then compensated with government-backed oil bonds.

The pay hike dilemma

The government faces a dilemma over civil service salary. It’s the choice between two alternatives – to raise it or not- each with equally nasty consequences. But the choice must be made. The last salary raise was in January 2005. The fact that it has remained the same for nearly five years means that its real value has declined considerably over that period. As inflation has accelerated recently because of higher fuel costs and, consequently, food prices, the real value of salary has fallen faster. The national statistics bureau (NSB) records show that between 2003 and 2008, the ngultrum’s purchasing power has deteriorated by 25 percent, which means your Nu 20 then is worth Nu 15 now. Although the current inflation may be a pocket issue for the rich and the highly paid officials, for many urban civil servants, living close to the edge, rising fuel and food prices have begun to hurt. With more than 50 percent of their salary eaten up by rent, most civil servants in towns like Thimphu have opted for less expensive items, forgone most others, yet incur debt to survive. NSB studies show that between 2003 and 2007, the average cost of living in towns, for a family of five, almost doubled from Nu 11,000 to Nu 21,000 and in the villages, for the same sized family, from Nu 6,000 to Nu 11,000. Given that

the pay for most 18,000 civil servants, posted either in urban or in rural, hover around Nu 10,000, one can imagine their hardship. The picture is even more disturbing for those 23 percent of the country's population who live below the national poverty line. The raises may also seem extravagant at a time when the minimum national wage is Nu 100 a day. Adjusted for inflation, the value of the minimum wage, experts say, is at its lowest level.

Late blight affects potato production in Yusipang

The outbreak of late blight, a potato plant disease, is affecting potato production in the farms of Yusipang in Thimphu. The disease occurs during monsoon season. The blight appears first as light to dark green spot. It usually appears first on the lower leaves and then affects the potato plant leaves in an upward direction. During cool, moist weather, the spots spread on the leaves rapidly into dark or brown color and ultimately killing the plants. The spots also spread down petioles and stems of the plant.

SAARC Fund HQ to be established in Bhutan

Bhutan will host the South Asian Association for Regional Cooperation Development Fund Secretariat which will serve as the umbrella financial institution for all SAARC projects and programs. Proposing to host the institution in Bhutan at the 15th SAARC Summit in Colombo, Sri Lanka, Prime Minister Jigmi Y. Thinley said Bhutan was willing to give "operational, tax, and legal flexibility" for a permanent Secretariat for the Fund. The SDF is the culmination of the SAARC considering proposals like Poverty Alleviation Fund, Infrastructure Fund, Asian Development Fund, Voluntary Fund, and Media Development Fund. During the 13th SAARC Summit in Dhaka, Bangladesh, it was decided that the South Asian Development Fund will be reinstated into the SDF with a permanent secretariat with three windows: social, economic, and infrastructure. The social window will primarily focus on poverty alleviation and social development projects. The infrastructure window will cover projects in the areas such as energy, power, transportation, telecommunications, environment, tourism, and other infrastructural areas. The economic window will be devoted to non-infrastructural funding. Meanwhile, observers noted that the Fund's Secretariat in Bhutan looks befitting given the country's political stability and its central geographical location in the region.

MALDIVES:

POLITICAL:

- Gayoom commence campaign trips-
- The President appoints new Ministers

- New president should be an experienced candidate
- UN Special Reporter welcomes new Constitution
- DRP to sue Civil Service Commission
- Mohamed Shihab becomes the new speaker of the Parliament

SOCIAL:

- HDC invites applications for flats

ECONOMY:

HDC invites applications for flats

Hulhumale' Development Corporation (HDC) at a news conference announced that the general public can submit applications for recently completed flats from 24 th of this month till the 30 th of September this year. As in previous rounds of allocation, the applicants for the 488 flats will be evaluated based on various social aspects. Eligibility for the 400 flats aimed to accommodate nearly 4000 people is under 3 categories. To be eligible for a flat under Category A , a person has to 25 years of age and has to be at least 12 years since he / she became of a resident of Male'. To be eligible under category B, a person has to be 21 years of age and has to be at least 7 years since becoming a resident of Male' and to qualify for category C , one has to be a resident in Male' and 21 years of age. The 3 categories also stipulate other conditions.

Gayoom commence campaign trips-

DRP media official Ali Waheed revealed that the party's leader and presidential candidate President Gayoom and his running mate Ahmed Thasmeen will officially commence their campaign trips to the atoll. Speaking at 'Maumoon 2008' campaign office it is said that this is the official beginning of the campaign visits to the atolls and that Gayoom and Thasmeen will visit Raa , Noonu , Kaafu , and Baa atoll. Waheed revealed that Gayoom and Thasmeen will visit a total of 5 islands from Raa, Noonu and Baa atoll the pair is scheduled to visit 2 islands of Kaafu atoll. It is revealed that DRP leader being the president of the country will travel with security and protection of the security forces but that each and every citizen will have access to the president.

The President appoints new Ministers

The President today appointed three new Ministers to the Cabinet. The three new Ministers are: Dr. Aishath Shiham as the Minister of Youth and Sports, Dr. Ibrahim Hassan as the Minister of Higher Education, Employment and Social Security, Dr. Ali Haidhar Ahmed as the Minister of Housing and Urban Development. The President presented their Letters of Appointment at a ceremony held at the President's Office.

Before the presentation of the Letters of Appointment, the three new Ministers took their oath of Office in accordance with the new Constitution.

New president should be an experienced candidate

DRP media official Ali Waheed has said that the party will not 'let any person with an L-board 'to be at the 'helm of the country'. Speaking at the 'Maumoon 2008' campaign office Waheed said DRP and the people of the country will not provide the opportunity to opposition to label President Gayoom as somebody who has not done anything for the country. He said the party's presidential candidate Gayoom has 30 years of experience and the sincerity that cannot not be disregarded and forgotten. He said DRP policy is to deliver the message of 'reaching new heights' to the people in their own island. He also said DRP is contesting the forthcoming presidential elections with full confidence and as such does not believe in arguing or debating. Waheed further said people can see who is really trying to introduce a family controlled government to the country and that DRP will let the country go in to hands of a person who is travelling to the 'Next Maldives' without any sense of direction

UN Special Reporter welcomes new Constitution

The United Nations Special Rapporteur on the Independence of Judges and Lawyers, Dr.Leandro Despouy, has welcomed the ratification of the new Constitution of the Maldives, reports foreign ministry. Foreign ministry informed that the Office of the Special Reporter in a press release issued, stated that the ratification demonstrated the "progress made by the Maldives towards democratic principles and the rule of law", particularly "the independence of the judiciary". The Special Reporter expressed his satisfaction that the recommendations made in his report upon completion of his visit to the Maldives, had been incorporated to the new Constitution, which includes the establishment of a Supreme Council, the post of a Prosecutor General, creation of a Judicial Service Commission, foreign ministry said. Responding to the Statement, foreign minister Abdulla Shahid expressed government's continued commitment to the protection of human rights and the completion of the democratic reform agenda.

DRP to sue Civil Service Commission

DRP Media Manager has stated that if Civil Service Commission (CSC) does not withdraw the measures taken against party member Mohamed Hanim, DRP will take the matter to courts as well as register complaints with the Human Rights Commission. Civil Service Commission (CSC) took punitive measures against DRP member Mohamed Hanim, Director General of Youth Ministry as well as the Manager of the National Football Team, for actively participating in politics in violation of Civil Service Act 2006.

Mohamed Shihab becomes the new speaker of the Parliament

Male' Member Mohamed Shihab has been elected new Speaker of the People's Majlis. Shihab from the newly formed Jumhoory Party, JP and one of the longest serving members of the Majlis received 25 votes in the election. Former Speaker Ahmed Zahir who was supported by the ruling party DRP received 22 votes. He was a key member of the main opposition party MDP since its inception, but has very recently resigned from that party and joined Jumhoory Party. Despite the fear of sea-level rise and global warming the people of Maldives bravely march on. What the winds of change would bring in is too early to predict. As parties voice out their plans for the country some voters are left confused and pessimistic, others just brimming with optimism! Time (as the saying goes) will tell. Meanwhile, as the republic of Maldives celebrates 43 years of independence it is safe to say that she has found her own niche in the highly competitive global village, which seems to be shrinking in size all the time.

BHUTAN:

POLITICAL:

- Dr Singh happy with democratic changes in Bhutan
- Bhutan to host SDF
- Gelephu airport becomes a daydreamS
- King attends the closing ceremony of parliament

SOCIAL:

- **Second group arrives Australia under resettlement**

ECONOMY:

Dr Singh happy with democratic changes in Bhutan

Prime Minister of India Dr Manmohan Singh expressed satisfaction in democratic changes taking place in his neighbors including Bhutan in the recent years. In his address to the nation on the occasion of 62 Independence Day Dr Singh said, "We wish all our neighbors well. We welcome the strengthening of democratic forces in our neighborhood, especially in Bhutan, Nepal and Pakistan.

Second group arrives Australia under resettlement

Some 38 exiled Bhutanese from eight families landed Australia as part of the resettlement program in which this country is also associated. Of them three families landed in Lancheston, Tasmania and five families in Adelaide, South Australia. They were received at the airport by Immigration Officers, MRC Officers and Volunteers. One of those, Purna Chhetr, on arrival at Lancheston told Bhutan News Service that he was very happy and set to being his new life in a new country. The exiled Bhutanese expressed that their

first priority in this new land would be the education for children. They hoped to be working shortly, after getting acquainted with the society.

Bhutan to host SDF

Bhutan will be the host for SAARC Development Fund (SDF), agreed during the recent summit in Colombo that will be an umbrella financial institution for all SAARC projects. Prime Minister Jigmi Thinley expressed satisfaction after the summit for being able to convince other leaders to place the fund headquarters in Thimphu. SDF will finance the social, economic, and infrastructure development sectors in the region.

Gelephu airport becomes a daydream

The government plan for construction of an international airport in southern town of Gelephu has seen uncertainties due to hesitation by the Indian side for investment since it costs heavy. The government is in dialogue with the Indian government for funding, yet no signs have been received. The government also has not carried out the feasibility work on technical, topographical and economical aspects. The 10th plan proposes a minor airport with runway and small boundary. It was the proposal from the Indian side. However, as usual, the Bhutanese government is reluctant to make more efforts for construction of big infrastructure in the southern district. The price of the land nearby the proposed site has soared up and many people have already bought land. They have been demanding the early beginning of the construction works.

King attends the closing ceremony of parliament

King Jigme Khesar Namgyal Wangchuk has attended the closing ceremony of the parliament that had continued for two months. Parliamentarians had enjoyed sports after the closing ceremony. Royal family members including HM also attended the sports. Unconfirmed yet, the next session of the parliament is likely to run in November.

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Political front:

- Leaders for sorting out Amarnath land issue
- Advani targets Kashmiri leaders
- Mayawati's popularity stunt: Lalu
- 27 US lawmakers demand entry ban on Modi
- Digvijay flays Mayawati's statement on successor
- Manmohan warns against 'divisive politics' on Amarnath issue
- Yechury: J&K row will have serious ramifications

Domestic situation:

- Death threat to Bal Thackeray: search on for Kerala student
- Heavy rains continue to lash AP, 40 killed
- President: no place for violence
- Javan killed, another injured in Maoist attack

- Five 'minor' blasts in Chikmagalur

Economic Front:

- Study adverse effects of transgenic crops: Pawar
- Indian economy to grow close to 8 pc in 2008: Deutsche Bank
- Murdoch plans expansion in India
- Inflation surges to 12.44%

Geo-strategic developments:

- India firm on "unconditional" exemption
- NSG draft waiver covers all nuclear items
- HAL flies high on its Hawk
- 'No more flexibility left in India's position'

Indo-US ties:

- India joins 'war game' in U.S.
- U.S. troops train at Indian jungle war school

Kashmir

- Economic blockade' focus of talks
- Mirwaiz under house arrest
- Govt may fall back on '05 court order
- Yatra to end this week
- Muzaffarabad marchers fired upon, 5 killed
- 12 more killed in firing by forces, Kashmir tense

Social front

- Law Commission suggests life sentence for acid attack
- Vidarbha gets raw deal in loan waiver: VC's report
- Bangladeshi writer back in India
- Indian HIV parents kill children
- Rape of motherly figure shows depraved mind"
- India fetes first gold medallist
- Poverty still grips millions in India

Foreign Relations

- India slams Pakistan over Kashmir remarks
- India abhors 'political vacuum' in Pakistan: Narayanan

Political front:

Leaders for sorting out Amarnath land issue

Leaders of the all-party delegation that met on Sunday on the Amarnath land issue sought an end to the controversy. Bharatiya Janata Party leader Arun Jaitley said that the crisis was the creation of the government and it should resolve the row. "There is a simple way out," he said. Communist Party of India (Marxist) leader Sitaram Yechury said there was an urgent need to find a solution. He expressed displeasure over the objections raised by the Sangarsh Samiti to the participation of Kashmiri leaders and said it was not a correct approach. "Muslims of Kashmir were an integral part of the Amarnath Yatra as it was Muslims, who discovered the holy cave. It was Muslims who maintained the holy cave and made arrangements for the pilgrimage,"

he said. Dr. Abdullah said the economic blockade should be put to an end immediately. CPI national secretary D. Raja said the communal forces should not be allowed to call the shots and “there is need to counter that.” Samajwadi Party leader Amar Singh said “some people are using the situation for petty interests to get a few seats.”

People’s Democratic Party president Mehbooba Mufti said the issue had to be resolved keeping in view the sentiments of the people. The economic blockade could take a dangerous turn and the government should make efforts to end it. Governor N.N. Vohra, the former Chief Minister Ghulam Nabi Azad, Congress leader Mohsina Kidwai and Rashtriya Janata Dal leader Raghuvansh Prasad Singh were also present.

Advani targets Kashmiri leaders

In a veiled attack on some Kashmiri leaders, senior Bharatiya Janata Party leader L.K. Advani said no one can question the allotment of land for Amarnath pilgrims in the Valley. Declaring that “every Indian has the right on every inch of land”, he said those opposing allotment of the land in Kashmir were challenging the constitutional fact that Jammu and Kashmir is an integral part of the country. Mr. Advani said: “They say how can you give land to outsiders in Kashmir... J&K is an integral part of India and whoever questions this will have to pay for it.

Mayawati’s popularity stunt: Lalu

RJD chief Lalu Prasad dismissed BSP supreme Mayawati’s statement on threat to her life as a “popularity stunt.” “She is the Chief Minister there. Who will get her murdered? She should not say such things for the sake of gaining popularity. If she really feels a threat, she should get her security augmented,” he asked.

27 US lawmakers demand entry ban on Modi

A group of Indian-American organizations has claimed the support of 27 more US lawmakers for its demand to deny an entry visa to Gujarat Chief Minister Narendra Modi for his role in the 2002 riots. The Coalition Against Genocide (CAG) said Saturday 27 lawmakers led by Republican Congressman Joseph Pitts have urged the State Department to once again reaffirm its decision to continue its ban on Modi’s entry into the US. In a letter to Secretary of State Condoleezza Rice, the lawmakers urged the US government to condemn Modi’s actions and policies by “denying him the right to enter our country” to attend the Aug 29-31 World Gujarati Conference in New Jersey.

Digvijay flays Mayawati’s statement on successor

The All-India Congress general secretary and in-charge of party’s Uttar Pradesh affairs, Digvijay Singh, said that Uttar Pradesh Chief Minister Mayawati’s announcement that her successor would be from a particular Dalit sub-caste (Chamar) was completely divorced from the philosophy of Babasaheb Bhimrao Ambedkar and Kanshi Ram. Stating that Dr. Ambedkar and

Kanshi Ram worked for coalescing the Dalits, the former Madhya Pradesh Chief Minister said that Ms. Mayawati's statement would harm their political philosophy.

Manmohan warns against 'divisive politics' on Amarnath issue

Coming out strongly against "divisive politics" on the Amarnath issue, Prime Minister Manmohan Singh asked political parties not to use religion to divide people but come together in finding a permanent solution to problems plaguing Jammu and Kashmir.

Yechury: J&K row will have serious ramifications

The Jammu and Kashmir imbroglio will have serious ramifications if not solved amicably, since Pakistan has threatened to take up the issue with the United Nations, Communist Party of India (Marxist) leader Sitaram Yechury has said. Besides the forces whipping up communal passion to consolidate "their Hindu vote bank," the backlash was fed by extremist forces, he told a press conference here on Thursday.

Domestic situation:

Death threat to Bal Thackeray: search on for Kerala student

A Mumbai police team has arrived in Cherthala, in search of a teenager who allegedly posted a death threat to Shiv Sena chief Bal Thackeray on Orkut, the popular Google-operated social networking site. Ajith (19), a B.Sc. Computer Science student at a prominent private college in Cherthala, is absconding. The Mumbai police team refused to divulge details of the case. They were unhappy with the way television channels flashed news of their arrival thus "helping Ajith to escape."

Heavy rains continue to lash AP, 40 killed

Heavy rains continued to wreak havoc in Andhra Pradesh with 20 deaths reported in various rain calamities, even as about 40 people traveling in a lorry in Guntur district were feared drowned after the vehicle was washed away in a stream. With 20 people losing their lives the death toll due to incessant rains since Saturday rose to 40, Revenue Secretary K Ratnaprabha said.

President: no place for violence

President Pratibha Patil has cautioned the country against the new tendency of people “taking the law into their own hands and causing destruction to life and public property.”

Addressing the nation on the eve of Independence Day, Ms. Patil said “violence in any form undermines” the nation’s progress. “Whatever the problem, whatever the cause, whatever the reason, there is no place for violence in our society. There is no issue that does not lend itself to dialogue and reconciliation.” Without any reference to the turmoil in J&K, the President appealed that “calm be always maintained in all parts of the country and wherever differences exist, all efforts be directed towards reconciliation.

Jawan killed, another injured in Maoist attack

A Jharkhand armed police jawan was killed and a sub-inspector injured when suspected Maoists fired at them at Chak in Palamu district on Thursday, the eve of Independence day.

Five 'minor' blasts in Chikmagalur

Panic prevailed after five low intensity blasts in a span of ten minutes occurred in Chikmagalur on Thursday, following which security was stepped up in the city. People got panicky as the explosions came within a month of the serial bomb blasts in Bangalore recently.

Police said no damage was reported as the blasts happened near a drain in the Agrahara area creating a thick blanket of smoke.

Economic Front:

Study adverse effects of transgenic crops: Pawar

The Centre envisages a major role for the private sector for enhancing the production of quality seeds for which biotechnology will be the mainstay. At the same time, Agriculture and Food Minister Sharad Pawar feels the concerns about possible adverse effects of genetically modified crops should be seriously looked into. According to the Minister, the National Seeds Policy of 2002 recognises biotechnology as a key factor in the coming decades to meet the increasing demand for food with enhancement of both its quantity and quality. Pointing to the growth of the global production and cultivation of genetically engineered crops, Mr. Pawar said the major transgenic crops were soybean, maize, cotton, canola, potato and papaya. In India, genetically modified cotton (Bt cotton) had been approved for commercial cultivation. The first Bt hybrids were allowed for commercial cultivation in 2002.

Since then more than 200 hybrids of private seed companies had been approved for commercial cultivation. The area under Bt cotton cultivation had increased from 29,000 hectares in 2002 to about 6.5 million hectares in the kharif of 2007, the Minister said.

Indian economy to grow close to 8 pc in 2008: Deutsche Bank

The Indian economy is expected to grow by close to 8 per cent in 2008, notwithstanding, the slowdown in the global economy, Deutsche Bank Chief Economist Norbert Walter has said. "Lot of underline strengths are there which will keep growth prospects strong at a time when there is global economic downswing," he said at a lecture here.

Factors like rising in fixed capital investment, as percentage of GDP, favourable monsoon and low external debt would keep growth momentum strong, he said. For the entire current fiscal, the Prime Minister's Economic Advisory Council GDP growth expectation is 7.5-8 per cent.

Murdoch plans expansion in India

Rupert Murdoch's News Corp plans to invest \$100m (£50.8m) over the next year to start six regional television channels in India. The channels will broadcast in six languages and run under the Star brand. The expansion plans underscore Mr. Murdoch's commitment to one of the world's fastest growing media markets.

Mr. Murdoch also announced the launch of a 30-strong stock index, called the Dow Jones India Titans that would track the performance of prominent Indian companies including Reliance Industries and Infosys.

Inflation surges to 12.44%

After a brief halt, inflation surged to touch 12.44 per cent for the week ended August 2 from 12.01 per cent a week ago, despite the concerted efforts of the government and the Reserve Bank of India to hold the price line. The sudden spurt in the Wholesale Price Index (WPI)-based inflation was largely driven by higher fruit and fuel prices, coupled with certain items turning dearer in the manufactured goods category.

Geo-strategic developments:

India firm on "unconditional" exemption

The former Chairman, Atomic Energy Commission (AEC), M.R. Srinivasan, has said that if the Nuclear Suppliers Group (NSG) does not give a "clean and unconditional" exemption from its guidelines for nuclear commerce with India, "there is a risk that India may pull out of the process." The 45-member NSG is meeting in Vienna on August 21-22. "In other words, India has made as much concession as it can make and there is no more scope for it accepting any new condition. This is clear. The NSG friends should also realize that they cannot push India any further. What India is asking for, which we have described as clean and unconditional exemption, is a minimum requirement for us to proceed. If that does not happen, there is a danger of India pulling out. I sincerely hope it does not come to that." he said if the NSG exemption was

completely acceptable to India, then the U.S. Congress would meet to pass the 123 agreement. The question was whether after the NSG approval, India should proceed with the 123 agreement with the U.S. "It is a gentlemen's agreement between India and the U.S. that we should have civil nuclear cooperation. We should pursue [it]," he said. If, the Congress were to vote down the agreement, or introduce some pre-conditions, not favorable to India, for implementing it, "then, naturally, India will not go ahead," he said. "I hope this will not happen because there may be responsible action on the part of the U.S. Congress," he added.

NSG draft waiver covers all nuclear items

The Nuclear Suppliers Group draft rule change circulated by the U.S. last week links the waiving of the cartel's export restrictions for India to the non-proliferation commitments Prime Minister Manmohan Singh made in July 2005 and does not impose any extraneous conditions. However, with the U.S. being candid about the possibility of the draft undergoing substantial revision once the 45-nation group takes up the India exemption in Vienna on August 21, officials here are preparing for a tough fight ahead.

Despite an American proposal to that effect, the Indian side is not keen to "sit in" on the nuclear club's deliberations as an "observer" or be called upon to bargain in any way with the group's 44 other members. India does not want to be part of any NSG meeting unless it is part of the decision-making process. The two-page draft finalised by the U.S. and India last week follows the structure of the version Washington had circulated in March 2006 but differs from it in certain crucial respects.

The draft guidelines do not exclude enrichment and reprocessing equipment. And they make no reference to a cut-off mechanism in case of any action by India, though there is a new reference to the maintenance of "contact and consultation" by NSG members "on matters connected with the implementation of the Guidelines taking into account relevant international commitments and bilateral agreements by India." Pursuant to a perceived violation by India, any NSG member could invoke this clause to demand consultations, though suspension of the Indian waiver would presumably require a consensus decision.

HAL flies high on its Hawk

Delivering the first built-in-India Hawk Mk-132 advanced jet trainer to the Indian Air Force on Thursday, Hindustan Aeronautics Limited marked a milestone in its history on the eve of the 61st Independence Day. HAL Chairman Ashok K. Baweja handed over to Chief of the Air Staff Air Chief Marshal F.H. Major, documents relating to the first of the 82 such aircraft to be supplied to the IAF. The event was held at the HAL Airport here.

No more flexibility left in India's position'

With 'non-proliferationists' in the United States and beyond sharpening their blue pencils in preparation for the August 21 meeting of the Nuclear Suppliers Group, India will emphasise to

the U.S. “at the highest level” that the current draft waiver from the cartel’s export rules represents the “outer limit” of its flexibility and that the imposition of any extraneous conditions will be tantamount to derailing the deal. The draft waiver finalised last week by the U.S. in consultation with India more or less meets the benchmark of being “clean and unconditional” say officials. If approved by the 45-nation club of nuclear exporters, the waiver would allow member states to export nuclear material to India under international safeguards. But any dilution of its provisions, they say, would be fatal.

Indo-US ties:

India joins ‘war game’ in U.S.

India on Monday joined a multinational air exercise in the U.S. a major event in the cold war era with a complement of Sukhoi-30 frontline fighter aircraft and mid-air refuellers. The Red Flag exercise has several versions including a full blown one in which the Indian Air Force (IAF) was recently included as an observer. This particular version has US’ allies from two different theatres joining India.

The Defense Ministry said it the “tough and prestigious exercise” began late on Sunday night and IAF official suggested it was a watermark for the IAF. “Watched by top air powers, IAF fighter pilots will showcase their skills at the ‘Red Flag’ war games over the Nevada desert in the U.S. marking India’s debut in the world’s most advanced and coveted air combat exercise,” said the PTI. It quoted the contingent commander as asking his crew members to “show [the world] what we are made up of” and “show case our professionalism.”

U.S. troops train at Indian jungle war school

Captain Greg Adams and troops of the U.S. Army’s Special Force, Green Berets, watched with rapt attention as soldiers of the Special Force of the Indian Army crawled on a jungle strip towards a mock insurgent hideout, with the Israeli Tavors in their hands booming deafeningly. As live bullets from automatic weapons flew in all directions, 24 personnel of the Green Berets learnt a few lessons from their buddies of the Special Force on how to fight a guerrilla like a guerrilla. The soldiers of both the armies emplaned and deplaned in batches of 10 during the slithering exercise from the chopper at the CIJWS helipad here. During the ‘style exercise,’ they hovered over the hilly terrain of Vairengte in groups of five. “It is excellent training. The Indian Army has a lot of experience in counter-insurgency and jungle warfare and it will be very useful to us. The manoeuvres were part of their fifth joint exercise Vajra Prahar-08 that began at the CIJWS on August 4 and will continue till August 24.

