

SOUTH ASIA: COUNTRY PROFILE

Countries ' Names	Area (sq km)	Population	Religions	Ethnic Groups	Governm ent type	Languages	GDP (Real Growth Rate)
India		1,129,866,154 (July 2007 est.)	Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other 1.8%, unspecifi ed 0.1% *	Indo- Aryan, Dravidian, Mongoloid and other (2000)	Federal republic	Hindi (national language) 30%, 21 other official languages: Assamese, Bengali, Bodo, Dogri, Gujarati, Kannada, Kashmiri, Konkani, Maithili, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanskrit, Santhali, Sindhi, Tamil, Telugu, and Urdu;	8.5% (2007 est.)
Banglades h	144, 000	150,448,339 (July 2007)	Muslim (88.3 percent), Hindu (10.5 Percent), Buddhist (0.6 percent), Christian (0.3 percent) and Animists and believers in tribal faiths	Bengali 98%, other 2% (includes tribal groups, non- Bengali Muslims)	Parliament ary democracy	Bangla (official, also known as Bengali), English	6% (2007)

Nepal	147,181	28,901,790 (July 2007 est.)	Hindu 80.6%, Buddhist 10.7%, Muslim 4.2%, Kirant 3.6%, other 0.9%*	Chhettri, Brahman-Hill, Magar, Tharu, Tamang, Newar, Muslim, Kami, Yadav*	Constitutional monarchy	Nepali, Maithali, Bhojpuri, Tharu (Dagaura/Rana) ,Tamang, Newar, Magar , Awadhi*	2.5% (2007 est.)
Maldives	300	369,031 (July 2007)	Sunni Muslim	South Indians, Sinhalese, Arabs	Republic	Maldivian Dhivehi (dialect of Sinhala, script derived from Arabic), English spoken by most government officials	5.5% (2007)
SriLanka	65,610	20,926,315	Buddhist 69.1%, Muslim 7.6%, Hindu 7.1%, Christian 6.2%, unspecified 10%	Sinhalese 73.8%, Sri Lankan Moors 7.2%, Indian Tamil 4.6%, Sri Lankan Tamil 3.9%, other 0.5%, unspecified 10%*	Republic	Sinhala (official and national language) 74%, Tamil (national language) 18%, other 8%	6% (2007 est.)
Bhutan	47,000	2,327,849	Lamaistic Buddhist 75%, Indian- and Nepalese - influenced Hinduism 25%	Bhote 50%, ethnic Nepalese 35% (includes Lhotsampas - one of several Nepalese ethnic	Absolute monarchy	Dzongkha (official), Bhotes speak various Tibetan dialects, Nepalese speak various Nepalese dialects	8.8% (2005)

				groups), indigenous or migrant tribes 15%			
Myanmar	678,500	47,373,958	Buddhism is the predominant religion. The other main religions are Christianity, Islam and Animism	Bamar (69%), Shan (8.5%), Karen (6.2%), Rakhine (4.5%), Mon (2.4%), Chin (2.2%), Kachin (1.4%), Karrenni (0.4%), other indigenous (0.1%) and foreign nationalities (including Burmese Indian & Sino Burmese people) 5.3%	Military junta - State Peace and Development Council (SPDC)	Burmese is the official language. There are numerous other ethnic minority languages	2.6% (2006 estimate)

* 2001 census provisional data

Bangladesh: Country Profile



Country's name:

People's Republic of Bangladesh

Government type:

Parliamentary democracy

Capital:

Dhaka

Administrative divisions:

6 divisions; Barisal, Chittagong, Dhaka, Khulna, Rajshahi, Sylhet

Background:

Europeans began to set up trading posts in the area of Bangladesh in the 16th century; eventually the British came to dominate the region and it became part of British India. In 1947, West Pakistan and East Bengal (both primarily Muslim) separated from India (largely Hindu) and jointly became the new country of Pakistan. East Bengal became East Pakistan in 1955, but the awkward arrangement of a two-part country with its territorial units separated by 1,600 km left the Bengalis marginalized and dissatisfied. East Pakistan seceded from its union with West Pakistan in 1971 and was renamed Bangladesh. A military-backed caretaker regime suspended planned parliamentary elections in January 2007 in an effort to reform the political system and root out corruption; the regime has pledged new democratic elections by the end of 2008. About a third of this extremely poor country floods annually during the monsoon rainy season, hampering economic development.

Geographical Location:

In South Asia; between 20° 34' and 26° 38' north latitude and between 88° 01' and 92° 41' east longitude; consists of flat fertile alluvial land.

Boundaries:

North - India (West Bengal & Meghalaya)

West - India (West Bengal)

East - India (Tripura & Assam) and Myanmar

South - Bay of Bengal

History:

Recorded history traceable to the 4th century B.C. with clear evidence of flourishing civilization consisting of cities, palaces, temples, forts, seats of learning and monasteries;

1200 A.D.: advent of the Muslims, enjoying periods of prosperity under Muslim rule;

17th century: a time of economic well being;

1757: beginning of British colonial rule;

1947: departure of the British from Indian subcontinent; Bangladesh becomes "East Bengal/East Pakistan as part of Pakistan;

Independence: 16 December 1971 (from West Pakistan)

Constitution: 4 November 1972, effective 16 December 1972; suspended following coup of 24 March 1982, restored 10 November 1986; amended many times

Area:

144,000 sq km

Land boundaries:

Burma 193 km, India 4,053 km

Coastline:

580 km

Natural resources:

Natural gas, arable land, timber, coal

Population:

150,448,339 (July 2007)

Age structure:

0-14 years: 33.1% (male 25,639,640/female 24,174,937)

15-64 years: 63.4% (male 48,659,087/female 46,712,687)

65 years and over: 3.5% (male 2,818,638/female 2,443,350) (2007)

Population growth rate:

2.056% (2007)

Nationality:

Bangladeshi

Ethnic groups:

Bengali 98%, other 2% (includes tribal groups, non-Bengali Muslims)

Religions:

Muslim (88.3 percent), Hindu (10.5 Percent), Buddhist (0.6 percent), Christian (0.3 percent) and Animists and believers in tribal faiths

Languages:

Bangla (official, also known as Bengali), English

Literacy:

Definition: age 15 and over can read and write

Total population: 43.1%

Male: 53.9%

Female: 31.8% (2003)

Economy - overview:

The economy has grown 5-6% over the past few years despite inefficient state-owned enterprises, delays in exploiting natural gas resources, insufficient power supplies, and slow implementation of economic reforms. Bangladesh remains a poor, overpopulated, and inefficiently-governed nation. Although more than half of GDP is generated through the service sector, nearly two-thirds of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product. Garment exports and remittances from Bangladeshis working overseas, mainly in the Middle East and East Asia, fuel economic growth.

GDP (purchasing power parity):

\$209.2 billion (2007)

GDP (official exchange rate):

\$70.6 billion (2007)

GDP - real growth rate:

6% (2007)

GDP - per capita (PPP):

\$1,400 (2007)

Bhutan: Country Profile



Country's name:

Kingdom of Bhutan

Government type:

Absolute monarchy; special treaty relationship with India; note - transition to a constitutional monarchy is expected in 2008

Capital:

Thimphu

Administrative divisions:

20 districts (dzongkhag, singular and plural); Bumthang, Chhukha, Chirang, Daga, Gasa, Geylegphug, Ha, Lhuntshi, Mongar, Paro, Pemagatsel, Punakha, Samchi, Samdrup Jongkhar, Shemgang, Tashigang, Tashi Yangtse, Thimphu, Tongsa, Wangdi Phodrang

Background:

In 1865, Britain and Bhutan signed the Treaty of Sinchulu, under which Bhutan would receive an annual subsidy in exchange for ceding some border land to British India. Under British influence, a monarchy was set up in 1907; three years later, a treaty was signed whereby the British agreed not to interfere in Bhutanese internal affairs and Bhutan allowed Britain to direct its foreign affairs. This role was assumed by independent India after 1947. Two years later, a formal Indo-Bhutanese accord returned the areas of Bhutan annexed by the British, formalized the annual subsidies the country received, and defined India's responsibilities in defense and foreign relations. A refugee issue of some 100,000 Bhutanese in Nepal remains unresolved; 90% of the refugees are housed in seven United Nations Office of the High Commissioner for Refugees (UNHCR) camps. In March 2005, King Jigme Singye WANGCHUCK unveiled the government's draft constitution - which would introduce major democratic reforms - and pledged to hold a national referendum for its approval. In December 2006, the King abdicated the throne to his son, Jigme Khesar Namgyal WANGCHUCK, in order to give him experience as head

of state before the democratic transition. In early 2007, India and Bhutan renegotiated their treaty to allow Bhutan greater autonomy in conducting its foreign policy, although Thimphu continues to coordinate policy decisions in this area with New Delhi. In July 2007, seven ministers of Bhutan's ten-member cabinet resigned to join the political process, leaving the remaining cabinet to act as a caretaker regime until a new government assumes power following parliamentary elections. Bhutan will complete its transition to full democracy in 2008, when its first fully democratic elections to a new parliament - expected to be completed by March 2008 - and a concomitant referendum on the draft constitution will take place.

Geographical Location:

Southern Asia, between China and India

Boundaries:

China 470 km, India 605 km

Area:

47,000 sq km

Coastline:

Landlocked

Natural resources:

Timber, hydropower, gypsum, calcium carbonate

Population:

2,327,849

Age structure:

0-14 years: 38.6% (male 465,340/female 433,184)

15-64 years: 57.4% (male 688,428/female 647,134)

65 years and over: 4% (male 47,123/female 46,640) (2007)

Population growth rate:

2.082% (2007)

Nationality:

Bhutanese

Ethnic groups:

Bhote 50%, ethnic Nepalese 35% (includes Lhotsampas - one of several Nepalese ethnic groups), indigenous or migrant tribes 15%

Religions:

Lamaistic Buddhist 75%, Indian- and Nepalese-influenced Hinduism 25%

Languages:

Dzongkha (official), Bhotes speak various Tibetan dialects, Nepalese speak various Nepalese dialects

Literacy:

Definition: age 15 and over can read and write

Total population: 47%

Male: 60%

Female: 34% (2003)

Economy - overview:

The economy, one of the world's smallest and least developed, is based on agriculture and forestry, which provide the main livelihood for more than 60% of the population. Agriculture consists largely of subsistence farming and animal husbandry. Rugged mountains dominate the terrain and make the building of roads and other infrastructure difficult and expensive. The economy is closely aligned with India's through strong trade and monetary links and dependence on India's financial assistance. The industrial sector is technologically backward, with most production of the cottage industry type. Most development projects, such as road construction, rely on Indian migrant labor. Model education, social, and environment programs are underway with support from multilateral development organizations. Each economic program takes into account the government's desire to protect the country's environment and cultural traditions. For example, the government, in its cautious expansion of the tourist sector, encourages visits by upscale, environmentally conscientious tourists. Detailed controls and uncertain policies in areas such as industrial licensing, trade, labor, and finance continue to hamper foreign investment. Hydropower exports to India drove GDP growth to over 20% in 2007.

GDP (purchasing power parity):

\$3.503 billion (2006)

GDP (official exchange rate):

\$1.164 billion (2007)

GDP - real growth rate:

8.8% (2005)

GDP - per capita (PPP):

\$1,400 (2003)

Burma: Country Profile



Official name:

Union of Myanmar

Government:

Military junta - State Peace and Development Council (SPDC)

Capital City:

Rangoon (population 3,598,980)

Background:

Britain conquered Burma over a period of 62 years (1824-1886) and incorporated it into its Indian Empire. Burma was administered as a province of India until 1937 when it became a separate, self-governing colony; independence from the Commonwealth was attained in 1948. Gen. NE WIN dominated the government from 1962 to 1988, first as military ruler, then as self-appointed president, and later as political kingpin. Despite multiparty legislative elections in 1990 that resulted in the main opposition party - the National League for Democracy (NLD) - winning a landslide victory, the ruling junta refused to hand over power. NLD leader and Nobel Peace Prize recipient AUNG SAN SUU KYI, who was under house arrest from 1989 to 1995 and 2000 to 2002, was imprisoned in May 2003 and subsequently transferred to house arrest. After Burma's ruling junta in August 2007 unexpectedly increased fuel prices, tens of thousands of Burmese marched in protest, led by pro-democracy activists and Buddhist monks. In late September 2007, the government brutally suppressed the protests, killing at least 13 people and arresting thousands for participating in the demonstrations. Since then, the regime has continued to raid homes and monasteries and arrest persons suspected of participating in the pro-democracy protests. The junta appointed Labor Minister AUNG KYI in October 2007 as liaison to AUNG SAN SUU KYI, who remains under house arrest and virtually incommunicado with her party and supporters.

Geography:

Burma is the largest country in mainland South East Asia (678,500 square kilometers). Three mountain ranges exist within Burma, all of which run north-to-south from the Himalayas. The mountain chains divide Burma's three river systems, the Irrawaddy, Thanlwin and Sittang Rivers. There are central lowlands along the Irrawaddy River culminating in a delta region by the sea. Much of Burma's rich ecosystem, including the valuable growth of teak, has been lost to deforestation.

Area:

678,500 sq km

Area:

144,000 sq km

Land boundaries:

Bangladesh 193 km, China 2,185 km, India 1,463 km, Laos 235 km, Thailand 1,800 km

Coastline:

1930 km

Natural resources:

petroleum, timber, tin, antimony, zinc, copper, tungsten, lead, coal, some marble, limestone, precious stones, natural gas, hydropower

Population:

47,373,958

Age structure:

0-14 years: 26.1% (male 6,277,073/female 6,084,001)

15-64 years: 68.6% (male 16,089,764/female 16,425,299)

65 years and over: 5.3% (male 1,075,868/female 1,421,953) (2007)

Population growth rate:

0.815% (2007)

Nationality:

Burmese

Ethnic groups:

Bamar (69%), Shan (8.5%), Karen (6.2%), Rakhine (4.5%), Mon (2.4%), Chin (2.2%), Kachin (1.4%), Karrenni (0.4%), other indigenous (0.1%) and foreign nationalities (including Burmese Indian & Sino Burmese people) 5.3%

Religion(s):

Buddhism is the predominant religion. The other main religions are Christianity, Islam and Animism.

Languages:

Burmese is the official language. There are numerous other ethnic minority languages.

