

THE WEEK IN REVIEW

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1. COUNTRY REVIEW

IRAQ

Drop in civilian casualties in December but more civilians killed in 2007 than in the preceding year; Surge in suicide attacks, Sunni Awakening Councils targeted; Maximum journalists killed in 2007 in Iraq, Somalia, Pakistan

C tatistics released by the Iraqi Interior, Health and Defence ministries reflected Othe improved security situation in Iraq, with 481 civilians having lost their lives in December 2007, as against the 1,930 killed during the same month in the previous year, a reduction of about 75 per cent. December was also the least deadly month for the US military, with 21 soldiers getting killed. However, more civilians died in 2007 – at 16,232, compared with 12,360 who had lost their lives in the preceding year.¹

Also, a surge of attacks in the first week of the New Year killed over 50 people. These included 2 suicide attacks at checkpoints manned by security volunteers of the mostly-Sunni Awakening Councils. In the first instance, over 10 people were killed in an attack at a checkpoint north of Baghdad on December 31 while 6 Iragis lost their lives, including a tribal chief, in an attack in Divala province on December 2.2 Reports noted that these attacks came within days of an audio message from bin Laden urging Sunnis to reject the American-backed Councils.³ The Al Qaeda also kidnapped a tribal chieftain near the town of Khalis in Diyala province, who reports noted was planning a local militia to counter the Qaeda threat.⁴ The work of these Councils is being credited with bringing down the level of violence in Iraq, with even the leader of the Shiite grouping Islamic Supreme Council of Iraq, Abdul Aziz al-Hakim praising the work of tribal groups and local councils for improvements in security.⁵ Over 30 were also killed at a gathering of mourners in eastern Baghdad on January 1 and 9 due to a suicide attack on Iraq's Army National Day holiday on January 6.

Reports also noted that Iraq accounted for the largest number of journalists killed in 2007, accounting for 65 out of the 134 killed worldwide. Somalia (with 8) and Pakistan (7) were the next most dangerous places for journalists to work in.6

"Civilian casualties

drop dramatically Iraq", 2008, http://in.news.yahoo.com/071231/137/6p28o.html

² "Attacker bombs pro-US Sunnis in Iraq", The New York Times, January 3, 2008, at http://www.nytimes.com/2008/01/03/world/middleeast/03iraq.html?ref=todayspaper

³ "Iraqi revelers embrace the New Year", The New York Times, January 2008, http://www.nytimes.com/2008/01/01/world/middleeast/01iraq.html?ref=todayspaper

^{4 &}quot;Al Qaeda kidnaps Iraq tribal chief, 13 of family", IANS, January 6, 2008, at http://in.news.yahoo.com/080106/43/6paff.html

⁵ "Shiite praises anti-insurgent militias", The New York Times, January 2008, http://www.nytimes.com/2008/01/04/world/middleeast/04iraq.html?ref=todayspaper

^{6 &}quot;Media deaths near record high in 2007: Report", The Indian Express, January 2, 2008, at http://in.news.yahoo.com/080102/48/6p4x7.html

CHINA

• Reports: 2008 Beijing's Year of Reckoning; Dr. Singh to visit China from January 13-15; Energy and environmental issues top Japanese PM Fukudo's visit

Reports during the week noted that the year 2008 would see China asserting itself on the world stage to a greater degree than in the past.⁷ Three major events in Beijing's social and economic landscape in 2008 included election of a new state leadership, hosting of the 29th summer Olympics, and the completion of the 30 anniversary of economic reforms. Top state leaders are expected to be elected on March 5, 2008, when the first plenary session of the 11th National People's Congress (NPC) would be held. Among other major developments, 2008 would also see the launch of Shenzhou VII spacecraft, China's third manned space mission, as well as the historic visit of President Hu Jintao to Japan.⁸

Meanwhile, Chinese Foreign Ministry spokeswoman Jiang Yu announced that Prime Minister Dr. Manmohan Singh would make his first official visit to China from January 13-15. Issues on top of the agenda included the border dispute, ways to strengthen economic cooperation and India's bid for a permanent seat at the UN Security Council.⁹