Kashmir

Economic blockade’ focus of talks

Union Home Minister Shivraj Patil said that the Centre was keen on finding a solution to the Amarnath land issue that would be acceptable to all and not hurt the sentiments of any region. He, however, did not say when the next round of talks would be held with the Sangarsh Samiti, which is spearheading the agitation in Jammu. Mr. Patil was talking to journalists before winding up the two-day visit of an all-party delegation that met here in the day. The delegation will submit its report to the Centre. The Amarnath Yatra should continue as it had been going on and the Prime Minister was concerned about it. "As far as solution to the land issue is concerned, we will try to have one that is acceptable to all." The "economic blockade" was the focus of the deliberations here and it was a matter of concern.

Mirwaiz under house arrest

Hurriyat Conference chairman Mirwaiz Umer Farooq was placed under house arrest. This comes a day ahead of the 'Muzaffarabad chalo' program announced by separatists to counter the "economic blockade" of the Valley.

Hard-line leader Syed Ali Shah Gilani has already been under house arrest for the last six days.

Govt may fall back on '05 court order

Union Home Minister Shivraj Patil who had been looking for a mutually acceptable formula for the people of both Jammu and Kashmir appears to have hit upon one. The Central government, sources said, is reverting to the May 2005 high court directions authorising the Shri Amarnath Shrine Board to build temporary facilities for pilgrims during the yatra at Baltal while simultaneously cancelling the May 26 and July 1 orders that diverted 100 acres and subsequently revoked the same.

Yatra to end t his week

As attempts are on to reach a compromise formula on the Amarnath land row, the two-month-long Amarnath yatra is all set to end for this year. As per tradition, the Rakshabandan festival that falls on August 16 is the day when the holy mace leaves for the shrine from the Pahalgam route. This signifies the last batch of the yatra. Otherwise, the last batch of pilgrims from here would leave on August 14, according to a police officer. There are two routes for the pilgrimage — the Anantnag route and the Baltal route. The first route takes three days to cover, while the second one is quicker but more arduous. The present controversy about the land row is about the Baltal route.

Muzaffarabad marchers fired upon, 5 killed

Five persons, including senior Hurriyat leader Sheikh Abdul Aziz, were killed on Monday when the security forces opened fire at several places in the Kashmir Valley to stop thousands of people

from marching to Muzaffarabad, capital of Pakistani Kashmir. Over 230 people suffered injuries, mostly bullet wounds.

The protesters took to the streets to break the “economic blockade” of the Valley imposed by Shri Amarnath Yatra Sangarsh Samiti that is leading the Amarnath land stir.

Sheikh Aziz, who was the chairman of the pro-Pakistan People’s League and senior executive member of the Hurriyat Conference, was leading the march, when the Army and the police tried to stop it at Chehlan, around 16 km. from Baramulla, and opened fire. The 54-year-old leader was one-time head of the pro-Pakistan militant outfit Al Jihad.

Earlier, thousands of people from different parts of the Valley started marching towards the apple town of Sopore, from where a caravan of trucks laden with fruits was to begin its journey towards Muzaffarabad. The Kashmir Fruit Growers Association, the Kashmir Chamber of Commerce and Industry, the Traders Federation, both Hurriyat factions and the PDP had given the call for ‘Muzaffarabad chalo.’

The authorities imposed strict restrictions and blocked traffic but thousands reached Sopore and started moving towards Muzaffarabad via Baramulla. An estimated one lakh people joined the march. En route, the police and CRPF opened fire in at least five places, including Qamarwari in Srinagar, Baramulla and Sangrama.

As news of Aziz’s death spread, thousands took to the streets and started attacking police stations and damaging public property. The authorities imposed curfew, but people defied it.

12 more killed in firing by forces, Kashmir tense

Protests in the tense Kashmir region spread in escalating violence that left another 12 people dead in firing by security forces as authorities clamped curfew in all the ten districts in the Valley for the first time in 13 years. Amid pro-freedom slogans, the body of senior Hurriyat Conference leader Shiekh Abdul Aziz, who was killed in police firing on Monday, was laid to rest at Eidgah graveyard here on Tuesday.

Social front

Law Commission suggests life sentence for acid attack

The Law Commission of India has suggested the imposition of a minimum sentence of 10-year imprisonment and a maximum sentence of life imprisonment for acid attack offences.

At present the offence is being dealt with under Section 326 of the Indian Penal Code, and the Commission has recommended amendments to the IPC to make it a specific offence by introducing a new Section 326 A. In a report submitted to the Supreme Court, which is dealing with issues relating to acid attack, the Commission, headed by Justice A.R. Lakshmanan, said: “Section 326 IPC is insufficient and inadequate to deal with the issue. The definition of grievous

hurt is not broad enough to cover various kinds of injuries which are inflicted during acid attacks; the Section does not cover the act of administering acid attack; the Section gives a wide discretion to the courts as far as punishment is concerned.”

Vidarbha gets raw deal in loan waiver: VC's report

The Vidarbha region accounts for the maximum number of suicides, yet it gets a poor share of loan waiver compared to western Maharashtra, according to a report by Narendra Jadhav, Vice-Chancellor of Pune University. Six districts in western Vidarbha Amravati, Akola, Yavatmal, Buldhana, Washim and Wardha recorded the highest number of suicides between 1997 and 2005. And Yavatmal has seen the most number of suicides. The report says the Rs. 71,680-crore waiver announced in the Union budget 2008-09 allots an equitable share to Maharashtra, as per its population percentage in the country. However, within the State, the distribution is skewed and fraught with regional imbalances.

Maharashtra's share in the waiver is Rs. 9,896 crore (13 per cent). Out of this, the western region gets 53 per cent for 19.48 lakh account holders, whereas Vidarbha gets 20.1 per cent for 12.31 lakh account holders. Yavatmal gets the rawest deal with only Rs. 14,431 per head on average compared to Rs. 27,310 in western Maharashtra.

Bangladeshi writer back in India

Controversial Bangladeshi author Taslima Nasreen has returned to India to renew her visa which expires on Tuesday, officials say. She flew in to Delhi from a European capital and was whisked off to an undisclosed location, they said. Ms Nasreen was forced to leave Calcutta last November after angry protests by Muslims. She spent four months in Delhi before moving to Sweden. fled her native Bangladesh in 1994 when her book attracted death threats.

Indian HIV parents kill children

An Indian couple who were infected with the virus that can lead to Aids have committed suicide after killing their three children, police in Mumbai say. Relatives say the couple had been depressed by news that their daughter also had the HIV virus.

Police say the parents hanged themselves after poisoning their children, aged between five and 10. India has one of the largest numbers of HIV-positive people in the world and they suffer serious social stigma.

Maharashtra, of which Mumbai is capital, is one six Indian states where the prevalence of HIV/Aids is "high", according to the country's National Aids Control Organisation.

Activists say that due to lack of awareness, the HIV virus is often passed on to children. Social stigma is a major reason cited for people not seeking medical treatment.

Rape of motherly figure shows depraved mind"

A court here has handed out capital punishment to two taxi drivers for brutally killing 59-year-old Australian tourist Dawn Emilie Griggs after criminally assaulting her and robbing her in March 2004. It also imposed a fine of Rs. 3,000 on each of them. On August 2, Jyotish Prasad and Ashish Kumar were convicted of murder, criminal assault, robbery and destruction of evidence. The victim was of such an age that she should have been seen by the convicts as a motherly figure. Committing rape of an old lady shows a depraved mind. Griggs, who had arrived here from Australia via Hong Kong, was found murdered with stab injuries and her face smashed on a deserted field near the Indira Gandhi International Airport on March 17, 2004, hours after she took a pre-paid taxi from the airport. She had come to India to get enrolled in a meditation course.

India fetes first gold medallist

Abhinav Bindra became India's first individual Olympic gold medallist when he claimed the men's 10m air rifle shooting title on Monday. India, winners of eight field hockey gold medals, had never won an individual Olympic title before Bindra's feat.

Poverty still grips millions in India

Every now and then, India gets a stark reminder that the feel good factor created by high growth rates in recent years eludes millions of its people.

One came earlier this month when Unicef said that India had some of the worst rates of child survival in the world. In 2006, 2.5 million children under five died in India and China, of whom 2.1 million were in India. When you talk to officials and experts in India, they say poverty in is in decline. The most recent government figure is that about 26% of India's population are officially classed as poor - that is people getting less than the minimum number of calories regarded as necessary for survival .

Impoverished farmers

This is the key part of being poor in today's India - a lack of access to basic services and infrastructure. It all points to the need for massive intervention by the state.

This does happen in India - and has done for many years through anti-poverty programmes and schemes to develop both rural and urban areas.

Blunted by corruption

"This is the tragedy of Indian policy: the government is sitting there paying its teachers and they don't turn up to school," says Surjit Bhalla, an investment manager and economic analyst in Delhi.

The same neglect can be seen in the health sector. The World Bank says that less than 10% of public spending on health goes to the poorest 20% of the population.

Foreign Relations

India slams Pakistan over Kashmir remarks

Taking strong exception to Pakistan's allegation about "excessive use of force" in Jammu and Kashmir, India on Tuesday said such remarks constituted "clear interference in its internal affairs" and can affect the peace process between the two countries.

India abhors 'political vacuum' in Pakistan: Narayanan

India abhors the "political vacuum" in Pakistan created by the tussle between President Pervez Musharraf and the Pakistan People's Party-led ruling coalition, says National Security Advisor MK Narayanan. Narayanan said in an interview published on Tuesday that New Delhi was seriously concerned that this vacuum could allow radical extremist outfits in Pakistan more space to step up their activities not only in Afghanistan but also in India. "Like nature abhors vacuum, we abhor the political vacuum that exists in Pakistan," Narayanan told The Straits Times. "It greatly worries us."

BUSINESS AND POLITICS IN THE MUSLIM WORLD

ASIA REPORT

August 29, 2008

Nadia Tasleem:	Report on Asia	291
Ashia Rehman:	Report on Fertile Crescent	304
Tatheer Zehra:	Report on South East Asia	336
Ghashia Kayani:	Report on South Asia	364
Sadia Khanum:	Report on India	385

BUSINESS AND POLITICS IN THE MUSLIM WORLD

SOUTH & EAST ASIA and GCC & Fertile Crescent

Nadia Tasleem

News monitoring from 16 August to 22 August 2008

Presentation: 29 August 2008

The report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; South Asia, East Asia, Fertile Crescent and GCC from 16 to 22 August as have been collected by interns.

Summary

South Asia

Political Front:

Bangladesh:

After success of first round of local elections government seems to be keen to settle issues with main political parties in order to hold free and fair parliamentary elections. For this purpose government has offered bail to BNP leader Khaleda Zia, she however has not given any positive response to the government's proposal. Meanwhile AL's exiled leader has reiterated her demand for lifting of emergency in order to hold elections in an open environment.

Despite various developments regarding election preparations many prominent leaders still can not contest elections being behind bars due to their involvement in corruption.

Myanmar:

Local officials as well as common voters who voted 'No' in the constitutional referendum being carried by military junta have been dismissed from their jobs; while in case of locals, they also have been facing consequences.

Meanwhile a five member delegation from the Burmese exiled Members of Parliament Union attended an Indonesian parliamentary function to mark the 63rd anniversary of Indonesian independence on 15 August. They urged Indonesian government and ASEAN to support their cause against military junta.

Srilanka:

Provincial Council elections have to be held this month in the Sabaragamuwa and the North Central Provincial Council. Despite many parties' willingness to participate in PCE, JHU has opposed them and asked government to hold referendum to get common consensus over the issue.

Meanwhile after occupying Eastern Tamil base security troops have launched operation to encircle Northern and Western strategic basis of LTTE. In response LTTE has blocked safe passages to common people hence have started compelling them to stay in war zone.

Nepal:

The most significant political development in Nepal is finalization of Common Minimum Program (CMP) by three key parties namely: Maoists, UML and MJF. All of these parties have announced to finalize written constitution within two years. They have also promised to compensate civil-war sufferers as well as Madhesi protestors. Meanwhile Norwegian Minister during his visit to Nepal has asked Nepali Congress (NC) and Maoists to collaborate in order to settle political deadlock.

Bhutan:

In order to flourish democracy Bhutan has started working on establishment of Supreme Court; as custodian of the Constitution.

Meanwhile President of Youth Organization of Bhutan (YOB) has raised the issue of exiled Bhutanese during the open session in the Annual Youth Assembly at United Nations.

Maldives:

The most significant development at political front is that EC is working at preparing voters' lists for upcoming elections. Talks between different parties have also started to form a coalition. Besides that Majlis has finally accepted the bill asking ministers, advisers, ambassadors and members of Majlis to declare their assets.

As far as election campaign of Maldivian President and his party is concerned he has assured his people that national funds have not been used by them.

India:

General political developments:

Congress led UPA government has been thrown into a critical situation in Jharkand, where Jharkand Mukti Morcha (JMM) withdrew its support, in pursuit of its agenda to get Mr. Koda

replaced by its supremo Shibu Soren. JMM also asked ruling party to get vote of confidence on 25 of August. Meanwhile BJP also remained active in accusing Congress for ongoing domestic crises at political as well as economic front. Congress on the other hand remained active in finalizing seat-sharing arrangement with Samajwadi Party (SP) for the upcoming elections.

Domestic unrest:

Assam became victim of communal tension between Muslims and the Bodos, last week, leaving many houses at fire, killing five and injuring 6 people. Police issue shoot-at-sight order in order to control the situation. Meanwhile Naxalites have taken lives of six policemen in Bihar in an ambush.

Kashmir:

Amarnath temple issue has adversely affected the economy of Jammu & Kashmir. National Conference leader has asked government to consult all concerned parties in order to seek an appropriate solution to this issue. Meanwhile BJP kept on blaming UPA government for the whole crises and demanded 'restoration of land' in order to normalize situation in Kashmir. Centre in response has announced to send three men delegation being headed by National Security Advisor, to Kashmir in order to reach at a conclusion.

Continuous crisis over the issue of Amarnath Temple has led key leaders of Hurriyat Conference to prepare an agenda in order to plead their case at United Nations Military Observers Group (UNMOG) office seeking the U.N. Secretary-General's intervention in granting "right to self-determination" to the people of Kashmir. Meanwhile Islamists in Kashmir have also started massive pro-Pakistan protests asking India to merge Kashmir with Pakistan. Observing all this activist and author Arundhati Roy asked India to liberate Kashmir as their demand of freedom is quite evident from their behavior.

Nuclear issue:

India has expressed positive hopes about NSG meeting that would first be held by the end of this month and finally on September 2. India claimed that no further change to the draft would be accepted by India. Meanwhile Switzerland and Germany have assured their support for indo-US nuclear deal in NSG meeting.

Geo-strategic Front:

Myanmar:

Myanmar has accused Thailand for violating Burmese sovereignty. They claimed that Thailand has been trying to occupy Loilang, a disputed territory between Myanmar and Thailand as it did with Cambodia.

Bhutan:

In order to settle issue of refugees, Bhutan and Nepal have decided to start bilateral talks soon. Bhutanese refugees have been expecting Indian support however India declared it to be a bilateral issue that should be resolved by Nepal and Bhutan.

India:

India has revived its defense ties with Russia during a two days meeting between their officials. Meanwhile India and Japan have also expressed their desire to enhance security ties between the two states.

Besides all that large number of Hindus has migrated from Pakistan to Rajasthan where government urged center's help to grant Indian citizenship to them.

Stance about Musharraf's resignation:

India has expressed serious concern about President Musharraf's exit as according to Indian government, it would strengthen terrorist groups targeting Indians.

Social Front:***Bangladesh:***

At social front issue regarding expatriate workers remained the significant one. In this regard government's recent contract with South Korea to send 1.5 lakh workers within 10 years grabbed the attention. Meanwhile government asked Bangladeshi employees working in different European countries to abide by countries' respective laws in order to avoid any problem.

Myanmar:

Economic trouble in Myanmar has intensified social issue of human trafficking; as 300 migrants are reported to cross Thai border illegally in order to access better living conditions.

Srilanka:

Sri Lankan Patriots in Los Angeles have organized a peaceful to protest Congressman Brad Sherman's alleged supports for the LTTE.

Bhutan:

Asian Centre for Human Rights (ACHR) declared Bhutan to be one of the front runners of human rights violations in South Asian region in the year 2007. In the report published by the organizations recently, Bhutan has been ranked third in terms of rights violations among the seven nations in the region.

India:

At social front, India seems to be stuck in issues like malnutrition, bad health, high infant mortality rate, HIV, drug trafficking, garbage dump (threatening Taj Mahal) etc. Meanwhile heavy rains have also added a lot to the challenges being faced by the government.

Economic Front:***Bangladesh:***

At economic front the most important issue appeared to be that of maize cultivators' objection to government's fixed maize price i.e. 13 Tk, which according to cultivators is even 3 Tk less than their production cost. They asked government to revise its pricing as it will bring disastrous implications for 5 lakh maize producers.

Besides that Bangladesh has expressed satisfaction over reception of US\$ 8 billion as remittance from its migrants living in different foreign countries last year. Government has also expressed

her keenness to explore more opportunities in different parts of the world in order to accommodate its skilled and semi skilled workers to further increase amount of remittance.

Myanmar:

One positive development at Myanmar's economic front is that its natural gas sales soared nearly 25 percent to US\$2.5 billion in the financial year through March that's up from US\$2.03 billion.

Nepal:

The most significant economic development in Nepal is reduction of Nepal Oil Corporation's (NOC) losses by Rs 400 million a month because of drop in oil prices to US \$ 123 a barrel. It has raised hopes of NOC about further minimization of its economic loss as soon as oil price reduces further.

Bhutan:

In order to boost economy Economic Ministry of Bhutan has started efforts to formulate economic policy to attract foreign investments.

Maldives:

Despite the fact that global oil prices have lowered down it would still take time in lessening local prices.

India:

It seems as if Indian "economic miracle" has reversed because of ongoing economic crisis that has led India inflation to increase further to 12.63% this week from 12.44% in the previous week. Meanwhile China has also increased duty for metrological coke to 40% that would probably create adverse impact on Indian steel industries. At domestic front three years after the launching of ultra-mega power project (UMPP) programme, environmental concerns, disputed location and inadequate coal supplies have badly afflicted the program. Lastly Chennai has suffered from a severe fuel crisis due to the nationwide strike called by Central trade unions.

East Asia

Political Front:

Malaysia:

At Malaysian political front Anwar Ibrahim's sodomy case remained the hottest issue. Last week he was released on bail in order to launch his political campaign for upcoming parliamentary elections. He while defending him accused government and reiterated his innocence. Meanwhile the young man who alleged Anwar Ibrahim took oath in a mosque to defend his accusation and challenged opposition leader to do the same. Meanwhile the US also condemned Malaysian government for using same tactic again and again to defame opposition leader Anwar Ibrahim. In response Malaysian Foreign Minister forbade the US from interference in their internal affairs.

Philippines:

At political front peace deal remained the potent issue. Peace deal has become more uncertain as the Philippines Supreme Court chief justice questioned some of its drafts during its hearing in the Supreme Court. General assumption is that discovery of a home made bomb at a Southern school has put ongoing peace process between government and Muslims in further doubts.

Cambodia:

Cambodian ruling party i.e. CPP has got 58.1% popular vote in comparison with 21.9% votes being achieved by the main opponent Sam Rainsy party. Opposition however accused government for conduction unfair elections.

Geo-strategic Front:

Thailand/Cambodia:

Thailand has greatly appreciated the statement of Cambodian PM seeking peaceful solution to the border dispute between two countries. With this both have finally agreed to withdraw most of their troops from the land near disputed Preah Vihear temple.

Social Front:

Vietnam:

Vietnam is still suffering because of heavy rains as almost 112 people have been found dead while 45 are still missing.

Cambodia:

Cambodia has pledged to invest \$400 million to construct new dams in order to improve the country's irrigation system and boost rice exports. Meanwhile Kuwait has pledged \$5 million to help support religious activity and education for Cambodia's Muslims.

Economic Front:

Indonesia:

Indonesian President has expressed positive hope to tackle national power supply crisis next year through projects to develop alternative energy and expand electricity capacity by more than 30 percent.

Singapore:

Ongoing economic crisis being faced by the whole world has also affected Singapore hence the President of the country asked his nation to get ready for a challenging economic year, while addressing his people on the eve of Singapore's National Day.

Philippines:

Philippines welcomed ASEAN decision to sign a free trade pact with India in a hope to boost East Asian economy.

Fertile Crescent

Political Front:

Iraq:

Condoleezza Rice paid an official visit to Iraq last week. During her meeting with Iraqi PM and other government officials she agreed to sign security deal with Iraq that would determine the future of American forces in Iraq after the expiry of UN mandate. Meanwhile Iraqi army has called for former air force servicemen to rejoin its new formations.

On the other hand detention of Iraqi by US Security forces on different charges, as well as incidents of suicide bombing killing and wounding number of people can easily be observed in Baghdad.

Syria:

Syrian PM has denied any agreement with Russia about deployment of Iskandar missiles in its territory to help her confront Georgian challenge.

Lebanon:

The most significant political development in Lebanon appears to be a memorandum between Salafists and Hezbollah. They signed memorandum of understanding last week focusing on various acts to develop coordination. Mustaqbal Movement rejected that document and claimed that they had nothing to do with it; being unaware of the deal. After 24 hours Salafists announced to freeze the MOU until appropriate circumstances.

Israel:

PM Ehud Olmert's cabinet passed the proposal to release 200 jailed Palestinians in order to give a positive gesture. Likewise, Israel has also agreed to alter the planned route of its separation

barrier outside a major West Bank Jewish settlement to allow Palestinians more access to their land. Meanwhile Israeli Defense Minister held meeting with Palestinian PM to discuss security and political matters.

Geo-strategic Front:

Iraq:

At geo-strategic front Iraqi growing ties with Lebanon seems to be significant. Besides that Turkish air raid against Kurdish rebel hideout in northern Iraq also grabbed the attention. As far as Iran-Iraq ties are concerned one positive development is that Iran has recently agreed to provide 1 million litre of fuel to Iraq to meet domestic needs of its power plants.

Syria:

Russia has expressed her willingness to provide modern defence equipment to Syria in a way not to disturb balance of power in the region. Presidents of both held talks at Syrian-Russian summit.

Lebanon:

United States has denied any chances of denial of defense equipments to Lebanon, if required. Meanwhile Lebanon and Syria have extended hands to develop collaboration. Besides that; Lebanon has criticized Israeli government for deterioration of Lebanese image at international fora.

Jordan:

Minister of Foreign Affairs Salah Bashir met with ambassadors of five permanent member states in the UN Security Council, the EU, Arab and Islamic countries and called on them to deploy their ties with Israel to urge it to stop any unilateral measures in Jerusalem that would change the legal situation of the holy city. Besides that Jordanian PM and Yemini Premier concluded an agreement to enhance ties between the two.

Israel:

Israel played down threat from Iranian satellite/missiles however claimed that Iranian nuclear program poses serious threat to Israel's security.

Social Front:

Iraq:

At social front the only significant development is Iraqi refugees' denial to return home from Egypt in response to recent offer made by Iraqi PM's in this regard. They did so mainly because of the challenges that they would have to face.

Syria:

Syrian Vice President, Najah Attar, has underlined the need for a language information project by which the Arabic can be upgraded to take the lead to the information society.

Lebanon:

The most striking social issue in Lebanon is a report claiming entry of a number of terrorists in Lebanese' land disguised as tourists. Government has announced to take serious action against them.

Economic Front:

Iraq:

Economic condition of Iraq seems to be in progressive phase. Hence Iraq has made around \$43 billion from oil exports throughout the past seven months. Meanwhile the Chinese firm, Shanghai, has started constructing a major thermal power plant in the southern Province of Wassit. Side by side the government of Kurdistan province signed a \$5.3-million agreement with Jordanian Price Water House Coopers to develop the Information Technology strategy in the province within a 2-year contract.

Syria:

Syria has been putting great emphasis on enhancing economic ties with Turkey, Czech Republic, Libya and India (whose companies seek to invest in Syrian markets). Meanwhile Syrian Deputy Prime Minister for Economic and Director General of the Arab Fund for Social and Economic Development also tried to explore fields of cooperation between Syria and the Fund in the developmental projects.

Lebanon:

Lebanon has planned to sign various trade agreements with Iraq in order to enhance economic ties of both states.

Jordan:

The only worth mentioning economic development is announcement by the Agriculture Ministry regarding its decision to lift the ban on exports and imports of olives and olive oil, respectively.