Economy:

Burma, a resource-rich country, suffers from pervasive government controls, inefficient economic policies, and rural poverty. The junta took steps in the early 1990s to liberalize the economy after decades of failure under the "Burmese Way to Socialism," but those efforts stalled, and some of the liberalization measures were rescinded. Despite Burma's increasing oil and gas revenue, socio-economic conditions have deteriorated due to the regime's mismanagement of the economy. Lacking monetary or fiscal stability, the economy suffers from serious macroeconomic imbalances - including rising inflation, fiscal deficits, multiple official exchange rates that overvalue the Burmese kyat, a distorted interest rate regime, unreliable statistics, and an inability to reconcile national accounts to determine a realistic GDP figure. Most overseas development assistance ceased after the junta began to suppress the democracy movement in 1988 and subsequently refused to honor the results of the 1990 legislative elections. In response to the government of Burma's attack in May 2003 on AUNG SAN SUU KYI and her convoy, the US imposed new economic sanctions in August 2003 including a ban on imports of Burmese products and a ban on provision of financial services by US persons. Further, a poor investment climate hampers attracting outside investment slowing the inflow of foreign exchange. The most productive sectors will continue to be in extractive industries, especially oil and gas, mining, and timber with the latter especially causing environmental degradation. Other areas, such as manufacturing and services, are struggling with inadequate infrastructure, unpredictable import/export policies, deteriorating health and education systems, and endemic corruption. A major banking crisis in 2003 shuttered the country's 20 private banks and disrupted the economy. As of 2007, the largest private banks operated under tight restrictions limiting the private sector's access to formal credit. Moreover, the September 2007 crackdown on prodemocracy demonstrators, including thousands of monks, further strained the economy as the tourism industry, which directly employs about 500,000 people, suffered dramatic declines in foreign visitor levels. In November 2007, the European Union announced new sanctions banning investment and trade in Burmese gems, timber and precious stones, while the United States expanded its sanctions list to include more Burmese government and military officials and their family members, as well as prominent regime business cronies, their family members, and associated companies. Official statistics are inaccurate. Published statistics on foreign trade are greatly understated because of the size of the black market and unofficial border trade - often estimated to be as large as the official economy. Though the Burmese government has good economic relations with its neighbors, better investment and business climates and an improved political situation are needed to promote serious foreign investment, exports, and tourism

GDP:

US\$9.6 billion (2006 estimate at official exchange rate)

GDP per head:

US\$182 (official statistic 2006)

GDP (PPP) per head:

US\$1,027

Annual Growth:

2.6% (2006 estimate)

Inflation:

54% (2006 estimate)

Major Industries:

Agriculture 50%, Industrial 15%, Services 35% (2006 estimate)

Major trading partners:

Thailand, China, Singapore, India, Hong Kong

India: Country Profile**Country name:**

Republic of India

Government type:

Federal republic

Capital:

New Delhi

Administrative divisions:

28 states and 7 union territories; Andaman and Nicobar Islands*, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh*, Chhattisgarh, Dadra and Nagar Haveli*, Daman and Diu*, Delhi*, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Lakshadweep*, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Puducherry*, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand, West Bengal

Background:

Aryan tribes from the northwest infiltrated onto the Indian subcontinent about 1500 B.C.; their merger with the earlier Dravidian inhabitants created the classical Indian culture. The Maurya Empire of the 4th and 3rd centuries B.C. - which reached its zenith under ASHOKA - united much of South Asia. The Golden Age ushered in by the Gupta dynasty (4th to 6th centuries A.D.) saw a flowering of Indian science, art, and culture. Arab incursions starting in the 8th century and Turkic in the 12th were followed by those of European traders, beginning in the late 15th century. By the 19th century, Britain had assumed political control of virtually all Indian lands. Indian armed forces in the British army played a vital role in both World Wars. Nonviolent resistance to British colonialism led by Mohandas GANDHI and Jawaharlal NEHRU brought independence in 1947. The subcontinent was divided into the secular state of India and the smaller Muslim state of Pakistan. A third war between the two countries in 1971 resulted in East Pakistan becoming the separate nation of Bangladesh. India's nuclear weapons testing in 1998 caused Pakistan to conduct its own tests that same year. The dispute between the countries over the state of Kashmir is ongoing, but discussions and confidence-building measures have led to decreased tensions since 2002. Despite impressive gains in economic investment and output, India faces pressing problems such as significant overpopulation, environmental degradation, extensive poverty, and ethnic and religious strife.

Population:

1,129,866,154 (July 2007 est.)

Age structure:

0-14 years: 31.8% (male 188,208,196/female 171,356,024)

15-64 years: 63.1% (male 366,977,821/female 346,034,565)

65 years and over: 5.1% (male 27,258,259/female 30,031,289) (2007 est.)

Population growth rate:

1.606% (2007 est.)

Nationality:

Indian

Ethnic groups:

Indo-Aryan, Dravidian, Mongoloid and other (2000)

Religions:

Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other 1.8%, unspecified 0.1% (2001 census)

Languages:

English enjoys associate status but is the most important language for national, political, and commercial communication; Hindi is the national language and primary tongue of 30% of the people; there are 21 other official languages: Assamese, Bengali, Bodo, Dogri, Gujarati, Kannada, Kashmiri, Konkani, Maithili, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanscrit, Santhali, Sindhi, Tamil, Telugu, and Urdu; Hindustani is a popular variant of Hindi/Urdu spoken widely throughout northern India but is not an official language

Literacy:

Definition: age 15 and over can read and write

Total population: 61%

Male: 73.4%

Female: 47.8% (2001 census)

Economy - overview:

India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Services are the major source of economic growth, accounting for more than half of India's output with less than one third of its labor force. About three-fifths of the work force is in agriculture, leading the United Progressive Alliance (UPA) government to articulate an economic reform program that includes developing basic infrastructure to improve the lives of the rural poor and boost economic performance. The government has reduced controls on foreign trade and investment. Higher limits on foreign direct investment were permitted in a few key sectors, such as telecommunications. However, tariff spikes in sensitive categories, including agriculture, and incremental progress on economic reforms still hinder foreign access to India's vast and growing market. Privatization of government-owned industries remains stalled and continues to generate political debate; populist pressure from within the UPA government and from its Left Front allies continues to restrain needed initiatives. The economy has posted an average growth rate of more than 7% in the decade since 1997, reducing poverty by about 10 percentage points. India achieved 8.5% GDP growth in 2006, and again in 2007, significantly expanding production of manufactures. India is capitalizing on its large numbers of well-educated people skilled in the English language to become a major exporter of software services and software workers. Economic expansion has helped New Delhi continue to make progress in reducing its federal fiscal deficit. However, strong growth combined with easy consumer credit and a real estate boom fueled inflation concerns in 2006 and 2007, leading to a series of central bank interest rate hikes that have slowed credit growth and eased inflation concerns. The huge and growing population is the fundamental social, economic, and environmental problem.

GDP (purchasing power parity):

\$2.965 trillion (2007 est.)

GDP (official exchange rate):

\$1.09 trillion (2007 est.)

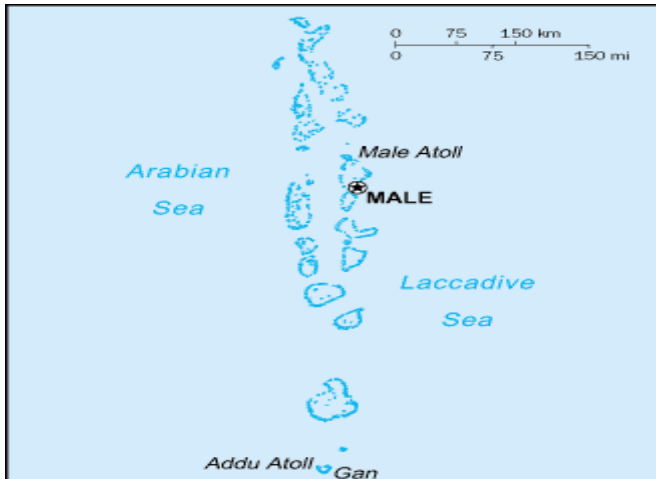
GDP - real growth rate:

8.5% (2007 est.)

GDP - per capita (PPP):

\$2,700 (2007 est.)

Maldives: Country Profile



Country's name:

Republic of Maldives

Government type:

Republic

Capital:

Male

Administrative divisions:

19 atolls (atholhu, singular and plural) and the capital city*; Alifu, Baa, Dhaalu, Faafu, Gaafu Alifu, Gaafu Dhaalu, Gnaviyani, Haa Alifu, Haa Dhaalu, Kaafu, Laamu, Lhaviyani, Male, Meemu, Noonu, Raa, Seenu, Shaviyani, Thaa, Vaavu

Background:

The Maldives was long a sultanate, first under Dutch and then under British protection. It became a republic in 1968, three years after independence. Since 1978, President

Maumoon Abdul GAYOOM - currently in his sixth term in office - has dominated the islands' political scene. Following riots in the capital Male in August 2004, the president and his government pledged to embark upon democratic reforms, including a more representative political system and expanded political freedoms. Progress has been slow, however, and many promised reforms have been slow to come to fruition. Nonetheless, political parties were legalized in 2005. A constituent assembly - termed the "special Majlis" - has pledged to complete the drafting of a new constitution by the end of 2007 and first-ever presidential elections under a multi-candidate, multi-party system are slated for November 2008. Tourism and fishing are being developed on the archipelago.

Geographical Location:

The Republic of Maldives, lying about 420 miles south west of Sri Lanka, consists of a chain of 26 natural coral atolls comprising some 1,190 islands. 200 of these islands are inhabited, 87 are designated tourist islands, and 20 are industrial islands. The islands are small: the capital Malé is an area of under 2 square kilometers, and the highest point above sea level in the Maldives is 2.4m.

History:

Maldives was an independent Sultanate from 1153 until the Portuguese invaded in 1558. They ruled for a short span of 15 years until overthrown in 1573. On December 16, 1887 the Sultan of the Maldives signed a contract with the British Governor of Ceylon turning the Maldives into a British protectorate. The Maldives gained independence on July 26, 1965 and became a republic on 11 November 1968. It joined the Commonwealth in 1982.

Area:

300 sq km

Land boundaries:

0 km

Coastline:

644 km

Natural resources:

Fish

Population:

369,031 (July 2007)

Age structure:

0-14 years: 42.9% (male 81,383/female 76,984)

15-64 years: 54% (male 101,699/female 97,518)

65 years and over: 3.1% (male 5,619/female 5,828) (2007)

Population growth rate:

2.732% (2007)

Nationality:

Maldivian

Ethnic groups:

South Indians, Sinhalese, Arabs

Religions:

Sunni Muslim

Languages:

Maldivian Dhivehi (dialect of Sinhala, script derived from Arabic), English spoken by most government officials

Literacy:

Definition: age 15 and over can read and write

Total population: 96.3%

Male: 96.2%

Female: 96.4% (2000 census)

Economy - overview:

Tourism, Maldives' largest industry, accounts for 28% of GDP and more than 60% of the Maldives' foreign exchange receipts. Over 90% of government tax revenue comes from import duties and tourism-related taxes. Fishing is the second leading sector. Agriculture and manufacturing continue to play a lesser role in the economy, constrained by the limited availability of cultivable land and the shortage of domestic labor. Most staple foods must be imported. Industry, which consists mainly of garment production, boat building, and handicrafts, accounts for about 7% of GDP. The Maldivian Government began an economic reform program in 1989 initially by lifting import quotas and opening some exports to the private sector. Subsequently, it has liberalized regulations to allow more foreign investment. Real GDP growth averaged over 7.5% per year for more than a decade. In late December 2004, a major tsunami left more than 100 dead, 12,000 displaced, and property damage exceeding \$300 million. As a result of the tsunami, the GDP contracted by about 3.6% in 2005. A rebound in tourism, post-tsunami reconstruction, and development of new resorts helped the economy recover quickly. The trade deficit has expanded sharply as a result of high oil prices and imports of construction material. Diversifying beyond tourism and fishing and increasing employment are the major challenges facing the government. Over the longer term Maldivian authorities worry about the impact of erosion and possible global warming on their low-lying country; 80% of the area is one meter or less above sea level.

GDP (purchasing power parity):

\$2.839 billion (2006)

GDP (official exchange rate):

\$1.024 billion (2007)

GDP - real growth rate:
5.5% (2007)

GDP - per capita (PPP):
3900 (2002)

Nepal: Country Profile



Country name:
Nepal

Government type:
Constitutional monarchy

Capital:
Kathmandu

Administrative divisions:
14 zones (anchal, singular and plural); Bagmati, Bheri, Dhawalagiri, Gandaki, Janakpur, Karnali, Kosi, Lumbini, Mahakali, Mechi, Narayani, Rapti, Sagarmatha, Seti

Background:
In 1951, the Nepalese monarch ended the century-old system of rule by hereditary premiers and instituted a cabinet system of government. Reforms in 1990 established a multiparty democracy within the framework of a constitutional monarchy. A Maoist insurgency, launched in 1996, gained traction and threatened to bring down the regime, especially after a negotiated cease-fire between the Maoists and government forces broke down in August 2003. In 2001, the crown prince massacred ten members of the royal

family, including the king and queen, and then took his own life. In October 2002, the new king dismissed the prime minister and his cabinet for "incompetence" after they dissolved the parliament and were subsequently unable to hold elections because of the ongoing insurgency. While stopping short of reestablishing parliament, the king in June 2004 reinstated the most recently elected prime minister who formed a four-party coalition government. Citing dissatisfaction with the government's lack of progress in addressing the Maoist insurgency and corruption, the king in February 2005 dissolved the government, declared a state of emergency, imprisoned party leaders, and assumed power. The king's government subsequently released party leaders and officially ended the state of emergency in May 2005, but the monarch retained absolute power until April 2006. After nearly three weeks of mass protests organized by the seven-party opposition and the Maoists, the king allowed parliament to reconvene in April 2006. Following a November 2006 peace accord between the government and the Maoists, an interim constitution was promulgated and the Maoists were allowed to enter parliament in January 2007. The peace accord calls for the creation of a Constituent Assembly to draft a new constitution. The Constituent Assembly elections, already twice delayed, are set for April 2008.

Geographical Location:

Nepal covers approximately 147,000 sq km, stretching 800km from east to west and 90 to 230km from north to south. Nepal is land-locked between China (including the Chinese autonomous region of Tibet) and India. Nepal has three geographic regions; the mountainous Himalayan belt (including 8 of the 10 highest mountain peaks in the world), the hill region and the plains region. Nepal contains the greatest altitude variation on earth, from the lowland Terai, at almost sea-level to Mount Everest (Sagarmatha) at 8848 metres.

Area:

147,181 sq km (56,827 sq miles)

Land boundaries:

Total: 2,926 km

Border countries: China 1,236 km, India 1,690 km

Coastline:

0 km (landlocked)

Natural resources:

Quartz, water, timber, hydropower, scenic beauty, small deposits of lignite, copper, cobalt, iron ore

Population:

28,901,790 (July 2007 est.)

Age structure:

0-14 years: 38.3% (male 5,721,720/female 5,360,391)

15-64 years: 57.9% (male 8,597,037/female 8,134,115)
65 years and over: 3.8% (male 528,113/female 560,414) (2007 est.)

Population growth rate:

2.132% (2007 est.)

Nationality:

Nepalese

Ethnic groups:

Chhettri, Brahman-Hill, Magar, Tharu, Tamang, Newar, Muslim, Kami, Yadav
(2001 census)

Religions:

Hindu 80.6%, Buddhist 10.7%, Muslim 4.2%, Kirant 3.6%, other 0.9% (2001 census)
(The only official Hindu state in the world)

Languages:

Nepali, Maithali, Bhojpuri, Tharu (Dagaura/Rana), Tamang, Newar, Magar , Awadhi
(2001 census)
(Many in government and business also speak English (2001 est.)

Literacy:

Definition: age 15 and over can read and write

Total population: 48.6%

Male: 62.7%

Female: 34.9% (2001 census)

Economy - overview:

Nepal is among the poorest and least developed countries in the world with almost one-third of its population living below the poverty line. Agriculture is the mainstay of the economy, providing a livelihood for three-fourths of the population and accounting for 38% of GDP. Industrial activity mainly involves the processing of agricultural produce including jute, sugarcane, tobacco, and grain. Security concerns relating to the Maoist conflict have led to a decrease in tourism, a key source of foreign exchange. Nepal has considerable scope for exploiting its potential in hydropower and tourism, areas of recent foreign investment interest. Prospects for foreign trade or investment in other sectors will remain poor, however, because of the small size of the economy, its technological backwardness, its remoteness, its landlocked geographic location, its civil strife, and its susceptibility to natural disaster.