Energy and environmental issues were on top of the agenda during the visit of Japanese Prime Minister Yasuo Fukudo to China. Chinese Prime Minister Wen Jiabao, at a joint press conference with Mr. Fukuda, noted that relations with Tokyo had entered a "spring season". Wen also suggested 'three bases' for a healthy Sino-Japanese relationship. Base One involved strengthening the political processes through three key political documents on bilateral ties - the Sino-Japanese joint statement, the peace and friendship treaty, and the Sino-Japanese joint declarations. Base Two involved strengthening people-to-people contact while Base Three was the need to build strong economic ties.¹⁰

MYANMAR

• Myanmar celebrates 60th anniversary of its independence; Shwe reaffirms determination to implement the seven-stage roadmap

Myanmar celebrated the 60th anniversary of its independence from the British on January 4. According to media reports, the military ruler Than Shwe used the occasion to reiterate the government's determination to continue with its seven-stage roadmap to democracy. Celebrations were limited to a military ceremony in the new capital, Naypyidaw where Swe urged the people to "make"

8 "Looking forward: China's major events in 2008", People's Daily, January 2, 2008, at http://english.people.com.cn/90001/90776/90785/6331275.html

¹⁰ "Chinese Premier elaborates 'three bases' for healthy China-Japan relations", *People's Daily*, December 30, 2007, at http://english.people.com.cn/90001/90776/6330187.html

⁷ "British paper: China set to assert status as global colossus in 2008", *People's Daily*, January 2, 2008, at http://english.people.com.cn/90001/90776/90883/6330599.html

⁹ "Indian PM to make trip to China", *People's Daily*, January 4, 2008, at http://english.people.com.cn/90001/90776/90883/6332511.html

a firm resolve to build a new, peaceful, modern and developed discipline flourishing nation".11

The National League for Democracy (NLD) meanwhile on the occasion reiterated its call for the release of all political prisoners including Suu Kyi.

SOUTH ASIA **AFGHANISTAN**

• Suicide attack on a BRO convoy in Nimruz province; AP: In 2007, 110 US soldiers (highest since 2001) and over 900 Afghan police officers killed

ver 7 people, including an Indian engineer were killed in a suicide attack on their convoy in Nimruz province, southeastern Afghanistan on January 3. The convoy of Indian engineers belonging to the Border Roads Organization (BRO) was being escorted by Afghan and Indian security personnel. New Delhi reiterated its "determination to continue to work for the rehabilitation and reconstruction of Afghanistan and the well-being of Afghan people."12

The Associated Press noted that the US forces suffered the largest number of casualties in a year in 2007, having lost 110 soldiers. While the United Kingdom lost 41 soldiers, 30 Canadian soldiers as well as 40 coalition soldiers were killed. Over 900 Afghan police officers also lost their lives while the Taliban set off a record number of more than 140 suicide attacks. 13

Among other developments, the Afghan Islamic Council urged President Karzai to monitor the work of Christian aid organizations in the country as well as ban the screening of the immensely popular Indian soap operas and movies on Afghan television, for allegedly containing immoral content.¹⁴

PAKISTAN

• Elections rescheduled for February 18; Asif Zardari takes over control of PPP on son's behalf; Pentagon awards contract worth \$498 million to Lockheed Martin for Pakistan's F-16 fighter jets.

The Pakistani Election Commission announced fresh dates for the elections to take place on February 18 instead of on the earlier scheduled date of January 8. The Commission stated that violence in the aftermath of the killing of Benazir Bhutto made it difficult to conduct elections in a peaceful manner. 15

Meanwhile, the will of the deceased opposition leader Ms. Bhutto was read out in the central executive committee meeting of the PPP at Naudero on

Day", "Burma marks Independence BurmaNet News, January 2008, at http://www.burmanet.org/news/2008/01/04/bbc-news-burma-marks-independence-day

12 "Bomb hits Indian workers in Afghanistan", The New York Times, January 4,

http://www.nytimes.com/2008/01/04/world/asia/04afghan.html?ref=todayspaper

14 "Afghan clerics warn Karzai against missionaries", The New York Times, January 6, 2008, at http://www.nytimes.com/2008/01/06/world/asia/06afghan.html?ref=todayspaper

¹³ "Afghanistan: 110 GI's killed in 2007", The New York Times, January 1, 2008, at http://www.nytimes.com/2008/01/01/world/asia/01briefs-110GI8217SKI_BRF.html?ref=todayspaper