Fertile Crescent

Aisha Rehman

From 15th August-22nd August

Presentation Date 29th August, 2008

Iraq

Political front:

- U.S.-Iraq very close to cutting security deal
- Ninewa delegation heads to capital to meet premier
- Neighbors entitled to defend their security
- Iraq calls to reintegrate former air force servicemen-statement

Social front:

- 147 persons arrested in Baghdad
- 15 killed in Baghdad suicide bomb attack
- Army forces nab 4 al-Qaeda linked operatives in Arbil

Economic front:

- Iraq earned \$43b from oil revenues in past 7 months
- Saudi Arabia to Contact Iraq on Saudi Detainee Spying for Iran
- China begins work on \$900 million power plant and agrees to develop oil field in southern Iraq
- Economic situation led to money laundering in Iraq
- \$5.3-million deal between Kurdistan, Jordanian company
- Finance Ministry released 2007 delayed funds to improve Basra marshes
- Iraq to import fuel from Iran
- MP calls for reviving oil exporting via Lebanese port

Geo strategic issues:

- SIIC chief, Lebanese PM Saniora confers boosting Iraq-Lebanon ties
- Iraqi refugees in Egypt spurn government call to return home
- Turkish jets strike Kurdish rebels in northern Iraq
- Fresh security measures to protect diplomatic missions in Baghdad
- Iraqi, US units replace Georgian troops

Syria

Political front:

- An Official Source Denies Syria's Agreement on Deploying Iskander Missiles In Its territories

Social front:

- Vice President Attar Stresses the Need for a Language Information Project

Economic front:

- Interior Minister Discusses with his Turkish Counterpart ways of Bilateral Cooperation
- Syria, Czech Republic Hold Talks for Developing Economic and Industrial Relations
- Al-Dardari and al-Hamad Discuss the Role of Arab Development Fund in Syria
- Finance Minister signs an Agreement Settling a Libyan Deposit in the Central Bank of Syria
- Indian Companies Seek to Enter the Syrian Market

Geo strategic issues:

- Israeli Warplanes Violate Lebanese Airspace
- Lavrov says the Syrian –Russian Summit focuses on the Middle East Issues
- Arab Transportation and Communication Workers Union Voices Solidarity with Syria
- Syrian-Russian Summit Talks between Presidents al-Assad and Medvedev Start in Sochi

Lebanon

Political front:

- Lebanon Cabinet referred Tripoli crime to Judicial Council
- MP Saad: No elections in 2009 if Hezbollah remains armed
- Hezbollah and Salafists sign a memorandum of understanding
- Jisr: Mustaqbal Movement Rejects Hizbullah-Salafi Document
- Hariri: Only Doha Accord Sets Dialogue Mechanism
- Salafis freeze memorandum of understanding with Hezbollah

Economic issues:

- Lebanon, Iraq to sign several trade agreements

Social issues:

- Some terrorists entered Lebanon disguised as tourists

Geo strategic issues:

- US: No restrictions on military assistance to Lebanon
- Lebanese Party Leaders Discuss Ties with Syria
- Lebanon Justice minister: 745 Lebanese missing in Syria
- Salloukh: Israeli threats aim at hurting Lebanon's image

Jordan

Economic issues:

- Labour Ministry, Philippine gov't to sign agreement lifting employment ban
- Ban on olive trade lifted

Social issues:

- Danish cartoonist contacts campaigners

Geo strategic issues:

- Jordan stops issuing residency permits to Iraqis
- Jordan rallies support to defend Jerusalem
- Dahabi, Yemeni PM conclude joint higher committee meeting

Israel

Political issues:

- Israel approves release of 200 jailed Palestinians
- Mofaz, Dichter protest release of murderers
- Israel to change route of West Bank barrier

Social issues:

- Shiites flood Iraqi shrine despite attacks/ Six killed in a car bombing

Geo strategic issues:

- Israel plays down concerns over Iranian satellite
- Israel's Barak meets with Palestinian PM
- Israel to free 200 prisoners as gesture to Abbas

Iraq

Political front:

U.S.-Iraq very close to cutting security deal

Washington and Baghdad said on Thursday they were very close to signing a crucial security agreement that would decide the future of American forces in Iraq after the UN mandate expires in December. U.S. Secretary of State Condoleezza Rice made a pre-announced visit to the war-torn country on Thursday to meet with senior Iraqi officials, including Prime Minister Nouri al-Maliki, and Baghdad-based U.S. officials.

U.S. President George W. Bush and Iraqi PM Nouri Maliki agreed in principle last November to sign a Status of Forces Agreement (SOFA) in Iraq by the end of July, but controversy has delayed the arrangement. The proposed pact will decide the future presence of American forces in Iraq after the expiry of the UN mandate, which currently acts as the legal basis for the presence of the U.S.-led foreign forces.

However, the deal has drawn sharp criticism from Iraq's various political factions, especially from the deeply anti-U.S. movement of Shiite cleric Muqtada al-Sadr.

For her side, Rice noted "the U.S. has gone very far in this agreement; it is a very advanced agreement." Zabari insisted that the agreement would be in the interests of both Iraq and its neighbors. Iran has repeatedly called for a complete withdrawal of U.S. troops. With 142,500 American troops still in Iraq, the issue is politically sensitive in Washington as the November U.S. presidential elections draw near.

Ninewa delegation heads to capital to meet premier

A delegation comprising administrative officials and heads of security committees from Ninewa province on Thursday headed to the Iraqi capital to meet with Prime Minister Nouri al-Maliki. "The delegation includes 40 local officials and it expected to meet with the premier to discuss security issues in the region," The delegation will also discuss service projects in the project, the mayor said, providing no further details.

Neighbors entitled to defend their security

The Iraqi deputy prime minister, Rafe' al-Issawi, on Wednesday said regional security and stability are necessary to boost trade relations between Iraq and Turkey, noting that neighboring countries have the right to "defend their security."

Iraqi-Turkish relations witnessed significant tensions in late 2007 in the aftermath of confrontations that took place between the Turkish army and PKK members, who are holed up in mountainous areas in northern Iraq.

The Turkish parliament approved a memorandum forwarded by the government allowing the Turkish army to hunt down members of the PKK, or Partiya Karkeren Kurdistan in Kurdish, in northern Iraq. Only 19 out of 555 legislators in the Turkish parliament voted against the proposal. A visit made by Turkish Prime Minister Recep Tayyip Erdogan to the Iraqi capital on July 10, 2008, which was the first by a Turkish leader since 1990, has helped improve mutual relations and enhance coordination between the two governments.

Iraq calls to reintegrate former air force servicemen-statement

Iraq army on Thursday called for former air force servicemen to rejoin its new formations according to a government statement.

The former air force, a part of the former Iraqi army, was disbanded in May 2003 by a decree from the U.S administrator of Iraq Paul. L. Bremer, a decision criticized by military and strategic experts. They believe it provided disgruntled trained army file and ranks to armed groups, who then launched ongoing attacks against U.S. troops and fledgling Iraqi forces.

"The air force command calls on all ranks of technicians who were working on planes and helicopters in the former army to join the staff of the air force command by applying at recruiting centers throughout Baghdad and neighboring provinces starting from September 1 to 30," a Prime Minister Office's statement.

The announcement set 1958 as maximum age for recruiters and noted "the recruiter must vow not to be a member of any militia or armed group."

Feeling the brunt of leaving millions disaffected former army soldiers, Iraqi government has sought to integrate its personnel within its forces by employing them in its security forces and allocating a pension to those who are of age.

Social front:

147 persons arrested in Baghdad

Iraqi security forces arrested 147 wanted and suspected gunmen during security raids in separate areas of Baghdad over the past 24 hours, during which a soldier was killed and three more were wounded.

Since February 2007, the Iraqi government has launched a large scale security operation dubbed as Fardh al-Qanoon (Law Imposing) to crack down on gunmen and asserts the rule of law in Baghdad and its suburbs.

15 killed in Baghdad suicide bomb attack

A suicide bomber blew himself up near a mosque in a Sunni Arab bastion of Baghdad on Sunday, killing at least 15 people and wounding 30, security officials said. A security official with the interior ministry said the bomber was riding a bicycle when he detonated his vest, while witnesses said that he was dressed as a woman. The checkpoint was manned by local Sunni Arabs who were members of a group fighting Al-Qaeda militants, the correspondent said. Those killed included Faruq al-Obeidi, a local leader of the anti-Qaeda group, six of his bodyguards and eight civilians, security officials said, The wounded included five women.

Army forces nab 4 al-Qaeda linked operatives in Arbil

Iraqi army forces on Wednesday arrested four al-Qaeda-linked group operatives in disputed district between Ninewa and Arbil, a security source said.

"Iraqi army forces conducted a raid-and search operation in Tal Shaeed village, 3 km south of Makhmour district, capturing four four fighters from an al-Qaeda-linked group," a military source, who requested anonymity. The army source pointed out "the four fighters confessed their affiliation to the self-proclaimed Islamic State of Iraq (ISI)."

The self-proclaimed ISI is a mantra for a number of armed groups. Al-Qaeda's network in Iraq is one of its major components.

Economic front:

Iraq earned \$43b from oil revenues in past 7 months

Iraq has made around \$43 billion from oil exports throughout the past seven months, the Dubai-based al-Hilal Oil Company said. "The average daily production of Iraqi crude oil was 2.5 million barrels, including 1 million for export uses and half a million for local consumption...", "If oil prices maintained their current levels, Iraqi revenues will exceed \$100 billion," according to the report. Operating in the Gulf for more than 25 years, al-Hilal Oil Company issues a weekly report on international oil production and markets.

Saudi Arabia to Contact Iraq on Saudi Detainee Spying for Iran

The Saudi Interior Ministry has stated that it would contact the Iraqi authorities to verify the identity of a man who Baghdad said was a Saudi national and who admitted that he worked for an Iranian intelligence agency in Iraq.

The US forces in Iraq have accused Iran of seeking to destabilize Iraq, something that Iran has denied. A US military official said on Friday that the Al-Qods Corps, which belongs to the Iranian Revolutionary Guard Corps and Lebanese Hezbollah, trains Iraqi "death squads" in Qom, Tehran, Mashhad, and Al-Ahwaz in Iran in carrying out attacks against specific Iraqi targets.

China begins work on \$900 million power plant and agrees to develop oil field in southern Iraq

The Chinese firm, Shanghai, has started constructing a major thermal power plant in the southern Province of Wasit, the Ministry of electricity said. Electricity Minister Kareem Waheed attended the laying down of the foundation stone for the plant, the largest ever project a foreign firm begins constructing in Iraq since the 2003 U.S. invasion.

He said under the \$924 million contract the Chinese were to have the plant constructed in 48 months. The Chinese have a much bigger stake in the province as they have also agreed to develop the al-Ahdab oil field there. China National Petroleum Corporation is to develop the field with proven reserves estimated at more than 1 billion barrels.

Kareem said the Chinese will be producing nearly 90,000 barrels a day from al-Ahdab by the time the thermal plant is completed. The Oil Ministry is building small-scale refineries in Wasit, with the capacity of producing 10,000 barrels a day each.

Economic situation led to money laundering in Iraq

Market and economy researchers blamed the conditions that surrounded the economic sanctions that were once imposed on Iraq and the U.S.-led invasion of the country for the emergence of money laundering. Salem Abboud Mohammed, a researcher from the Center of Market Research and Consumer Protection in Baghdad University, told that the economic embargo that was imposed on Iraq in the 1990s and its implications for the economic situation have paved the way for the emergence of money laundering.

The researcher urged the Central Bank of Iraq (CBI) to adopt clearer and more effective measures while dealing with the phenomenon.

Mohammed said that an integrated strategic system that depends on international, regional and local efforts might be useful in solving the problem.

Meanwhile, Sattar al-Bayati, a researcher from al-Mustansiriya Center for Arab and International Studies, said that the phenomenon started to appear in the 1930s with the emergence of the international economic crisis, and it hit Iraq in the aftermath of the 2003 invasion and subsequent bank robberies.

"The flowing liquidity was illegal and illegitimate..., which resulted in serious inflationary consequences that particularly affected the banks that were used to launder dubious money," al-Bayati said.

\$5.3-million deal between Kurdistan, Jordanian company

The government of Kurdistan province signed a \$5.3-million agreement with Jordanian Price Water House Coopers to develop the Information Technology strategy in the province within a 2-year contract, the stat-run al-Raay newspaper said.

"Kurdish Prime Minister Negervan Barazani expressed his belief with the importance of the project as the IT and communication represent strategic elements for the development of the region," the Jordanian paper said.

The newspaper quoted the main partner of the Price Water House Coopers, Fathi Saleh Ali, as saying that "the importance of the project is to put and implement strategic plans for three governmental bodies to develop the IT system in these bodies."

Finance Ministry released 2007 delayed funds to improve Basra marshes

A member of the Basra marshes improvement committee on Monday said that the Iraqi Ministry of Finance released the delayed funds from 2007 that will be used to execute different projects in Basra's marshes.

"The Ministry of Finance on Monday released 45 billion Iraqi dinars (around \$37.5 million) that represent the delayed funds from 2007 to improve Basra's marshes," Hamid al-Dhalimi told. "Those funds will be used to commence 60 different projects in Basra's marshes, in irrigation, potable water, roads, and education," he said. Another 50 million U.S. dollars were allocated for Basra's marshes, according to the 2008 budget. Basra, the oil rich city, lies 590 km south of Baghdad.

Iraq to import fuel from Iran

Iran has agreed to ferry 1 million liters of fuel to Iraq to meet domestic needs for its rickety power plants, Iraqi ambassador to Tehran said. Mohammed al-Sheikh said the deal under which Iran will furnish Iraq with fuel was signed during the recent visit by Deputy Prime Minister Burhem Saleh to Iran. Saleh led a large delegation to Tehran comprising high-ranking officials among them the ministers of electricity, trade and foreign affairs. Iran has emerged as Iraq's top trading partner in the five years since the U.S. invasion. Iraqi shops and stores brim with Iranian goods. Iranian firms are currently the most active in Iraq, implementing projects worth hundreds of millions of dollars. The country has drawn up plans for the construction of several electricity plants but foreign firms are reluctant to send their engineers and technicians to Iraq due to mounting violence.

MP calls for reviving oil exporting via Lebanese port

A lawmaker from the main Sunni bloc called on re-pumping Iraqi oil exports via a Lebanese port in a bid to revamp political and economic ties between Iraq and Lebanon.

Yesterday Lebanese Prime Minister Fuad Saniora called his one-day trip an opportunity to renew contact after more than a decade of chilly relations between Beirut and Baghdad. At a news conference alongside Saniora, Iraqi Prime Minister Nouri al-Maliki said the two countries would

sign several agreements soon, including one on Iraq exporting oil to Lebanon. He did not provide details.

"For many reason, Lebanon is among the most key Arab countries with which Iraq should have developed ties, especially in the economic side," he added.

The Sunni lawmaker called for "expanding oil refinery in the Lebanese port of Tripoli in a joint-venture Iraqi-Lebanese funding, establishing a refinery providing supplies for Mediterranean countries". Tripoli was a major export port for Iraqi oil for decades but stopped in 1980s due to the severance of diplomatic relations between Iraq and Syria, which the pipeline passes through before entering the Lebanese territories.

Geo strategic issues:

SIIC chief, Lebanese PM Saniora confers boosting Iraq-Lebanon ties

The head of a major Shiite bloc conferred boosting ties between Iraq and Lebanon in the third such visit by a top Arab leader since the U.S.-led invasion five and a half years ago.

Abdel Azis al-Hakik, the head of the Supreme Islamic Iraqi Council (SIIC) and the United Iraqi Coalition, the biggest bloc in the Iraqi Parliament, received the Lebanese PM in his Baghdad office."The officials conferred the ties between Iraq and Lebanon and how to consolidate their stances on a number of issues," said an SIIC statement

At a news conference alongside Saniora, Iraqi Prime Minister Nouri al-Maliki said the two countries would sign several agreements soon, including one on Iraq exporting oil to Lebanon. He did not provide further details.

Relations between Lebanon and Iraq soured in the mid-1990s after Iraqi agents loyal to former president Saddam Hussein killed an Iraqi opposition figure in Beirut. But the two maintained embassies in each other's capitals even after the 2003 U.S.-led invasion of Iraq.

Iraqi refugees in Egypt spurn government call to return home

Iraqi refugees in Egypt have turned down a government offer to lure them to return home. The snub came following a call by Prime Minister Nouri al-Maliki who has offered financial incentives to help the returning refugees resettle. Maliki has promised to pay for travel and accommodation and retrieve property of the returnees in case it has been confiscated or being occupied by others. But only 240 Iraqis of more than 100,000 currently living in Cairo alone have

returned. the refugees said those who had opted to return had serious problems with their resident permits and have had all their savings already spent. Marauding militias operating under the nose of U.S. occupiers and Iraqi troops are also to blame for the upsurge in insecurity.

Turkish jets strike Kurdish rebels in northern Iraq

Turkish air raid targets cave serving as base for 'large group' of PKK militants in Iraq.

Turkish warplanes bombed a Kurdish rebel hideout in neighbouring northern Iraq overnight, the military said Sunday. The air raid targeted a cave in the Avasin-Basyan region, which served as a base for a "large group" of Kurdistan Workers' Party (PKK) militants who were preparing for an attack across the border in Turkey, the statement said. The hideout "was hit successfully" and the warplanes returned safely to their bases, it said, without giving details on any losses among the rebels.

Turkish fighter jets have been bombing PKK positions in the mountains of northern Iraq since December 16.

The PKK, listed as a terrorist group by Ankara and much of the international community, took up arms for self-rule in Turkey's mainly Kurdish southeast in 1984, sparking a conflict has claimed more than 37,000 lives.

The Turkish authorities have played down the possibility of a sabotage but are yet to say what caused the explosion.

Officials blamed the PKK for two bomb blasts in Istanbul on July 27, which killed 17 people and injured more than 150.

Fresh security measures to protect diplomatic missions in Baghdad

Iraq has drawn up a new plan to guarantee the safety of foreign diplomats on its territory, the Defense Ministry said. The interior ministry as well as the country's intelligence and security organs will be taking part in the plan, according to Askari. Iraq hopes reports of relative security in some areas will work as an incentive for foreign countries to send their ambassadors to Baghdad. Under U.S. pressure, some Arab countries have agreed to reopen their diplomatic missions but have asked for additional security measures for their staff. The zone is also the site of U.S. and British embassies as well as the headquarters for U.S.'s military and administrative personnel in the country.

Iraqi, US units replace Georgian troops

Most of the 2,000-strong Georgian contingent were rushed back home on board U.S. military aircraft.

Iraqi and U.S. troops have replaced the Georgian contingent in Kut, south of the capital, that was withdrawn to face up to the crisis back home with Russia, the U.S. military has said. "Iraqi security forces will partner with the 41st Fires Brigade and occupy several checkpoints and patrol bases previously manned by the 1st Georgian Brigade," it said Saturday in a statement. Georgian troops manned a key checkpoint about 30 kilometers (18 miles) from Kut and patrolled the city. Local Iraqis on Saturday appeared unmoved by the departure of the Georgian contingent. As the third largest contributor to coalition forces in Iraq after the United States and Britain, the departure of the Georgian troops has entailed adjustments for the U.S. military.

Syria

Political front:

An Official Source Denies Syria's Agreement on Deploying Iskander Missiles In Its territories

A Syrian official source on Thursday announced that what was reported by some media with regard to Syria's agreement on deploying Iskander missiles in its territories are baseless. The source added that such an issue was not discussed at all during the summit talks between President Bashar al-Assad and President Dimitri Medvedev .

(Syria is ready to discuss deploying Iskander missile-defense systems on its territory to strengthen the security of Moscow, which is facing in Georgia challenges similar to what Damascus had encountered in Lebanon, President Bashar Assad told a Russian business daily.)

Social front:

Vice President Attar Stresses the Need for a Language Information Project

Vice President , Najah Attar, has underlined the need for a language information project whereby the Arabic can be upgraded to take the lead to the information society which was adopted by the 20th Damascus Arab Summit.

In her address at the closing session of the Arab Language Experts Meeting today , Attar called on the Arab language experts to move toward the information society by laying down the necessary mechanisms for that end .

Economic front:

Interior Minister Discusses with his Turkish Counterpart ways of Bilateral Cooperation

Interior Minister, Maj.Gen. Bassam Abdul-Majeed discussed in Ankara today with his Turkish counterpart, Beshir Atalay ways of cooperation in sphere of combating drugs trafficking, organized crime and illegal migration. During the meeting , Abdul- Majeed stressed the necessity for combating terrorism stressing that Syria was among the first countries which suffered from terrorism.

For his part, the Turkish minister expressed pleasure over the standing bilateral cooperation underlining the standing bilateral historical friendly relations between the two countries. Abdul-Majeed earlier, visited Anti –Narcotics and Organized Crime International Academy in Ankara , and Special Police Forces Training Center. Abdul-Majeed arrived in Ankara yesterday in a several –day visit to Turkey responding to an invitation extended by his Turkish counterpart.

Syria, Czech Republic Hold Talks for Developing Economic and Industrial Relations

Minister of Industry Dr. Fouad Issa al-Joni discussed on Monday with Czech Minister of Finance Miroslav Kalousek economic relations between the two countries and means to develop them, particularly in the fields of industry.

The two sides discussed the development of standing industrial cooperation projects, mainly regarding the manufacture of steel alloys, tires, cotton yarn and cement. Dr. al-Joni expressed readiness to cooperate with Czech companies to establish a plant for producing steel ally and develop the tire factory in the Syrian city of Hama, adding that Czech companies can contribute in developing the public sector's cement factories.

The Minister added that Syria signed a number of bilateral and international agreements for protecting investments, calling Czech businessmen to cooperate with Syrian private and public companies. He also pointed out that pharmaceutical industries in Syria are advanced and that they cover 90% of the local market's need, underlining the possibility of cooperating with the private sector to produce drugs that are currently being imported.

For his part, Minister Kalousek affirmed his government's support to developing economic, commercial and industrial cooperation with Syria, pointing out to the wealth of potential fields for cooperation. He also underlined the importance of increasing trade exchange between the two countries and holding joint expos in order to bolster economic and commercial cooperation.

Al-Dardari and al-Hamad Discuss the Role of Arab Development Fund in Syria

Deputy Prime Minister for Economic Affairs Abdullah al-Dardari discussed on Monday with Director General of the Arab Fund for Social and Economic Development Abdul Latif al-Hamad fields of cooperation between Syria and the Fund in the developmental projects. He pointed out to the importance of the Fund's participation in various projects in Syria in addition to the importance of utilizing from the Fund's experience in the process of training and rehabilitation.

For his part, al-Hamad expressed the Arab Fund for Social and Economic Development interest in investing in Syria and financing various project due to the credibility and confidence of the Syrian economy.

Finance Minister signs an Agreement Settling a Libyan Deposit in the Central Bank of Syria

The agreement which was signed in Tripoli , Libya , today wrote off the accumulated interests of the Libyan deposit of USD 200 millions and the investment of this deposit in Syria. The agreement was signed by Finance Minister, Mohammed Hussein , and his Libyan counterpart, Mohammed Ali Hwajj. The agreement indicated that the deposit will be invested in a cement factory for a limited period of time before its ownership is transferred to Syria.

Indian Companies Seek to Enter the Syrian Market

A delegation representing the Indian companies participant in Damascus International Fair on Thursday discussed with members of Damascus Chamber of Commerce spheres of economic and trade cooperation between the two countries.

Secretary of Damascus Chamber of Commerce, Bashar Nouri stressed during the meeting the deep standing bilateral relations in all spheres, indicating that such relations have gained momentum by the recent visit of President Bashar al-Assad to India. He expected that the volume of trade exchange and investment between the two countries will grow in the next few years pointing out to major Indian companies which are intending to invest in the industrial sector and electricity in Syria.

Geo strategic issues:

Israeli Warplanes Violate Lebanese Airspace

Lebanese Army Command statement today said that Israeli reconnaissance plane violated yesterday Lebanese airspace over the border town of Ulma al-Shaab then headed north where it circled over the areas of Beirut and al-Bekaa and then fled back over the border town of Naqoura.

Lavrov says the Syrian –Russian Summit focuses on the Middle East Issues

Russian Foreign Minister, Sergey Lavrov has expressed Russia's readiness to supply Syria with new defensive arms that do not violate the balance of power in the world.

In a statement to reporters today following the wrapping up of summit talks between President Bashar al-Assad and Russian President, Dimitri Medvedev , Lavrov expressed readiness to look into the Syrian demand for purchasing new Russian arms.

He indicated that the summit talks dealt with fundamental international issues stressing that Russia and Syria call for a peaceful solution particularly with regard to the Iranian nuclear issue.

Lavrov indicated that the discussion of the situation in the Middle East occupied an important part of the talks and said that the absence of the Palestinian unity would remain an obstacle , stressing Russia and Syria's readiness to exert efforts to conduct a dialogue among the Palestinians for the sake of the unity of the Palestinian ranks.

Arab Transportation and Communication Workers Union Voices Solidarity with Syria

Activities of the 5th meeting of Secretariat General and the Executive Council of Arab Transportation and Communication Workers Union started Wednesday in Sana'a with the participation of Syria and all Arab member countries.

The Opening words pointed out to the importance of convening these meetings to unify viewpoints among all Arab Unions and to serve joint Arab interests in this regard. The words voiced solidarity with Syria and Lebanon to restore their occupied lands, in addition to supporting the Iraqi people to achieve security and stability. The words also stressed firm stance of the trade unions towards right of the Palestinian people to restore all their legitimate rights and the establishment of their independent state with Jerusalem as capital.

Syrian-Russian Summit Talks between Presidents al-Assad and Medvedev Start in Sochi

The Syrian-Russian summit talks between President Bashar al-Assad and Russian President Dmitry Medvedev started in the Russian city of Sochi on Thursday.

The President pointed out that the Syrian-Russian relations have been steadily developing, particularly over the past few years, indicating that today's meeting would provide an opportunity to discuss the agreements signed in the past, activating them and going ahead with them.

President al-Assad added that "there is a lot of issues to be discussed in today's meeting, especially the situation in the Middle East and the recent crisis in the Caucasus." His Excellency pointed out to the similarity between these two issues as the two regions enjoy strategic importance on the world level.

President al-Assad stressed rejection of the double-standard criteria and attempts to distort the facts to portray Russia as an aggressor country. He pointed out that he would discuss with President Medvedev the peace process and the indirect negotiations which began recently between Syria and Israel under Turkish mediation.

For his part, President Medvedev welcomed President al-Assad in Sochi, expressing pleasure over meeting President Medvedev added that the relations between Syria and Russia has been developing in an accelerating way, particularly in the economic and trade field as the volume of trade exchange has doubles over the first five months of this year.

The Russian President stressed that the Syrian-Russian relations play a pivotal role in several international issues, expressing gratitude to Syria for its supportive stance towards Russia during the recent aggression launched by Georgia on South Ossetia.

Lebanon

Political front:

Lebanon Cabinet referred Tripoli crime to Judicial Council

The Lebanese cabinet during its first meeting referred the Tripoli crime to the Judicial Council and called for handling the security issue with wisdom and firmness during

President Michel Suleiman presided over the cabinet's extraordinary session at Baabda Palace. Suleiman briefed the ministers on his visit to Syria and described the Lebanese-Syrian summit as "important," Defense Minister and Education Minister were absent from the meeting.