GDP (purchasing power parity):

\$30.66 billion (2007 est.)

GDP (official exchange rate):

\$9.627 billion (2007 est.)

GDP - real growth rate:

2.5% (2007 est.)

GDP - per capita (PPP):

\$1,100 (2007 est.)

Srilanka: Country Profile



Country name:

Democratic Socialist Republic of Sri Lanka

Government type:

Republic

Capital:

Colombo

Administrative divisions:

8 provinces; Central, North Central, North Eastern, North Western, Sabaragamuwa, Southern, Uva, Western

(In October 2006, the Sri Lankan Supreme Court ruled voided a presidential directive merging the North and Eastern Provinces; many have defended the merger as a prerequisite for a negotiated settlement to the ethnic conflict; a parliamentary decision on the issue is pending)

Background:

The first Sinhalese arrived in Sri Lanka late in the 6th century B.C. probably from northern India. Buddhism was introduced in about the mid-third century B.C., and a great civilization developed at the cities of Anuradhapura (kingdom from circa 200 B.C. to circa A.D. 1000) and Polonnaruwa (from about 1070 to 1200). In the 14th century, a south Indian dynasty established a Tamil kingdom in northern Sri Lanka. The coastal

areas of the island were controlled by the Portuguese in the 16th century and by the Dutch in the 17th century. The island was ceded to the British in 1796, became a crown colony in 1802, and was united under British rule by 1815. As Ceylon, it became independent in 1948; its name was changed to Sri Lanka in 1972. Tensions between the Sinhalese majority and Tamil separatists erupted into war in 1983. Tens of thousands have died in the ethnic conflict that continues to fester. After two decades of fighting, the government and Liberation Tigers of Tamil Eelam (LTTE) formalized a cease-fire in February 2002 with Norway brokering peace negotiations. Violence between the LTTE and government forces intensified in 2006 and the government regained control of the Eastern Province in 2007. In January 2008, the government officially withdrew from the ceasefire, and has begun engaging the LTTE in the northern portion of the country.

Geographical Location:

The Democratic Socialist Republic of Sri Lanka (formerly known as Ceylon) is about half the size of England and lies close to the southern tip of India and near the equator. From the coast, the land rises to a central massif more than 1500 m above sea level. The climate is hot and humid - monsoon from May to September and the north-east monsoon from November to March: rainfall, particularly in the south-west, is heavy.

Sri Lanka was severely affected by the tsunami on 26 December 2004, which killed some 40,000 people and displaced 400 – 500 thousand people along two thirds of the north-east, south and south-west coastline. Half the fishing fleet was destroyed, and a quarter of hotels in the affected areas sustained serious damage.

History:

Sri Lanka's history has reflected its close links with the subcontinent and with South East Asia. The colonial European powers arrived in 1505. The Portuguese, the Dutch and then the British ruled Sri Lanka. Sri Lanka (or Ceylon, as it was then known) gained independence from Britain in February 1948.

Area:

65,610 sq km

Land boundaries:

0 km

Coastline:

1,340 km

Natural resources:

Limestone, graphite, mineral sands, gems, phosphates, clay, hydropower

Population:

20,926,315

(Since the outbreak of hostilities between the government and armed Tamil separatists in the mid-1980s, several hundred thousand Tamil civilians have fled the island and more than 200,000 Tamils have sought refuge in the West (July 2007 est.)

Age structure:

0-14 years: 24.3% (male 2,596,295/female 2,495,949)

15-64 years: 67.9% (male 6,947,310/female 7,259,271)

65 years and over: 7.8% (male 765,507/female 861,983) (2007 est.)

Population growth rate:

0.982% (2007 est.)

Nationality:

Sri Lankan

Ethnic groups:

Sinhalese, Sri Lankan Moors, Indian Tamil, Sri Lankan Tamil (2001 census provisional data)

Religions:

Buddhist 69.1%, Muslim 7.6%, Hindu 7.1%, Christian 6.2%, unspecified 10% (2001 census provisional data)

Languages:

Sinhala (official and national language) 74%, Tamil (national language) 18%, other 8% (English is commonly used in government and is spoken competently by about 10% of the population)

Literacy:

Definition: age 15 and over can read and write

Total population: 90.7%

Male: 92.3%

Female: 89.1% (2001 census)

Economy - overview:

In 1977, Colombo abandoned statist economic policies and its import substitution trade policy for more market-oriented policies, export-oriented trade, and encouragement of foreign investment. Recent changes in government, however, have brought some policy reversals. Currently, the ruling Sri Lanka Freedom Party has a more statist economic approach, which seeks to reduce poverty by steering investment to disadvantaged areas, developing small and medium enterprises, promoting agriculture, and expanding the already enormous civil service. The government has halted privatizations. Although suffering a brutal civil war that began in 1983, Sri Lanka saw GDP growth average 4.5% in the last 10 years with the exception of a recession in 2001. In late December 2004, a major tsunami took about 31,000 lives, left more than 6,300 missing and 443,000 displaced, and destroyed an estimated \$1.5 billion worth of property. Government spending and reconstruction drove growth to more than 7% in 2006 but reduced agriculture output probably slowed growth to about 6 percent in 2007. Government

spending and loose monetary policy drove inflation to 16% in 2007. Sri Lanka's most dynamic sectors now are food processing, textiles and apparel, food and beverages, port construction, telecommunications, and insurance and banking. In 2006, plantation crops made up only about 15% of exports (compared with more than 90% in 1970), while textiles and garments accounted for more than 60%. About 800,000 Sri Lankans work abroad, 90% of them in the Middle East. They send home more than \$1 billion a year. The struggle by the Tamil Tigers of the north and east for an independent homeland continues to cast a shadow over the economy.

GDP (purchasing power parity):

\$83.21 billion (2007 est.)

GDP (official exchange rate):

\$25.78 billion (2007 est.)

GDP - real growth rate:

6% (2007 est.)

GDP - per capita (PPP):

\$4,100 (2007 est.)

East Asia

Country Profile: Indonesia

Formal Name: Republic of Indonesia

(Republik Indonesia; the word Indonesia was coined from the Greek *indos*-for India-and *nesos*-for island).

Short Form: Indonesia.

Former Names: Netherlands East Indies; Dutch East Indies.

Term for Citizen(s): Indonesian(s).

Capital: Jakarta (Special Capital City Region of Jakarta), located on the north coast of Java.

Major Cities: The eight largest cities in 2004 were Jakarta (Java), Surabaya (Java), Bandung (Java), Medan (Sumatra), Palembang (Sumatra), Semarang (Java), Ujungpandang (Sulawesi), and Tangerang (Java).

Date of Independence: Proclaimed August 17, 1945, from the Netherlands. The Hague recognized Indonesian sovereignty on December 27, 1949.

Government type: Republic

Constitution: August 1945; abrogated by Federal Constitution of 1949 and Provisional Constitution of 1950, restored 5 July 1959; series of amendments concluded in 2002

Population: 234,693,997

Ethnic Groups: Javanese 40.6%, Sundanese 15%, Madurese 3.3%, Minangkabau 2.7%, Betawi 2.4%, Bugis 2.4%, Banten 2%, Banjar 1.7%, other or unspecified 29.9% (2000 census)

Religions: Muslim 86.1%, Protestant 5.7%, Roman Catholic 3%, Hindu 1.8%, other or unspecified 3.4% (2000 census)

Languages: Bahasa Indonesia (official, modified form of Malay), English, Dutch, local dialects (the most widely spoken of which is Javanese)

HISTORY:

Early Period: Islam entered the archipelago in about the eleventh century, but significant conversions did not take place for two centuries or more, beginning with Pasai (North Sumatra) at the turn of the fourteenth century and going on to Makasar and Central Java in the seventeenth century. Contacts from China deepened between the tenth and fourteenth centuries as a result of growing trade, but Mongol attempts to control Javanese

power (in the late thirteenth century) failed, and early Ming dynasty (1368-1644) efforts to exercise great political and economic influence were fleeting. It was at this time also that Western visitors began appearing, starting with Marco Polo in the late thirteenth century and continuing with the Portuguese and Spanish in the sixteenth century. They were soon followed by the Dutch (1596) and the English (1601). Europeans affected trade and politics in specific places and periods, but for most of the archipelago beyond Java and parts of Maluku, colonial rule did not set in until the mid- or late nineteenth century.

Dutch power in the archipelago grew very gradually, and colonial rule was not a goal of the Dutch East India Company (VOC), which dominated trade from Amsterdam and, after the early seventeenth century, a fortified port called Batavia (now Jakarta) in West Java. In the first decades of the twentieth century, a modern Dutch colonial state extended its control to most of the area now known as Indonesia. Simultaneously, some of the peoples ruled by this state discovered nationalism; the first groups date from the early 1900s, and by the 1920s and 1930s an array of modern political organizations and leaders, including the well-known nationalist figure Sukarno (1901-70), came to the fore. The struggle between the Dutch colonial government and the Indonesian nationalist movement was well under way when the Japanese occupied the Indies in 1942. They remained until the end of World War II in August 1945.

Independence Period: On August 17, 1945, Sukarno and Mohammad Hatta proclaimed the independent Republic of Indonesia with Sukarno as president and Hatta as vice president. Allied forces (mostly British and British Indian troops) did not arrive until six weeks later, by which time the republic had begun to establish itself and nationalist pride had burgeoned. The period October-December 1945 was filled with violent conflict in which Indonesians made it clear they would defend their independence with their lifeblood. Forcing the Dutch to negotiate with the republic for an end to hostilities, the British withdrew in late 1946. The republic subsequently survived two Dutch "police actions" and an internal communist rebellion, and on December 27, 1949, The Hague formally recognized the sovereignty of a federated Republic of the United States of Indonesia, which a year later was formed into a unitary Republic of Indonesia.

Despite the holding of democratic elections in 1955, the years following the struggle for independence were characterized by political and economic difficulty: regional dissidence, attempted assassinations and coups d'état, military-civilian conflict, and economic stagnation. A period of Guided Democracy was announced in 1959 by Sukarno, who in September 1963 proclaimed himself president-for-life and presided over a political system in which the civilian nationalist leadership, much of the Islamic leadership, the large Indonesian Communist Party (PKI), and the army were all at odds. This tense and hostile atmosphere was broken on September 30, 1965, with what appears to have been an attempted PKI coup against the Sukarno government. The precise circumstances remain unclear, but the immediate result was that a "New Order" coalition of students, intellectuals, Muslims, and the army brought about a military-dominated government that removed Sukarno and permitted a broad and deadly assault on communists, especially on Java, Bali, and Sumatra. In late 1965 and early 1966, an

estimated 500,000 Indonesian communists and suspected communists were killed and many more arrested. On March 11, 1966, power was transferred from a seriously ill Sukarno to a high-ranking army officer, Suharto; the PKI was formally banned the following day. Suharto became the acting president on March 12, 1967, and the New Order era began.

The New Order era, which lasted for more than 30 years, has a mixed record. Like Guided Democracy, it was authoritarian, but it was more successful in bringing stability to the nation. Unlike Guided Democracy, its economic achievements were enormous and the well-being of the majority of Indonesians undeniably improved. Average life expectancy, for example, increased from 46 to 65.5 years. On the other hand, the state's heavy involvement in banking and industry, especially the petroleum and natural gas sectors, worked against competition and encouraged corruption on a large scale. A modernizing, educated, and better-off middle class grew, but gained little or no political clout; poverty was reduced, but some particularly severe pockets appeared to be intractable. Suharto provided strong leadership, but he did not provide for a wise transition and, in his last years, clung to power and favored family and friends. East Timor, which had been forcibly annexed to Indonesia in 1976, saw bitter conflict between the Indonesian military and local independence movements. When the Asian financial crisis hit in 1997-98, the New Order lost the economic justification that had guaranteed much of its public support, and there was a widespread call for Suharto to step down. He resigned on May 21, 1998, little more than two months after being selected for his seventh term as president.

Suharto was succeeded by Bucharuddin Jusuf Habibie, who sought first to resolve the East Timor situation and begin a new and more open electoral process. In 1999, following Indonesia's first freely contested parliamentary elections since 1955, Abdurrahman Wahid, well-known as both a progressive intellectual and as leader of Indonesia's largest Muslim organization (Nahdlatul Ulama, NU) became president. According to analysts, his uncompromising leadership style, and questions about both his competency and his health, brought him increasing opposition and eventually serious threats of impeachment. He was dismissed from office in July 2001 in favor of Megawati Sukarnoputri, his vice president and head of the Indonesian Democratic Party of Struggle (PDI-P). Megawati, Sukarno's eldest daughter, was decisively defeated in the September 2004 presidential runoff election by the Democratic Party candidate, retired army general Susilo Bambang Yudhoyono. Yudhoyono was sworn in as president in October 2004.

GEOGRAPHY

Indonesia is located in Southeast Asia. It lies between the Indian and Pacific oceans and between the continents of Asia and Australia, south of Malaysia and the Philippines, and northwest of Australia. Estimates of the size of Indonesia's total area vary. Officially, the Indonesian government says the total land area is 1.9 million square kilometers and total sea area, 7.9 million square kilometers, including an exclusive economic zone. Indonesia is the largest archipelagic nation in the world. It encompasses more than 17,000 islands (17,508 according to the Indonesian Hydro-Oceanographic Office). About 6,000 of these islands are named, and about 1,000 are permanently settled. The five main islands are

Java, Kalimantan, Papua (formerly called Irian Jaya), Sumatra, and Sulawesi. There are two major archipelagos, Nusa Tenggara and Maluku, and about sixty smaller archipelagos.

Indonesia's waterways total 21,579 kilometers. The principal rivers are the Musi, Batanghari, Indragiri, and Kampar rivers on Sumatra; the Kapuas, Barito, and Mahakam rivers on Kalimantan; the Memberamo and Digul rivers on Papua; and the Bengawan Solo, Citarum, and Brantas rivers on Java, which are used primarily for irrigation.

Natural Resources: Petroleum and natural gas are among Indonesia's most important natural resources. Indonesia is the world's largest exporter of liquefied natural gas. Most petroleum production is on central Sumatra, but Java also has significant production, and there are substantial proven offshore reserves. There are also large coal reserves. Other significant minerals are bauxite, copper, gold, iron, manganese, nickel, sulfur, silver, and tin. Another important resource is timber.

DEMOGRAPHY:

Population: Indonesia has the world's fourth largest population after China, India, and the United States, totaling an estimated 238,452,952 individuals in July 2004, with a 1.5 percent annual population growth rate. Sixty-nine percent of the population lives in rural areas. Java is one of the most densely populated areas in the world, with more than 120 million people. Jakarta, on the western end of Java, is the largest city, with an estimated population of 11.4 million in mid-2001.

Ethnic Groups: Indonesia is a culturally diverse nation. Ethnic identities are not always clear, stable (even for individuals), or agreed upon; ethnic groups may appear or profess to be more distinct socially or culturally than they actually are. But there are about 350 recognized ethno linguistic groups in Indonesia, 180 of them located in Papua; 13 languages have more than 1 million speakers.