[&]quot;Elections February 18: EC", Dawn, 2008 January at $http://www.dailytimes.com.pk/default.asp?page=2008 \\ 01 \\ 03 \\ story_3-1-2008_pg1_1$

December 30. Ms. Bhutto's son Bilawal was elected as the Chairman of the party and Ms. Bhutto's husband Asif Zardari as the co-Chairman. Makhdoom Amin Fahim was designated as the PPP's prime ministerial candidate for the forthcoming elections.¹⁶

Meanwhile, addressing the nation on television, President Musharraf expressed grief over the loss of Benazir Bhutto and offered to get the matter investigated by Scotland Yard. ¹⁷ Later in the week, a team from Scotland Yard visited the site of assassination and consulted the local police and members of the Special Investigation Group of the Federal Investigation Agency. ¹⁸ The PPP meanwhile, rejecting the post-mortem report of the slain leader, demanded the setting up of a UN commission to investigate the matter. ¹⁹ Among other internal developments, security forces killed five militants in South Waziristan and captured 52 militants in the troubled valley of Swat.

In a significant move, the US Defence Department endorsed the supply of F-16 fighter jets to Pakistan with a contract worth \$498 million being awarded to Lockheed Martin.²⁰

BANGLADESH

• EC wants full authority to hold elections to local government bodies; BCL vows to free Sheikh Hasina through a mass movement

New Age quoting Election Commissioner M. Sakhawat Hussain reported that the EC preferred full authority to hold local body elections on its own. At present, the commission can hold local body elections only when the Ministry of Local Government and Rural Development requested it to do so.²¹

Elsewhere, the Bangladesh Chhatra League (BCL), the student front of the Awami League, vowed to free the detained Awami League chief Sheikh Hasina through a mass movement. The declaration came at a function to celebrate the organization's 60th founding anniversary held in Dhaka on January 4.

¹⁷ "President Musharraf seeks British help in Benazir murder probe", *Daily Times*, January 3, 2008 at http://www.dailytimes.com.pk/default.asp?page=2008\01\03\story_3-1-2008_pg1_6

19 "PPP rejects 'fabricated' medical report", *Dawn*, January 5, 2008 at http://www.dawn.com/2008/01/05/top2.htm

²⁰ "US awards contract for F-16 supply to Pakistan", *Dawn*, January 2, 2008 a http://www.dawn.com/2008/01/02/top8.htm

²¹ "EC wants authority to decide when to conduct local government elections", *New Age*, January 4, 2008, at http://www.newagebd.com/2008/jan/04/front.html#3

¹⁶ M.B. Kalhoro, "Asif takes charge, wants polls on schedule: Fahim premier candidate", *Dawn*, December 31, 2007 at http://www.dawn.com/2007/12/31/top1.htm

¹⁸ Syed Irfan Raza and Mohammad Asghar, "Scotland Yard experts meet local detectives", *Dawn*, January 5, 2008, at http://www.dawn.com/2008/01/05/top1.htm

NEPAL

• Maoists criticize decision on hydro-power projects; Calls made for the implementation of the tripartite agreement between the Madhesis, Janjatis and the Government

As the Maoists have rejoined the government, pressure for meeting the polling date set for mid-April was building up in political circles in Nepal. Baburam Bhattarai's latest stance on threatening to quit if the polls were not held on time, make the forthcoming months a substantive challenge for Nepali politics. The Maoists have also reprimanded the cabinet's decision to allow the construction of hydro-power projects asserting that such decisions of "national importance" should only be made after a consensus has been achieved.²²

Meanwhile, Madhav Kumar Nepal, stating that the end of monarchy would be formally announced after the constituent assembly polls, invited the Madhesi Janadhikaar Forum to come to the negotiating table and called for the implementation of the tripartite agreement between the Madhesis, Janjatis and the Government of Nepal.²³ Rajendra Mahato, leader of Nepal Sadbhavana Party (NSP) also raised the issue of recognizing the rights of Madhesis, claiming it to be a primary precondition for his party to participate in the forthcoming polls.²⁴

SRI LANKA

• Colombo terminates the ceasefire agreement but reaffirms commitment towards a negotiated solution; US, UN express apprehensions; SLAF bombs a LTTE training camp, killing over 50 cadres