Al-Mustaqbal MPs urged the **Lebanese government to ask the U.N. Security Council to add the Tripoli crime** to those already under investigation by the international commission. 15 people were killed and 51 were injured in the Tripoli explosion last Wednesday. Of those killed 9 were Lebanese soldiers. The cabinet also decided to ask the Security Council to extend the U.N. mission in southern Lebanon by a year

MP Saad: No elections in 2009 if Hezbollah remains armed

Lebanon's MP Antoine Saad said on Sunday the 2009 Parliamentary elections "cannot be held as long as a certain faction remains armed and uses its weapons to threaten other factions." In reference to Hezbollah and its use of the weapons against the citizens for achieving political gain. Saad, a member of Walid Jumblat's Democratic Gathering bloc, told representatives of the civil society in the western sector of the Bekaa valley, he doubts Syrian intentions towards Lebanon and said the Damascus regime "practices a deceptive policy." Damascus, he said, is seeking to "gain time in the hopes of getting rid of the international tribunal" that would try the suspects in the 2005 assassination of former PM Rafik Hariri. Saad called for "backing the Lebanese Army ... by a political decision regarding confronting any source of terror."

Hezbollah and Salafists sign a memorandum of understanding

The Hezbollah and the Salafist groups signed a memorandum of understanding. Hezbollah was represented by Sheikh Ibrahim Amin Al-Sayyed, head of the Political Council and the Salafists were represented by Sheikh Hassan al-Chahhal.

The memorandum stipulated briefly the following:

- 1- Condemning any Islamic group that assaults another.
- 2- Abandoning incitement, which creates trouble and will allow the enemies to take advantage of the situation.
- 3- Confronting the American agenda, which creates division.
- 4- Firmly supporting Hezbollah and the Salafist movement if any internal or external parties act unfairly.
- 5- Forming a religious committee to discuss any disagreements between the Shia and the Sunnis.
- 6- Respecting each others' opinions.

The Founder of the Salafist movement in **Lebanon Sheikh Dai al-Islam al-Chahhal rejected** the Hezbollah-Salafist Memorandum of Understanding. He said" Those who accepted the memorandum do not represent the Salafist movement, and they have no influence. This memorandum is pro-Hezbollah, pro-Shia propaganda, and is against the interest of the Sunnis. We are not against the dialogue, but we have some reservations concerning the attack against the Sunnis in May." The Sheikh called for dialogue with Hezbollah and warned Hezbollah against any future tension and urged **Hezbollah to apologize for its behavior last.**

Hassan Shahhal who heads the Belief and Justice Movement (BJM) called the memorandum a step in the right direction. He claimed that the understanding with Hezbollah has been "coordinated" with Saad Hariri's Mustaqbal Movement. He did not specify the name of the al Mustaqbal individual that coordinated this memorandum.

Jisr: Mustaqbal Movement Rejects Hizbullah-Salafi Document

Mustaqbal Movement MP Samir Jisr said Monday that his group rejects the Document signed between Hizbullah and a Salafi faction. "MP Saad Hariri was unaware of the Document," Jisr said. "Future Movement does not adopt this Document and has nothing to do with it," he added. Jisr said that previous bilateral accords have proven to be bad for the Lebanese people, demanding comprehensive agreements instead.

Hariri: Only Doha Accord Sets Dialogue Mechanism

Mustaqbal Movement leader Saad Hariri said on Monday the proposed conference of National Dialogue would be held in line with "the mechanism set by the Doha Accord."

"Any attempt to overstep this mechanism aims at diverting the dialogue and hampering efforts by President Michel Suleiman to sponsor the conference," He was apparently rejecting attempts by Hizbullah to flood the proposed conference by listing a variety of topics on its agenda and adding self-proclaimed "independent" figures to the conferees.

Hariri also declared "full solidarity with the United Arab Emirates regarding the new Iranian penetration of the Abu Moussa island." "We look forward to a major and responsible pan-Arab stand that would reactivate Arab solidarity," Hariri said.

He called for "safeguarding the Arab identity and ... confronting campaigns of submission to some regional and international powers."

Salafis freeze memorandum of understanding with Hezbollah

The Salafi groups in Lebanon on Tuesday announced indefinite freezing of a memorandum of understanding with Hezbollah, 24 hours after it was announced at a press conference in Beirut.

Sheikh Hassan Shahhal, who signed the understanding on Monday with Hezbollah 's Ibrahim Amin al-Sayyed, declared freezing the agreement pending "appropriate circumstances that allow its implementation."

Mustaqbal Movement leader Saad Hariri, who heads the largest Sunni bloc, had avoided direct comment on the understanding. But his aides and members of his parliamentary bloc said he opposed it.

Economic issues:

Lebanon, Iraq to sign several trade agreements

Iraq and Lebanon plan to sign a series of trade agreements in coming weeks, including one on Iraq exporting oil to Lebanon, the prime ministers of the two countries said. Lebanese Prime Minister Fouad Siniora's one-day trip to Baghdad was only the third such visit by a top Arab leader since the U.S.-led invasion in 2003.

The U.S. has encouraged visits to Iraq by moderate Arab leaders to shore up support for Iraq's Shiite-dominated government, and as a counterweight to influence from Iraq's fellow Shiite neighbor, Iran. Siniora is a Sunni Muslim. The United States also hopes that these countries will offer financial support to Iraq and counterbalance the influence of Iran, which US President George W. Bush has accused of negative interference in Iraqi affairs. Iraq is also eager to improve ties with its Arab neighbors, as part of the government's growing confidence following improvements in security.

Al-Maliki said the two countries would sign several agreements, including one outlining Iraqi oil exports to Lebanon, but provided no details. "There were talks about oil, cooperation in the oil industry, oil exports and supplying Lebanon with Iraqi oil according to an agreement," the Iraqi prime minister said.

Siniora's visit also aimed to renew contact after more than a decade of chilly relations between Beirut and Baghdad. Ties soured in the mid-1990s after Iraqi agents killed a dissident in Beirut. But Lebanon was still one of the only countries to maintain an embassy in Baghdad over the past five and a half years of war.

Social issues:

Some terrorists entered Lebanon disguised as tourists

MP Walid Jumblatt's Progressive Socialist Party has informed Interior Minister Ziad Baroud that terrorists disguised as tourists have entered Lebanon to carry out apparent suicide attacks. The

PSP's media official Rami al-Rayyes told "we have received information about suicide attackers entering Lebanon disguised as terrorists."

He said the PSP relayed the information to Baroud to help "counter-terrorism officials follow up the issue and control the situation."

Geo strategic issues:

US: No restrictions on military assistance to Lebanon

Deputy Head of the U.S. diplomatic mission to Beirut Bill Grant on Monday denied claims and allegations that Washington had refused to provide the Lebanese Army with weapons. The Army sets its needs and requests for assistance. The United States, he added, does not impose limits on what the Lebanese Army can request. The Army can request whatever it wants and the United States does not set conditions for using the weapons it provides, Grant added. U.S. military assistance is not linked to certain threats, be they Israeli or other threats, but aims at helping the Lebanese Army safeguard stability in Lebanon, which is part of regional stability, he added.

Lebanese Party Leaders Discuss Ties with Syria

Leader of the Future Bloc MP Saad al-Hariri and Leader of the Democratic Gathering MP Walid Jumblatt cautiously welcomed the move of establishing diplomatic relations between Lebanon and Syria.

Both leaders severely criticized Syria's refusal to demarcate the border at the Shaba Farms. Al-Hariri said, "Syria helps Israel to continue the occupation of the Shaba Farms." For his part, Jumblatt noted, "The Lebanese-Syrian summit did not confirm the Lebanese identity of these farms." He proposed that "a joint Lebanese-Syrian document be sent to the United Nations, declaring that the farms are Lebanese." While Al-Hariri called for establishing diplomatic exchange "as soon as possible", Jumblatt said that this step "may be a positive beginning for the relations between the two countries."

Lebanon Justice minister: 745 Lebanese missing in Syria

Justice Minister Ibrahim Najjar said in a television interview that Lebanon is asking for revealing the fate of 745 citizens missing in Syria. These citizens are divided into two main categories, convicts and kidnap victims. The justice ministry should handle the convicts' issue, he said. Najjar, however, did not say which department should follow up on the issue of kidnap victims.

Salloukh: Israeli threats aim at hurting Lebanon's image

Lebanon's Foreign Minister Fawzi Salloukh said on Thursday that Israel's threats aim at hurting Lebanon's image. 'Who said that the cabinet has given the okay to Hezbollah to carry out any action against Israel?' He said the situation south of the Litani River is stable where the United Nations Interim Force in Lebanon (UNIFIL) is exerting 'major efforts and there have been no complaints against Hezbollah.'

Jordan

Economic issues:

Labour Ministry, Philippine gov't to sign agreement lifting employment ban

The Labour Ministry is expected to sign a memorandum of understanding (MoU) with its Philippine counterpart in October regulating the process of recruiting and sending domestic helpers to the Kingdom, a ministry official said on Thursday.

He added that the memo, which is currently being prepared in coordination with the Philippine embassy in Amman, will set the procedures for recruiting domestic helpers in accordance with local legislation in order to protect the rights of both workers and employers. The ministry official noted that both sides agreed to give Jordan's honorary consul.

Jordan hosts 11,000-12,000 Filipino domestic helpers, according to Weshah. Labour Ministry records show that around 70,000 domestic helpers work in the Kingdom: 20,000 Indonesians and 35,000 Sri Lankans, in addition to Filipinos and others.

Ban on olive trade lifted

The Agriculture Ministry has decided to lift the ban on exports and imports of olives and olive oil, respectively. It cited lack of commitment on the part of producers to a fixed reasonable price amid speculations of a weak season and decline in local supply.

"The ban on olives and olive oil was aimed to protect all stakeholders in this vital sector after they pledged not to increase prices. The ministry noticed a significant increase on olive oil prices in the market although it is from last year's season. The Agriculture Ministry suspended olive oil imports after owners of oil presses pledged to the government to sell olive oil to the public at fair prices.

Social issues:

Danish cartoonist contacts campaigners

Kurt Westergaard, the Danish cartoonist, who drew controversial caricature depicting the Prophet Mohammad said Thursday he will not appear before court in Amman, citing "hate remarks" by campaign organisers and insisting he only was "doing his job".

Osama Bitar, a lawyer with the campaign, said: "By his caricature he gave the impression that Islam is a faith of violence and terrorism... all Muslims were insulted by the drawings." Sheikh said the cartoonist sought to draw the attention of the media and to make himself a hero and the centre attention when he asked earlier about the situation in Jordanian jails in case he was imprisoned.

Geo strategic issues:

Jordan stops issuing residency permits to Iraqis

About 80 percent of Iraqis in Jordan do not have required papers to allow them to stay.

The authorities in Amman have said they will no longer issue or extend residency permits to Iraqis who are resident in the kingdom legally or illegally. A deadline by which Iraqis were supposed to get their paperwork in order expired on 17 June 2008.

Jordan is not a signatory to the 1951 Refugee Convention and has no refugee law or asylum procedures. The Jordanian government, therefore, regards the estimated 500,000 Iraqis as "guests", "temporary visitors" or "illegal aliens".

In March, the Jordanian government asked those Iraqis who had been residing in the kingdom without proper permits, to rectify their status. They were given two options - leave the country in exchange for the writing off of fines imposed for not having the right documents, or pay half the fines and acquire a three-month temporary residence permit.

According to an Interior Ministry source, the decision will not affect patients, legally employed workers and investors. Immigration law states that anyone who overstays is fined 1.5 Jordanian dinars per day - equivalent to about US\$761 a year. However, these financial penalties have done little to persuade Iraqis to obtain the requisite legal papers.

So far about 60,000 Iraqis have rectified their legal status, according to sources in the immigration department.

According to the Interior Ministry, about 80 percent of all the Iraqis in Jordan do not currently have the right papers to allow them to stay. Figures released by the Jordanian government this week show that hosting the Iraqis has cost nearly US\$1.6 billion, mainly in terms of expenditure on education and health. There has been no independent verification of this figure. The authorities in Baghdad have been encouraging Iraqis to return home, but despite some financial incentives, many are still reluctant.

Jordan rallies support to defend Jerusalem

Minister of Foreign Affairs Salah Bashir met with ambassadors of five permanent member states in the UN Security Council, the EU, Arab and Islamic countries and called on them to deploy their ties with Israel to urge it to stop any unilateral measures in Jerusalem that would change the legal situation of the holy city, especially with Israel's intention to rebuild the bridge linking Bab Al Magharbeh to Al Haram Al Sharif.

Bashir said the ministry contacted the Israelis and notified them of Jordan's position and called on the Israeli government to stop the unilateral measures practised by the Israeli Jerusalem Municipality as such measures would increase tension in the area and undermine peace efforts. Also Thursday, Bashir received a telephone call from his Palestinian counterpart Ryad Maliki

who expressed gratitude for Jordan's efforts in supporting the preservation of the identity and the Arabism of Jerusalem and monitoring the Israeli unilateral measures in the holy city.

Jordan provided a proposal to restore the road at Bab Al Magharbeh, which was affected by rainfall, with a non-asphalt road that does not affect the uncovered antiquities, said Nejem.

The Jordanian project was welcomed by UNESCO as it preserves the history of the site and does not affect the mosque but the Israeli proposal was not welcomed.

Dahabi, Yemeni PM conclude joint higher committee meeting

Prime Minister Nader Dahabi and Yemeni Premier Ali Mohammad Mujawar on Thursday signed the minutes of the meetings of the 13th session of the Joint Jordanian-Yemeni Higher Committee, putting into force 16 agreements and memoranda of understanding boosting cooperation in various sectors. Dahabi said discussions resulted in positive outcomes and practical solutions to various issues. He added that economic development is a strategic goal for both countries, noting that the government and the private sector should coordinate the implementation of Jordanian-Yemeni programmes and projects.

For his part, Mujawar said his government will implement the agreements by encouraging the establishment of a joint maritime transport company, enhancing cooperation in the health sector and establishing the proposed Jordanian Yemeni University in Aden.

With the volume of trade exchange between the two states reaching \$97 million last year and \$68 million in the first half of 2008, the two countries signed several agreements seeking to enhance trade and cooperation.

The agreements include an amended higher education and scientific research initiative for the years 2010-2012, and programmes concerning youth, industrial cooperation, technical education and vocational training and environmental protection. The two sides also agreed to implement a previously signed cooperation agreement between the Jordan Enterprise Development Corporation and the Yemeni Higher Council for Developing Exports for the years 2008-2009. Jordan and Yemen signed memoranda of understanding on cooperation in the fields of scientific research, geology, industry, and water irrigation and management.

Israel

Political issues:

Israel approves release of 200 jailed Palestinians

Prime Minister *Ehud Olmert's Cabinet overwhelmingly passed the proposal* at a meeting Sunday. Earlier this month, Olmert promised Palestinian President Mahmoud Abbas to free some of the 11,000 Palestinians held by Israel. Olmert's office says the gesture is meant to show the Palestinians that they can win the release of prisoners through peaceful means.

Mofaz, Dichter protest release of murderers

The prisoner release was approved by the government on Sunday, with 16 ministers voting in favor of the move and four opposing it – Mofaz and three Shas ministers

Internal Security Minister Avi Dichter strongly objected to the release of the two murderers, saying they should serve as "bargaining chips" in a deal securing the release of kidnapped soldier Gilad Shalit. *Transportation Minister Shaul Mofaz opposed the* move as well, stating that "the release of prisoners is not interpreted as a gesture, but rather as weakness. This is a decision conveying weakness and an acceptance of the existing situation. Why are we helping Abu

Mazen instead of taking care of Gilad Shalit's release first?" asked Mofaz.

Israel to change route of West Bank barrier

Israel has agreed to alter the planned route of its separation barrier outside a major West Bank Jewish settlement to allow Palestinians more access to their land, the justice ministry said on Thursday. The state prosecutor's office told the High Court that Prime Minister Ehud Olmert and Defence Minister Ehud Barak have decided to "significantly" alter the course of the security fence near Maale Adumim, a statement said. The controversial barrier would be moved 400 hectares (around 1,000 acres) closer to Maale Adumim, the largest Jewish settlement in the Palestinian territories. The decision came in response to complaints filed to Israel's High Court by Palestinian villagers.

Israel says the barrier is needed to stop potential attackers from infiltrating Israel and West Bank settlements, but the Palestinians say it is a land grab aimed at undermining the viability of their

future state. Together with Jewish settlements in the West Bank, the barrier is one of the major hurdles in Israeli-Palestinian peace talks.

Social issues:

Shiites flood Iraqi shrine despite attacks/ Six killed in a car bombing

Hundreds of thousands of pilgrims poured into Iraq's holy city of Karbala on Saturday for a rite that has become an annual show of strength for Shiites, defying bomb attacks across the country. At least six people were killed in the latest such attack, when a car bombing in Baghdad on Saturday targeted Shiite pilgrims heading to of Karbala for the religious festival, police and hospital officials said. The attack was the latest in a wave of bombings since Thursday that have now killed at least 36 people, most of them pilgrims, despite a massive security operation.

Bloodshed routinely marks Shiite pilgrimages. On July 28, three female suicide bombers blew themselves up in a crowd of pilgrims near a Baghdad shrine, killing 25.

Geo strategic issues:

Israel plays down concerns over Iranian satellite

Says real threat comes from Tehran's nuke program

The head of Israel's space agency on Monday played down concerns over Iran's announcement it sent a rocket into space, saying the real threat came from Tehran's nuclear program.

"Iran still has a long way to go as far as satellites are concerned and it deliberately exaggerates its air and space successes in order to dissuade Israel or the United States from attacking its nuclear sites," Yitzhak Ben Israel told public radio. "It is clear that for years Iran has had Shihab-3 ballistic missiles which put Israel within its reach. But the threat posed by Iran comes from its nuclear program and not from its satellites or ballistic missiles," said Ben Israel, who is also a member of parliament with the governing Kadima party.

Tehran said on Sunday it had sent a home-built rocket carrying a dummy satellite into space. The **White House expressed concern** over the announcement because such technology could also be used for ballistic missiles.

Sunday's development came amid an international standoff over Tehran's long-standing refusal to suspend uranium enrichment, a process which makes nuclear fuel but also the core of an atomic bomb. Israel, the region's sole if undeclared nuclear armed power, considers Iran its greatest threat.

Israel's Barak meets with Palestinian PM

Palestinian Prime Minister Salam Fayyad and Israeli Defense Minister Ehud Barak held talks Saturday **evening on security and political matters**, officials from both sides said.

The talks touched on the expected release of more than 150 Palestinian prisoners Sunday, along with the deployment of new Palestinian police forces in the West Bank, military radio reported.

A statement from Fayyad's office said he insisted that Israel must halt settlement construction and cease military raids into the West Bank in pursuit of alleged Palestinian militants, which the Palestinian premier said undermine his government's authority.

The statement said Fayyad also repeated Palestinian demands for the release of Marwan Barghouti, the highest Fatah official in Israeli custody, who is serving multiple life terms for involvement in deadly attacks on Israelis.

Israel to free 200 prisoners as gesture to Abbas

Says it's a "confidence-building measure" for peace process

Israeli cabinet agrees to release 200 out of 11,000

The Israeli cabinet on Sunday overwhelmingly approved the release of some 200 Palestinian prisoners as a goodwill gesture to the Palestinian government.

Prime Minister Ehud Olmert's spokesman Mark Regev called the move a "confidence-building measure" towards Palestinian President Mahmoud Abbas, saying "we hope the release will help strengthen the peace process."

Israel had first announced the move on August 6 following a face-to-face meeting between Olmert and Abbas, the latest in a series of discussions held since they re-launched peace talks at a U.S.-hosted conference in November.

Once the ministerial committee approves the decision, Israelis will have several days to appeal against the release of individual prisoners before the actual release takes place on August 25. There are currently more **than 11,000 Palestinians jailed in Israel, including at least 85 women and children, and 11 seriously** ill people, according to the Palestinian Authority.

BUSINESS AND POLITICS IN THE MUSLIM WORLD SOUTH EAST ASIA

Tatheer Zahra

Monitoring Report

From 22 August to 29 August

Indonesia

- Political/Social front

Indonesian MP admits taking bribes

- Economic Front

Pakistan and Indonesia negotiating to sign FTA

- Social Front

Malaysia wants 25,600 Aceh tsunami refugees to go

Tsunami warning lifted in Indonesia

Malaysia

- Political front

Election

- Background and motives of the election
- Reject Anwar for 'pawning Malay dignity'Najib
- Malaysia's Anwar wins election

Sodomy case

- Economic front
- Saiful's Swearing On Quran Will Not Influence Jawi Investigation
- Social front
- Muslims seek Malaysia's help with peace talks

Thailand

- Political front
- Thai protesters 'want new coup'

- Warrants issued for arrest of senior Thai protesters

Singapore

- Political/Social Front
- Singapore can play useful, catalytic role in rise of Asia, says thinker
- Inflation, transport issues to dominate Parliament sitting
- 4 bills introduced in Parliament
- PM Lee says interracial harmony cannot be taken for granted
- Economic Front
- Singapore receives high praise for its business model

Philippine

- Political Front

Condition: After the suspension of peace accord by court

- Philippine peace on shaky ground after attacks
- Muslim rebel chief asks Malaysia to revive Philippine peace talks
- Social front

- Amnesty International Warns Against Arming Civilians in Volatile Southern Philippines

- Vietnam
- Political, Economic Front
- Fuel increases speed up Vietnamese inflation rate
- Bilateral trade with Vietnam continues to grow
- National economy shows positive signs in eight months
- PM hails flourishing Vietnam-Australia relations

Laos

- Political, Economic Front
- Laos, Indonesia boost diplomatic cooperation

Cambodia

Political/Geo Strategic Front

Boarder Dispute

- Welcome restraint seen in Thai-Cambodia border issue
- Cambodia eyes "Berlin wall" to protect temple
- Social Front
- State loans Cambodia \$546m, plans embassy

Summary

Like previous weeks same situation of economy and politics is going on in South East Asia. Two, three things are very important including victory of Anwar Ibrahim who is also facing a trial of sodomy. His victory has been seen as a positive sign in society and also in favor of democracy. He got votes on the promise of equality of Indians and chines to Malays in all fields of life. Security issues between Thailand and Cambodia are also significant that are shaping or reshaping the governments and their public. But now there is hope to resolve the boarder issue peacefully because both countries are agreed to reduce the number of troops unlike the previous situation when both seemed on brink of war. Peace accord among Muslims and philipinian government has also become a controversial matter that is shaking the peace of whole Phillippine because there is a war like situation between Muslim rebels and Pilipino army. At economic front this region is also facing soaring problem like other regions because this issue is also providing a political instability. In Thailand there is also existing an acute political instability due to protesters who are forcing government to resign. Also there are a lot of economy commitments plans on bilateral and multilateral levels among countries to do the better for the betterments of country.

The summary of news item is as follows:

Indonesia

- **Indonesian MP admits taking bribes**

An Indonesian lawmaker who said he received money after voting for a senior central banker has become a political sensation, exposing the country's corrupt ways and illustrating the difficulty of tackling such problems.

- **Pakistan and Indonesia negotiating to sign FTA**

It is reported that Indonesia and Pakistan are actively engaged in negotiations to sign Free Trade Agreement which would help in raising the volume of bilateral trade up to one billion dollars mark.

- **Malaysia wants 25,600 Aceh tsunami refugees to go**

Malaysia has ordered more than 25,000 refugees who fled Indonesia's Aceh province after the 2004 Asian tsunami to leave by early January, an official said Tuesday.

- **Tsunami warning lifted in Indonesia**

Indonesian authorities lifted a tsunami warning after tidal waves did not materialized following a powerful earthquake that struck parts of the western tip of Java and southern Sumatra province of Lampung on Tuesday morning

Malaysia

Election

- **Background and motive of the election**

Four years will be disastrous for the economy, the political system, the judiciary,' Datuk Seri Anwar told The Associated Press late on Saturday while on a campaign trail so it is necessary to win election for the betterment of country.

- **Reject Anwar for 'pawning Malay dignity'**

PKR leader Anwar Ibrahim was today sternly reminded by Deputy Prime Minister Najib Abdul Razak not to "pawn" the dignity and principle of the Malays to achieve his dream of becoming prime minister.

- **Malaysia's Anwar wins election**

Anwar Ibrahim, Malaysia's opposition leader has won a landslide victory in a by-election to return him to parliament. Anwar, who heads the Keadilan party, or the People's Justice, said on Tuesday he was on track to oust a "weakened government".

Sodomy Case

- **Saiful's Swearing On Quran Will Not Influence Jawi Investigation**

The swearing on the Quran by Mohd Saiful Bukhari Azlan to prove sodomy by Parti Keadilan Rakyat (PKR) advisor Datuk Seri Anwar Ibrahim, will not influence the Federal Territory Islamic Religious Affairs Department's (Jawi) investigation into the "qazaf" (slander) claim made by Anwar against the youth. Jawi director Datuk Che Mat Che Ali said this was because the "sumpah laknat" (swearing in the face of divine retribution) made by Mohd Saiful, 23, and the investigation into the alleged "qazaf" offence had no connection.

- **Suffice To Have Oil Price Reduced, Says Tun Dr Mahathir**

Former Prime Minister Tun Dr Mahathir Mohammad Sunday said the reduction in fuel prices, effective Saturday, as announced by the government, was sufficient for the

Malaysian people.
Dr Mahathir, who is PETRONAS Advisor, said the people should understand the current situation concerning the price of fuel and not seek for further price reduction."

- **Muslims seek Malaysia's help with peace talks**

Moro Islamic Liberation Front chairman Muslim Abraham Murad says he has asked Malaysia to revive the stalled peace talks with the Philippines government as part of an effort to end the heavy fighting in the southern Philippines.

Thailand

- **Thai protesters 'want new coup'**

Thai Prime Minister Samak Sundaravej has accused protesters in Bangkok of trying to foment another coup. "They want bloodshed in the country," he told journalists.

- **Warrants issued for arrest of senior Thai protesters**

Senior members of the People's Alliance for Democracy vowed earlier this year to oppose Thailand's new government if former Prime Minister Thaksin Shinawatra was not finally arrested and tried. Now they want Prime Minister Samak Sundaravej, who they say is a proxy for the absent former prime minister, and his government to resign.

Singapore

- **Singapore can play useful, catalytic role in rise of Asia, says thinker**

Whether it is economic growth, political stability or social harmony, Professor Mahbubani said Singapore has an exceptional scorecard. Still it pays to remember that its competitors are getting better.