Religion: Indonesia has the largest Islamic population of any nation. Most Indonesians count themselves as Muslims and observe Islamic practices to varying degrees; another 5 percent of Indonesians are Protestant, 3 percent are Roman Catholic, 2 percent are Hindu, 1 percent are Buddhist, and 1 percent observe other religions. In some remote areas, animism is practiced. The constitution guarantees religious freedom for the five religions (the first five mentioned) recognized by the state.

ECONOMY

Although the New Order brought spectacular development to Indonesia during the 1970s and 1980s, lifting the nation out of the dire economic conditions of the previous two decades, this success did not solve major structural problems and, indeed, may have created new kinds of difficulties. Increasingly in the 1990s, the economic outlook was weakened by charges dubbed "Corruption, Collusion, and Nepotism" (Korupsi, Kolusi, dan Nepotisme-KKN), which after 1996 were leveled particularly at Suharto and his family. Despite liberalization and surveillance policies enacted in the late 1980s, these factors grew in importance and left the economy particularly vulnerable to, and ill-

prepared to address, the financial crisis of 1997-98, which saw the gross domestic product (GDP) drop an officially estimated 13 percent and inflation rise to nearly 60 percent in 1998 alone. In mid-1999, nearly 25 percent of the population was thought to be living in absolute poverty, compared with about 10 percent five years earlier. Since then, Indonesia's economic growth has been slow and somewhat erratic. Many consider major factors to be slow progress on legal, banking, and corporate reforms; continued military action in resource-rich Aceh; and terrorism targeting international capital and tourism.

During the New Order, the economy was transformed from one having virtually no industry in 1965 to production of steel, aluminum, and cement by the late 1970s. At present, Indonesia is the world's number-one exporter of liquefied natural gas (LNG) and the seventeenth largest oil producer in the world, responsible for about 1.8 percent of world production and 5.2 percent of total Organization of Petroleum Exporting Countries (OPEC) production in 2004. The emphasis in the early 2000s was on less government interference in private business and greater technology inputs. Agriculture predominates and benefits from an infusion of modern technology by the government. Indonesia is a major aid recipient.

Indonesia's major trade partners are Japan, the European Union, the United States, Singapore, and the Republic of Korea (South Korea); trade with Association of Southeast Asian Nations (ASEAN) members is increasing. In spite of government liberalization of previously restrictive investment rules, foreign investors continue to experience numerous difficulties in conducting business. Since the late 1990s, companies have remained wary of investing in Indonesia, and an increasing number of manufacturers have relocated outside the country because of security issues, deteriorating infrastructure, substantial corruption, high interest rates, and increasing labor costs. However, there are positive economic signs in steady domestic consumption, a strengthened currency, and successful small and medium business enterprises.

GOVERNMENT AND POLITICS

Government Overview: Indonesia is a republic based on limited separation of powers among the executive, legislative, and judicial branches. The constitution of 1945 is in force, but, based on a constitutional amendment of August 2002, beginning with the 2004 presidential elections, the once powerful, party-centered presidency is subject to popular election and limited to two five-year terms. Prior to the 2004 elections, the People's Consultative Assembly (Majlis Permusyawaratan Rakyat-MPR) chose the president and vice president, who were not necessarily from the same political party. Under the new law, the president and vice president are elected on a single ticket and the winning ticket must win more than 50 percent of the popular vote and at least 20 percent of the vote in half of the provinces. If these percentages are not met, a second-round runoff election is held. The president is both chief of state and head of government.

The MPR, the highest authority of the state, has both elected and appointed members. Under the amendment that surrendered its presidential election powers, the MPR also replaced its 200 nonelected members (representatives of provinces and various social groups) with elected members of a new legislative body, the 200-seat House of Regional

Representatives (Dewan Perwakilan Daerah-DPD), which was established by constitutional amendment in 2001. The DPD joins the existing 500-seat House of People's Representatives (Dewan Perwakilan Rakyat-DPR) in a bicameral, all-elected legislature. The members of both houses make up the MPR.

The highest court of the land is the Supreme Court (Mahkamah Agung), composed of justices appointed by the president from a list of candidates approved by the legislature.

Electoral System: Indonesia has direct, popular election of its parliamentary representatives. All citizens 17 years of age and older are eligible to vote. Indonesia's first free parliamentary elections since 1955 were held in July 1999 and resulted in a major victory for a new party under the leadership of Sukarno's daughter, Megawati Sukarnoputri-the Indonesian Democratic Party of Struggle (PDI-P). The PDI-P, although receiving the greatest share of the vote, did not have sufficient support within the People's Consultative Assembly (MPR), which instead chose the Muslim leader and progressive intellectual Abdurrahman Wahid as president and permitted the appointment of Megawati to the office of vice president. Electoral system however changes with constitutional amendment of 2002.

Politics and Political Parties: The old emphasis on consensus, unity, and controlled political development came to an end in the post-Suharto era, starting in 1998. Whereas the official government party, Golkar, once held an absolute majority, there are now numerous parties vying for power, and none enjoys national majority support. These parties include the Crescent Moon and Star Party (PBB), Democratic Party (PD), Indonesia Democratic Party-Struggle (PDI-P), National Awakening Party (PKB), National Mandate Party (PAN), Prosperous Justice Party (PKS), and United Development Party (PPP). As a result of the April 2004 parliamentary elections, Golkar had 128 seats, PDI-P 109 seats, PPP 58 seats, PD 57 seats, PKB 52 seats, PAN 52 seats, PKS 45 seats, and other parties 49 seats.

Mass Media: The constitution provides for freedom of speech and freedom of the press; however, the government has a history of restricting these rights in practice. In August 1990, the government formally announced that it would refrain from censoring domestic and foreign media and from revoking the publishing licenses of newspapers that violated regulations governing the press. Yet in practice, the government's policy towards the press did not change, and in 1994 it revoked the licenses of three major news magazines, Editor, DeTik, and Tempo. After President Suharto's resignation in May 1998, the government once again officially disavowed censorship, and within six months both DeTik and Tempo had resumed publication (the latter under the name DeTak). Private press in current operation includes nearly 50 daily newspapers, dozens of magazines, 10 foreign press bureaus, and five private commercial television stations. There are also two government radio stations (Radio Republik Indonesia and Voice of Indonesia), one government news agency (Antara), and one independent national news agency (Kantorberita Nasional Indonesia). The government does not restrict Internet usage or content.

Human Rights: The United States Department of State's Human Rights Report for 2003

(issued in February 2004) rates the Indonesian government's human rights record as "poor" and notes that Indonesia has "continued to commit serious abuses." Murders, torture, rape, beatings, and arbitrarily detaining civilians and members of separatist movements were all documented as abuses by security force members. The government also was accused of having frequently failed to protect adequately the fundamental rights of children, women, peaceful protesters, journalists, disabled persons, religious minorities, and indigenous people, among others. Aceh and Papua provinces were seen as the scenes of the most apparent human rights abuses, but human rights appeared to have improved in some provinces, for example Maluku and North Maluku, despite sporadic outbreaks of violence.

Foreign Relations: Indonesia is a charter member of the Nonaligned Movement, which was established in September 1961. As the Sukarno era progressed, however, Indonesia's government was at odds with the Dutch over West New Guinea (now called Papua) and increasingly hostile toward neighboring Malaysia to the point that Sukarno withdrew Indonesia from the United Nations when Malaysia was appointed a nonpermanent member of the Security Council in 1964.

In the mid-1960s, following an attempted coup and subsequent upheaval, in which hundreds of thousands of communists and suspected communists were killed, power was transferred from Sukarno to General Suharto. This government moved quickly to rejoin the United Nations and reopen Indonesia to Western investment and influence. Relations with China, which was widely thought to have aided the Indonesian Communist Party (PKI), were suspended. In 1967 Indonesia participated in establishing a new officially nonaligned grouping of neighbors, the Association of Southeast Asian Nations (ASEAN), which was friendly toward the Western powers. Its secretariat was placed in Jakarta, and its first secretary general was an Indonesian. The commemoration of the thirtieth anniversary of the Bandung Conference in 1985 saw Indonesia's full reemergence on the world stage, allowing Jakarta to project itself as a leading voice in the Nonaligned Movement and providing it with an extra-regional platform for claiming proper international standing. Indonesia's diplomatic relations with China had been reinstituted in 1990. Then, in 1991, Indonesia gained its long-sought goal of chairing the Nonaligned Movement, but the 1992 Jakarta summit came at a time when the Cold War had ended.

Indonesia continues to play an important role in ASEAN affairs, particularly in efforts to settle the Cambodia crisis. Indonesia's most contentious regional relations are those with Australia, mostly over the situation in East Timor. In the 2000s, the Indonesia government proclaims that its relations with all major nations are based on the principles of nonalignment and what it calls an "independent and active foreign policy."

Major insurgencies:

Despite having huge Muslim population and small number of minorities, Indonesia has been suffering from insurgencies either based on religious differences or intra religious conflicts. In this regard issue of East Timor has got significant value. Though it has resolved now yet has left strong imprints on rest of the state. Besides that two potent insurgencies that have been challenging Indonesia since long include:

- i) Free Aceh Movement
- ii) Papua Separatist Movement

Note: All these movements will be covered in the next report. Data has been collected in this regard and has been scanned to a great extent as well. Key data sources include:

- 1 CIA Fact Book
- 2 BBC News
- 3 Lexisnexis
- 4 Wikipedia
- 5 Human Rights Watch
- 6 Library of Congress- Federal Research division
- 7 CRS Report for Congress
- 8 Research School of Pacific and Asian Studies
- 9 The Jakarta Post
- 10 Indonesia Post
- 11 Indonesia Globe
- 12 International Monetary Fund
- 13 International Crises Group
- 14 World Bank
- 15 Asian Ethnicity
- 16 Asia Times Online
- 17 The Economist
- 18 fco.gov.uk
- 19 worldpress.org/asia.htm
- 20 abc.net.au/rn/latenightlive
- 21 indonesiamatters.com
- 22 gimonca.com/index.html
- 23 Islamonline.com

East Asia

2nd Part: Indonesia

Role of military in Indonesian Politics:

Military has always played significant role in Indonesian politics. It can easily be observed in long lasting military rules in Indonesia. Though military has remained dominant even in political scene yet its role has never been considered as illegal. Indeed Indonesian military has occupied a unique place since independence particularly because of its relentless efforts to counter Dutch forces for the sake of freedom. Hence after getting independence military was assigned the duty to counter both external and internal security threats. In this regard it first adopted "middle road" in order to deal with all security challenges. Later on it was assigned 'double function' hence got full authority of public defense. In this way it got full territorial command. Military enjoyed enormous support of the government till 1980s. President Suharto, in order to counter communist threat extended full support to military. In return military as an institute strengthened manifolds. Though Suharto was able to crush left wing with the help of strong forces yet its sole authoritative position faced severe threat by strong military institute. Hence in

order to curb its authority, Suharto started bringing some key changes within the institute. After Suharto, other Presidents i.e. Waheed and then Habibie also tried to erode military power by making appointments and transfers according to their will. Later on, Indonesian public witnessed the most promising change during President Megawati's era, i.e. replacement of 'territorial command' with 'New Paradigm'; it was introduced by the then General Yudhoyono. He gave the idea of revision of the responsibilities that had been assigned to military forces. He gave the idea of police to deal with domestic issues so that military should keep its focus on external security challenges. Since then military's position has changed to some extent yet its authority hasn't shifted completely to the police; as police lacks expertise to counter challenges even at domestic level hence needs to get proper training by military troops.

Security Threats to Indonesia:

Indonesia confronts security threats from four sources:

1. Cells of international terrorist networks operating in Indonesia
2. Domestic radical Islamic organizations
3. Religious and ethnic conflicts
4. Separatist movements

1. Cells of international terrorist networks operating in Indonesia:

Indonesia being archipelago of over 14,000 islands with porous borders has given an open chance to international militants to operate over there. In this regard Jemaah Islamiyah, inspired by Wahaabi teachings is thought to be the most promising one. It has accused of having links with Al-Qaeda; hence has been blamed for its involvement in many terrorist acts being carried in Indonesia. Presence of international terrorist cells has always been considered as a potent threat, however 9/11 added more to it.

2. Domestic radical Islamic organizations:

Extremist Islam emerged during the ending period of Suharto's era; when he started supporting Muslim Maulvis and Islamic norms in order to acquire a strong base within Muslims and to counter military threat. Later on, the formation of militant Muslim groups accelerated under the interim presidency of Habibie, who also sought to mobilize Muslim support in his ultimately unsuccessful effort to retain power. Some of the extremist groups had their origin in the Pam Swakarsa (Self-Help Security Guards), organized by military sectors to confront antigovernment students in 1998. Some of the key militant Muslim groups include the Laskar Jihad (led by Ja'afar, initially had links with Al-Qaeda but blamed bin-laden after 9/11), the military arm of the Ahlul Sunnah Wal-Jamaah Communication Forum, the Islam Defenders Front (Front Pembela Islam or FPI), the Hezbollah Task Force, the Islamic Youth Front, etc. Besides Extremists some moderate forces also work in Indonesia. The largest Muslim social welfare organizations in the country, Nahdlatul Ulama and Muhammadiyah, are the most potent in this regard.

3. Religious and ethnic conflicts:

Muslims constitute more than 86% of the total population hence are in absolute majority. Christians being the second largest are not more than 10%. Though number differs greatly yet in some areas Christians are in substantive number hence ethnic conflict

between the two religious communities has been observed. In this regard Moluccas and Poso (Central Sulawesi) hold significant place. Both areas have witnessed violent clashes between Muslims and Christians since 1999. Government deployed military troops to resolve the issue but both parties started accusing military personals for having biases. Military therefore could not bring some fruitful results; hence government tried to settle these issues through negotiations between the two parties that finally led to an agreement in 2002.

4. Separatist movements:

Three key separatist movements of Indonesia include:

- a) East Timor
- b) Aceh Movement
- c) Papua Separatist Movement

East Timor:

East Timor got independence from its colonial master Portugal in 1974 followed by Indonesian invasion hence became part of Indonesia in 1976. Despite tremendous efforts of East Timorese led by *the revolutionary Front for an Independent East Timor*, it remained part of Indonesia till 1998. This period witnessed excessive use of force as well as human rights violations by Indonesian military yet did not bring in severe criticism of International community. Many relate it with Cold War politics as Indonesia under Suharto's rule was quite close to the US hence US did not pay much attention to suppressed Christian minority of East Timor till the end of Cold War. Next decade however brought remarkable change in the behavior of international community that started condemning Indonesian government for using force against East Timorese. In this regard, the US even imposed sanctions against the Indonesia. Finally in August 1999 the overwhelming majority of East Timorese voted in a United Nations-sponsored referendum to secede from Indonesia and became trustee of UN. The withdrawal of Indonesian forces was violent and left much of the territory in ruins.. East Timor finally became independent in 2002.