In the aftermath of a claymore mine attack on a military convoy carrying troops from Mannar to Medawachchi which killed three individuals, Colombo formally announced its withdrawal from the cease-fire agreement and the termination of the Sri Lanka Monitoring Mission (SLMM).²⁵ Colombo has however re-affirmed its commitment to a solution to the ethnic crisis and stated that a negotiated settlement was still a possibility which would be pursued.²⁶

The United States and the UN, expressing apprehensions over the termination of the cease-fire agreement, noted that it be "more difficult to

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²² "Poll date in next cabinet meet, assures Koirala", *The Himalayan Times*, January 1, 2007, at http://www.thehimalayantimes.com/fullstory.asp?filename=6a1Qa2ujo2am8&folder=aHaoamW&Nam e=Home&dtSiteDate=20080101

²³ "CA Poll Date Within a Week: Madhav Nepal," *The Himalayan Times*, January 4, 2007, at http://www.thehimalayantimes.com/fullstory.asp?filename=6a1Qa3rgo2am8&folder=aHaoamW&Nam e=Home&dtSiteDate=20080104

^{24 &}quot;Participation in election only after ensuring rights for Madheshis", SATP, January 5, 2007, at http://www.satp.org/satporgtp/search_news.asp?currentpage=138&date1=2000/03/11&date2=2008/1/ 6&keyword=nepal#

²⁵ "Flash: Sri Lanka govt withdraws from Ceasefire Agreement", *The Colombo Page*, January 2, 2007, at http://www.colombopage.com/archive_08/January2162852JV.html

[&]quot;Still for political option: Colombo," *The Hindu*, January 4, 2007, at http://www.hindu.com/2008/01/04/stories/2008010460991600.htm

achieve a lasting, peaceful solution to Sri Lanka's conflict".²⁷ The fighting also escalated with the Sri Lankan Air Force bombing a training camp, resulting in the loss of fifty LTTE cadres along the Forward Defence Lines in the North.²⁸

2. Nuclear Review

INDIA

• Indian delegation leaves for Vienna for third round of safeguard talks with the IAEA; India and Pakistan swap lists of nuclear sites

 \mathbf{A} in Indian delegation left for Vienna for the third round of talks on the "agreed text" for an India-specific safeguards agreement with the IAEA on January 2.29

India and Pakistan meanwhile exchanged an updated list of their nuclear sites, as mandated under an agreement signed in 1988 on the prohibition of attacks on each other's nuclear installations. The agreement on exchanging details of atomic facilities came into force in 1991 and the first exchange took place on January 1, 1992.³⁰

NORTH KOREA

 North Korea misses year-end deadline; US response quite restrained; Pyongyang claims to have provided US with a report on its declaration in November 2007; US rejects North Korean claims

As was widely expected, North Korea missed the end of the year deadline to declare all its nuclear activities. However, the US response to the development seems to be quite restrained, with White House spokesperson, Scott Stanzel, noting that Pyongyang had made significant progress in disabling the Yongbyong nuclear complex. He however mentioned that the US was partly responsible for the recent slowdown in the disablement process, over concerns for safety and security.³¹

This week also saw another controversy brewing over the recent claim by the North Koreans that they had provided the US with a report on its nuclear declaration in November 2007.³² With the US having rejected Pyongyang's claim,

²⁷ "US, UN urge a political solution as Sri Lanka ends ceasefire agreement", *The Colombo Page*, January 4, 2007, at http://www.colombopage.com/archive_08/January472428CH.html

²⁸ "LTTE training camp destroyed," *The Hindu*, January 1, 2007, at http://www.hindu.com/2008/01/01/stories/2008010156351400.htm

²⁹ "To Vienna, for 'final' round of IAEA talks," *The Telegraph*, January 1, 2008, at http://www.telegraphindia.com/1080102/jsp/nation/story_8733702.jsp

³⁰ "Pakistan, India swap nuclear lists under 1988 agreement," *Channel News Asia*, January 2, 2008, http://www.channelnewsasia.com/stories/afp_asiapacific/view/320238/1/.html