- **Inflation, transport issues to dominate Parliament sitting**

Measures to cope with an economic downturn rank high on the list of issues to be discussed including minimize job losses in the manufacturing sector, when Parliament sits on Monday.

- **4 bills introduced in Parliament**

Amendments to four legislations were introduced in Parliament on Monday.

- **PM Lee says interracial harmony cannot be taken for granted**

Singapore is unique because there are so many people of different races and religions here living together as one society, Prime Minister Lee Hsien Loong said at a family carnival at the Cheng San Community Club on Sunday.

- **Singapore receives high praise for its business model**

Analysts reviewing Singapore's plan to boost its economy said the country is well on its way to meeting the goals of a free and open trade and investment climate by 2010.

Philippine

- **Philippine peace on shaky ground after attacks**

The latest violence in the southern Philippines took the government and the military by surprise; coming just weeks after Muslim rebels initiated a peace accord.

- **Muslim rebel chief asks Malaysia to revive Philippine peace talks**

The head of the leading Muslim rebel group in the Philippines on Saturday said he asked Malaysia to revive stalled peace talks with Manila to end weeks of brutal fighting.

- **Amnesty International Warns Against Arming Civilians in Volatile Southern Philippines**

Amnesty International warned local politicians in the troubled southern Philippine island of Mindanao against arming civilians for protection against Muslim rebel attacks, saying it could set a dangerous precedent and further escalate the violence there. VOA correspondent Nancy-Amelia Collins in Jakarta has more.

Vietnam

- **Fuel increases speed up Vietnamese inflation rate**

The government said it had to cut subsidies to state-owned retailers last month to save money after crude oil had surged 20 percent this year. Vietnam's inflation quickened this month after the government increased fuel prices by a record amount to pass on rising oil costs.

- **Bilateral trade with Vietnam continues to grow**

The bilateral trade between Cambodia and Vietnam has been growing strength to strength and is sure to cross last year's mark of US \$1.2 billion.

- **National economy shows positive signs in eight months**

Vietnam's economy showed positive signs in the first eight months of this year, with both agricultural and industrial production registering a year-on-year increase of more than 16 percent.

- **PM hails flourishing Vietnam-Australia relations**

Vietnam-Australia cooperation continued to blossom in various fields, especially bringing about a sharp increase in trade, investment and official development assistance (ODA).

Prime Minister Nguyen Tan Dung made the remark while receiving former Australian PM Paul Keating in Hanoi on August 27.

- **Historic Vietnamese Floods**

Floods in Vietnam last week left over a hundred dead and forced the mighty Mekong river to spill its banks

Officials in Vietnam and Laos are calling the extreme flooding this month the worst in recent memory after Tropical Storm Kammuri battered the area two weeks ago and a series of rainstorms after Kammuri caused landslides and river overflows. 160 deaths in Vietnam and four in Laos are being blamed on the floods.

Laos

- **Laos, Indonesia boost diplomatic cooperation**

The Institute of Foreign Affairs under the Lao Ministry of Foreign Affairs and its counterpart from Indonesia has agreed to further their cooperation in the future. A memorandum of understanding to this effect was signed in Vientiane on August 21 following a meeting between the two institutes, according to Laos News Agency.

Cambodia

Boarder Dispute

- **Welcome restraint seen in Thai-Cambodia border issue**

The Asean community has reason to breathe a sigh of relief as Cambodia and Thailand reached an interim agreement this week on their Preah Vihear dispute. The two countries came too close to armed hostilities for their neighbors to avoid raising concern. The situation, indeed, remains sufficiently unsettled for anyone to take for granted an enduring resolution.

- **Cambodia eyes "Berlin wall" to protect temple**

According to reports from some agencies in Phnom Penh, Cambodia plans to build a "Berlin-style" wall to shut off Thailand and develop tourist facilities around the still disputed Preah Vihear temple.

- **State loans Cambodia \$546m, plans embassy**

Kuwait has agreed to give Cambodia loans totaling \$546 million to develop agriculture, build hydro-power facilities and construct roads, a Cambodian foreign ministry official said yesterday. This is the second-biggest aid pledge ever received by Cambodia, after aid and loans totaling \$601 million offered by China last year. "This is showing a stronger relationship between Kuwait and Cambodia, both political and economic," Cambodian foreign ministry spokesman Sin Bunthoeurn told Reuters late on Thursday after the ministry hosted bilateral ministerial talks.

Detailed Monitoring Report

Indonesia

Political/Economic front

- **Indonesian MP admits taking bribes**

An Indonesian lawmaker who said he received money after voting for a senior central banker has become a political sensation, exposing the country's corrupt ways and illustrating the difficulty of tackling such problems.

Mr Agus Condro Prayitno, 46, of the Indonesian Democratic Party of Struggle (PDI-P), admitted to receiving thousands of dollars in 'gifts' which he used to buy luxury cars and other assets. 'As a politician, I'm not that clean,' he told Reuters in a telephone interview. 'Like walking in the middle of the rice field, there's mud on my pants and shoes, but it hasn't reached my kneecap. I can correct myself as a politician, and hope others will follow. If they're willing, parliament's image will improve, and will start to regain people's trust. Mr Agus told reporters last week he had admitted receiving the payments when the anti-graft agency questioned him about a separate central bank graft case. In the decade since the overthrow of Suharto, President Susilo Bambang Yudhoyono was elected in 2004 and promised to tackle endemic graft, but progress has been slow. Political parties do not receive funding from the state, so MPs are often expected to 'donate' money, which some analysts say encourages graft, as MPs solicit funds in return for passing legislation.

Despite several high-profile investigations, graft remains widespread and Southeast Asia's biggest economy ranks among the most corrupt in the world, deterring foreign investment. Now, (Mr Agus could lose his party nomination in next year's election. 'The dilemma is that on the one hand he has confessed, which means he's guilty, and decisions have to be taken. On the other hand, it is up to the court to say whether he's guilty or not,' Mr Ganjar Pranowo, PDI-P's faction secretary)

- **Pakistan and Indonesia negotiating to sign FTA**

It is reported that Indonesia and Pakistan are actively engaged in negotiations to sign Free Trade Agreement which would help in raising the volume of bilateral trade up to one billion dollars mark. On the occasion of 63rd anniversary of Independence Day of Indonesia, Mr Ibnu Prispermana Charge d' Affaires of the Embassy of the Republic of Indonesia said that the bilateral trade between Indonesia and Pakistan stood at USD 919.46 million during 2007 reflecting significant increase in import or export between the 2 countries.

Mr. Prispermana said that the governments of both the countries are committed to raise the bilateral trade volume up to USD 1 billion. Both the countries have already signed the Comprehensive Economic Partnership and now the negotiations are underway to sign a FTA which will be a significant landmark.

He said that the trade figures between both countries have significantly increased mostly in favor of Indonesia. In 2007, trade volume between Indonesia and Pakistan reached USD 919.46 million whereas the export value of Indonesia to Pakistan was USD 846.62 million. Similarly, Indonesia import from Pakistan was USD 72.84 million.

Social Front

- **Malaysia wants 25,600 Aceh tsunami refugees to go**

Malaysia has ordered more than 25,000 refugees who fled Indonesia's Aceh province after the 2004 Asian tsunami to leave by early January, an official said Tuesday.

About 40,000 people from Aceh came to neighboring Malaysia after a giant quake off their province spawned the December 2004 Indian Ocean tsunami that killed more than 130,000 people in Indonesia alone."We allowed them to work here (for humanitarian reasons) because we are helping them to earn money for their families to rebuild their homes," Ishak said.

Malaysia's government has been trying to reduce its reliance on migrant workers amid concerns that they contribute to crime and unemployment among Malaysians.

Authorities earlier this month launched a crackdown to expel more than 130,000 mostly Indonesian and Filipino illegal immigrants in an eastern state on Borneo Island..

Authorities will deport any Acehnese migrants who remain illegally in Malaysia beyond Jan. 5, said Ishak Mohamed, enforcement director of the Immigration Department.

Environmental front

- **Tsunami warning lifted in Indonesia**

Indonesian authorities lifted a tsunami warning after tidal waves did not materialized following a powerful earthquake that struck parts of the western tip of Java and southern Sumatra province of Lampung on Tuesday morning.

An official at Indonesia's National Meteorology and Geophysics Agency (BMG) said a tsunami warning had been lifted, more than 40 minutes after the 6.6-magnitude earthquake struck the Ujungkulon district on the western tip of Java as well as in southern Sumatra province of Lampung at about 10:07 am.

Malaysia

Political Front

Election

- **Background and motive of the election**

Four years will be disastrous for the economy, the political system, the judiciary,' Datuk Seri Anwar told The Associated Press late on Saturday while on a campaign trail so it is necessary to win election for the betterment of country.

In general elections on March 8, Anwar's three-party opposition alliance won an unprecedented 82 of Parliament's 222 seats - 30 short of a majority - as well as control of five states. Mr Anwar could not contest the March elections because of a ban on holding political office stemming from a previous corruption conviction. It was slapped on him in 1998 when he was also charged and later convicted of sodomy. The sodomy conviction was overturned by the Supreme Court in 2004, but the political ban remained in force until April. The seat was won by his wife in the March elections with a whopping majority of 13,800 votes. She later vacated the seat to allow Anwar, a charismatic speaker who peppers his speeches with earthy jokes and sometimes fiery rhetoric, to contest it.

Mr Anwar has appealed to minority ethnic Chinese and Indians by promising racial equality and equal opportunities in jobs and education. To the majority Malays, he promises a corruption-free administration. And to all races, he promises a massive cut in fuel prices, a major issue with Malaysians, who were hit with a 43 per cent hike in gasoline prices in June.

The government reduced the fuel price slightly on Saturday in a move seen by the opposition as a political ploy to win voters.

- **Reject Anwar for 'pawning Malay dignity'**

PKR leader Anwar Ibrahim was today sternly reminded by Deputy Prime Minister Najib Abdul Razak not to "pawn" the dignity and principle of the Malays to achieve his dream of becoming prime minister.

- **Malaysia's Anwar wins election**

Anwar Ibrahim, Malaysia's opposition leader has won a landslide victory in a by-election to return him to parliament. Anwar, who heads the Keadilan party, or the People's Justice, said on Tuesday he was on track to oust a "weakened government". The final tally showed Anwar won 31,195 votes, compared with 15,524 for his opponent from the Barisan National coalition, which has dominated Malaysian politics for half a century. He needed at least 13,338 votes to win the majority vote.

I thank God who has been with me through this grueling election process. I thank the voters," Anwar said as he arrived at the counting centre where some 30,000 supporters were holding a wild celebration."The message is clear ... we have made a demand for change, for freedom and for justice."The people do not want to be exploited. We want an economic order that protects all the people."

Sodomy Case

- **Saiful's Swearing On Quran Will Not Influence Jawi Investigation**

The swearing on the Quran by Mohd Saiful Bukhari Azlan to prove sodomy by Parti Keadilan Rakyat (PKR) advisor Datuk Seri Anwar Ibrahim will not influence the Federal Territory Islamic Religious Affairs Department's (Jawi) investigation into the "qazaf" (slander) claim made by Anwar against the youth. Jawi director Datuk Che Mat Che Ali said this was because the "sumpah laknat" (swearing in the face of divine retribution) made by Mohd Saiful, 23, and the investigation into the alleged "qazaf" offence had no connection." Che Mat said Jawi had completed taking statements from the two involved in the case which would be brought before the court soon. Section 41 of the Syariah Criminal Offences (Federal Territories) Act 1997 provides that anyone who makes a false accusation of committing "zina" (illicit sex) against another without producing four male witnesses or a sworn oath by the accused, is liable to be fined RM5,000 or jailed for up to three years, or both, if found guilty.

Economy

- **Suffice To Have Oil Price Reduced, Says Tun Dr Mahathir**

Former Prime Minister Tun Dr Mahathir Mohammad Sunday said the reduction in fuel prices, effective Saturday, as announced by the government, was sufficient for the Malaysian people.

Dr Mahathir, who is PETRONAS Advisor, said the people should understand the current situation concerning the price of fuel and not seek for further price reduction. "It (price) is already reduced. What more to ask. That's enough. Huge increase. Slight reduction. If it's reduced too much, it will be difficult to raise it again," he told reporters after University Technology PETRONAS' (UTP) 8th convocation here Sunday.

Dr Mahathir is UTP's Chancellor. On Friday, Prime Minister Datuk Seri Abdullah Ahmad Badawi announced reduction in fuel prices of 15 sen from RM2.70 per litre for petrol, while the new retail price for RON92 petrol is RM2.40 per litre from RM2.62 per litre, previously.

Environment/Social front

- **Muslims seek Malaysia's help with peace talks**

Moro Islamic Liberation Front chairman Muslim Abraham Murad says he has asked Malaysia to revive the stalled peace talks with the Philippines government as part of an effort to end the heavy fighting in the southern Philippines. But he emphasizes that his front will not accept any renegotiation of the Memorandum of the Agreement for an Ancestral Domain saying it was a "done deal." And he warned reporters who attended his two-and-a-half-hour news conference at his headquarters: "War is among the options. It is part of the struggle. The MILF is determined to continue that struggle."

The Moro Islamic Liberation Front chairman said that the request to Malaysia was sent late last week and as yet there had been no reply. The fighting began after the government of President Gloria Macapagal-Arroyo cancelled the proposed agreement that would have expanded the autonomous Muslim region in the southern Philippines because of the heavy fighting.

Thailand

Political, Social front

- **Thai protesters 'want new coup'**

Thai Prime Minister Samak Sundaravej has accused protesters in Bangkok of trying to foment another coup. "They want bloodshed in the country," he told journalists.

In a day of stormy protests, supporters of the People's Alliance for Democracy (PAD) invaded government buildings and a state-run television station. Organizers of the demonstration have ignored a deadline to leave, vowing to keep supporters on the streets until the government falls.

The protesters accuse Mr. Samak of running the country on behalf of former Prime Minister Thaksin Shinawatra, who was ousted in a 2006 coup and now in self-imposed exile amid corruption charges.

This is just the latest of a series of shows of force staged by the PAD over recent months. Buildings invaded Tuesday's protests started before dawn, as a group of masked PAD supporters stormed the main studios of the government-run National Broadcasting Services of Thailand (NBT). This is a mass protest movement with a difference, despite the name, the People's Alliance for Democracy is actually campaigning for an end to democracy, according to the BBC correspondent in Bangkok, Jonathan Head.

It wants a largely appointed parliament and a legalized role for the military as a kind of referee in Thai politics, he adds. Its protests set the stage for the coup that ousted him in 2006, and probably helped ensure the legal cases against him went ahead this year, resulting in Mr. Thaksin and his wife going back into exile.

Mr. Samak is still defiant. His government has a clear majority in parliament, and he insists he retains a democratic mandate from last December's election.

But he seems unable to shake off this determined and apparently well-funded opposition movement, our correspondent adds. He has also been unable to persuade the security

forces to control the protests, raising suspicions that the PAD must have some powerful backers inside the armed forces or among the royalist elite.

- **Warrants issued for arrest of senior Thai protesters**

Senior members of the People's Alliance for Democracy vowed earlier this year to oppose Thailand's new government if former Prime Minister Thaksin Shinawatra was not finally arrested and tried. Now they want Prime Minister Samak Sundaravej, who they say is a proxy for the absent former prime minister, and his government to resign.

Bangkok, August 28: Thailand's Criminal Court issued warrants for the arrest of nine People's Alliance for Democracy members yesterday for their alleged treason and incitement of treason. The police used video footage of Tuesday's occupation of a State-owned television station as well as key public buildings, including the prime minister's office, in central Bangkok to support their application.

The warrants accuse the nine of inciting crowd violence; attempting to oust the government; intimidating the media and illegally entering government installations.

The nine are Sondhi Limthongkul, Chamlong Srimuang, Pibhop Dhongchai, Somsak Kosaisuk,

Somkiat Pongpaiboon, Suriyasai Katasila, Amorn Amornwattananon and Therdpoom Jaidee.

The charges carry the death penalty or life imprisonment.

Singapore

Political, Social front

- **Singapore can play useful, catalytic role in rise of Asia, says thinkers**

Whether it is economic growth, political stability or social harmony, Professor Mahbubani said Singapore has an exceptional scorecard. Still it pays to remember that its

competitors are getting better.

He said: "I think it will be very dangerous for Singapore to assume that it has arrived in any sphere because the world is changing so fast. In fact, the world has never changed as fast as it is changing now. "And you will find that you will get competition from all kinds of new quarters coming in. So it's very important that we continue to be, to use a cliché, nimble, flexible."

As for those who want to see Asia through China, Professor Mahbubani believes that contrary to big countries which tend to be more insular, Singapore offers a larger, regional and global perspective. He said: "Singapore is probably better prepared than most cities in the world to handle the rise of Asia because if the region is rising, it needs a good financial sector, it needs a good logistics centre, it needs a good education centre, it needs a good intellectual centre. Guess what? Singapore can provide a lot of these things."

Singapore, he said, has been developing itself as an intellectual watering hole, like Davos in Europe and Aspen in the US, by growing several think tanks. He said: "There are 3.5 billion people in Asia, maybe over 2 billion or so live in China and India, but there's the rest of Asia too. I think Southeast Asia is going to become geopolitically much more relevant again in the years to come and there will be a lot more interest in Southeast Asia too."

- **Inflation, transport issues to dominate Parliament sitting**

Measures to cope with an economic downturn rank high on the list of issues to be discussed when Parliament sits on Monday.

In particular, some Members of Parliament (MPs) want to know what is being done to minimize job losses in the manufacturing sector, which has been seeing slow export demand in recent months.

There will also be questions on whether current levels of public assistance are sufficient for low-income households, and how many have defaulted on their public housing rental payments in the past year.

Transport issues are also expected to be discussed, including the rationale for building more road pricing gantries along the new Kallang Expressway when it is not fully operational.

Some MPs want to know if the Transport Ministry will enhance the Park and Ride scheme, to use public transport as an alternative mode of transport into the central business district.

Four Bills will also be introduced and another eight are up for a second reading.

4 bills introduced in Parliament

Amendments to four legislations were introduced in Parliament on Monday.

❖ First, the Central Provident Fund (Amendment) Bill which seeks to modify the statutory framework for the making of voluntary contributions to the CPF.

The aim is to allow more savings to be made for retirement needs. Other proposed changes aim to better regulate withdrawals and extend the range of courses for which CPF withdrawals may be made, and also modify the scope of protection of investment.

❖ Second, the Co-operative Societies (Amendment) Bill which aims to increase levels of accountability and governance in the co-operative societies sector.

It will also consolidate the regulatory role of the Registrar of Co-operative Societies and provide for a more risk-based regulatory scheme, particularly for those which receive deposits or grant loans.

❖ A third Bill, the Environmental Public Health (Amendment) Bill, seeks to enable the Director-General of Public Health to require the owner of any premises to provide bins for the deposit of recyclables.

❖ Also introduced was the Merchant Shipping (Civil Liability and Compensation for Bunker Oil Pollution) Bill.

The Bunker Convention is a treaty covering liability and compensation for pollution damage caused by oil spills from tankers.

Once in force, it makes a ship owner liable for pollution damage in Singapore resulting from discharge of bunker oil from the ship.

This is to enable Singapore to give effect to the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001, which will come into force this November

- **PM Lee says interracial harmony cannot be taken for granted**

Singapore is unique because there are so many people of different races and religions here living together as one society, Prime Minister Lee Hsien Loong said at a family carnival at the Cheng San Community Club on Sunday.

The event, described as a good example of fostering community bonding, was organized by seven Malay activity executive committees in Ang Mo Kio. Mr. Lee said it is important for Malay Singaporeans to support the mosques, as well as take part in community events. "As we celebrate our own cultures, our own religions and our own traditions, we also work together and integrate ourselves as one nation, so that we can be stronger and we can tackle all the challenges which will come, and our children will also live happily together," the prime minister said.

Economic Front

- **Singapore receives high praise for its business model**

Analysts reviewing Singapore's plan to boost its economy said the country is well on its way to meeting the goals of a free and open trade and investment climate by 2010.

These goals, termed the Bogor goals, were set by the Asia-Pacific Economic Cooperation (APEC) members in 1994. In the latest review of Singapore's plan, analysts called the country a "star APEC performer". Singapore has enabled its economy to move up the value chain by adopting measures to respond to the changing global economy. Singapore has also demonstrated resilience to changing global economic conditions through pragmatic policy responses and continuous economic reform.

The report also noted that Singapore's liberal investment regime and predictable, transparent and market-friendly policies have enhanced its attractiveness as an investment destination.

The level of transparency, integrity and trust pervading Singapore's system and culture of governance has also helped. Yet, Singapore is constantly seeking to improve its operating laws and regulations to ensure the business environment is market-driven, and consistent with international best practices, the report said.

Philippine

Political front

Condition: After the suspension of peace accord

- Philippine peace on shaky ground after attacks

The latest violence in the southern Philippines took the government and the military by surprise; coming just weeks after Muslim rebels initialed a peace accord.

Moro Islamic Liberation Front guerrillas angry over snags in the peace plan went on a rampage Aug. 18 in the southern hinterlands, shooting or hacking to death at least 37 people as they fled in panic from houses that had been set on fire. The peace process may be, too.

Just weeks ago, a deal to end a decades-long insurgency in the troubled south had seemed within reach after the government and the rebels initialed

An agreement on the crucial point of ancestral domain the size of an expanded Muslim autonomous area. But Christian politician, wary of losing land and power, challenged the deal in the Supreme Court. Two rebel commanders described as frustrated with yet another delay in the peace process then led their men on raids Monday on five coastal towns in Lanao Del Norte province on southern Mindanao Island, killing 37 people and sending 44,000 fleeing their homes.

The province is in the same area as the autonomous zone and the violence displaced Christians and Muslims alike. In some areas, the rebels targeted Christian politicians.

Rebel leaders said they did not sanction the attacks but have refused to hand over the two commanders. The government has announced it no longer plans to sign the territorial accord, throwing the peace talks into disarray. The outburst of violence was one of the worst in years and came amid an escalation of isolated attacks by the rebels. Now there are concerns the situation could spiral out of control.

- **Muslim rebel chief asks Malaysia to revive Philippine peace talks**

The head of the leading Muslim rebel group in the Philippines on Saturday said he asked Malaysia to revive stalled peace talks with Manila to end weeks of brutal fighting. But Ebrahim Murad, chairman of the Moro Islamic Liberation Front (MILF), added that his group still reserved the right to resume its large-scale rebellion if the peace process collapses.

"War is among the options. It is part of the struggle. The MILF is determined to continue that struggle," said Murad in a meeting with reporters at a MILF camp near this town in the southern Philippines. Murad said he sent a request two days ago to Malaysia, which has been hosting peace negotiations between the Philippines and the MILF. However, Kuala Lumpur was yet to respond to Murad's call. Murad said the MILF, which has been waging a separatist war for an Islamic state in the southern Philippines for four decades, still wanted the peace talks to continue despite the renewed fighting.

Back ground of this situation

The peace talks stalled after the Supreme Court on August 4 suspended a draft peace agreement for the creation of an expanded Muslim autonomous area in the south. Since then, MILF forces, led by commanders Umbra Kato and Abdurrahman Macapaar have attacked towns, looting and burning homes and sending 220,000 people fleeing. Military operations in the south are continuing against the forces of Kato and Macapaar who is also known as Commander Bravo. The army estimates about 80 people have died in the two-week conflict so far. Murad said the MILF would not surrender, nor agree to be disarmed as President Gloria Arroyo has suggested.

Rebels Demand

Murad called for a halt to the fighting and said Manila and the MILF could discuss the stalled draft agreement and the charges against the two commanders to the peace talks hosted by Malaysia. "Stop hostilities. We will bring the issue to the peace process," he

said. However, Arroyo spokesman Anthony Golez said "they cannot use peace negotiations as a shield for their criminal acts."

Social Front

- **Amnesty International Warns Against Arming Civilians in Volatile Southern Philippines**

Amnesty International warned local politicians in the troubled southern Philippine island of Mindanao against arming civilians for protection against Muslim rebel attacks, saying it could set a dangerous precedent and further escalate the violence there. VOA correspondent Nancy-Amelia Collins in Jakarta has more. Dozens of people have been killed and tens of thousands displaced following attacks in several parts of Mindanao blamed on rogue commanders of the MILF.

Sidney Jones, the International Crisis Groups senior Asian advisor, says the situation in Mindanao has reached a crisis stage and the fighting may spread if neither side is willing to return to the negotiating table. "And it [the fighting] can spread, that's the worrisome thing," said Jones. "If there's no prospect of getting back to the table and no prospect of the main opponents of the agreement being won over so that there's some point of coming back to the table, then I think we can see more rebel commanders do what the first two have done." Jones says Philippine president Gloria Macapagal Arroyo has not paid enough attention to the peace negotiations. "I think she's been so distracted by the scandals swirling around her in Manila that she and her advisors haven't had enough time to focus on the importance of this particular agreement," said Jones. "They've left it to the negotiators and the negotiators worked out a hard fought agreement, but then there was no effort made to actually build up the political support." Amnesty International also said the MILF has targeted villages and "been engaged in serious violations of international law" and should be held accountable.

The human rights group also warned the formation of civilian militias by the government "can set off a chain of reprisals and only increase the danger facing civilians." The Philippines, a predominately Roman Catholic country, has been arming civilian militias

for decades to reinforce the armed forces and protect local communities, a practice that has been widely condemned by rights groups.

Vietnam

Economic front

- **Fuel increases speed up Vietnamese inflation rate**

The government said it had to cut subsidies to state-owned retailers last month to save money after crude oil had surged 20 percent this year Vietnam's inflation quickened this month after the government increased fuel prices by a record amount to pass on rising oil costs.

The consumer-price index (CPI) rose 1.6 percent from last month, when it gained 1.1 percent, the General Statistics Office said yesterday in Hanoi. Annual inflation accelerated to 28.3 percent, the fastest pace since at least 1992, from 27 percent last month. The government last month lifted the cost of the most commonly used grade of gasoline by almost a third, adding to investor concern that accelerating inflation in Vietnam, which already has Asia's highest rate, would destabilize growth.