Aceh Movement:

The province of Aceh, with four million inhabitants and located at the northern tip of the island of Sumatra, is according to some historians the region where Islam first entered both the archipelago and Southeast Asia. Up until the late 19th century, the province was a fiercely independent sultanate that had existed as a sovereign entity for roughly 500 years. It was conquered by the Dutch only after a protracted war (1873–1903) that cost the lives of some 10,000 colonial troops. Following its emancipation from Dutch rule in 1949, the newly independent and Java-based Indonesian government made a vigorous attempt to consolidate control over the province, regarding it as being integral to the goal of a national, post-colonial unity. Acehese resistance to Jakarta is deeply rooted for several reasons:

- (1) The strong ethnic and religious identity of the Acehese;
- (2) A widespread perception that the Acehese have not benefited from the province's natural wealth and that industrial development projects have been introduced merely to

- provide employment opportunities to outsiders, especially from Java;
- (3) Resentment at the Jakarta government's social migration policies, which were seen as an attempt to impose Javanese social, cultural, and economic domination;
 - (4) The legacy of bitterness left by the government's often heavy-handed counterinsurgency efforts, particularly during the period the province was designated an area of military operations;
 - (5) A rejection of the secular orientation of the Indonesian state, which is perceived to be at odds with Aceh's strict Sunni form of Islamic observance.

Acehnese first challenged government in 1950s by extending support to Darul Islam rebellion. Government in response gave 'special regime' status to Aceh in 1959. Later on, hard line separatists initiated Gerakan Aceh Merdeka or Free Aceh Movement in 1970s to launch military activities against the regime. Suharto in 1990s declared Aceh a theatre of military operations hence launched coercive counter insurgency campaign. Fall of Suharto brought new prospects for GAM as Habbibie, Waheed and Megawati tried to bring some reconciliation with Acehnese. Hence peace efforts started resulting in the passage of 'special autonomy law' in July 2001. Though it brought positive hopes yet hasn't been implemented fully till now. Meanwhile Tsunami also played a significant role in widening the gap between Aceh Muslims and the government of Indonesia. Government and GAM also signed peace agreement in 2005 as a result of which GAM dissolved its military wing though for the time being.

Papua Separatist Movement:

Papua, which was known officially as Irian Jaya until January 1, 2002, is a sparsely populated but economically important component of Indonesia. It is the site of the world's largest gold and copper mining operation, and it has large gas and oil deposits. The province was not part of the original Indonesian state and had little in common with the rest of Indonesia. The majority of the two million inhabitants are Melanesians living in pre-modern conditions. When Indonesia became independent in 1949, the Dutch insisted on retaining the province, then known as Netherlands New Guinea. The Dutch promoted a Papuan national identity, with a view to granting independence to the colony by 1970. But after a decade of agitation by Indonesian nationalists, armed infiltration, and the threat of the use of force, the province was annexed by Indonesia in a United Nations-sponsored process that many Papuans did not consider legitimate. In the 1969 "Act of Free Choice," 1,026 electors largely selected by the Indonesian authorities decided without a formal vote to confirm integration with Indonesia.

Disaffection with Jakarta's rule, including domination of the provincial administration by outsiders, disregard for the local cultures, and exploitation of the province's vast natural resources under terms that did not benefit the local population created the conditions for a low intensity insurgency led by the tribal-based Free Papua Organization (Organisasi Papua Merdeka or OPM). Just like Aceh, Suharto considered use of force as viable option to deal with this issue but could not get success. Later on Habibie and Waheed again tried to adopt conciliatory behavior. Waheed's government even agreed to change its name from Irian Jaya to Papua though the MPR rejected the change at that time and accepted it in 2002 with the passage of 'special autonomy law'.

East Asia

Malaysia: Key Issues

Despite its collaboration with a large number of states, Malaysia has got strained relation with its bordering states. In this regard it has disputes with Singapore, Indonesia, Thailand and Philippines. These disputes need appropriate consideration. All the while Malaysia's role in the war against terrorism also needs proper attention. Some domestic issues for instance the issue of religious freedom also needs to be elaborated. All these issues would be thoroughly analyzed in this report.

Malaysian relations with Singapore:

On 16 September 1963, Singapore joined the Federation of Malaya together with Sabah and Sarawak to form Malaysia. This marked the end of a 144-year period of British rule in Singapore, beginning from the Founding of modern Singapore by Stamford Raffles in 1819. The union however was rocky from the start. Distrust and ideological differences between leaders of the State of Singapore and the federal government of Malaysia resulted in frequent disagreement in politics, economic and financial policies, and social policies. The conflict spread to the populace, resulting in major racial riots in 1964 in Singapore. In 1965, Malaysia Prime Minister Tunku Abdul Rahman decided upon the secession of Singapore from the Federation, leading to the Independence of Singapore on 9 August 1965. Since their separation, an international border has been shared between the two states. Despite economic collaboration both have rift over two significant areas. One being Johor-Singapore Causeway, the first road link between the two states; and other being the Pedra Branca Island (Pulau Batu Puteh), both has claims over it. Besides these two issues, water supply to Singapore by Malaysia and marginalization of Chinese in Malaysia has always been great source of friction between the two states since the independence of Singapore.

Johor-Singapore Causeway:

The Johor-Singapore Causeway (Malay: Tambak Johor) is a 1,056 meter causeway that links the city of Johor Bahru in Malaysia across the Straits of Johor to the town of Woodlands in Singapore. It serves as a road, rail, and pedestrian link, as well as water piping into Singapore. The causeway connects to the Skudai Highway (Federal Route 1) on the Malaysian side and the Bukit Timah Expressway on the Singaporean side. The Johor-Singapore Causeway was completed in 1923 after four years of construction. It was partially severed in 1942 during the Second World War, to prevent the Japanese army from invading Singapore. However, it was rebuilt once the Japanese had captured Singapore. During the 1964 Race Riots, the causeway was closed from 22 to 26 July, 1964. The Johor-Singapore Causeway is the first land link between Peninsular Malaysia and Singapore. The second, called the Malaysia-Singapore Second Link, was completed in 1998.

There were several calls to remove the Causeway in the second half of the 20th century. The first call occurred in the Johor legislative council when the speaker said the Causeway was "more a hindrance than anything else" while a port should be built near Johor Bahru to rejuvenate the city economy. The second demand came in 1986 when

Israeli president Chaim Herzog visited Singapore. Under the Mahathir administration, the Malaysian government scheduled to build a new customs, immigration and quarantine complex on a hilltop near the Johor Bahru railway station. A bridge is planned to link the new customs complex with the city square. The project was termed "Gerbang Selatan Bersepadu" (integrated southern gateway) by the government. Such proposals on replacing the old causeway with a new bridge has resulted a political rift between the two countries since the early 2000s. The Malaysian government envisioned that disagreement by Singapore to participate in the project would result in a crooked bridge. However, Singapore has indicated that it might agree to a bridge if its air force is allowed to use part of Johor's airspace. Malaysia refused the offer and negotiation is said to be still ongoing.

However, in January 2006, Malaysia announced that it is going ahead to build the new bridge, now referred to as scenic bridge. The construction of the new scenic bridge on Malaysian side had officially began on 10 March 2006 when the piling works of this bridge was completed, but on 12 April 2006, construction was halted and scrapped by Mahathir's successor, Abdullah Ahmad Badawi, with growing complications in both negotiation (the conditions set by Singapore were strongly opposed by the people of Malaysia on grounds of national sovereignty) and legal matters with Singapore. Most recently, Badawi has said that "in [the] future, there won't be just one or two bridges between Malaysia and Singapore. There will be lots"; renewing hope of further improvements in transportation links between the two countries. In early November 2006, the Sultan of Johor called for the demolition of the bridge, reasoning that the Causeway is undermining the state economy.

Pedra Branca Island:

Pedra Branca or Pulau Batu Puteh (both meaning "white rock" in Portuguese and Malay respectively) is an outcrop of rocks situated where the Singapore Strait, specifically Straits of Johor, meets the South China Sea, measuring at its longest, during low water spring tide, a mere 137 meters. It has a land area of 2,000 m². It is known as Pedra Branca in Singapore and Pulau Batu Puteh in Malaysia. Ownership of the island is disputed by Singapore and Malaysia. Singapore has been administering Pedra Branca and managing Horsburgh Lighthouse as early as 1851. Malaysia first claimed the island in 1979 when the country published new official maps, which included the island of Pedra Branca in its territory. Malaysia asserts that when Johor Sultanate ceded Singapore to the British in 1824, the island was not part of the secession and that the Sultan of Johor only allowed the British to construct a lighthouse on the island in 1844. In 1824, Sultan of Johor ceded Singapore and the surrounding of 10 nautical miles to the British East Indian Company. Pedra Branca is located 25 nautical miles away from Singapore; the island is 7.7 nautical miles away from Johor. In 1994, both sides agreed to bring the matter to International Court of Justice. Both countries have made written submissions to the Court and public hearings will open 6 November 2007.

Water Issue:

Singapore obtains half of its water needs from Malaysia under agreements running until 2061 and 2062. The Malaysian state of Johor provides 350 million gallons of water per

day to Singapore at \$0.007 per 1000 gallons, while Singapore has to resell a minimum 17 million gallons per day of treated water to Johor at \$0.13 per 1000 gallons. The price differential has prompted calls from numerous Malaysian politicians that Singapore is profiteering from the deal.

Dispute over Ethnic Chinese in Malaysia:

Singapore has serious concerns about Malaysian policies vis-à-vis Chinese minority. Singapore has been critical about marginalization of ethnic Chinese by Malaysian government. Malaysia however has strictly advised Singapore not to interfere in its internal affair.

Overall its assumed that Malaysia and Singapore shared toughest time during Dr. Mahatir Mohammad's era. Being antagonistic about Singapore, he restricted Singapore companies from being able to invest in Malaysian corporations. He also instituted stronger customs and immigration laws, and created stricter regulations concerning the sale of fresh water to Singapore. Since Mahathir stepped down in 2003, the two countries have begun to warm up to each other. Just after the first year, investment agencies of the Singapore government poured roughly 800 million dollars into the Malaysian economy. Similarly, Malaysian corporations have begun to buy shares of Singapore companies. Also notable: in 2005, the two sides resolved a land dispute over the Johor straits which flow between the countries and had long been an issue of contention. Both countries are benefiting socially and economically from resolving their differences and stand to become bigger players in international economics.

Malaysian Relations with Indonesia:

Formation of Malaysian federation in 1963 by British Empire was severely criticized by Indonesia. Sukarno even withdrew from the UNO when Malaysia became its member. Infact Indonesia considered it to be the British Puppet that would enable British Empire to keep East Asia within its control. This brought serious rivalry between Indonesia and Malaysia since its establishment. Rivalry later on turned into military confrontation between the two; that prevailed for two years i.e. 1964 to 1966. Confrontation was actually based on Indonesian claim over North Borneo, to avoid British control over the region. British and Australian troops provided full defense to Malaysia. Towards the end of 1965, General Suharto came to power in Indonesia, following a coup d'état. Due to this domestic conflict, Indonesian interest in pursuing the war with Malaysia declined, and combat eased. On May 28, 1966, at a conference in Bangkok, the Malaysian and Indonesian governments declared the conflict was over. Violence ended in June, and a peace treaty was signed on August 11 and ratified two days later. This treaty formally brought an end to the conflict at that time but after a span of more than two decades strain over some other islands emerged between the two states. In this regard Malaysia is again having legal territorial disputes with Indonesia over two small islands in the Sulawesi Sea (Celebes Sea) beside Malaysian state of Sabah and Indonesian Kalimantan. Sipadan Island and Ligitan Island are two small islands in the Celebes Sea off the South eastern coast of Sabah. The row started in 1991 when Indonesia discovered that Malaysia had built tourist facilities on Sipadan Island despite the two government verbal agreement made in 1969 to discuss the question of sovereignty at a later date. Malaysia in her

response denied the allegation and insisted that the islands have always been a part of Sabah and therefore reserves the right to develop and exploit the area.

Besides territorial disputes both states do have environmental problems as well. In this regard Indonesia blames Malaysia over the issue of air pollution. Malaysia in response has started putting efforts to contain air pollution in the best possible manner. Negotiations have been held to discuss and resolve the bilateral issues.

Malaysia and Thailand:

Generally Malaysia enjoys smooth relation with Thailand; however issue of Islamic insurgency in Southern part of Thailand can be considered as major point of rift between the two states. Thailand has been suffering from severe insurgency in Patani, Narathiwat and Yala and it blames Malaysia in this regard; particularly for providing refuge to the insurgents. Relations reached at their lowest ebb during Thawksin's period however have recovered since his downfall. Malaysia has recently offered help to Thailand to play the role of mediator between the Thai government and the Muslim insurgents; new Thai regime happily accepted the offer.

Overview of Malaysian-Philippine relation:

Relation between Malaysia and Philippines dates back to 1959; when the later established its Legation in Kuala Lumpur. That was later extended to Embassy. Though relations remained mostly smooth yet kept on fluctuating at times. In this regard Philippines closed its embassy firstly in 1963 upon the host government's orders, following a failure to reach a satisfactory settlement of the Philippines' claim to North Borneo and the deferment of recognition of the successor state, the Federation of Malaya. For the next eight months (i.e. Sept 1963- May 1964), diplomatic and consular relations between the two countries were suspended. Negotiations however brought an end to the problem and diplomatic relations reestablished. The Philippine Embassy in Kuala Lumpur closed again on Nov. 29, 1968, following an impasse on the Sabah controversy. Malaysia likewise pulled out its embassy in Manila signaling the collapse of diplomatic relations between the Philippines and Malaysia. The period from April - November had been busy, if tense, as the two countries held talks in Bangkok, trying to resolve the issue. The diplomatic row had been precipitated by the so-called "Corregidor" and "Jabidah" affairs which the Philippines had claimed were internal matters, but which Malaysia insisted to be otherwise. Malaysia alleged, but failed to prove, that same were efforts of the Philippines to train Special Forces for infiltration and subversive activities in Sabah. Negotiations were again held to resolve the issue. Since then, both states did their best to avoid conflict. Malaysia, in this regard, has been playing an effective role in bringing an end to Islamic insurgency in Philippines.

Malaysia's role in the war against terrorism:

Malaysia, being keen about its Islamic identity; has been a staunch critic of the US launched war against Afghanistan after 9/11. The US even got warnings by local Muslim extremists of Indonesia and Malaysia because of its aggressive policy towards Afghanistan first and Iraq later. All the while Malaysia adopted strict measures to counter terrorism at its own. In this regard Malaysian regime fully utilized its Internal Security Act to detain all suspected Muslim extremists. In order to avoid US involvement in East

Asia in the name of terrorism, Dr. Mahatir Mohammad asked Indonesia for collaboration in this regard.

Religious Freedom in Malaysia:

Malaysia declared itself to be a secular state at the time of its establishment. Hence it was supposed to follow the principle of equity for all ethnic groups; yet Muslims (Malays) being in majority have always enjoyed more prestigious place in all aspects of life be it politics, employment or education. Infact Chinese (a lot of whom have migrated from China) are the richest community within the state hence in order to create a balance among them and the original natives of Malaysia government introduced New Economic Policy in 1970. This policy brought huge opportunities for Muslims. Dr. Mahatir Mohammad having much stronger inclination towards Islam, also adopted the same policy initially but replaced it with more refined one in 1990s. He put great emphasize on Islamization of the state and finally declared Islam as the official religion of the state by bringing amendment in the constitution. No one afterwards has been able to change the name because of lack of two third majorities to amend the constitution.

Minorities within Malaysia enjoy full religious freedom according to the constitution; however they feel marginalized in certain issues. For instance the issue of Conversion, as the given method is quite easy for any non-Muslim to convert however its extremely difficult for a Muslim to do so. Thats why a lot of such cases are still pending in Islamic Sharia Courts. Similarly it takes a lot of time to built worship places of other religions e.g. Church, temple etc. Initially only Malay Muslims were being given distinct place but now bill has been passed that equalizes Chinese or Indian Muslims with original Malays.

