

# THE WEEK IN REVIEW

April 14-20, 4(3), 2008

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## 1. COUNTRY REVIEW

### IRAQ

- **Iraqi government dismisses over 1,000 security force personnel for poor performance during Basra operations; Iranian Ambassador to Baghdad supports Basra security drive against Mahdi militias; Rice in Baghdad, supports Maliki's efforts**

Reports noted that the Iraqi government had to dismiss over 1,000 security force personnel for either having refused to fight or for poor performance during the Basra operation.<sup>1</sup> Heavy fighting continued during the week between government forces and fighters loyal to Moqtada al-Sadr in some of the neighbourhoods of the Basra as well as in Sadr City on the outskirts of Baghdad. Coalition airpower was also used in the latest round of fighting in Basra. Reports also noted that the American military was erecting huge concrete walls in Sadr City so that militant attacks could be minimized and reconstruction activities undertaken.<sup>2</sup>

The Iranian Ambassador to Baghdad Hassan Kazemi Qumi on his part supported the military action of the Iraqi forces against Sadr loyalists in Basra, whom he also called 'outlaws' – a term used by Prime Minister Maliki as well. Qumi however condemned the American-backed action in Sadr City. Reports indicated that the Ambassador's comments were made in the context of the charges made by American officials that Iran was training and equipping the Mahdi Army militias.<sup>3</sup>

Meanwhile, US Secretary of State Condoleezza Rice made an unannounced visit to Baghdad on April 20. Rice praised the security efforts of Prime Minister Maliki in Basra and in Sadr City and also supported the efforts at ensuring political reconciliation. She stated that she favoured the creation of 'a new political centre' in the Iraqi polity that would help marginalize extremist groups.<sup>4</sup>

Secretary Rice would be attending the regional conference on Iraq scheduled to be held in Kuwait on April 22. The conference would also be attended by Iraq's Arab neighbours. Washington has been making a renewed effort to persuade Iraq's neighbours to do more to help in the stabilization process. Rice met with Egypt's Assistant Foreign Minister for Arab Affairs Mohammed Badreddin in Washington on April 18 after which Egypt announced that it could open its Embassy in Baghdad in the near future, if all security

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<sup>1</sup> "Iraq Dismisses 1,300 After Basra Offensive," *The New York Times*, April 14, 2008, at <http://www.nytimes.com/2008/04/14/world/middleeast/14iraq.html?ref=todayspaper>

<sup>2</sup> "U.S. Begins Erecting Wall in Sadr City," *The New York Times*, April 18, 2008, at <http://www.nytimes.com/2008/04/18/world/middleeast/18sadr.html?ref=todayspaper>

<sup>3</sup> "Iraqi Army Takes Last Basra Areas From Sadr Force," *The New York Times*, April 20, 2008, at <http://www.nytimes.com/2008/04/20/world/middleeast/20iraq.html?ref=todayspaper>

<sup>4</sup> "Rice in Iraq, violence surges after Sadr threat," *Reuters*, April 20, 2008, at [http://in.news.yahoo.com/reuters\\_ids\\_new/20080420/r\\_t\\_rtrs\\_wl/twl-rice-in-iraq-violence-surges-after-s-2186892.html](http://in.news.yahoo.com/reuters_ids_new/20080420/r_t_rtrs_wl/twl-rice-in-iraq-violence-surges-after-s-2186892.html)

guarantees were available. Cairo had closed its Embassy in July 2005 after its envoy was kidnapped and killed.<sup>5</sup>

In an indication of the still difficult tasks on the security front, series of bombings in 4 cities across Iraq killed over 60 people during the week, including nearly 40 in a suicide attack on a funeral in Diyala province on April 15.

## CHINA

- **Beijing launches a \$81 million project to preserve historical and cultural relics in Tibet; Beijing-Shanghai high-speed railway construction started; 30<sup>th</sup> anniversary of China-Japan Treaty of Peace and Friendship marked**

Even as protests on Tibet spread to other parts of China, including Xi'an in the north-west and Harbin in the north east, the Chinese government launched a 570 million yuan (\$81.43 million) project to preserve 22 historical and cultural relics in the southwest Tibet Autonomous Region.<sup>6</sup> The project, to last till 2010, will be the largest such project launched in Tibet so far.<sup>7</sup>

In another major infrastructural initiative, the construction of the Beijing-Shanghai high-speed (350 km/hr) railway started. The project, estimated to cost over 220 billion yuan (\$316 billion), is stated to be the most expensive construction project since 1949.<sup>8</sup>

Among developments in bilateral relations, China and Japan marked the 30<sup>th</sup> anniversary of the China-Japan Treaty of Peace and Friendship. On the occasion, the Chinese and the Japanese Foreign Minister reiterated their interest to make joint efforts to ensure the success of the upcoming state visit of President Hu Jintao to Japan.<sup>9</sup>