Vietnam needed to lower costs for the government by cutting fuel subsidies to state-owned retailers, Vietnamese Finance Minister Vu Van Ninh said after last month's increase, the first since February. The increase was in response to a 20 percent surge in crude oil costs this year. Crude oil has dropped more than 21 percent after a record US\$147.27 a barrel on July 11.

- **Bilateral trade with Vietnam continues to grow**

The bilateral trade between Cambodia and Vietnam has been growing strength to strength and is sure to cross last year's mark of US \$1.2 billion. According to the Vietnamese Embassy in Cambodia, in the first six months of 2008, the two way trade between these countries reached nearly \$900 million. After looking at the good trade both Cambodia

and Vietnam have enjoyed from January to June, the Government of both countries are hopeful of reaching the desired target of \$1.5 billion by the end of 2008.

Cambodia had to spend around \$700 million to import various products including textile and garments from the trading partner. On the other hand, exported commodities worth approximately \$140 million from various neighboring nations including Cambodia. Going by the way things are shaping up, officials of both nations have planned to take their trade to almost \$2.3 billion by 2010 and around \$6.5 billion by 2015.

- **National economy shows positive signs in eight months**

Vietnam's economy showed positive signs in the first eight months of this year, with both agricultural and industrial production registering a year-on-year increase of more than 16 percent.

The statistics were released at a meeting on the economic performance of ministries, agencies, localities and corporations, which took place in Hanoi on August 26. The value of retail sales and services in August, rose 2.4 percent from July. As a result, it soared 30 percent against the same period last year in the first eight months of this year. The export value reached 6.1 billion USD in August, representing a drop of 6.8 percent from July. However, the eight-month figure increased by more than 39 percent to 43.3 billion USD.

The import value surged over 54 percent year-on-year to 59.3 billion USD in the period. Foreign direct investment reached the record of 47 billion USD in the first eight months of this year, far higher than the level registered last year.

They pointed out various shortcomings that should be overcome, including high trade deficit and complicated happenings on the monetary and stock markets. In addition, they said, during the period, the country was hit by natural disasters, epidemics and skyrocketing prices of essential commodities.

- **PM hails flourishing Vietnam-Australia relations**

Vietnam-Australia cooperation continued to blossom in various fields, especially bringing about a sharp increase in trade, investment and official development assistance (ODA).

Prime Minister Nguyen Tan Dung made the remark while receiving former Australian PM Paul Keating in Hanoi on August 27.

Australia is now among Vietnam's 10 biggest trade partners, and it has 174 direct investment projects worth over 1 billion USD in total in the country. The cooperation in labor, education also made progress with more than 9,000 Vietnamese students and trainees sent to Australia. The government leader cited the My Thuan Bridge – Australia's largest ever development assistance infrastructure project - as a symbol of the two countries' relations.

PM Dung asserted that the Vietnamese government would provide favorable conditions to Australian investors, and wished that the former Australian PM would further contribute to the two countries' cooperation, particularly in ODA, and human resource training. Former PM Keating said the development of Vietnam-Australia relations over the recent years has brought sweet fruits to both sides.

Environment/Social front

Historic Vietnamese Floods

Floods in Vietnam last week left over a hundred dead and forced the mighty Mekong river to spill its banks

Officials in Vietnam and Laos are calling the extreme flooding this month the worst in recent memory after Tropical Storm Kammuri battered the area two weeks ago and a series of rainstorms after Kammuri caused landslides and river overflows. 160 deaths in Vietnam and four in Laos are being blamed on the floods.

Though in the heart of the annual monsoon season now, Southeast Asia has received a significantly higher amount of rain this summer than it typically receives in a monsoon

season. Also, extreme amounts of rain from Kammuri in a short amount of time triggered far more extreme flooding than the area is accustomed to seeing.

The Laotian capital of Vientiane was completely submerged in flood waters from the flooding, due to the overflow of the adjacent Mekong River. In the dry season, the Mekong, the world's 11th longest river, is less than a meter deep, however, during the flooding the river was over 14 meters. The Mekong's flood has also been blamed on Chinese dam projects that forced higher concentrations of water into Vietnam and Laos.

Sunnier and drier weather have allowed authorities to begin the lengthy cleanup project. Waters have receded back to normal levels since the peak of the flooding two weeks ago.

Laos

Political, Economic Front

- **Laos, Indonesia boost diplomatic cooperation**

The Institute of Foreign Affairs under the Lao Ministry of Foreign Affairs and its counterpart from Indonesia has agreed to further their cooperation in the future. A memorandum of understanding to this effect was signed in Vientiane on August 21 following a meeting between the two institutes, according to Laos News Agency

During the meeting, the two sides exchanged their experiences in the analysis on regional and international aspect and training young diplomats. A lecture under the theme "Indonesia's view for Southeast Asian Nations and skills for diplomat training" was held on this occasion. The function was attended by 100 people from different.

Cambodia

Political/Geo Strategic

Boarder Dispute

- **Welcome restraint seen in Thai-Cambodia border issue**

The Asean community has reason to breathe a sigh of relief as Cambodia and Thailand reached an interim agreement this week on their Preah Vihear dispute. The two countries came too close to armed hostilities for their neighbors to avoid raising concern. The situation, indeed, remains sufficiently unsettled for anyone to take for granted an enduring resolution. For the time being, foreign ministers Hor Namhong of Cambodia and Tej Bunnag of Thailand have managed to keep the conflict from worsening. Their accord reduces the most immediate sign of tension; more troops from both sides will leave the overlapping area around the temple.

More than a hundred years ago, French cartographic ineptitude or simply colonial hauteur placed the thousand-year-old temple on one side of the boundary and then on the other. The International Court of Justice awarded Preah Vihear to Cambodia in 1962, but left adjudicated the boundary ambiguity that gave rise to competing claims to the sanctuary. Preah Vihear, nevertheless, remains a potent symbol of gain and loss in territorial integrity.

Both sides adhered to the Asean spirit of peaceful conflict resolution. This is an important gain for the grouping as it continues to build institutions and mechanisms for cooperation. As the two sides resume more difficult talks in the coming days, a relieved Asean should remain ready to help.

- **Cambodia eyes "Berlin wall" to protect temple**

According to reports from some agencies in Phnom Penh, Cambodia plans to build a "Berlin-style" wall to shut off Thailand and develop tourist facilities around the still disputed Preah Vihear temple. The Cambodian government will build a series of walls at "complicated border areas," while still calling for talks to mark the frontier, Khieu Kanharith, information minister and government spokesman, told reporters at a press conference. "Cambodia will allow private companies to invest at least US\$2 million at

the World Heritage-listed Preah Vihear temple to set up cable cars for tourists," the minister said, adding that the government is also trying to rebuild an existing road to the temple.

Economic Front

- **State loans Cambodia \$546m, plans embassy**

Kuwait has agreed to give Cambodia loans totaling \$546 million to develop agriculture, build hydro-power facilities and construct roads, a Cambodian foreign ministry official said yesterday. This is the second-biggest aid pledge ever received by Cambodia, after aid and loans totaling \$601 million offered by China last year. "This is showing a stronger relationship between Kuwait and Cambodia, both political and economic," Cambodian foreign ministry spokesman Sin Bunthoeurn told Reuters late on Thursday after the ministry hosted bilateral ministerial talks.

He said they planned to open embassies early next year. The two countries have had diplomatic ties since 1997. Some \$486 million from the Kuwaiti loan will be invested in irrigation systems and hydro-power on the Stueng Sen River in the northeastern province of Kampong Thom. The remaining \$60 million will be used for building roads in the northwestern province of Battambang, a rice-growing area, Sin Bunthoeurn said. Kuwait has signed more than \$27 billion of investment agreements with nine Asian countries during an Asian tour this month; its finance minister was reported as saying on Aug 17.

BUSINESS AND POLITICS IN THE MUSLIM WORLD

South Asia

Ghashia Kayani

Weekly Report: from 16 August 2008 to 22 August 2008

Presentation: 29 August 2008

This report is based on significant political, geo-strategic and social developments that took place in countries of South Asia which includes Srilanka, Bangladesh, Maldives, Bhutan, Nepal and Myanmar.

Bangladesh:

POLITICAL:

- Charges against AL President Sheikh Hasina
- Release Kahilda Zia for Election
- Hasina demands lifting emergency
- Top leaders may precluded from contesting Parliament elections

SOCIAL:

- Jail killing case judgment by HC
- BD progress in women's right
- BD contract to send 1.5 lac workers to S. Korea
- BD employees working in European countries, asked to abide by law
- RRC seeks time extension

ECONOMY:

- Revolution of economy
- BERC final power tariff hike proposal
- Open Market Sale Resumes
- Govt's price rate frustrates maize cultivators

Charges against AL President Sheikh Hasina

Charges have been framed against Awami League President Sheikh Hasina and others in the Special Court in connection with Mig-29 purchase scam case with the sections of law-- which provide for highest life imprisonment and lowest 10 years confinement. Judge Golam Mortuza Mojumdar of Dhaka Divisional Special Court at the Parliament Complex framed the charges against Sheikh Hasina in her absence as she did not appear before the Court in breaking of its directive. In framing charges against her the specific provisions of law have been applied are- (a) Section 409 of the Penal Code and (b) Section 5(2) of the Prevention of Corruption Act 1947. Section 409 of the Penal Code constitutes an offence of criminal mistrust of a property by a person who is entrusted with it, Section 5(2) of the Prevention of Corruption Act 1947 defines the offence of committing corruption by misuse of power and Section 109 of the Penal Code defines commission of offence by several accused through aiding, instigating, assisting and abetting each other.

Release Khaleda Zia for Election

The government is eager to release Khaleda Zia for the sake of "a meaningful election", says adviser Hossain Zillur Rahman. Asked by reporters why the government was so keen when the former prime minister was refusing even to petition for freedom, the adviser said "We want a free and fair election, and a qualitative change. That's why the issue of her release is important." "Granting permanent bail to Khaleda Zia or releasing her on parole will not be a problem, provided a greater understanding can be reached (by two sides)," the adviser said. "The government position on this was made clear when Sheikh Hasina was released," Hossain Zillur Rahman said.

Hasina demands lifting emergency

Awami League president Sheikh Hasina, now in Washington, demanded that the caretaker regime lift the state of emergency and hold parliamentary elections first to transfer power to people's representatives. "Without people's representatives, people's problems cannot be resolved," said the former PM while addressing a discussion marking the 33rd anniversary of assassination of Bangabandhu Sheikh Mujibur Rahman in Washington. Hasina rejected any

other elections before the general election, and asserted that the elections must be free, fair, transparent and acceptable to all, according to a report from the US capital.

Top leaders may precluded from parliament elections

Most of the former ministers, MPs and other top leaders of BNP, Awami League, Jamaat-e-Islami and Islami Oikya Jote will be precluded from contesting the parliament election due to their conviction in corruption cases. By now already 98 persons have been convicted of which 41 are former ministers, MPs and leaders of BNP and 25 are ex-ministers, MPs and leaders of Awami League.

Jail killing case judgment by HC

The High Court on got down to delivering judgment on appeals along with death references in the 1975 Jail Killings Case, closing long-drawn legal arguments from both sides. On November 3 in 1975, Syed Nazrul Islam, acting president of Bangladesh government in exile during the Liberation War, Tajuddin Ahmed, prime minister, M Mansur Ali, finance minister, and AHM Qamaruzzaman, minister of home affairs, relief and rehabilitation, were gunned down inside Dhaka Central Jail by a raiding cabal of army-men. The killings, seen as a desperate bid of power usurpers, came amid a political vortex 79 days after the assassination of Bangabandhu Sheikh Mujibur Rahman and most of his family on August 15, 1975. A designated death-reference Division Bench of the High Court, comprising Justice Nozrul Islam Chowdhury and Justice M Ataur Rahman Khan, began spelling out the judgment. Nearly four years before, on October 20, 2004, the trial court sentenced three rankers to death and awarded life imprisonment to 12 midlevel army officers for the bloodletting. It had acquitted four politicians and an army officer in the long-awaited verdict of the historic Jail Killings Case.

BD progress in women's right

Commerce Adviser Hossain Zillur Rahman said although Bangladesh has made significant progress in ensuring women's rights, but it will have to do more in this regard. Speaking at a function on 'Women's Rights: South Asian Perspective' the adviser stressed the need for protecting women's rights and said "In this regard, Bangladesh has achieved significant progress. But we will have to go a long way. Our society will also have to come forward to ensure women's personality and create congenial atmosphere at their respective workplace," the Commerce Adviser added.

BD contract to send 1.5 lac workers to S. Korea

A section of dishonest officials of manpower export ministry and different manpower recruiting agencies are very much active to foil the contract signed by Bangladesh for sending 1.5 lac workers to South Korea. According to sources, S. Korea wanted to recruit 2.5 lac workers from Bangladesh but India snatched a share of it and later the country signed a contract to take 1.5 lac workers from here during a period of ten years. As per contract, first S. Korea will take 10,000 workers in order to test their capability and if these workers qualify the test, the rest of the workers will be recruited at different phases. But a section of manpower export officials in connivance with some manpower recruiting agencies engaged in ruining the contract as they introduced lottery system paving a way for selecting disqualified workers to go there.

BD employees working in European countries, asked to abide by law

Government has asked the Bangladeshi employees and laborers working in different European countries to abide by the foreign country's rules and regulations to continue their jobs otherwise country's manpower export will face another disaster. "It is observed that a section of employees and workers working in Romania and other European countries, have a tendency to flee to other countries in a bid to earn more money. But when they tried to cross the borders, they are being arrested by the members of law enforcing agencies and deported back to the country. As a result, image of Bangladesh manpower in European job market is being tarnished in many ways. If the Bangladeshi workers don't give up such illegal tendency, it will bring bad reputation for Bangladesh," a spokesman of Expatriate Welfare Ministry told at a function on 'awareness building programme of Bangladesh employees' held in city.

Govt's price rate frustrates maize cultivators

Farmers are being discouraged to cultivate maize as government has fixed the food grain price at Tk 13 which is less Tk three of production cost. "Without consultation with us, government has fixed the price of maize at Tk 13 per kg for retail market and Tk 42 per kg for export. But we have to spend Tk 16 for producing one kg maize. On the other hand, one kg maize is being sold at Tk 28 at the international market. If the government does not re-fix price of maize around five lakh maize cultivators will have to face serious disaster as they are not getting just price of their products.

RRC seeks time extension

Nearly one year has gone by since inception but a very few recommendations put by the Regulatory Reforms Commission (RRC) have been implemented. The commission now thinks its tenure should be extended for accelerating the process of implementation of its recommendations meant to reform various government rules and institutions. The interim government had formed the 17-member commission on October 30, 2007 to renovate obsolete

administrative rules and regulations with a specific target for removing obstacles to promoting investment, commerce and trade. Since its first meeting on November 19, 2007, the RRC formulated 11 interim reports and sent them for approval and implementation to respective ministries. But the pace of their implementation has been very slow due to legal complexities, sources involved with the process said.

Revolution of economy

Foreign Adviser Iftekhar Ahmed Chowdhury said Bangladesh has now turned into a major 'migration country' as it received US\$ 8 billion as remittance from its migrants living in different foreign countries last year. "If we are able to continue our efforts and trend, the country will be able to send more manpower abroad. As a result it is expected that the figure could go over US\$ 9 billion by the end of this year," the Foreign Adviser told at a discussion Migration and Human Trafficking. He said to compete with the global market; Bangladesh will have to send abroad skilled manpower in order to earn more remittance. "We have launched a search for new job markets in European countries and USA for skilled Bangladeshi workers and middle east for semi-skilled and low-skilled workers. Meanwhile, we are negotiating with Libya to send manpower there and an agreement will be signed between Bangladesh and Libya. If the agreement is signed we will be able to export huge manpower there.

BERC final power tariff hike proposal

Bangladesh Energy Regulatory Commission (BERC) will make its final decision on electricity tariff-hike proposal by September 30 next, as the government opted for eliciting public opinion before the raise. The BERC held the public hearing on a proposal of the state-owned Power Development Board (PDB) to increase the electricity tariffs by 41 percent on average for the bulk consumers. An official of Power Ministry told UNB that if the PDB was allowed to increase the tariffs for bulk consumer, then there would be a scope for enhancing the price in general consumers' level. The power price was last enhanced by 10 percent for large-scale consumers and 5 percent for small consumers in March 2007. PDB officials said the increase in electricity tariffs is of utmost necessity as the organization has been incurring huge loss due its higher production and purchase costs than the selling rates. The increasing fuel cost is also a factor.

Open Market Sale Resumes

Countrywide Open Market Sale (OMS) of rice will resume as part the governments move to support the poor and middle income group and to prevent further escalation of essential prices during the holy month of Ramadan. In order to bring the prices of essential commodities under

control during the holy month, massive preparations have been taken in this regard. As part of these programmes, the government is going to start OMS operation across the country at Upazilla level. The OMS programme will continue up to October and the government will supply 2 lakh 19 thousand and 566 tons of rice. At the OMS shops, which is being launched, rice will be sold at Tk 28 per kg and a person can buy only three kg rice a day. Poor and lower income people will buy rice 6 days in a week from those OMS shops.

Myanmar:

POLITICAL:

- Singapore call for speedy ratification of an ASEAN charter
- UN Secretary-General Plans December Visit to Burma
- Voters and officials punished for votes
- Burmese MPs in exile call for ASEAN support
- Thailand violating Burmese sovereignty

SOCIAL:

- IOM gets new funding from UK & UN
- Migrants flow out of Burma

ECONOMY:

- Junta benefits from regional economic tug-of-war
- Myanmar natural gas sales up 25%.

Singapore call for speedy ratification of an ASEAN charter

Singapore called for speedy ratification of an ASEAN charter, which requires the bloc to uphold ideals of democracy and human rights and to make legally binding commitments. In a speech to Association of Southeast Asian Nations (ASEAN) parliamentarians, Singapore Prime Minister Lee Hsien Loong said the charter was an important part of the process for ASEAN to establish a single market and manufacturing base by 2015. "The charter has already been ratified by seven member countries and we look forward to its eventual and expeditious ratification by all members," Lee said in a speech to the ASEAN Inter-Parliamentary Assembly (AIPA).

UN Secretary-General Plans December Visit to Burma

Burma's opposition party, the National League for Democracy, says the United Nations Secretary-General Ban Ki-Moon is to visit Burma in December to hold talks on the country's political problems.

Voters and officials punished for votes

Local officials in charge of areas that voted No in the constitutional referendum in May have been dismissed, while No voters have also faced retaliation from the authorities, local residents told DVB. Officials in charges of some wards and villages in Katha, Sagaing division, where residents voted overwhelmingly against the military regime's proposed constitution, have been removed from their posts in the last month, according to local residents.

Burmese MPs in exile call for ASEAN support

A five-member delegation from the Burmese exiled Members of Parliament Union attended an Indonesian parliamentary function to mark the 63rd anniversary of Indonesian independence on 15 August. The MPU delegates were invited as official guests to present a report about the current political situation in Burma and to make their case in the Indonesian parliament. U Win Hlaing, one of the MPU delegates, said the delegates had told Indonesian parliamentarians how the Burmese regime had focused its attention on the 2010 elections while neglecting what was truly needed.

IOM gets new funding from UK & UN

New funding from the UK's Department of International Development (DFID) and the UN Central Emergency Response Fund (CERF) will allow IOM's emergency response to Cyclone Nargis. The new pledges of \$932,000 from DFID and \$650,000 from CERF for shelter and non food relief items will underpin IOM's operations in the Delta, where it has helped cyclone survivors with medical aid, the delivery of emergency relief goods and reconstruction over the past three months. IOM's cyclone response effort now comprises over 100 staff working from three sub-offices in the Delta townships of Bogale, Pyapon and Mawlamyinegyun. Another 200 IOM staff continue to work on pre-cyclone programming in Mon State and Yangon.

Thailand violating Burmese sovereignty

In a public speech delivered to local officials and people at a location in Shan State's Mongton township, opposite Chiangmai, the Burmese Army commander of the Triangle Region Command

had charged Thailand of “violating the territorial integrity” of Burma, according to sources on the border. Maj-Gen Kyaw Phyoe, who was appointed to his new post in June, succeeding the outgoing Min Aung Hlaing, added, “Just as they (Thailand) have unilaterally taken possession of the Cambodian territory, they are doing the same at Loilang (the 32 square kilometer disputed area between Burma’s Monghsat and Thailand’s Mae Ai). The time will come when we’ll have to deal with the issue properly.”

Junta benefits from regional economic tug-of-war

India and ASEAN have announced that talks on services and investment are set to commence next month ahead of a comprehensive free trade agreement (FTA) to be signed later this year, according to Indian officials. This latest step in deepening regional economic integration, with an Indian-ASEAN free trade agreement hopefully to be finalized this December at ASEAN’s Bangkok summit is further evidence of an ever expanding matrix of competing regional economic interests, of which Burma finds itself at the heart of.

Myanmar natural gas sales up 25%

Myanmar’s natural gas sales soared nearly 25 percent to US\$2.5 billion in the financial year through March, official statistics seen. That’s up from US\$2.03 billion, the data from the Ministry of National Planning and Economic Development showed. The ministry said natural gas sales constituted 40 percent of Myanmar’s total commodities export revenue of US\$6.4 billion in 2007-2008, with neighboring Thailand being the primary market.

Migrants flow out of Burma

Burma’s economic troubles have been a bone to human traffickers in recent months, keeping them busy at a time of year when wet conditions traditionally slow the flow of migrants across the border into Thailand. A source who is involved in smuggling migrant workers from Burma to Thailand estimated that about 300 Burmese migrants are illegally transported to Bangkok each day from border areas such as Mae Sot, Three Pagodas Pass, Mae Sai and Ranong. The most popular crossing point is Mae Sot, which is separated from the neighboring Burmese town of Myawaddy by the Moei River. Burmese routinely cross the river, either over the Thai-Burma Friendship Bridge, which links the two towns, or on inflated inner tubes.

SRILANKA:

POLITICS:

- Voters will cast their votes to elect their representatives
- Sri Lanka Government has a zero tolerance policy on child soldier recruitment
- JHU opposes Provincial Council system, but supports Gram-raj
- LTTE's garrison town of Thunukkai is under siege
- Sri Lanka's Tamil Tigers preventing people moving to safety

SOCIAL:

- Massive Sri Lankan Protest against Congressman Brad Sherman

ECONOMY:

- Sri Lanka construction industry provides 61 percent of GDFCF
- LTTE's organization in Canada Sent 3 Million Canadian Dollars to Tamil Tigers

Voters elect their representatives

Voters of the Sabaragamuwa and the North Central Provincial Council will cast their votes to elect their respective representatives. Election Commissioner said provincial election of the Sabaragamuwa and the North Central Provincial Council will be held on 23rd of this month. However UPFA, JVP and the UNP would face a severe situation due to the present political environment in the country. However all parties have expressed confidence that they would be able win in the elections of these provincial councils.

Government has a zero tolerance policy on child soldier recruitment

Sri Lanka's Foreign Minister Rohitha Bogollagama has reiterated the Sri Lankan Government policy of zero tolerance towards child soldier recruitment at a meeting with the UN Under - Secretary General and Special Representative for Children and Armed Conflict.

LTTE's garrison town of Thunukkai is under siege

Sri Lanka Army troops attached to the 57th Division, launched their operations to capture the strategic LTTE garrison town of Thunukkai. According to reports arriving from Mullaittivu Eastern battlefield, troops of Army 57 division are now encircling the Thunukkai town amid heavy resistance from the Tigers. Sri Lankan Troops have commenced approaching the strategically vital town from the North and the West . Troops which observed the locality, noticed that the place is fully fortified and also found concrete bunkers built at the entrance to Thunukkai town.

Sri Lanka's Tamil Tigers preventing people moving to safety

In the LTTE-controlled areas of the Wanni, the Tigers have hindered thousands of families from moving to safer places by imposing a strict pass system. Some individuals have been forced to stay behind as guarantors, to ensure the return of other family members, says Amnesty International in a statement.

JHU opposes Provincial Council system, but supports Gram-rai

The 13th Amendment to the Constitution of Sri Lanka and the introduction of the provincial Council system was done with the brute force of the Indian Peace Keeping Force (IPKF). When those amendments were introduced in the constitution, the referendum was not there. We need some referendum to ratify these kinds of things. That is why we are totally against the provincial council system, because this has not been approved by the people of the country in a referendum.

LTTE's organization in Canada Sent 3 Million Canadian Dollars to Tamil Tigers

The World Tamil Movement officials, who at one time wined and dined with Canada's powerful Liberal Party politicians, sent three million Canadian Dollars to the terrorist group - Liberation Tigers of Tamil Eelam (LTTE), Stewart Bell reported. Quoting court documents marked "secret" but now released for publication, Bell said in his "National Post" that the Royal Canadian Mounted Police has alleged that most of the money has been sent through the Bhumi Putra Bank in Kuala Lumpur in Malaysia to bank roll LTTE activities. Bell said in his report the World Tamil Movement, according to this police document, was only a vehicle to transfer money to the terrorist movement.

Massive Sri Lankan Protest against Congressman Brad Sherman

Sri Lankan Patriots in Los Angeles have organized a peaceful to protest Congressman Brad Sherman's alleged supports for the LTTE. The organizers are protesting to get Sherman out of the Congressional Sub Committee on Terrorism of which he is Chairman. They allege that Sherman has received campaign funds from the Tamil Rehabilitation Organization (TRO) – the LTTE fund raising front which is now banned in the US and several countries.