East Asia

Philippines: Country Profile:

Brief History: The Philippines (Filipino: Pilipinas), officially the Republic of the Philippines (Republika ng Pilipinas; RP), is an island nation located in Southeast Asia, with Manila as its capital city. The Philippine Archipelago comprises 7,107 islands in the western Pacific Ocean. The country reflects diverse indigenous Austronesian cultures from its many islands, as well as European and American influence from Spain, Latin America and the United States. Filipinos are mostly of Austronesian descent. Some Filipinos are partly of American, Spanish, Chinese, and Arab ancestry. A former Spanish and United States colony, the Philippines has many affinities with the Western world including Spain and Latin America due to three centuries of Spanish colonial rule. Roman Catholicism is the predominant religion, and Filipino and English are the official languages.

Philippines achieved independence from the United States on July 4, 1946. Since 1946, the newly independent Philippine state has faced political instability with various rebel groups. The late 1960s and early 1970s saw economic development that was second in Asia, next to Japan. Ferdinand Marcos was, then, the elected president. Barred from seeking a third term, Marcos declared martial law on September 21, 1972 and ruled the country by decree. Marcos extended both his power and tenure by force. His authoritarian rule became marred with unmitigated, pervasive corruption, cronyism and despotism. Upon returning from exile, opposition leader Benigno Aquino, Jr. was assassinated on August 21, 1983. In January 1986, Marcos allowed for a “snap” election, after large protests. The election was believed to be fraudulent, and resulted in a standoff between military mutineers and the military loyalists. Protesters supported the mutineers, and were accompanied by resignations of prominent cabinet officials. Corazon Aquino, the wife of Benigno Aquino, Jr., was the recognized winner of the snap election. She took over government, and called for a constitutional convention to draft a new constitution, after the 1986 EDSA Revolution. Marcos, his family and some of his allies fled to Hawaii. The return of democracy and government reforms after the events of 1986 was hampered by massive national debt, government corruption, coup attempts, a communist insurgency, and a Muslim separatist movement. The economy improved during the administration of Fidel V. Ramos, who was elected in 1992. However, the economic improvements were negated at the onset of the East Asian financial crisis in 1997. The 2001 EDSA Revolution led to the downfall of the following president, Joseph Estrada. The current administration of President Gloria Macapagal-Arroyo has been hounded by allegations of corruption and election rigging. Due to these allegations the current administration has had to suppress several attempted coups, the most recent taking place in Manila during March of 2006.

Politics: The Philippines has a presidential-unitary form government, where the President functions as both head of state and head of government, and is commander-in-chief of the armed forces. The president is elected by popular vote to a six-year term, during which they appoint and preside over the cabinet. The bicameral Congress is composed of a Senate, serving as the upper house whose members are elected nationally to a six-year

term, and a House of Representatives serving as the lower house whose members are elected to a three-year term and are elected from legislative districts and through sectoral representation. The judicial power is vested in the Supreme Court, composed of a Chief Justice as its presiding officer and fourteen associate justices, all appointed by the President from nominations submitted by the Judicial and Bar Council.

Geography: The Philippines constitutes an archipelago of 7,107 islands with a total land area of approximately 300,000 square kilometers (116,000 sq. mi). It borders the Philippine Sea on the east, on the South China Sea the west, and the Celebes Sea on the south. The island of Borneo lies a few hundred kilometers southwest and Taiwan directly north. The Moluccas and Sulawesi are to the south, and Palau is to the east beyond the Philippine Sea. The Philippines is divided into three geographical areas: Luzon, Visayas, and Mindanao. These are divided into seventeen regions, eighty-one provinces, 118 cities, 1,510 municipalities, and 41,994 barangays. Most government offices establish regional offices to serve the constituent provinces. The regions themselves do not possess a separate local government, with the exception of the Autonomous Region in Muslim Mindanao.

Most of the mountainous islands used to be covered in tropical rainforest and are volcanic in origin. The highest point is Mount Apo on Mindanao at 2,954 meters (9,692 ft). There are many active volcanos such as Mayon Volcano, Mount Pinatubo, and Taal Volcano. The country also lies within the typhoon belt of the Western Pacific and about 19 typhoons strike per year. Lying on the northwestern fringes of the Pacific Ring of Fire, the Philippines experiences frequent seismic and volcanic activities. Some 20 earthquakes are registered daily in the Philippines, though most are too weak to be felt. The last great earthquake was the 1990 Luzon earthquake.

Economy: The Philippines is a newly industrialized country with an agricultural base, light industry, and service-sector economy. It has been listed in “Next Eleven” economies. The Philippines has one of the most vibrant business process outsourcing (BPO) industries in Asia. Numerous call centers and BPO firms have infused momentum into the Philippines market, generating thousands of jobs, including Fortune 500 companies. The resiliency of the Philippine economy is due to low foreign fund inflows and its agriculture-based economy that allowed it to snap back from Asian Financial Crisis as evidenced by a 3% growth in 1999 and 4% in 2000.

By 2004, the Philippine economy catapulted to over 6% growth. President Gloria Macapagal-Arroyo pledged to turn the country into a First World state by 2020. In 2005, the Philippine peso was said to be Asia's best-performing currency. In 2006, the Philippine economy expanded at a rate of 5.4%, higher than of the previous year. The government plans to accelerate the country's GDP growth by 7% in 2007. The government forecasts the economy to grow at 9% by 2009. Strategies for streamlining the economy include improvements of infrastructure, more efficient tax systems to bolster government revenues, furthering deregulation and privatization of the economy, and increasing trade integration within the region and across the world.

The Philippines' economic prosperity also depends in large part on how well its two biggest trading partners' economies perform: the U.S. and Japan. Despite the growing economy, the Philippines will have to address several chronic problems in the future. Income inequality remains persistent; about 30 million people lived on less than \$2 per day in 2005. China and India have emerged as major economic competitors, siphoning away investors who would otherwise have invested in the Philippines, particularly telecom companies. Regional development is also somewhat uneven, with the main island Luzon and Metro Manila gaining most of the new economic growth at the expense of the other regions.

Demography: The Philippines is the world's 12th most populous country, with a population of over 85 million as of 2005. Roughly two-thirds reside on the island of Luzon. Manila, the capital, is the eleventh most populous metropolitan area in the world. The literacy rate was 92.5% in 2003, and about equal for males and females. In the 100 years since the 1903 Census, the population has grown by a factor of eleven. This represents a much faster rate of growth than other countries in the region.

Religious divisions: The Philippines is one of only two majority Roman Catholic countries in Asia (the other being East Timor). About 90% of Filipinos are Christians, where 81% belong to the Roman Catholic Church, and the 9% composed of Protestant denominations, the Philippine Independent Church, and Iglesia ni Cristo. While Christianity is a major force in the culture of the Filipinos, indigenous traditions and rituals still influence religious practice. Approximately 5% of Filipinos are Muslims, and are locally known as “Moros”, having been dubbed this by the Spanish due to their sharing Islam with the Moors of North Africa. They primarily settle in parts of Mindanao, Palawan and the Sulu archipelago, but are now found in most urban areas of the country. Most lowland Muslim Filipinos practice normative Islam, although the practices of some Mindanao's hill tribe Muslims reflect a fusion with animism. There are also small populations of Buddhists, Jews and animists, which, along with other non-Christians and non-Muslims, collectively comprise 5% of the population.

Muslims' Issues: Arab traders brought Islam to the southern part of the Philippines in the 13th century. Several of its southern provinces remain predominantly Muslim at the present time as there are an estimated 3.5 million Muslims in the Philippines that make 5% of the whole population. The rest of the country is Christian, almost entirely Roman Catholic. Muslims are distinguished from Christian Filipinos not only by their profession of Islam but also by their evasion of 300 years of Spanish colonial domination. At the same time, Philippine Muslims have always been separated from one another in this archipelagic nation by significant linguistic and geographic distance. They are divided into three major and ten minor ethno linguistic groups and dispersed across the southern islands. The three largest ethno linguistic groups are the Magindanaons of the Pulangi River Basin of central Mindanao, the Maranaos of the Lanao Lake region of central Mindanao, and the Tausugs of Jolo Island in the Sulu archipelago. Smaller groups include the Yakans of Basilan Island, the Samals of the Tawi-Tawi island group in Sulu, and the Iranuns of the Cotabato coast of Mindanao.

Muslims however got united with the passage of time. In this regard American rule played an important role as they identified all tribes of Muslims as Moors. Later on marginalization of Southern Muslims on the whole also brought them closer and tied them in a strong bond of unity. Infact after independence, Philippines' government started policy of Christians' in-migration to Southern Philippine; this converted Muslim majority areas into Christian majority areas. For instance in Mindanao-Sulu as a whole, Philippine Muslims now comprise less than 17 per cent of the population, due primarily to large scale Christian in-migration from the North over the past 50 years. Christian settlers got hold of lands and started dominating Muslims in all spheres. This thing pushed Muslim farmers back from the Christians. All the while, violence by Christian gangs in collusion with local constabularies and especially the "Jabidah Massacre" on 18 March 1968 played catalytic roles in growing Moro militancy during the Ferdinand Marcos presidency. At least 28 (and likely more) Moro recruits were killed on the Island of Corregidor by the Philippines Army. Therefore, Muslims' deprivation led to the formation of different insurgent groups at different time periods. All of them aimed at fighting against Christian majority. They include; Moros National Liberation Front (MNLF), led by Nur Misuari- found in 1969, Moros Islamic Liberation Front (MILF), led by Hashim Salamat- found in 1984 and Abu Sayyaf, led by Janjalani- found in 1995. Meanwhile, in 1979, a short-lived rival group designated the Bangsa Moro Liberation Organization (BMLO) was also formed under the leadership of expatriate Moros based in Saudi Arabia.

All of these wings aim to get autonomy of the Southern Philippines though have adopted different means to get their objective. In this regard MNLF has remained diplomatically active as it held peace talks with government in 70 and 90 leading to the Tripoli Peace Agreement of 1975 and another Peace agreement of 1996. Both these pacts aimed to give autonomy to Southern region by establishing South Philippines Council of Peace and Development and then making Autonomous Region for Muslims of Mindanao. Though these pacts brought positive hopes for Muslims yet did not bear fruit due to strong opposition by Christian dominated Congress as well as because of absence of other Muslims groups in negotiations. For a short span MILF also got involved in peace talks in 1997 that ended in 2000. They declared government's insincerity to resolve the issue, to be the main cause of failure of negotiations. On the whole MILF is thought to be the most popular wing nowadays hence they claim to control 26 southern "territories;" the government however admits that they have taken charge in ten regions.

East Asia

Singapore: Country Profile

Full name: Republic of Singapore

Population: 4.4 million (UN, 2005)

Capital: Singapore

Area: 660 sq km (255 sq miles)

Major languages: English, Malay, Mandarin, Tamil

Major religions: Buddhism and Taoism 51%, Islam 15%, Christianity 15%, Hinduism 4%

Political System: Republic-Parliamentary Democracy

Major Political Parties: People's Action Party (PAP), Singapore Democratic Party and Workers' Party

Industries: electronics, chemicals, financial services, oil drilling equipment, petroleum refining, rubber processing and rubber products, processed food and beverages, ship repair, entrepot trade, biotechnology

Agriculture Products: rubber, copra, fruit, orchids, vegetables; poultry, eggs, fish, ornamental fish

Brief History: Singapore's history dates back to the eleventh century; however, few details were recorded until Westerners arrived in 1819. In 1824, the British bought the island and established the city of Singapore as a major port and trade center. Because of its economic importance, in 1867, Singapore was incorporated as an official British Crown Colony along with neighboring Penang and Malacca; it remained as such until 1946. During the Second World War, Singapore was taken over by the Japanese but later was recaptured by the British in 1945. Soon thereafter, Penang and Malacca joined the independent Malayan Union, while Singapore remained a British Colony. In 1959, Singapore became a self-governing part of the Federation of Malaya, Sabah, and Sarawak to form Malaysia. Singapore separated from Malaysia and became an independent republic on August 9, 1965.

Geography: The country comprises the main island - linked by a causeway and a bridge to the southern tip of Malaysia - and around 50 smaller islands.

Demography: Singapore is one of the most densely populated countries in the world. The annual growth rate for 2004 was 1.3%, including resident foreigners. Singapore has a varied linguistic, cultural, and religious heritage. Malay is the national language, but Chinese, English, and Tamil also are official languages. Chinese make up more than 75% of the community; Malays and Indians make up much of the remainder. There are many foreign workers as well. People do practice different religions yet Singapore presents the best example of 'Unity in diversity.'

Political developments: According to the constitution, as amended in 1965, Singapore is a republic with a parliamentary system of government. Political authority rests with the prime minister and the cabinet. The prime minister is the leader of the political party or

coalition of parties having the majority of seats in Parliament. The president, who is chief of state, previously exercised only ceremonial duties. As a result of 1991 constitutional changes, the president is now elected and exercises expanded powers over legislative appointments, government budgetary affairs, and internal security matters.

The unicameral Parliament currently consists of 84 members elected on the basis of universal adult suffrage, and up to nine “nominated” members of Parliament. A constitutional provision assures at least three opposition members, even if fewer than three actually are elected. The president appoints nominated members of Parliament from among nominations by a special select committee. Nominated members of Parliament (NMP's) enjoy the same privileges as members of Parliament but cannot vote on constitutional matters or expenditures of funds. The maximum term of anyone in Parliament is 5 years. NMP's serve for two and a half year terms. Voting has been compulsory since 1959.

The ruling political party in Singapore, reelected continuously since 1959, is the People's Action Party (PAP), now headed by Prime Minister Lee Hsien Loong. Lee succeeded Goh Chok Tong on August 12, 2004. Goh now serves as 'senior minister' and Lee Kuan Yew holds the title 'Minister Mentor', a newly created position. The PAP has held the overwhelming majority of seats in Parliament since 1966, when the opposition Barisan Sosialis Party (Socialist Front), a left-wing group that split off from the PAP in 1961, resigned from Parliament, leaving the PAP as the sole representative party. In the general elections of 1968, 1972, 1976, and 1980, the PAP won all of the seats in an expanding Parliament. Workers' Party Secretary General J.B. Jeyaretnam became the first opposition party member of Parliament in 15 years when he won a 1981 by-election.

Opposition parties gained small numbers of seats in the general elections of 1984 (2 seats out of a total of 79), 1988 (1 seat of 81), 1991 (4 seats of 81), 1997 (2 seats of 83), 2001 (2 seats of 84) and 2006 (2 seats of 84). Meanwhile, the PAP's share of the popular vote in contested seats decreased from 75% in 2001 to 66.6% in 2006. In the 2006 election, opposition parties together contested 47 of the 84 seats.

Judiciary is also an important institution. Judicial power is vested in the High Court and the Court of Appeal. The High Court exercises original criminal and civil jurisdiction in serious cases as well as appellate jurisdiction from subordinate courts. Its chief justice, senior judge, and twelve judges are appointed by the president. Appeals from the High Court are heard by the Court of Appeal. The right of appeal to the Privy Council in London was abolished effective April 1994.