Chinese and Russian delegations held talks in Beijing on strategic issues including the current international security situation, non-proliferation, regional concerns and on multilateral arms control. Both sides expressed an interest to support arms control processes under the multilateral framework.<sup>10</sup>

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<sup>5</sup> "Egypt may restart its mission in Iraq," *IANS*, April 20, 2008, at [http://in.news.yahoo.com/indiaabroad/20080420/r\\_t\\_ians\\_wl\\_meast/twl-egypt-may-restart-its-mission-in-ira-ec7dfa8.html](http://in.news.yahoo.com/indiaabroad/20080420/r_t_ians_wl_meast/twl-egypt-may-restart-its-mission-in-ira-ec7dfa8.html)

<sup>6</sup> "Protests against 'Tibet independence' continue in Chinese cities," *People's Daily*, April 20, 2008, at <http://english.people.com.cn/90001/90776/6395637.html>

<sup>7</sup> "China launches largest ever Tibet cultural relic preservation," *People's Daily*, April 19, 2008, at <http://english.people.com.cn/90001/90782/90873/6395404.html>

<sup>8</sup> "China starts work on Beijing-Shanghai express railway," *People's Daily*, April 18, 2008, at <http://english.people.com.cn/90001/90776/90884/6395209.html>

<sup>9</sup> "Chinese, Japanese FMs hold talks on bilateral ties," *People's Daily*, April 18, 2008, at <http://english.people.com.cn/90001/90776/90883/6394744.html>

<sup>10</sup> "China, Russia hold talks on strategic stability in Beijing," *People's Daily*, April 19, 2008, at <http://english.people.com.cn/90001/90776/90883/6395336.html>

## JAPAN

- **Zenkoji declines to serve as starting point of Olympics torch relay; PM Fukuda and South Korean President agree to cooperate on a range of issues**

**Z**enkoji temple in Nagano has declined to serve as the starting point of the Japan leg for the Beijing Olympics torch relay citing the 'indiscriminate killings' in Tibet.<sup>11</sup>

Japanese Prime Minister Yasuo Fukuda and South Korean President Lee Myung Bak during their bilateral meeting on April 21 in Tokyo decided to expand cooperation between their countries on various crucial issues - including on the North Korean nuclear issue and on the abductions issue. Both countries also agreed to enhance their ties on other issues like climate change, energy security and development assistance to poorer countries.<sup>12</sup> Prime Minister Fukuda is also expected to hold talks with Russian President Vladimir Putin during his 3-day tour of Russia beginning on April 25. The sensitive territorial dispute and various economic issues were expected to be discussed.<sup>13</sup>

In other developments, German Chancellor Angela Merkel met with the former Japanese Prime Minister Shinzo Abe. Merkel expressed her scepticism over the American initiatives to halt the growth of U.S. greenhouse gas emissions by 2025. Criticising the United States as the world's biggest polluter, Merkel stressed that it was important for the developed countries to show a long-term vision to slash emissions.<sup>14</sup>

## US ELECTION REVIEW

- **Clinton and Obama vow to get tough with China on its undervalued currency; McCain presents a comprehensive view of his future economic policies**

**T**he American presidential candidates battled it out on domestic economic issues. Senator Clinton and Senator Obama addressed the 'Forum on Manufacturing' in Pittsburgh where each of them reiterated their tough positions on China. Senator Obama on his part asserted that he would adopt tough

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<sup>11</sup> "Citing Tibet, temple spurns Olympic torch," *The Japan Times*, April 19, 2008, at <http://search.japantimes.co.jp/cgi-bin/nn20080419a1.html>

<sup>12</sup> "Fukuda, Lee to cooperate on N.Korea issues, expand exchanges," *Japan Today*, April 21, 2008, at <http://www.japantoday.com/category/politics/view/s-koreas-lee-arrives-in-tokyo>

<sup>13</sup> "Fukuda's Moscow visit to revolve around economic ties, territory row," *Japan Today*, April 20, 2008, at <http://www.japantoday.com/category/politics/view/fukudas-moscow-visit-to-revolve-around-economic-ties-territory-row>

<sup>14</sup> "Merkel tells Abe she is skeptical over U.S. climate initiative," *Japan Today*, April 21, 2008, at <http://www.japantoday.com/category/politics/view/merkel-tells-abe-she-is-skeptical-over-us-climate-initiative>

positions with China on its undervalued currency, and vowed to use the threat to limit access to the U.S. market as a bargaining tool with the Chinese.<sup>15</sup>

Senator Clinton also unveiled a new set of proposals to strengthen trade enforcement in her address to the Forum. She criticized the Bush administration for failing to protect American workers by not aggressively enforcing trade laws. Clinton promised to provide relief for U.S. industries that have been hurt by excessive Chinese imports, aggressively use the World Trade Organization (WTO) to challenge other countries for violating trade rules, create a new Intellectual Property Enforcement Network to crack down on piracy issues, review petitions of outside groups to government so that trade laws are enforced, and ensure that the United States can take retaliatory action against China and other non-market economies when they subsidize their domestic industries.<sup>16</sup>