³¹ Blaine Harden, "N. Korea Misses Deadline, but U.S. Response Is Restrained," *Washington Post*, January 1, 2008, at http://www.washingtonpost.com/wp-dyn/content/article/2007/12/31/AR2007123102233_pf.html

³² "DPRK Foreign Ministry Spokesman on Issue of Implementation of October 3 Agreement," KCNA, January 4, 2008, at http://www.kcna.co.jp/item/2008/200801/news01/05.htm#1

some experts believe that North Korea was dragging its feet on the declaration as too much clarity over its nuclear programme would reduce its negotiating leverage.³³

IRAN

• Bushehr reactor to begin operations in summer of 2008; Iran offers to cooperate with Egypt in civilian nuclear technology

In light of the Russian supply of nuclear fuel for the Bushehr reactor, Iran has stated that the plant would begin operations in the summer of 2008, initially involving half of its 1000MWe generating capacity. Moscow was expected to provide about 82 tons of nuclear fuel in eight shipments.³⁴

In other news, Iran has offered to help Egypt with its civilian nuclear programme. Former Iranian top nuclear negotiator, Ali Larijani was recently quoted as saying that Tehran was ready to cooperate with Cairo in the area of peaceful nuclear technology. He added that all such cooperation would occur within the framework of international regulations and under the supervision of the IAEA.³⁵

PAKISTAN

• US Special forces and NEST Scientists said to be on standby to seize or disable Pakistani nuclear weapons; Safety of Pakistani nuclear weapons figures prominently in US Presidential debates

In the backdrop of the ever-deepening political instability inside Pakistan, the security of Pakistani nuclear weapons continues to be a matter of grave concern to the international community. *The Herald* quoting military sources said that a US Special Forces squad and volunteer scientists from the Nuclear Emergency Search Team (NEST) were on standby to 'seize or disable' Pakistani nuclear weapons so as to prevent them from falling into the hands of 'Islamic extremists', in the event of the collapse of the administration.³⁶ The Pakistani Foreign Office spokesperson Mohammad Sadiq termed such reports "baseless and ridiculous" and asserted that Pakistan knew how to defend its nuclear assets.³⁷

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[&]quot;US Rejects North Korea's Claims on List," The New York Times, January 5, 2008, at http://www.nytimes.com/aponline/us/AP-US-NKorea-Nuclear.html?pagewanted=print

³⁴ "Iran nuclear plant to launch in 2008," *CNN*, December 30, 2007, at http://www.cnn.com/2007/WORLD/meast/12/30/iran.nuclear.ap/index.html?iref=mpstoryview

³⁵ "Iran offers help to Egypt in N-program," *Press TV*, December 31, 2007, at http://www.presstv.ir/detail.aspx?id=36929§ionid=351020104

³⁶ Ian Bruce, "Special forces on standby over nuclear threat," The Herald, December 31, 2007, at http://www.theherald.co.uk/mostpopular.var.1933388.mostviewed.special_forces_on_standby_over_nu clear threat.php

³⁷ "Pak rejects reports of possible takeover of its N-assets by US," *The Hindustan Times*, January 2, 2008, at http://www.hindustantimes.com/StoryPage/StoryPage.aspx?id=514fe196-8c96-4842-aca9-1eaa356d7f6f&MatchID1=4626&TeamID1=1&TeamID2=6&MatchType1=1&SeriesID1=1165&MatchID2=4618&TeamID3=3&TeamID4=4&MatchType2=1&SeriesID2=1163&PrimaryID=4626&Headline=No+N-assets+takeover+by+US%3a+Pak

The security of Pakistani nuclear assets also figured prominently in the US presidential debates, with Senator Hillary Clinton suggesting a joint American and British team to look after them.³⁸

3. INTERNAL SECURITY REVIEW

MILITANTS STORM CRPF CAMP IN UTTAR PRADESH

• 7 personnel and one civilian killed

Seven CRPF personnel and a civilian were killed when heavily armed militants stormed a CRPF camp at Rampur in Uttar Pradesh on January 1, armed with AK-47 rifles and grenades. The attack came about 40 days after a series of blasts ripped through three court premises in the state.³⁹

NORTH-EAST INSURGENCY

• 10 ULFA and NSCN(IM) militants surrender

In Assam, ten militants belonging to the United Liberation Front of Asom (ULFA) and the National Socialist Council of Nagaland (Isak-Muivah) (NSCN-IM) surrendered at an army camp on January 5.