Economy: Singapore is often referred to as one of Asia's economic "tigers". Its economy is driven by electronics manufacturing and financial services and has weathered regional crises, including the 1997 Asian markets slump and the 2003 SARS virus outbreak. Currently its GDP is 7.9% and it intends to increase it more.

Media: Singapore's media environment is highly regulated. Censorship is common, internet access is regulated and private ownership of satellite dishes is not allowed.

Government officials have a record of winning defamation suits against foreign publications. Media watchdog Reporters without Borders says the press is “in the grip of a rigorous self-censorship” over its coverage of domestic politics. Two players dominate the media scene. Singapore Press Holdings, which has close links to the ruling party, hence has a virtual monopoly of the newspaper industry. MediaCorp, owned by a state investment agency, operates TV and radio stations.

International Relations: Singapore is nonaligned. It is a member of the United Nations-it occupied a rotational seat on the Security Council 2001-02-and several of its specialized and related agencies, and also of the Non-Aligned Movement and the Commonwealth. Singapore has participated in UN peacekeeping/observer missions in Kuwait, Angola, Namibia, Cambodia, and East Timor. It provided a training unit to assist in training Iraqi police, and Singapore has deployed naval ships, air force transport planes, and refueling tankers to the Persian Gulf to support the multinational coalition effort to bring stability and security to Iraq. Singapore supports the concept of Southeast Asian regionalism and plays an active role in ASEAN and the Asia Pacific Economic Cooperation (APEC) forum.

Islam: Islam is practiced by about 16% of Singapore's population. It is mainly practiced by the sizeable Malay minority, who constitute about 13.9% of the country's population. The remainder is practiced by Indian, Pakistani and Arab Muslim communities. There are also a small number of Chinese and Eurasian followers of Islam. Today, the Singapore Muslim Religious Council (Majlis Ugama Islam Singapura) plays a very important role in the organization of Islamic affairs and therefore of the Muslim community. Authorized by the 1966 Administration of Muslim Law Act, the council, composed of members nominated by Muslim societies but appointed by the President of Singapore, is formally a statutory board that advises the president on all matters relating to the Muslim religion. It acts to centralize and standardize the practice of Islam. The council administers all Muslim trusts (wakaf); organizes a computerized and centralized collection of zakat; and manages all aspects of the pilgrimage to Mecca, including registering pilgrims, obtaining Saudi Arabian visas, and making airline reservations. The current President of MUIS is Haji Mohammad Alami Musa and the Mufti of Singapore is Syed Isa bin Mohamed bin Semait.

Overall, Muslims have got two councils; one is the Islamic Council and the other is the Council for the Development of the Muslim Community. The latter's purpose is to bring the community forward and the former's is to establish religious affairs. Both have developed a close bond hence are thought to be unified. Their main focus is to uplift Muslims and to establish Mosques and Islamic Madrasas across the state. Muslims of Singapore are thought to be tolerant and patient; hence they do not want to get into religious extremism. All the while government of Singapore also gives special attention to minorities in order to avoid communal and racial rivalry. As a result Muslims in Singapore are considered as role models by many other Muslim minorities particularly in the Europe.

Country Profile:

Iraq

Background:

Formerly part of the Ottoman Empire, Iraq was occupied by Britain during the course of World War I; in 1920, it was declared a League of Nations mandate under UK administration. In stages over the next dozen years, Iraq attained its independence as a kingdom in 1932. A "republic" was proclaimed in 1958, but in actuality a series of military strongmen ruled the country until 2003. The last was Saddam Husayn. Territorial disputes with Iran led to an inconclusive and costly eight-year war (1980-88). In August 1990, Iraq seized Kuwait but was expelled by US-led, UN coalition forces during the Gulf War of January-February 1991. Following Kuwait's liberation, the UN Security Council (UNSC) required Iraq to scrap all weapons of mass destruction and long-range missiles and to allow UN verification inspections. This issue led to the US-Iraq confrontation that ended in US led invasion of Iraq in March 2003 and the ouster of the Saddam Husayn regime. Coalition forces remain in Iraq with a claim to provide security and to support the freely elected government. The Coalition Provisional Authority, which temporarily administered Iraq after the invasion, transferred full governmental authority on 28 June 2004 to the Iraqi Interim Government, which governed under the Transitional Administrative Law for Iraq (TAL). Under the TAL, elections for a 275-member Transitional National Assembly (TNA) were held in Iraq on 30 January 2005. Following these elections, the Iraqi Transitional Government (ITG) assumed office. The TNA was charged with drafting Iraq's permanent constitution, which was approved in a 15 October 2005 constitutional referendum. An election under the constitution for a 275-member Council of Representatives (CoR) was held on 15 December 2005. The CoR approval in the selection of most of the cabinet ministers on 20 May 2006 marked the transition from the ITG to Iraq's first constitutional government in nearly a half-century. Constitutional government however could not succeed in restoring peace over there.

Geography:

Location:

Middle East, bordering the Persian Gulf, between Iran and Kuwait

Area:

Total: 437,072 sq km

Land: 432,162 sq km

Water: 4,910 sq km

Land boundaries:

Total: 3,650 km

border countries: Iran 1,458 km, Jordan 181 km, Kuwait 240 km, Saudi Arabia 814 km, Syria 605 km, Turkey 352 km

Coastline: 58 km

Demography:

Population: 28,221,181

Age structure:

0-14 years: 39.2% (male 5,613,420/female 5,438,770)

15-64 years: 57.9% (male 8,270,573/female 8,057,423)

65 years and over: 3% (male 396,751/female 444,244) (2008 est.)

Nationality: Iraqi

Ethnic groups: Arab 75%-80%, Kurdish 15%-20%, Turkoman, Assyrian, or other 5%

Religions: Muslim 97% (Shi'a 60%-65%, Sunni 32%-37%), Christian or other 3%

Languages: Arabic, Kurdish (official in Kurdish regions), Turkoman (a Turkish dialect), Assyrian (Neo-Aramaic), Armenian

Government:

Country name: Republic of Iraq

Government type: Parliamentary democracy

Capital: Baghdad

Constitution: Ratified on 15 October 2005 (subject to review by the Constitutional Review Committee and a possible public referendum)

Economy - overview:

Iraq's economy is dominated by the oil sector, which has traditionally provided about 95% of foreign exchange earnings. Although political instability and chaos has adversely affected economy yet efforts are being made to rebuild it; yet coalition forces claim that oil exports are around levels seen before Operation Iraqi Freedom, and total government revenues have benefited from high oil prices. Despite political uncertainty, Iraq is making some progress in building the institutions needed to implement economic policy and has negotiated a debt reduction agreement with the Paris Club and a new Stand-By Arrangement with the IMF. Iraq has received pledges for \$13.5 billion in foreign aid for 2004-07 from outside of the US, more than \$33 billion in total pledges. The International Compact with Iraq was established in May 2007 to integrate Iraq into the regional and global economy, and the Iraqi government is seeking to pass laws to strengthen its economy. This legislation includes a hydrocarbon law to establish a modern legal framework to allow Iraq to develop its resources and a revenue sharing law to equitably divide oil revenues within the nation, although both are still bogged down in discussions. The Central Bank has been successful in controlling inflation through appreciation of the dinar against the US dollar.

GDP (purchasing power parity): \$100 billion

Israel

Background:

Following World War II, the British withdrew from their mandate of Palestine, and the UN partitioned the area into Arab and Jewish states, an arrangement rejected by the Arabs. Subsequently, the Israelis defeated the Arabs in a series of wars without ending the deep tensions between the two sides. The territories Israel occupied since the 1967 war are not included in the Israel country profile, unless otherwise noted. On 25 April 1982, Israel withdrew from the Sinai pursuant to the 1979 Israel-Egypt Peace Treaty. In keeping with the framework established at the Madrid Conference in October 1991,

bilateral negotiations were conducted between Israel and Palestinian representatives and Syria to achieve a permanent settlement. Israel and Palestinian officials signed on 13 September 1993 a Declaration of Principles (also known as the "Oslo Accords") guiding an interim period of Palestinian self-rule. Outstanding territorial and other disputes with Jordan were resolved in the 26 October 1994 Israel-Jordan Treaty of Peace. In addition, on 25 May 2000, Israel withdrew unilaterally from southern Lebanon, which it had occupied since 1982. In April 2003, US President BUSH, working in conjunction with the EU, UN, and Russia - the "Quartet" - took the lead in laying out a roadmap to a final settlement of the conflict by 2005, based on reciprocal steps by the two parties leading to two states, Israel and a democratic Palestine. However, progress toward a permanent status agreement was undermined by Israeli-Palestinian violence between September 2003 and February 2005. An Israeli-Palestinian agreement reached at Sharm al-Sheikh in February 2005, along with an internally-brokered Palestinian ceasefire, significantly reduced the violence. In the summer of 2005, Israel unilaterally disengaged from the Gaza Strip, evacuating settlers and its military while retaining control over most points of entry into the Gaza Strip. The election of HAMAS in January 2006 to head the Palestinian Legislative Council froze relations between Israel and the Palestinian Authority (PA). Ehud Olmert became prime minister in March 2006; following an Israeli military operation in Gaza in June-July 2006 and a 34-day conflict with HezbAllah in Lebanon in June-August 2006, he shelved plans to unilaterally evacuate from most of the West Bank. Olmert in June 2007 resumed talks with the PA after HAMAS seized control of the Gaza Strip and PA President Mahmoud Abbas formed a new government without HAMAS.

Geography:**Location:**

Middle East, bordering the Mediterranean Sea, between Egypt and Lebanon

Area:

Total: 20,770 sq km

Land: 20,330 sq km

Water: 440 sq km

Land boundaries:

Total: 1,017 km

border countries: Egypt 266 km, Gaza Strip 51 km, Jordan 238 km, Lebanon 79 km, Syria 76 km, West Bank 307 km

Coastline: 273 km

Demography:

Population: 7,112,359

Note: includes about 187,000 Israeli settlers in the West Bank, about 20,000 in the Israeli-occupied Golan Heights, and fewer than 177,000 in East Jerusalem

Age structure:

0-14 years: 28% (male 1,018,229/female 971,083)

15-64 years: 62.2% (male 2,242,928/female 2,183,688)

65 years and over: 9.8% (male 303,289/female 393,142)

Nationality: Israeli

Ethnic groups: Jewish 76.4% (of which Israel-born 67.1%, Europe/America-born 22.6%, Africa-born 5.9%, Asia-born 4.2%), non-Jewish 23.6% (mostly Arab)

Religions: Jewish 76.4%, Muslim 16%, Arab Christians 1.7%, other Christian 0.4%, Druze 1.6%, unspecified 3.9%

Languages: Hebrew (official), Arabic used officially for Arab minority, English most commonly used foreign language

Government:

Country name: State of Israel

Government type: Parliamentary democracy

Capital: Jerusalem

Constitution: no formal constitution; some of the functions of a constitution are filled by the Declaration of Establishment (1948), the Basic Laws of the parliament (Knesset), and the Israeli citizenship law; note - since May 2003 the Constitution, Law, and Justice Committee of the Knesset has been working on a draft constitution

Economy - overview:

Israel has a technologically advanced market economy with substantial, though diminishing, and government participation. It depends on imports of crude oil, grains, raw materials, and military equipment. Despite limited natural resources, Israel has intensively developed its agricultural and industrial sectors over the past 20 years. Israel imports substantial quantities of grain but is largely self-sufficient in other agricultural products. Cut diamonds, high-technology equipment, and agricultural products (fruits and vegetables) are the leading exports. Israel usually posts sizable trade deficits, which are covered by large transfer payments from abroad and by foreign loans. Roughly half of the government's external debt is owed to the US, its major source of economic and military aid. Israel's GDP, after contracting slightly in 2001 and 2002 due to the Palestinian conflict and troubles in the high-technology sector, has grown by about 5% per year since 2003. The economy grew an estimated 5.4% in 2007, the fastest pace since 2000. The government's prudent fiscal policy and structural reforms over the past few years have helped to induce strong foreign investment, tax revenues, and private consumption, setting the economy on a solid growth path.

GDP (purchasing power parity): \$184.9 billion

Jordan

Background:

Following World War I and the dissolution of the Ottoman Empire, the UK received a mandate to govern much of the Middle East. Britain separated out a semi-autonomous region of Transjordan from Palestine in the early 1920s, and the area gained its independence in 1946; it adopted the name of Jordan in 1950. The country's long-time ruler was King HUSSEIN (1953-99). A pragmatic leader, he successfully navigated competing pressures from the major powers (US, USSR, and UK), various Arab states, Israel, and a large internal Palestinian population, despite several wars and coup attempts.

In 1989 he reinstituted parliamentary elections and gradual political liberalization; in 1994 he signed a peace treaty with Israel. King ABDALLAH II, the son of King HUSSEIN, assumed the throne following his father's death in February 1999. Since then, he has consolidated his power and undertaken an aggressive economic reform program. Jordan acceded to the World Trade Organization in 2000, and began to participate in the European Free Trade Association in 2001. Municipal elections were held in July 2007 under a system in which 20% of seats in all municipal councils were reserved by quota for women. Parliamentary elections were held in November 2007 and saw independent pro-government candidates win the vast majority of seats. In November 2007, King Abdullah instructed his new prime minister to focus on socioeconomic reform, developing a healthcare and housing network for civilians and military personnel, and improving the educational system.

Geography:**Location:**

Middle East, northwest of Saudi Arabia

Area:

Total: 92,300 sq km

Land: 91,971 sq km

Water: 329 sq km

Land boundaries:

Total: 1,635 km

border countries: Iraq 181 km, Israel 238 km, Saudi Arabia 744 km, Syria 375 km, West Bank 97 km

Coastline: 26 km

Demography:

Population: 6,198,677

Age structure:

0-14 years: 32.2% (male 1,017,233/female 976,284)

15-64 years: 63.7% (male 2,110,293/female 1,840,531)

65 years and over: 4.1% (male 122,975/female 131,361)

Nationality: Jordanian

Ethnic groups: Arab 98%, Circassian 1%, Armenian 1%

Religions: Sunni Muslim 92%, Christian 6% (majority Greek Orthodox, but some Greek and Roman Catholics, Syrian Orthodox, Coptic Orthodox, Armenian Orthodox, and Protestant denominations), other 2% (several small Shi'a Muslim and Druze populations)

Languages: Arabic (official), English widely understood among upper and middle classes

Government:

Country name: Hashemite Kingdom of Jordan

Government type: constitutional monarchy

Capital: Amman

Constitution: 1 January 1952; amended many times

Economy - overview:

Jordan is a small Arab country with insufficient supplies of water, oil, and other natural resources. Poverty, unemployment, and inflation are fundamental problems, but King ABDALLAH II, since assuming the throne in 1999, has undertaken some broad economic reforms in a long-term effort to improve living standards. Since Jordan's graduation from its most recent IMF program in 2002, Amman has continued to follow IMF guidelines, practicing careful monetary policy, making substantial headway with privatization, and opening the trade regime. Jordan's exports have significantly increased under the free trade accord with the US and Jordanian Qualifying Industrial Zones (QIZ), which allow Jordan to export goods duty free to the US. In 2006, Jordan reduced its debt-to-GDP ratio significantly. These measures have helped improve productivity and have made Jordan more attractive for foreign investment. Before the US-led war in Iraq, Jordan imported most of its oil from Iraq. Since 2003, however, Jordan has been more dependent on oil from other Gulf nations. The government ended subsidies for petroleum and other consumer goods in 2008 in an effort to control the budget. The main challenges facing Jordan are reducing dependence on foreign grants, reducing the budget deficit, attracting investments, and creating jobs.