Sri Lanka construction industry provides 61 percent of GDFCF

Sri Lanka's largest ever building and construction industry related exhibiting -"Construct 2008" was declared open by the Minister of Construction and Engineering services. Dr Senaratne as the Chief Guest said that with the ground breaking construction projects at national level such as power plants, water supply projects, ports, airport, flyovers, bridges, expressways have been commissioned

NEPAL:

POLITICAL:

- **CMP lays emphasis on constitution making, state restructuring and relief**
- **Norway minister advises govt, NC to work together**

SOCIAL:

ECONOMY:

- **Falling oil prices bring respite to NOC**

CMP lays emphasis on constitution making, state restructuring and relief

The Common Minimum Programme (CMP) finalised by the three parties – Maoists, Unified Marxist Leninist (UML) and Madhesi Janadhikar Forum (MJF) – has laid emphasis on writing the constitution within two years, and consolidating national interest, among others. Signed by Prime Minister Pushpa Kamal Dahal, UML general secretary Jhal Nath Khanal and MJF coordinator Upendra Yadav, the CMP covers all the major issues from restructuring of state, implementing inclusion, providing immediate relief to the people and socio-economic transformation. The CMP states that the Maoist PLA combatants will be integrated and rehabilitated along with management of their arms within six months. The victims of conflict and those who suffered during People's Movement, People's War and Madhes agitation will be compensated. The parties have also vowed to control inflation and ensure easy availability of supplies including petroleum products.

Norway minister advises govt, NC to work together

Visiting Norwegian Minister for Environment and International Development, Erik Solheim advised both Maoists and Nepali Congress (NC) to work together in writing the

new constitution and making the ongoing peace process a success. He also urged the NC to play a constructive role and collaborate with the government in writing an inclusive constitution and making the peace process a success rather than obstructing the government very often by merely playing the opposition role. Talking about his recent meeting with Prime Minister Pushpa Kamal Dahal, Solheim informed that PM Dahal has given priorities mainly to three issues -- to lead the peace process to its logical conclusion, writing an inclusive constitution and speeding up development activities. Earlier, Solheim had met with CA Chairman Subas Nembang, UML leader Jhala Nath Khanal and Madhesi People's Rights Forum Chairman Upendra Yadav, among others, and discussed the current political development in Nepal.

Falling oil prices bring respite to NOC

Nepal's fuel import costs this week dropped to US\$ 123 a barrel, reducing the Nepal Oil Corporation's (NOC) losses by Rs 400 million a month. The supply rates the Indian Oil Corporation issued on August 16 has narrowed down our monthly deficit to Rs 760 million from Rs 1.16 billion previously a senior corporation official told the Post. Officials called the development good news as it would improve the corporation's cash flow and also place the new government better poised to correct pricing and other anomalies in the petroleum sector. The corporation has estimated that its import bill could go down further to US\$ 115 a barrel in September, which would allow the government to smoothly switch to an automatic pricing system, and open the oil business to the private sector -- a longstanding plan that has remained elusive because of ballooning oil prices. "The new government led by the CPN-Maoist is in a comfortable situation. If it has the will, it can end the fuel crisis because it will not have to face fiscal pressure as past governments did, said the official. According to government records, Nepal suffered over Rs 18 billion in oil losses over the last four years as it failed to translate proposed reforms into action. While that made the state-owned petroleum monopoly technically insolvent, the government had to lend it Rs 6.8 billion in the last fiscal year alone to enable it to pay for its imports. But the fuel shortage persisted. In order to deal with these problems, the corporation has been pushing the government to provide it Rs 3 billion to build up sufficient stocks.

BHUTAN:

POLITICAL:

- YOB raises exiled issue at UN Assembly
- Bilateral talks likely to resume
- The missing piece of the democratic jigsaw
- India's stance

SOCIAL:

- Bhutan's human rights conditions worse
- First mushroom festival in Ura, Bumthang
- Dialysis can't meet demand

ECONOMY:

- Bumper apple crop in Paro
- Closer port of call for eastern exporters
- Attracting foreign investors with incentives

Bumper apple crop in Paro

Paro farmers are all smiles these days and with excellent reasons. The boughs of their apple trees are bowed with ripe red apples waiting to be picked. They were though filled with anxiety at the start of the season. Last year a late winter frost destroyed much (70 percent) of their produce, precipitating their worst year for apples. But this season, thanks to their good fortune, apple-growers expect a bumper harvest. Farmers have started harvesting. The latest statistics reflect the surge. The agriculture officer in Lango gewog, Dorji Wangda, said that the yield in 2007 was 6-8 kg a tree, but it has swelled to 8-36 kg a tree this year. Apple is an important cash crop in Paro and Thimphu valley. It is also a source of hard currency earnings as the fruits are exported to Bangladesh, Thailand, and Sri Lanka.

Closer port of call for eastern exporters

Eastern Bhutan exporters will no longer have to come all the way from Samdrupjongkhar to Burimari near Siliguri in India, covering some 200 km, to sell their goods. They can now export their merchandise via a new trade route at Tamabil (north-east Bangladesh), about a two-hour drive from Samdrupjongkhar. Export items include gypsum, dolomite, limestone and talc. This was the outcome of Bhutan-Bangladesh trade meeting being held in Thimphu. During the trade meeting, Bhutan also proposed for a Free Trade Agreement (FTA) with Bangladesh. But the Bangladeshi delegation said that they would consult their government and get back. In 2007, Bhutan exported goods worth US\$10 million to Bangladesh and imported produce worth US\$ 2.0 million. Bangladesh is a major importer of Bhutanese fruits, namely mandarin and apple. In turn, Bangladesh exports garments, melamine products, pharmaceuticals and toiletry to Bhutan. Of the 74 items that Bhutan exports, 18 get 85 percent tax concession while the rest gets 50 percent. Trade relations between Bhutan and Bangladesh began as early as 1980. The current trade agreement signed in May 2003 expired in May this year. The renewal of the same between the two countries is expected to be signed in November this year, to extend to another five years. The new agreement is likely to include 17 new export items each from the two countries.

YOB raises exiled issue at UN Assembly

The president of Youth Organization of Bhutan (YOB), Rajen Giri raised the long-standing issue of exiled Bhutanese during the open session in the Annual Youth Assembly at United Nations. A statement issued by YOB said, Giri urged the youth delegates, 996 global delegates in the assembly, to pay attention at ethnic cleansing by Bhutanese regime expelling over one hundred thousand citizens. He sought support and solidarity from the delegation members to note the sufferings of exiled Bhutanese, awaiting early and dignified repatriation since last two decades, and work to end the impacts it has rendered on the youths, women and children in camps.

Attracting foreign investors with incentives

The Ministry of Economic Affairs is drafting an economic policy and reviewing the foreign direct investment (FDI) with an aim to attract foreign investors to the country. An economic policy is a government regulation or law that encourages or discourages foreign investment in the local economy. Under it, foreign investments in service and knowledge based industries like information technology, health, and education would be encouraged, said the ministry's secretary Dasho Sonam Tshering. Hydropower would also be a major area. Bhutan did not have an economic policy before. There was a policy, which dealt in areas under the then ministry of trade and industry like tourism, geology and mines, energy, and trade and industry. Foreign investment was, however, not the design. But since its change in name in October 2006, the ministry decided to pave a "new direction" for the Bhutanese economy. "We're looking at the incentives, whether to increase them and, if so, by how much, to attract good foreign investors," said Dasho Sonam. FDI, he said, was important to Bhutan. It would generate employment and prop up private businesses. Bhutanese economy today was driven mainly by government expenditure. The leading revenue contributors and employment agency was the government. This had to change, said Dasho Sonam, and a dynamic FDI policy would be instrumental.

Bhutan's humans rights conditions worse'

Asian Centre for Human Rights (ACHR) said Bhutan is one of the front runners of human rights violations in South Asian region in the year 2007. In the [report](#) published by the organizations recently, Bhutan has been ranked third in terms of rights violations among the seven nations in the region. ACHR states that Sri Lanka (with 52 points) is the worst human rights violator in South Asia followed by Bangladesh (45 points), Bhutan (43 points), Pakistan (41 points), Maldives (23 points), Nepal (24 points) and India (24 points). In 2007, Bhutan made gains over past years but the watershed development for allowing two-party guided democracy in Bhutan was discredited by the ban on 70,000 alleged "foreigners", ethnic Nepalis, to participate in the mock elections held in 2007.

The South Asian rights watchdog also points finger at the poor status of press freedom in the country. "On press freedom too, Bhutan was the worst performer. Bhutan allowed the registration of two private newspapers.

Bilateral talks likely to resume

Bilateral talks between Bhutan and Nepal on finding a lasting solution to the issue of the exiled Bhutanese taking shelter in Nepal are likely to resume soon. According to Kuensel, the government mouthpiece, the prime ministers from both the countries held talks on the sideline of the 15th SAARC summit in Colombo recently on possibility of restarting the bilateral talks. Kuensel quoted Prime Minister Jigmi Thinley as saying that the two governments had agreed to continue the stalled talks. Thinley further said he had told Nepalese Prime Minister Girija Prasad Koirala that Bhutan was "looking forward to continue the discussion so that the problem could be resolved as quickly as possible". The bilateral talks between the two countries stalled indefinitely when a few exiled Bhutanese pelted stones at the Joint Verification Team in Khudunabari camp on December 22, 2003, irked by the conditions put forwarded by Bhutanese government for repatriation of those categorised eligible after the verification process.

India's stance

Exiled Bhutanese and their well-wishers had expected that this time India would open its mouth but it went exactly opposite thereby leaving enough space to question on her so-called democratic values in the South Asia region. To be fair, India cannot continue keeping absolute Druk regime under its armpits citing that the exiled Bhutanese issue is a bilateral deal between Nepal and Bhutan. Now exiled Bhutanese want to question the stakeholders in New Delhi why it had inhumanly dumped Bhutanese people at the Indo-Nepal border loading them in trucks during early 1990s. And, why she restricts them from returning to hometown, Bhutan via the same route. Was that her strategy to remain sidelined from the issue? Does she simply want to see these people getting assimilated in third countries? This isn't a fair and impartial initiative if India really claims to be one of the biggest democracies of the world.

First mushroom festival in Ura, Bumthang

Minister of Agriculture, Pema Gyamtsho inaugurated Matsutake Festival; pine mushroom festival sponsored by Royal Government of Bhutan, on August 14 at Ura, Bumthang. Festival was jointly organised by the Ura Mushroom Conversation and Tourism Group, Thrumshingla National Park and Department of Forestry under the Ministry of Agriculture Japanese professional chefs demonstrated the art of cooking the Matsutake, famous in Japan. With the aim of managing Matsutake tourism package, the festival will be organized yearly for three to five days.

The missing piece of the democratic jigsaw

Bhutan's transition to parliamentary democracy will be completed with the establishment of the Supreme Court, which, according to the Constitution, will be its custodian. The Constitution gives various institutions the powers for check and balance and, with most institutions in place and political parties up and running, the Supreme Court would soon be called into action, according to political analysts. The construction of the Supreme Court was delayed but, according to the chief justice, more than the infrastructure, it was important to establish a Supreme Court. The absence of a Supreme Court and the chief justice also means that the three arms of the government are incomplete. The executive arm has the Prime Minister, the legislative has the Speaker, but the Judiciary does not have a Supreme Court or chief justice. The Supreme Court of Bhutan, which will comprise the chief justice and four drangpons, will be the highest appellate authority for judgments, orders, or decisions of the high court in all matters and will have the power to review its judgments and orders. According to the Constitution, the chief justice of Bhutan shall be appointed from among the judges of the Supreme Court or from among eminent jurists by the Druk Gyalpo, in consultation with the National Judicial Commission. Likewise, the judges of the Supreme Court will be appointed from among the judges of the high court or from among eminent jurists.

Dialysis can't meet demand

Shortage of kidney dialysis machines in Thimphu referral hospital has reached a critical stage, say health officials. There are four kidney dialysis machines but an average of 36 patients comes for the treatment. One machine can accommodate two patients a day. Dialysis treatment is for patients, whose kidney has temporarily or permanently lost its function. It does the job of a kidney in voiding body waste. Medical specialist, Dr Tashi Wangdi, said that a patient needs to receive dialysis treatment two to three times a week to be adequately dialysed. But the deficiency has them treating patients once a week. It is also not a short-term, say doctors, but a lifetime treatment. Patients inadequately dialysed decrease their survival rate, say doctors.

MALDIVES:

POLITICAL:

- Amending can still be submitted
- Majlis accepts bill on declaring assets of top officials

- I have dedicated my life for the country
- IDP propose coalition with JP
- Campaign not on govt. expense 2008
- President felicitates Indonesian President

SOCIAL:

- NHRC discusses Action Plan

ECONOMY:

- Vegetable and fruit prices to increase
- Oil prices to go down with next shipment

Amending can still be submitted

Despite the passing of the deadline for sending in amendments to the list of the people who will be reaching 18 years of age by 11 November 2008, individuals and concerned agencies can still submit amendments to the list, according Elections Commissioner's Office. Commissioner's Office revealed that in the light of the issues received, work is underway to divide up the eligible voter list according to electoral regions. Commissioner's Office, yesterday, issued a statement stating the amendments may be submitted through the office's toll free line 1414. The statement also thanked the efforts of NGOs and government agencies involved in the work of amending and verifying the eligible voter list. Announced According to the elections office more than 600 issues has been submitted with the regard to the 18 year voter list made public by the office.

Majlis accepts bill on declaring assets of top officials

The People's Majlis has accepted a bill on declaring assets of ministers, advisers, ambassadors and members of Majlis submitted by Dhaalu member ADK Nashid. The bill was debated extensively in the Majlis for two days and several members of the Majlis participated in the debate. The bill was seeking to make it mandatory for top government officials to declare their assets as a measure to ensure accountability and transparency. During the debate members voiced their concern about corruption which they said has become a plague destroying the society and its values. Several members said the extent of corruption in the government has become so serious that it is essential to make necessary safeguards to counter the growing menace. Some members said the bill was a good bill but needed extensive improvement on the basis of the new Constitution and suggestions made by members during they spoke of several important amendments necessary for the bill and some highlighted on the need for unrestricted dissemination of information of the decssets. Members said that would serve the purpose of investigating undeclared assets as theve the capacity and means for investigative journalism.

Some members proposed to declare assets of the president, vice president, and those holding independent positions in independent commissions, judges and top officials of government companies. Others said there is high corruption involving more junior officials of some offices and there should be proper mechanism to check and counter such corruption and bribery as well. All members expressed the dire need of passing such a bill especially at a time of unprecedented national reform especially in the wake of the new Constitution.

I have dedicated my life for the country

DRP Leader and presidential candidate President Maumoon Abdul Gayoom has said he has dedicated 30 years of his life, in the service of the people and he has done his best to develop the country and improve the living standard of the people during his presidency. The condition of the country has vastly improved since he became President in 1978 with tremendous development achieved in all walks of life. Gayoom said he has been fully dedicated to his national duties and he has not done any personal business nor has he acquired any properties or wealth. He asked to see some others who do business and who are rich. Gayoom said he is there committed to the cause of serving the people, and that is why he was contesting in the presidential election to serve the people for a further term. Gayoom said he has started a major reform program aiming at modern liberal democracy in the country which will bring lot of benefits and progress for the country and people.

Vegetable and fruit prices to increase

It is likely that vegetable and fruit prices will increase for the Ramazan, according to traders engaged in the import and retailing of fruits and vegetables. According to Shahneez Naeem Office Assistant of Agora, one of the main importers and retailers of fresh fruits and vegetables, prices of vegetables and fruits has risen considerably in producing countries in recent months. Shahneez informed as a result prices are likely to increase for Ramazan. importers and dealers in fresh fruits and vegetables, informed that as in previous years, vegetables and fruits will be available without short supply. However, due to increased prices in producing countries, local prices are likely to go up during Ramazan. He pointed that in addition to buying prices freight charges has also increased Small retailers and corner shops say that they are unable to offer customers lower prices because of elevated market prices. Shop owners say lowered has not affected food prices. In an effort to maintain prices at a constant level during Ramazan, Trade Ministry is in direct talks with Maldives Chamber of Commerce and Industries

IDP propose coalition with JP

The main objective of the current talks underway with Jumhoory Party (JP) is to form a united government, presidential candidate if Islamic Democratic Party (IDP) Umar Naseer has said. In an exclusive interview given to Miadhu Daily Umar said that that he will contest the forthcoming presidential elections as per the wishes of the members of his party and that despite his support to JP he will fulfill his obligations to the party. Unar said if the situations demands that two parties combine and produce a single candidate then both parties will hold discussions on the

subject. Umar revealed that it is not only IDP that is holding talks with JP but that Adhaalath Party and Maldives National Congress Party are in discussion with JP. Speaking on the issue of the Alliance JP's interim leader Shaheed Zaki said that just as the party's presidential candidate Qasim had indicated at the news conference held to announce Qasim's election as the party's presidential candidate, JP will be holding talks with all the political parties and that the main objective at present is to increase party membership prior to elections. Shaheed Zaki said the concept of Alliance will not work in this country as such it is pointless talking about it.

Campaign not on govt. expense

DRP Presidential candidate President Maumoon Abdul Gayoom has said that his party's presidential campaign is not carried out using state funds and state resources. Gayoom said his party's campaign to win the forthcoming elections is just like the campaign of any other political party. However he pointed out that as the head of the government and that of the state, he is afforded special protection and privileges as is the case in all protection of the world. Gayoom asserted that there is no one in the country capable of defeating him and that as such he is not afraid of any of the presidential candidates vying for the presidency. Gayoom claimed that he is contesting the elections to win another 5 years in office, in order to complete the reform agenda which he initiated in 2004. He said the People's Majlis caused the biggest obstacle to the completion of the reform program. Gayoom said it will not be possible to complete the reform agenda within the next 2 months but that he needed to years to successfully complete the program. Gayoom also said that all of his campaign expenses incurred is directly born by DRP and that state funding is not utilized.

President felicitates Indonesian President

President Maumoon Abdul Gayoom has sent a message of felicitations to President Dr. Susilo Bambang Yudhoyono of Indonesia, on the happy occasion of Indonesia's Independence Day. President Gayoom extended warm greetings and sincere good wishes to President Yudhoyono, the Government and the people of Indonesia on this jubilant occasion. Further, he expressed his hope that the relations of friendship and cooperation that exist between the Maldives and Indonesia would continue to reach greater heights in the coming years.

Oil prices to go down with next shipment

Even though global oil prices have gone down considerably, local prices will only be lowered with the next shipment, according to State Trading Organization (STO). STO informed that even though global oil prices are below US \$ 116 per barrel, the company is unable to reduce prices as the current shipment was purchased when the prices were still high and the lowering of prices depend on the company's ability to purchase its next shipment at lowered rates. The company informed that next shipment is due sometime in the middle of Ramadan and that there is no guarantee global prices will remain low until then, as the global oil prices fluctuates rapidly. STO also informed that if the company is able to purchase its next shipment at the current rates then the company will lower prices. STO currently sells a liter of

diesel at Rf.17.25, a liter of petrol at Rf.15 and a liter of kerosene at Rf.15.20. According to STO, as the company is a public company, it is not putting a large mark up on its oil prices.

NHRC discusses Action Plan

The 6th meeting of the National Human Rights Committee (NHRC) was held at the Foreign Ministry, according to a statement issued by the ministry. According to Foreign ministry the meeting was chaired by the Deputy Minister of Foreign Affairs, Dunya Maumoon, and was attended by the members of the committee who consist of all Government stakeholders. The focus of the meeting was mainly on the formulation of the National Human Rights Action Plan, which was announced on Human Rights Day last year. The plan is to be formulated jointly by the Ministry of Foreign Affairs and the Ministry of Planning and National Development. The National Human Rights Committee was established in 2007 as a Government advisory body, in the implementation of its international human rights commitments. The Committee encompasses sector wide participation from all Government stakeholders.

Business and Politics in Muslim World India

Sadia Khanum

16th to 22nd August 2008

Presentation: August 29, 2008

Political front:

- MM withdraws support to Koda government
- BJP flays Cong-led UPA govt
- BJP demands corrective steps
- Koda asked to prove majority
- Deregister parties backing terrorists, separatists: BJP
- Congress plans pre-poll strategy with SP
- BJP: restore land, peace will follow in Jammu
- A manufactured controversy, says Congress

Domestic situation:

- Communal clashes in Assam
- Ahmedabad blasts: Ken Haywood flees from India
- Shoot orders in 3 Assam districts
- Striking fuel crisis in Chennai
- 6 policemen killed in naxal ambush

Economic Front:

- Mega power projects stuck in starting block
- Markets likely to see a rally this week
- Murdoch plans expansion in India
- Private sector investments in key sectors sharply down
- China raises duty on coke, to hit Indian steel
- India's economic miracle story losing plot
- US major attempts to crack into the Indian tractor market
- Inflation up to 12.63%

Geo-strategic developments:

- India expects exemption from NSG sans change to draft
- India may make policy statement at crucial NSG meeting in Vienna
- Nuclear Power short-lists 4 suppliers for reactors
- Switzerland to support India's case at NSG
- India, Germany hopeful of NSG clearance in one shot
- Naval exercises with U.S. in October

Kashmir

- Uneasy calm in J&K: Valley to march again
- Kashmir and Jammu regions enjoy parity
- Hurriyat to lead rally to United Nations office
- Islamists plan pro-Pakistan protest
- Engage both parties, Omar urges Centre
- Agitation hits Jammu's economy hard
- Kashmir independence day clashes
- Kashmir needs freedom from India: Arundhati Roy
- We are Pakistanis, says Syed Gilani
- Narayanan to lead team to J&K
- Agitation against "economic blockade" resumes today

Social front

- Taslima Nasreen's visa extended
- 41 killed in rain havoc
- Concern over high infant mortality rate in some districts
- Maharashtra has a long way to go in healthcare
- IUCN award for Indian scientist
- India-UNICEF plan to focus on HIV, education
- Artists: don't exclude M.F. Husain works from Delhi summit
- Taj Mahal in danger again, this time from garbage dump

Foreign Relations

- UN probes India 'abuses' in Congo
- Rajasthan for citizenship to Pak Hindus
- Musharraf's exit: What it means for India
- India to step up defence cooperation with Russia
- Bangladesh police cross border, take away Indian
- Indo-Japan naval exercise

Political front:

MM withdraws support to Koda government

The 23-month-old Madhu Koda-led coalition government in Jharkhand was reduced to a minority on Sunday night after the Jharkhand Mukti Morcha (JMM) withdrew its support, in pursuit of its agenda to get Mr. Koda replaced by its supremo Shibu Soren.

Executing his threat made on August 12 that the JMM would pull out of the United Progressive Alliance-backed government if Mr. Koda was not removed, Mr. Soren handed over the letter of withdrawal of support to Governor Syed Sibtey Razi after day-long deliberations in the party. He was accompanied by three of the five JMM MPs and all 17 MLAs of the party.

BJP flays Cong-led UPA govt

Charging the Congress-led UPA government at the Centre with "bungling" on various issues including the Amarnath land row, senior BJP leader M Venkaiah Naidu on Saturday termed Prime Minister Manmohan Singh's speech on Friday in New Delhi as "election oriented populist speech." "It was the Congress(coalition government) which first allotted the land and later revoked the order," he said adding Singh's statements yesterday smacks of "duplicity and deception. In fact, it is the Congress which is practising divisive politics, especially by giving communal reservation," he told reporters in Chennai. The Centre had "bungled" on each and every front, including economy, agriculture and internal security, he alleged. "Inflation is at its worst in the country at nearly 13 percent while there is no plan to tackle terrorism. Though the National Security Advisor (NSA) has disclosed there are 800 terror cells in the country, there is no plan declared by the government to tackle terrorism," he said. Farmers' suicide and fertilizer shortage were other dominating issues in the country, he said.

BJP demands corrective steps

The Bharatiya Janata Party on Monday demanded that the government take "suitable corrective measures" to restore normality and peace in Jammu and Kashmir. It announced its decision to continue the Jammu agitation through a nationwide 'Jammu Kashmir bachao' programme on August 21. In a four-page resolution, the BJP also appealed to "nationalist elements" in the Kashmir valley "to speak firmly against the voice of secession, which is only being encouraged by forces across the border."

Koda asked to prove majority

Jharkhand Chief Minister Madhu Koda was on Monday asked to prove his majority on or before August 25 in the State Assembly. Earlier, the embattled Jharkhand Chief Minister said that he was confident of proving his majority on the floor of the house. "Despite the withdrawal of the support by the JMM, I am confident of my success on the floor. The game will be witnessed in the Assembly and I am prepared for a show of strength," he told reporters.

Deregister parties backing terrorists, separatists: BJP

The Bharatiya Janata Party on Tuesday urged the Election Commission to “deregister” political parties which were openly siding with “banned terrorist outfits” and those supporting “separatists” in Jammu and Kashmir. A party delegation submitted to the Commission a two-page memorandum, signed, among others, by Yashwant Sinha, Prakash Javadekar, Vijay Goel and Arun Shourie. While the names of the parties were not mentioned, Mr. Naqvi admitted that the BJP had in mind the Samajwadi Party, the Rashtriya Janata Dal, the Lok Jan Shakti Party and the People’s Democratic Party.

Congress plans pre-poll strategy with SP

The seat-sharing arrangement between the Congress and the Samajwadi Party (SP) will go beyond Uttar Pradesh. The Congress may yield a few seats in Maharashtra, Madhya Pradesh and Bihar as part of its pre-poll strategy with the SP. At the same time, even though Rashtriya Lok Dal chose to oppose the India-U.S. nuclear agreement in the trust vote of July 22 in the Lok Sabha, the Congress will keep its doors open for Ajit Singh to forge an alliance with the SP. “There is a possibility of talks with Mr. Ajit Singh,” AICC general secretary in charge of Uttar Pradesh Digvijay Singh told journalists.

BJP: restore land, peace will follow in Jammu

The Bharatiya Janata Party on Thursday said a peace formula on the Amarnath issue could be spelt out in just four words: Restore land, restore normalcy. Party spokesperson Rajiv Pratap Rudy questioned the motives of the Centre, which, he said, allowed the Jammu agitation to continue for more than 50 days. Even now the government refused to say what solution it had in mind and what it proposed to do, the BJP said. The agitation is for restoration of forest land allotted to Shri Amarnathji Shrine Board.

A manufactured controversy, says Congress

The Congress on Thursday described the agitation in Jammu & Kashmir over transfer of land to the Shri Amarnath Shrine Board as a “manufactured controversy” and cited the record number of pilgrims this year as proof that the annual pilgrimage was not under threat. This manufactured controversy has threatened the secular fabric of the State,” Ms. Natarajan regretted, urging all parties not to politicise the issue.