4. ENERGY SECURITY REVIEW

IRAN-PAKISTAN-INDIA GAS PIPELINE

• Pak-Iran review IPI Pipeline

During his visit to Pakistan on January 4 to condole the death of Benazir Bhutto, Iranian Foreign Minister Manouchehr Mottaki met his Pakistani counter part Inam Ul Haque and reviewed the progress of the IPI project. 40 Both the sides reiterated that they would proceed with the project regardless of Indian participation and that external pressures would not be tolerated. Mr. Mottakki also met President Musharraf who urged that the project be expedited. Later during the week, Iranian ambassador to Pakistan Mash Allah Shakeri stated that Iran and Pakistan would finalize the IPI project agreement by 25 January. 41

³⁹ "8 killed as terrorists attack CRPF centre in Rampur", *The Hindu*, January 2, 2007, at http://www.hindu.com/2008/01/02/stories/2008010258190100.htm

⁴⁰ "Iran, Pak review IPI pipeline project", *The Hindu*, January 4, 2008, at http://www.hinduonnet.com/thehindu/holnus/001200801042120.htm

⁴¹ "Iranian envoy: Pakistan, Iran to finalize gas pipeline project by Jan. 25", *Xinhuanet*, January 6, 2008, at http://news.xinhuanet.com/english/2008-01/06/content_7374466.htm

³⁸ "US candidates want to 'look after' Islamabad's nukes," *The Dawn*, January 6, 2008, at http://www.dawn.com/2008/01/07/top12.htm

CRUDE OIL PRICES

• \$100-a-barrel mark breached; Weak dollar, speculation, unrest in oil-producing countries among set of factors blamed

Crude Oil prices (light sweet crude) finally breached the US \$100 a barrel mark after gaining \$4.02 in New York.⁴² Analysts noted that a set of factors including increased violence in oil-producing countries such as Nigeria and Algeria, assassination of Benazir Bhutto and the unrest which followed in Pakistan, along with a weak dollar, contributed to the spurt in the rise.

While the spike became a cause of much concern and analyses, analysts like Tim Evans of Citigroup Financial saw the hype as being "frivolous". Reports also noted that the high prices were in part due to speculation activities as the market continued to be well supplied, a view affirmed by the Organisation of Petroleum Exporting Countries (OPEC). In a related development, White House spokesperson Dana Perrino stated that the American Strategic Petroleum Reserves would not be used to bring down prices.

ONGC - HINDUJAS FAIL TO CLINCH AGREEMENT ON SOUTH PARS AND AZADEGAN

• Iran was to get a stake in a ONGC project in AP and a LNG terminal in Karnataka in return for ONGC-Hindujas investment in Iran

NGC-Hindujas failed to clinch a deal worth \$10 billion to develop South Pars phase 12 gas field and the Azadegan oil field after 2 days of intense negotiations. This was close on the heels of Mr. R.S. Sharma, Chairman of Oil and Natural Gas Corporation (ONGC) announcing in a press conference that ONGC would collaborate with the Hinduja group in oil and gas projects in Iran.⁴³ In return for the ONGC-Hinduja investment, Iran was to get a stake in the proposed ONGC refinery project in Andhra Pradesh and a 7.5 million tonne LNG terminal in Karnataka.⁴⁴ Managing director of ONGC Videsh Limited (OVL) refused to comment on the development though the Executive Vice-Chairman of Hinduja Group, India Subir Raha stated that the negotiations would still carry on. Reports indicated that the contentious issues of gas pricing, project costs and supply commitments from Iran were still to be resolved.

43 "Oil & Natural, Hindujas may spend \$10 billion in Iran", *Bloomberg.com*, January 2, 2008, at http://finance.google.com/finance?morenews=10&rating=1&q=BOM:500312

⁴² "Oil has traded at 100 a barrel for the first time", BBC News, January 2, 2008, at http://news.bbc.co.uk/2/hi/business/7168664.stm

^{44 &}quot;ONGC Videsh, Hinduja fail to clinch Iran deal", Sify.com, January 6, 2008, at http://sify.com/finance/fullstory.php?id=14585214