GDP (purchasing power parity): \$28.18 billion

Lebanon**Background:**

Following the capture of Syria from the Ottoman Empire by Anglo-French forces in 1918, France received a mandate over this territory and separated out the region of Lebanon in 1920. France granted this area independence in 1943. A lengthy civil war (1975-1990) devastated the country, but Lebanon has since made progress toward rebuilding its political institutions. Under the Ta'if Accord - the blueprint for national reconciliation - the Lebanese established a more equitable political system, particularly by giving Muslims a greater voice in the political process while institutionalizing sectarian divisions in the government. Since the end of the war, Lebanon has conducted several successful elections. Most militias have been disbanded, and the Lebanese Armed Forces (LAF) has extended authority over about two-thirds of the country. HezbAllah, a radical Shi'a organization listed by the US State Department as a Foreign Terrorist Organization, retains its weapons. During Lebanon's civil war, the Arab League legitimized in the Ta'if Accord Syria's troop deployment, numbering about 16,000 based mainly east of Beirut and in the Bekaa Valley. Israel's withdrawal from southern Lebanon in May 2000 and the passage in October 2004 of UNSCR 1559 - a resolution calling for Syria to withdraw from Lebanon and end its interference in Lebanese affairs - encouraged some Lebanese groups to demand that Syria withdraw its forces as well. The assassination of former Prime Minister Rafiq HARIRI and 20 others in February 2005 led to massive demonstrations in Beirut against the Syrian presence ("the Cedar Revolution"), and Syria withdrew the remainder of its military forces in April 2005. In May-June 2005, Lebanon held its first legislative elections since the end of the civil war free of foreign interference, handing a majority to the bloc led by Saad HARIRI, the slain prime minister's son. Lebanon continues to be plagued by violence - HezbAllah

kidnapped two Israeli soldiers in July 2006 leading to a 34-day conflict with Israel. The LAF in May-September 2007 battled Sunni extremist group Fatah al-Islam in the Nahr al-Barid Palestinian refugee camp; and the country has witnessed a string of politically motivated assassinations since the death of Rafiq HARIRI. Lebanese politicians in November 2007 were unable to agree on a successor to Emile LAHUD when he stepped down as president, creating a political vacuum.

Geography:

Location:

Middle East, bordering the Mediterranean Sea, between Israel and Syria

Area:

Total: 10,400 sq km

Land: 10,230 sq km

Water: 170 sq km

Land boundaries:

Total: 454 km

Border countries: Israel 79 km, Syria 375 km

Coastline: 225km

Demography:

Population: 3,971,941

Age structure:

0-14 years: 26% (male 526,994/female 505,894)

15-64 years: 66.8% (male 1,275,021/female 1,380,131)

65 years and over: 7.1% (male 128,002/female 155,899)

Nationality: Lebanese

Ethnic groups: Arab 95%, Armenian 4%, other 1%

Note: many Christian Lebanese do not identify themselves as Arab but rather as descendents of the ancient Canaanites and prefer to be called Phoenicians

Religions: Muslim 59.7% (Shi'a, Sunni, Druze, Isma'ilite, Alawite or Nusayri), Christian 39% (Maronite Catholic, Greek Orthodox, Melkite Catholic, Armenian Orthodox, Syrian Catholic, Armenian Catholic, Syrian Orthodox, Roman Catholic, Chaldean, Assyrian, Copt, Protestant), other 1.3%

Note: 17 religious sects recognized

Languages: Arabic (official), French, English, Armenian

Government:

Country name: Lebanese Republic

Government type: republic

Capital: Beirut

Constitution: 23 May 1926; amended a number of times, most recently Charter of Lebanese National Reconciliation (Ta'if Accord) of October 1989

Economy - overview:

The 1975-90 civil war seriously damaged Lebanon's economic infrastructure, cut national output by half, and all but ended Lebanon's position as a Middle Eastern entrepot and banking hub. In the years since, Lebanon has rebuilt much of its war-torn physical and financial infrastructure by borrowing heavily - mostly from domestic banks. In an attempt to reduce the ballooning national debt, the Rafiq HARIRI government began an austerity program, reining in government expenditures, increasing revenue collection, and privatizing state enterprises, but economic and financial reform initiatives stalled and public debt continued to grow despite receipt of more than \$2 billion in bilateral assistance at the Paris II Donors Conference. The Israeli-Hezbollah conflict in July-August 2006 caused an estimated \$3.6 billion in infrastructure damage, and prompted international donors to pledge nearly \$1 billion in recovery and reconstruction assistance. Donors met again in January 2007 and pledged over \$7.5 billion to Lebanon for development projects and budget support, conditioned on progress on Beirut's fiscal reform and privatization program. Internal Lebanese political tension continues to hamper economic activity, particularly in the tourism and retail sectors.

GDP (purchasing power parity): \$40.65 billion

Syria

Background:

Following the breakup of the Ottoman Empire during World War I, France administered Syria until its independence in 1946. The country lacked political stability, however, and experienced a series of military coups during its first decades. Syria united with Egypt in February 1958 to form the United Arab Republic. In September 1961, the two entities separated, and the Syrian Arab Republic was reestablished. In November 1970, Hafiz al-ASAD, a member of the Socialist Ba'th Party and the minority Alawite sect, seized power in a bloodless coup and brought political stability to the country. In the 1967 Arab-Israeli War, Syria lost the Golan Heights to Israel. During the 1990s, Syria and Israel held occasional peace talks over its return. Following the death of President al-ASAD, his son, Bashar al-ASAD, was approved as president by popular referendum in July 2000. Syrian troops - stationed in Lebanon since 1976 in an ostensible peacekeeping role - were withdrawn in April 2005. During the July-August 2006 conflict between Israel and Hezbollah, Syria placed its military forces on alert but did not intervene directly on behalf of its ally Hezbollah.

Geography:

Location:

Middle East, bordering the Mediterranean Sea, between Lebanon and Turkey

Area:

Total: 185,180 sq km

Land: 184,050 sq km

Water: 1,130 sq km

Note: includes 1,295 sq km of Israeli-occupied territory

Land boundaries:

Total: 2,253 km

border countries: Iraq 605 km, Israel 76 km, Jordan 375 km, Lebanon 375 km, Turkey 822 km

Coastline: 193 km

Demography:

Population: 19,747,586

Note: in addition, about 40,000 people live in the Israeli-occupied Golan Heights - 20,000 Arabs (18,000 Druze and 2,000 Alawites) and about 20,000 Israeli settlers

Age structure:

0-14 years: 36.2% (male 3,679,473/female 3,467,096)

15-64 years: 60.5% (male 6,119,459/female 5,822,376)

65 years and over: 3.3% (male 310,838/female 348,344)

Nationality: Syrian

Ethnic groups: Arab 90.3%, Kurds, Armenians, and other 9.7%

Religions: Sunni Muslim 74%, other Muslim (includes Alawite, Druze) 16%, Christian (various denominations) 10%, Jewish (tiny communities in Damascus, Al Qamishli, and Aleppo)

Languages: Arabic (official); Kurdish, Armenian, Aramaic, Circassian widely understood; French, English somewhat understood

Government:

Country name: Syrian Arab Republic

Government type: republic under an authoritarian military-dominated regime

Capital: Damascus

Constitution: 13 March 1973

Economy - overview:

The Syrian economy grew by an estimated 3.3% in real terms in 2007 led by the petroleum and agricultural sectors, which together account for about one-half of GDP. Higher crude oil prices countered declining oil production and led to higher budgetary and export receipts. Damascus has implemented modest economic reforms in the past few years, including cutting lending interest rates, opening private banks, consolidating all of the multiple exchange rates, raising prices on some subsidized items, most notably gasoline and cement, and establishing the Damascus Stock Exchange - which is set to begin operations in 2009. In October 2007, for example, Damascus raised the price of subsidized gasoline by 20%, and may institute a rationing system in 2008. In addition, President ASAD signed legislative decrees to encourage corporate ownership reform, and to allow the Central Bank to issue Treasury bills and bonds for government debt. Nevertheless, the economy remains highly controlled by the government. Long-run economic constraints include declining oil production, high unemployment and inflation, rising budget deficits, and increasing pressure on water supplies caused by heavy use in agriculture, rapid population growth, industrial expansion, and water pollution.

GDP (purchasing power parity): \$83 billion

Country Profile GCC

Bahrain

Full name: Kingdom of Bahrain

Area: 665 sq km

Location: Middle East, archipelago in the Persian Gulf, east of Saudi Arabia

Land boundaries: 0 km

Coastline: 161 km

Population: 698,585 (including over 230,000 expatriates)

People: Arab Muslim majority, of whom some 34%-40%: Sunni and 60%-66%: Shia

Ethnic groups: Bahraini 63%, Asian 19%, other Arab 10%, Iranian 8%

Languages: Arabic is the official language; English is widely spoken and is the main commercial language

Religion(s): Islam is the state religion; places of worship for other faiths exist

Capital City: Manama: It is the country's largest city with a population of approximately 155,000, roughly a quarter of the country's entire population. The majority of Manama residents are non-Bahrainis: only 55,230 residents have Bahraini citizenship.

Currency: Bahraini Dinar (BD); 1 Bahraini Dinar = 1,000 fils (tied to the US dollar)

GDP (purchasing power parity): \$24.61 billion

Major political parties: Political Parties are officially banned but Political Associations have been allowed to expand. These include Islamic groupings (Sunni and Shi'a), as well as secular and liberal associations.

Government: Monarchy with appointed upper and elected lower chambers of Parliament

Qatar

Full name: The State of Qatar

Area: 11,435 sq km

Location: Middle East, peninsula bordering the Persian Gulf and Saudi Arabia

Land boundaries: total: 60 km

Border countries: Saudi Arabia 60 km

Population: 907,229 (growth rate: 2.4%)

People: Arab, Muslim majority

Ethnicity/race: Arab 40%, Pakistani 18%, Indian 18%, Iranian 10%, other 14%; In the past, expatriates in Qatar were not allowed to own land; however, now people who are not Qatari citizens can buy land in several areas of Doha, including the West Bay Lagoon, the Qatar Pearl and the new Lusail City. Ownership by foreigners in Qatar entitles them to a renewable residency permit, which allows them to live and work in Qatar.

Religion(s): Islam

Religious communities: Muslim 77.5%, Christian 8.5%, other 14%

Capital City: Doha, with 400,051 people: Doha's demographics are unusual as the majority of residents in the city are expatriates, with Qatari nationals forming a minority. Doha is also home to expatriates from South Asian countries, mainly India, Pakistan and Bangladesh, with large amounts of expatriates also coming from the Levant Arab

countries, Egypt, North Africa, and East Asia, the United States, France, South Africa, United Kingdom, Norway, and many other countries.

Languages: Arabic, English and Urdu

Currency: Qatari Riyal (QR); 1 QR = 100 Dirhams

GDP (purchasing power parity): \$57.69 billion

Major political parties: None

Government: Monarchy

Coastline: 563 km

UAE

General information: The United Arab Emirates (UAE) is a federation of seven states formed in 1971 by the then Trucial States after independence from Britain. Although each state - Abu Dhabi, Dubai, Ajman, Fujairah, Ras al Khaimah, Sharjah and Umm al Qaiwain - maintains a large degree of independence, the UAE is governed by a Supreme Council of Rulers made up of the seven emirs, who appoint the prime minister and the cabinet.

Full Country Name: United Arab Emirates

Area: 77,700 sq km

Location: Middle East, bordering the Gulf of Oman and the Persian Gulf, between Oman and Saudi Arabia

Land boundaries: total: 867 km

Border countries: Oman 410 km, Saudi Arabia 457 km

Coastline: 1,318 km

Population: 4.6 million

People: Arab (55%, with only 20%, native citizens), South Asian (28%), Iranian (8%), other expatriates (9%)

Religion(s): Muslim (96%; Sunni: 80% & Shi'ite: 16%) Hindu (4%)

Capital City: Abu Dhabi

Largest city: Dubai; Dubai has large Hindu, Christian, Buddhist, Sikh and other religious communities. Non-Muslim groups can own their own houses of worship, where they can practice their religion freely, by requesting a land grant and permission to build a compound. Groups that do not have their own buildings must use the facilities of other religious organizations or worship in private homes.

Languages: Arabic (official), Persian, English, Hindi, Urdu

Currency: 1 UAE Dirham=100 fils

GDP (purchasing power parity): \$145.8 billion

Major political parties: None

Government: Federation

General information about three city states of GCC:

In Dubai, shopping malls, luxury hotels, residential towers and artificial islands are being built. Around 5 million tourists visit Dubai per year and the city –according to government literature- is planning for 15 million by 2020. For Dubai, Singapore has been the model that has already proved that combining business with tourism can be a successful formula for a city-state. To do this, Dubai has turned itself into a transport

hub; the existing airport is being expanded and a new airport planned with six runways and the capacity to handle 120 million passengers per year. Dubai is not the only city engaged in a construction boom of tremendous proportions attracting international interest; Doha (Qatar) and the Manama, city state of Bahrain are also in the race. These are examples of 'instant' cities or 'cities within cities' that are focal points of their government's efforts to promote real estate development.

Dubai:

Dubai is a fast growing economy with growth rates well above 15% last year and double digit for many years in running now. Last few years have seen Dubai growing from a tiny city state to a huge metropolitan city. Minimum Living Standards in Dubai (improving all the time) are much higher than many Fast Developing Economies of the world. Dubai offers a range of Life Style options to its residents. Dubai, as a true metropolitan, is always working on providing the world class infrastructure to compliment the image that it has carved over the years in the comity of city states. Roads, although falling short yet catching fast with the pace of development, the flyovers and overhead bridges, the underpasses etc. compete with the best in the world in terms of quality and finesse as well as safety standards. Dubai is often called a cultural melting pot. The description couldn't be more accurate as there are 180 different nationalities that are working and living in such a small place. There are all types of events going on all the time. Theater and Art exhibitions are fast becoming regular features of the city's Cultural Scene.

Doha:

The city of Doha is located on the Western coast of the State of Qatar. It is the capital of the State and the largest city. It has been undergoing rapid growth, especially during the 1970's and 1980's of the last century, due mainly to the increasing oil revenues, which enhanced a sustained economic growth of the whole country. This has further evolved a rapid increase of the population of the city, resulting from both internal migration and external migration of foreign workers (labor). The total population of Doha city is estimated at 400, 051 inhabitants.

Manama:

Manama is a cosmopolitan city of about 144,000. Central Manama is undergoing extensive urban development, featuring new banks, hotels, offices, and six-lane, divided highways on land reclaimed from the sea during the past 15 years. This growth has resulted in moderately increased traffic congestion and the distinct beginnings of urban sprawl. Yet, the city is livable and many consider it the preferred location in the Gulf.

Countries' Profile: GCC

Sr. No	Name of Country	Population
1	Bahrain	0.7 million (including 0.2 million non- nationals)
2	Kuwait	2.6 million (including 1.2 million non- nationals)
3	Oman	3.3 million (including 0.6 million non- nationals)
4	Qatar	1 million
5	Saudi Arabia	28 million (including 5.6 million non- nationals)
6	UAE	4.6 million