Domestic situation:

Communal clashes in Assam

Miscreants on Sunday set ablaze over 40 houses and fired indiscriminately, injuring at least six persons, in Sonitpur district of Assam as communal tension gripped northern Assam districts of Darrang, Udalguri and Sonitpur. There have been clashes between the Bodos and Muslims over the past three days. Tension mounted in the three districts after the killing of a couple in lower Assam’s Chirang district on Friday by four persons at Anthaibari village under the Bengtol police

station. One person, who was attacked by a mob at Gelabil in Udalguri, died of his injuries on Saturday night.

Ahmedabad blasts: Ken Haywood flees from India

A dramatic development in the terror email case, US national Ken Haywood, who had yet to be given a clean chit, flew out of the country with his family from Delhi late on Sunday night despite a lookout notice given to the immigration authorities. Maharashtra's Anti-Terrorism Squad (ATS), which had summoned Haywood for questioning on Monday afternoon, was at a loss to explain how a person under investigation in a terror case managed to slip away. In fact, this has led to speculation that the Indian government allowed him to leave the country. The US consulate in Mumbai refused to say anything on the case citing rules. A threatening e-mail sent by an alleged terror group prior to the Ahmedabad serial blasts was traced to Haywood's computer's Internet Protocol (IP) address. Haywood was living in Sanpada area of Navi Mumbai and his residence was raided by ATS officials on July 27.

Shoot orders in 3 Assam districts

The Assam government on Monday directed the police to issue shoot-at-sight orders in the three northern districts of Udalguri, Darrang and Sonitpur in the wake of clashes between Muslims and the Bodos. Violent clashes in the affected districts has claimed five lives since August 14, while armed miscreants shot dead a couple in Chirang district of lower Assam. Tension continues to grip the three districts as thousands of people belonging to the two communities have fled their homes in Udalguri and Sonitpur districts and taken shelter in schools and market places. On Sunday, miscreants set ablaze about 40 houses in Sonitpur district and shot at villagers injuring six of them. Clashes began following the killing of a Bodo youth by supporters of the bandh called by the Muslim Students' Association on August 14.

Striking fuel crisis in Chennai

The city and its suburbs reeled under a fuel crisis on Wednesday, as the nationwide strike called by Central trade unions affected operations at the Korukkupet terminal of Indian Oil Corporation.

6 policemen killed in naxal ambush

Naxalites killed six police personnel in an ambush at Nagwan village in Gaya district of Bihar on Thursday and decamped with five rifles.

Economic Front:

Mega power projects stuck in starting block

It seems that there is a dearth of land to produce power in India, if a power ministry official is to be believed. Three years after the ultra-mega power project (UMPP) programme was launched,

environmental concerns, locational disputes and inadequate coal supplies continue to dog the much-fancied plan. An ultra mega power project is designed to generate up to 4,000 megawatt of electricity, enough to light up a city like Delhi. These projects are crucial to meeting the country's growing energy needs and bridging the widening power deficit. Nine such projects are to be commissioned across the country through competitive bids from power generation companies. But only three of them, at Mundra in Gujarat, Sasan in Madhya Pradesh and Kirshnapatnam in Andhra Pradesh, have so far been awarded to private developers through competitive bidding. But states like Orissa, Chhattisgarh, Karnataka, Tamil Nadu and Maharashtra have yet to finalise the location and set aside land for these projects, despite repeated reminders from the central government, a top power ministry official told

Markets likely to see a rally this week

If crude oil doesn't play spoilsport, the stock market could see a rally this week on the back of several government decisions that are seen boosting investors' sentiment. Last Thursday, the finance ministry allowed private provident funds to invest up to 15 per cent in equities and exempted developers of ultra mega power projects from paying any excise duty on equipment purchased for such projects. Also, the Cabinet approved hefty salary hikes for the five million employees of the government, which is expected to boost demand for consumer goods ahead of festive season. All of these, analysts said, would have a positive impact on the market, which slipped from a recovery track through last week. The Bombay Stock Exchange's benchmark index, Sensex, lost over 700 points, or about 5 per cent, through the past week, while the 50-share Nifty index of the National Stock Exchange fell nearly 100 points. "Markets next week should improve," said P.K. Agarwal, head of research at Bonanza Portfolio, a brokerage firm. "In case oil prices stay soft, we might even find Nifty taking out the strong resistance of 4,650-4,680 points."

Murdoch plans expansion in India

Rupert Murdoch's News Corp plans to invest \$100m (£50.8m) over the next year to start six regional television channels in India. The channels will broadcast in six languages and run under the Star brand. Mr Murdoch also said he would double the number of staff at Dow Jones Newswires, which he bought along with the Wall Street Journal last year.

Private sector investments in key sectors sharply down

Fresh investments in 2006-07 and 2007-08

Industry	Projects (No.)		Value (Rs Cr.)	
Sugar	33	16	8,515	3,009
Textiles	258	120	25,933	10,711
Paper	24	18	2,915	2,176
Coke & Petroleum	11	5	44,083	17,199
Cement	27	26	10,567	13,956
Hotels	74	54	11,122	9,318
Metals	130	128	39,876	44,468
Pharmaceuticals	33	39	1,686	5,173

Source: RBI bulletin August 2008

The number of projects initiated in 2007-08, by the private corporate sector for implementation, in key sectors such as petroleum, sugar, textiles etc. is sharply down as against the previous year, a study by the Reserve Bank of India (RBI) reveals. Ironically, the development comes in the face of textile enterprises seeing a slight improvement in export prospects with problems plaguing the Chinese industry and units in other countries with which India competes in the global markets, as this paper reported in its edition dated August 17, 2008. It is a similar tale in other sectors as well with both the number and project costs scaled down sharply. However, metals and hotel industries have shown buoyancy.

China raises duty on coke, to hit Indian steel

The Indian steel industry has been severely hit as the Chinese government on Sunday raised the duty for metrological coke to 40%. The decision represents a steep 15% hike over the earlier level of 25%, the customs department under the State Council, the Chinese cabinet, said. Nearly one-third of Indian imports of metrological coke, an essential raw material for the steel industry, are sourced from China. Chinese coke has so far been priced competitively as compared to coke supplied by other countries like Poland and Turkey. "The decision will hurt the Indian industry. Chinese coke is of better quality, which makes it cheaper than other sources. Now that price advantage would be lost," Vijay Singh, the Beijing based chief representative of Ispat Industries, a major buyer of this material, told. Chinese government sources said the purpose of the move was to curtail the export of this product, which causes high pollution and energy consumption at the mining level.

India's economic miracle story losing plot

A few months ago, the most popular buzz phrase for India was "economic miracle", with the nation appearing impervious to the financial turmoil engulfing the developed world. But now the "India story" is losing traction, with inflation at 13-year highs and economic expansion slowing, prompting an exit by foreign investors as gloomy warnings pile up. "A number of factors inimical to growth have intensified," the government's economic advisory council said last week, citing a world economy hit by the "twin onslaught" of the US sub prime mortgage crisis and an oil price surge. Inflation, currently at 12.44 per cent, will "remain in double digits through 2008" as a result of the surge in oil and other commodity prices, said Goldman Sachs economist Mr. Tushar Poddar, who sees more monetary tightening to tame prices, which will brake domestic growth further. Some economists forecast inflation, which has nearly tripled from a year ago, could hit at least 15 per cent. Downbeat data has fed pessimism. Industrial output grew by just 5.4 per cent in June, a sharp fall from 8.9 per cent a year earlier. the foreign honeymoon with India seems over. As of last week, overseas funds had sold Indian stocks worth a net 6.52 billion dollars this year. During the same period last year, they had bought a net 9.6 billion dollars.

US major attempts to crack into the Indian tractor market

While M&M is driving to grab the biggest tractor seller tag from Deere & Co of the US that sells John Deere brand, the latter has been making attempts to crack into the Indian tractor market. The US major also has a technology centre in Pune. Deere & Company entered the Indian market in partnership with Larsen & Toubro and currently has a manufacturing plant at Sanaswadi, near Pune, where it makes its 5,000 series John Deere tractors. But while it began tractor production in India in 2000, the company has not managed to gain a sizeable share and is believed to account for only 5% of the market. The tractors are positioned in the mid-to-high-horse power range as its product profile is between 35-70 horse power capacities. Apart from domestic market, Indian subsidiary also exports to US, Mexico, Turkey, North and South Africa, and South East Asia.

Inflation up to 12.63%

Inflation inched up further to 12.63 per cent for the week ended August 9 from 12.44 per cent in the previous week, mainly on account of the unabated rise in the prices of fruits, vegetables, milk, pulses and certain manufactured products. With this, the wholesale price index-based inflation, which was at 4.24 per cent during the same week a year ago, appears creeping up the 13 per cent mark, as projected by the Prime Minister's Economic Advisory Council in its economic outlook for the current fiscal.

Geo-strategic developments:

India expects exemption from NSG sans change to draft

Ahead of the two-day extraordinary plenary meeting of the Nuclear Suppliers Group (NSG) in Vienna from Thursday, India on Sunday said it expected an exemption from the NSG without any change to the draft that was circulated by the USA to suppliers. India also expected the entire process to move in a manner consistent with the July 18, 2005, understanding. Reacting to a letter written by non-proliferation experts and NGOs asking the NSG to reject the US proposal to exempt India from long-standing global nuclear trade standards, Kakodkar said, "We expect the process to move consistent with the July 18, 2005, understanding and any change in their (NSG) position is problematic." "We can not agree to further demands and there is no way we can," he said.

Nuclear Power short-lists 4 suppliers for reactors

With the prospects of India's access to global nuclear reactor technology brightening, Westinghouse Electric Company (AP1000 series of reactors), GE-Hitachi (ABWR reactor series), Areva (1,000 MW European pressurised reactors) and the Russia's atomic energy agency Rosatom (VVER 1,000 reactors) are among the frontrunners for new projects planned across the country. State-owned Nuclear Power Corporation of India Ltd (NPCIL) – the monopoly nuclear power generator – has tentatively short-listed these four major reactor manufacturers based on "suitability" of technical parameters for placement of orders that will form the first phase of the Centre's plan to build 40,000 MW of nuclear capacity by 2020, Government sources indicated.

Switzerland to support India's case at NSG

Ahead of next week's crucial meeting of the Nuclear Suppliers Group (NSG), a top Swiss legislator has said his government will "most likely" support a waiver for India at the 45-nation grouping. "The Indo-US nuclear deal is important for India's energy security and I think the Swiss government will most likely support the waiver for New Delhi at the NSG meet," Speaker of the Upper House of Swiss Parliament Christoffel Brandil said. Switzerland's stand will be crucial at the August 21-22 meeting of the NSG, which works by consensus and opposition by even one country could hamper India's prospects of nuclear commerce with international community.

India, Germany hopeful of NSG clearance in one shot

Though provision has been made for the Nuclear Suppliers Group to meet again in a full-fledged plenary on September 2, Indian and German officials are hopeful that the 45-nation cartel might decide to relax its export rules for India during its two-day meeting in Vienna later this week. Germany holds the NSG's rotating chair and a senior official from its Foreign Ministry Ambassador Viktor Elbling from the international energy division will have the task of steering the group towards a consensus on allowing nuclear commerce with India during the plenary consultations that are scheduled for August 21 and 22.

Naval exercises with U.S. in October

India will hold its annual naval exercises with the U.S. in October, off Mumbai, security officials said here on Thursday. The exercises with the U.S. this year will be of the same scale as the Malabar series last September when over 100 aircraft, a nuclear submarine and several warships participated. India's sole aircraft carrier INS Viraat will be missing as it is currently undergoing extensive refits to make it sail-worthy for another five to seven years.

Kashmir

Kashmir and Jammu regions enjoy parity

Census data do not bear out Bharatiya Janata Party claims that residents of the Hindu-majority Jammu region are underrepresented in the State's Legislative Assembly. In fact, the 2001 Census Survey of India demonstrates that there is near-perfect representational parity between the communally volatile regions. According to the census, which is available online at <http://www.censusindia.gov.in/>, Muslim-majority Kashmir has a population of 5,476,970 while Jammu is home to 4,429,887 people. Simple arithmetic shows that there is an elected legislator for every 119,726 Jammu division residents, who are represented by 37 MLAs. Kashmir residents, who elect 46 MLAs, receive legislative representation for every 119,064 people.

Islamist claims also false

Interestingly, the 2001 Census data also blow apart Islamist claims that India has initiated a covert effort to alter Jammu and Kashmir's demographic character. Jammu and Kashmir's Muslim-majority character is robust, the data make clear. Most Kashmir residents were concentrated in Srinagar and Anantnag, which had populations of over a million people each.

Most populous district

Hindu-majority Jammu, with a population of over 1.5 million, was found to be the State's most populous district. Udhampur and Kathua, also Hindu-majority districts, had a population of over 1.2 million, while Muslim-majority Doda, Poonch, and Rajouri had a combined population of about 1.5 million.

Hurriyat to lead rally to United Nations office

The city is on edge as the Hurriyat-sponsored Co-ordination Committee decided to go ahead with its proposed march to the United Nations Military Observers Group (UNMOG) office here on Monday to present a memorandum seeking the U.N. Secretary-General's intervention in granting "right to self-determination" to the people of Kashmir. After a marathon meeting attended by all senior Hurriyat leaders, the chairmen of both the factions, Syed Ali Geelani and Mirwaiz Umar Farooq, told a crowded news conference that people had been asked to assemble at the Tourist Reception Centre ground near the U.N. office by 11 a.m. "The leadership will talk to them and after that the memorandum will be presented," said Mr. Geelani.

Islamists plan pro-Pakistan protest

In an unprecedented development, the Jammu and Kashmir government has allowed Islamists to stage a massive pro-Pakistan protest in the heart of Srinagar —ignoring warnings from India’s intelligence services that the decision could lead to a meltdown of state authority. Tehreek-i-Hurriyat chief Syed Ali Shah Geelani and All Parties Hurriyat Conference chairman Mirwaiz Umar Farooq are expected to address over 100,000 protesters at the Tourist Reception Centre on Monday morning, in the first major Islamist gathering in central Srinagar. On August 15, CRPF personnel were even forced to remove India’s national flag from the historic Lal Chowk in Srinagar, after a pro-Pakistan mob marched on the building.

Engage both parties, Omar urges Centre

National Conference president Omar Abdullah on Sunday urged the Centre to hold talks with the Amarnath Sangarsh Samiti in Jammu and with the Co-ordination Committee in Kashmir. Expressing concern over the situation, Mr. Abdullah said both parties should be brought to the same table, bypassing vested interests. He warned that the situation was so grave that maintaining the unity of the State was difficult. “I cannot even imagine the consequences of such a disaster.” He said it was the economic blockade which led to this situation. “By resorting to road blockades, they have conveyed us that we are their slaves ... We are on the edge of the cliff in J&K and I hope that the stakeholders will opt for a step backward ... People have a right to express their anger, but I appeal them to avoid any step that will derail or damage the peace process,” he said. “If the situation continues the way it is and if unbridled use of force by police is used against agitators as in Kashmir, I will have no option but to resign from Parliament and I will do it,” Mr. Abdullah said.

Agitation hits Jammu’s economy hard

Pilgrimage tourism and Jammu’s economy have been hit hard by the Amarnath land row which entered the 48th day on Sunday. Small traders and daily wagers are its worst victims. Trains to Jammu are coming in empty. Before the agitation started in the first week of July, it was difficult to get reservations in trains to Jammu. Nearly 7 million Vaishno Devi Shrine pilgrims arrive in Jammu every year. Katra, the base camp to the shrine, is an hour’s drive from Jammu city. Pilgrims stay in Jammu for a day or two and do their shopping, which did wonders to the city’s economy. Most of the passengers headed for Jammu these days are Army personnel joining duty. The impact of the drop in pilgrims’ arrival is quite evident. “We have never seen this kind of a situation,” says Sukhdev Singh a cloth trader. “It may not be a problem for big businessmen, but small traders like me have to earn every day to feed our family.”

Kashmir independence day clashes

Police in Indian-administered Kashmir have clashed with about 1,000 separatist protesters in the summer capital, Srinagar, police say. People hoisted black flags in many parts of Srinagar on India’s Independence Day. Much of the Kashmir Valley remains paralysed by a shutdown called by separatist groups.

Kashmir needs freedom from India: Arundhati Roy

Activist and author Arundhati Roy, who was present at the massive Monday rally, said that the people of Kashmir have made themselves abundantly clear. "And if no one is listening then it is because they don't want to hear. Because this is a referendum. People don't need anyone to represent them; they are representing themselves. Roy concluded with words: "India needs azadi from Kashmir as much as Kashmir needs azadi from India."

We are Pakistanis, says Syed Gilani

Hardline separatist leader Syed Ali Shah Geelani on Monday demanded the merger of Jammu and Kashmir with Pakistan, as leaders of the moderate Hurriyat faction spoke about independence and a dialogue over the state. Addressing a mammoth gathering at the tourist reception centre here, Gillani said there was "no solution to the Kashmir issue other than merger with Pakistan". "We are Pakistanis and Pakistan is us because we are tied with the country through Islam," he roared, as the crowd cheered him and chanted: "Hum Pakistani hain, Pakistan hamara hai" (We are Pakistanis, Pakistan is ours).

Narayanan to lead team to J&K

Concerned at the continuing protests in Jammu and Srinagar over the Amarnath land row, the Union government is rushing a high-level Central team to Jammu and Kashmir on Wednesday to take stock of the overall security scenario in the sensitive border State. National Security Advisor M.K. Narayanan will head the three-member team on the day-long visit to Srinagar. Union Home Secretary Madhukar Gupta and Defence Secretary Vijay Singh will also accompany Mr. Narayanan, government sources said here. Top government officials are also likely to visit Jammu, where protests have been going on for more than a month demanding withdrawal of Governor N.N. Vohra's June 30 order cancelling transfer of land at Baltal in Kashmir Valley to the Shri Amarnathji Shrine Board.

Agitation against "economic blockade" resumes today

The agitation against "economic blockade" enforced by Sri Amarnath Yatra Sangarsh Samiti in Kashmir valley resumed on Friday after three days with people marching towards Idgah ground here. The Committee, which includes both factions of Hurriyat Conference and JKLF among other groups, has asked people to observe a strike today and march to idgah where it will announce its future course of action.

Social front

Taslima Nasreen's visa extended

The Centre has extended the visa of Bangladeshi writer Taslima Nasreen, who returned earlier this month to the capital after a sojourn in Sweden. The papers seeking extension of her visa had been processed and approval given, a Union Home Ministry spokesperson said here. However, the spokesperson said it was not immediately clear whether the extension was for three or six

months. The writer, who has been the target of Islamic fundamentalists, returned was whisked away by security agencies, earlier this month, to an undisclosed destination in the capital.

41 killed in rain havoc

Forty-one people were killed and over 100 injured in incidents of house collapse and drowning due to heavy rain since Saturday night in parts of Uttar Pradesh

Concern over high infant mortality rate in some districts

Even as the State averages an infant mortality rate (number of deaths per 1000 live births) of 37, well below the national average of 57, the recently released statistics from the Sample Registration Survey (SRS) show that there are pockets in Tamil Nadu where the IMR is as high as 54. Public health experts have expressed concern about the patchy performance of the State in controlling infant deaths. High IMR in the north western and southern districts of the State going by the SRS data for the survey year 2006 has goaded the government into considering the introduction of certain special schemes for these pockets.

Maharashtra has a long way to go in healthcare

While Maharashtra is wealthier than the nation as a whole based on the wealth index, persistent malnutrition and widespread anaemia continue to be a significant problem for children and adults in the State. More than two out of five children, about 46 per cent under five years, are stunted. One in five children (17 per cent) is wasted and 37 per cent children under the age of five are underweight. The wealth index is constructed by combining information on 33 household assets and housing characteristics. It is not only children who suffer malnutrition. A significant number of adults in the State are too thin. About 36 per cent of women and 34 per cent of men are underweight. In contrast 15 per cent women and 12 per cent men report obesity. Maharashtra ranks fourth among the five high HIV prevalence States — Andhra Pradesh, Karnataka, Manipur and Tamil Nadu. While more than 82 per cent women and 93 per cent men in Maharashtra have heard of AIDS, 53 per cent of women and 20 per cent of men do not know HIV/AIDS can be prevented by using condoms.

IUCN award for Indian scientist

S.D. Biju has won the Sabin Award for Amphibian Conservation, instituted by the Amphibian Specialist Group of the International Union for Conservation of Nature (IUCN). Dr. Biju, who now leads a research group at the University of Delhi as an Associate Professor, gets it for his contributions to amphibian conservation and research in the Western Ghats over the last 15 years, University of Delhi said in a press release. The award includes \$25,000. An IUCN newsletter refers to his “extreme dedication to discovering and conserving the amphibian fauna of the rapidly vanishing Western Ghats biodiversity spot... often using his personal earnings to fund his explorations.”

India-UNICEF plan to focus on HIV, education

India and the United Nations Children's Fund on Thursday launched a five year action plan to help India achieve its national development goals. The joint plan focuses on the reduction of infant and maternal mortality rates (IMR and MMR), fighting malnutrition, tackling HIV, providing quality education, ensuring safe water and sanitation besides child protection. The overall goal of the 2008-2012 Country Programme is to advance the fulfilment of the rights of all women and children to survive, develop, participate and be protected by reducing social inequalities based on gender, caste, ethnicity or region.

Artists: don't exclude M.F. Husain works from Delhi summit

Prominent artists on Tuesday urged the organisers of the first India Art Summit beginning here this week to reconsider their decision to exclude the works of painter M. F. Husain from an exhibition mounted by a number of galleries from across the country.

Taj Mahal in danger again, this time from garbage dump

Years after being threatened by the effluent gases of the Mathura oil refinery, the white marble of the Taj Mahal faces another threat - a proposed garbage dump nearby will release methane and other gases that can have the same effect of yellowing the marble. Environmentalists and social activists in Agra are alarmed by the proposal to site the city's new landfill at Kuberpur. The landfill site is dangerously close to the Taj Mahal and the Yamuna river, and is in the sensitive Taj Trapezium. Environmental impact assessments are yet to be made and the details of the project still to be worked out," environmentalist Ravi Singh told IANS.

Foreign Relations

UN probes India 'abuses' in Congo

The UN has found that its peacekeeping troops from India may have engaged in abuse and exploitation while serving in the Democratic Republic of Congo. UN Secretary-General Ban Ki-moon said he was deeply troubled by the findings. The Indian authorities say they are investigating the allegations and the vice chief of the Indian army had visited Congo in May to look into them. India has said it will take strict action against the perpetrators if the allegations are proved. UN officials say the cases occurred in North Kivu province, where peacekeepers have been policing a truce between the government and militiamen.

Rajasthan for citizenship to Pak Hindus

Rajasthan has sought the Centre's help in granting Indian citizenship to over 5,000 Pakistani Hindus who migrated to India. The move came after a strong group of Pakistan's minority community of Hindus organised a protest on Independence Day in Bikaner.

"The Hindus were victims of religious persecution in Pakistan and continued migrating to India for a better future," said Seemant Lok Sangathan (SLS) president Hindu Singh Sodha. The SLS,

spearheading a movement for granting citizenship to Pakistani Hindus, claimed that every year over 1,000 Hindus from Pakistan travelled to India with valid documents and refused to return. India had granted citizenship to 13,000 Pakistani Hindus under a special drive between 2004 and 2006

Musharraf's exit: What it means for India

If you are gleeful that the man who planned the Kargil war is gone, don't be. That's the view from Delhi. With General Pervez Musharraf gone, terror groups are likely to target India with new determination and violent needling like recent firing from across the Line of Control. Kashmir is likely to increase, Indian intelligence officials told. Delhi acknowledges Musharraf's crackdown on terror and the influence he exercised on the Pakistan army because of US pressure had led to a fall in infiltration and border skirmishes. Another official said Musharraf's exit was not going to make a difference to Pakistan's porous western border with Afghanistan, where US forces will continue to work with the Pakistan Army under General Ashfaq Kiyani.

That means there could be "increased activity" on Pakistan's eastern borders, with India, another official said. The situation in Kashmir, said officials, gives Pakistan an opportunity to send infiltrators. Reports say Lashkar-e-Taiyyabba and Jaish-e-Mohammed have become more active.

India to step up defence cooperation with Russia

India and Russia resolved to continue with defence cooperation in a number of sensitive areas during a two-day meeting which ended here on Tuesday. The two sides exchanged views on implementation of current projects like T-90 tanks, missile systems and shipbuilding activities and aviation sector projects like the fifth generation fighter aircraft and multirole transport aircraft. They also agreed to take steps for ensuring their successful implementation. The 8th meeting of the Indo-Russian Working Group on Shipbuilding, Aviation and Land Systems was within the framework of the Indo-Russian Inter-Governmental Commission on Military Technical Cooperation. A protocol was signed by both sides at the end of the meeting.

Bangladesh police cross border, take away Indian

Police from Bangladesh allegedly entered the Indian side of the "zero line" separating the two countries in the Dinhata sub-division of West Bengal's Cooch Behar district and shot an Indian national before dragging him back into that country early on Tuesday. Border Security Force officials held a meeting with their counterparts in the Bangladesh Rifles and protested against the "illegal" intrusion of the police from that country, BSF's Deputy Inspector-General, Cooch Behar Sector, and V.S. Sikarwar, told. D.P. Singh, District Superintendent of Police, said that the entry of the police from Bangladesh was an incident of "illegal trespassing." "There are stretches along the International Border which are yet to be fenced and the Bangladesh police might have entered through one such stretch," he said.

Indo-Japan naval exercise

India will renew its security ties with Japan with a joint naval exercise off the Mumbai coast this week, official sources said. Both countries have been stepping up security-related cooperation and the latest affirmation came during the recent strategic dialogue between the Foreign

Ministers. Three Japanese ships — JDS Kashima, JDS Asagiri and JDS Umigiri — will visit Indian waters from August 23 to 26. Although Pasex is seen as a preliminary exercise between the two navies, the sources said, this edition with Japan would be quite advanced.