The Republican candidate Senator John McCain in his speech in Pittsburg on April 16 offered the most comprehensive view of his future economic policies. McCain proposed cutting corporate taxes to 25 percent from the current levels of 35 percent, and make permanent the Bush tax cuts that he once opposed. He also called for eliminating the alternative minimum tax and for doubling the value of exemptions for dependents to \$7,000 from \$3,500, and proposed giving taxpayers the option of filing a simpler, shorter tax form each year than which was available now.<sup>17</sup> He however went back from his earlier position of balancing the budget by the end of his first term.

## **SOUTH ASIA**

### **AFGHANISTAN**

- **Abducted Pakistani Ambassador appears on a video shown on Al Arabiya television; Karzai condemns suicide attack in Zaranj, southwestern Afghanistan; Civil rights group criticizes US use of torture on Afghan prisoners in 2003**

**T**he missing Pakistani Ambassador to Afghanistan Tariq Aziddudin appeared on a video that was shown on Al Arabiya television. He appealed to his government to meet the demands of the Taliban which had abducted him about 2 months ago while traveling in a private car from Peshawar to the Afghan border on his way to Kabul. The Pakistan Embassy spokesperson in Kabul stated that the militants were demanding the release of some of their colleagues being

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<sup>15</sup> "Obama: U.S. must push China on currency," *Reuters*, April 14, 2008, at [www.reuters.com/.../idUSWAT00933720080414?feedType=RSS&feedName=politicsNews&rpc=22&sp=true](http://www.reuters.com/.../idUSWAT00933720080414?feedType=RSS&feedName=politicsNews&rpc=22&sp=true)

<sup>16</sup> "Hillary Clinton Calls For Stepped Up Enforcement Of Trade Laws," *Hillary Clinton.com*, April 14, 2008 at [www.hillaryclinton.com/news/release/view/?id=7089](http://www.hillaryclinton.com/news/release/view/?id=7089)

<sup>17</sup> "McCain Outlines Broad Proposals for U.S. Economy," *The New York Times*, April 16, 2008, at [www.nytimes.com/2008/04/16/us/politics/16mccain.html?n=Top/Reference/Times%20Topics/People/M/McCain,%20John](http://www.nytimes.com/2008/04/16/us/politics/16mccain.html?n=Top/Reference/Times%20Topics/People/M/McCain,%20John)

held in Pakistani jails. Reports noted that these included Mullah Obaidullah Akhund, who had served as defense minister in the Taliban government.<sup>18</sup>

A suicide bomber struck outside a mosque in the town of Zaranj, Nimruz province, southwestern Afghanistan on April 17, killing 23 people. President Hamid Karzai condemned the attacks and called them “anti-Islamic.”<sup>19</sup> The Taliban also attacked a police checkpoint north of Kandahar on April 14 killing 11 police officers. Reports noted that the Afghan police continued to bear the brunt of the Taliban attacks as they were deployed in smaller, less protected stations.<sup>20</sup>

Meanwhile, two Dutch soldiers, including the son of the Dutch Chief of General Staff Gen. Peter van Uhm were killed on April 18 in Uruzgan province in a roadside explosion. 16 Dutch soldiers have lost their lives in security operations in Afghanistan so far.

In other developments, the American Civil Liberties Union in a report stated that US Special Forces had tortured Afghan prisoners in Gardez in March 2003. The report noted that the personnel used special interrogation methods - including beating, burning and using extreme cold on 8 prisoners, one of whom died.<sup>21</sup>

## PAKISTAN

- **Judiciary to be restored in the current session of National Assembly; Talks between PPP and MQM; Gen. Musharraf asks China and Russia to help in stabilization of Afghanistan**

Reports noted that the ruling coalition government has decided unanimously that the deposed judges would be soon re-established by a parliamentary resolution, as promised in the Bhurban Declaration.<sup>22</sup> Meanwhile, the MQM announced its decision to sit in the opposition as a result of the failure of the talks with the PPP in Karachi on April 18.<sup>23</sup> Later in the week however, Prime Minister Gilani, while addressing a meeting of the Sindh cabinet expressed his

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<sup>18</sup> “Pakistani, Abducted, Cites Taliban on Video,” *The New York Times*, April 20, 2008, at <http://www.nytimes.com/2008/04/20/world/asia/20afghan.html?ref=todayspaper>

<sup>19</sup> “Afghan president condemns suicide attack as anti-Islamic,” IANS, April 18, 2008, at [http://in.news.yahoo.com/indiaabroad/20080418/r\\_t\\_ians\\_wl\\_asia/twl-afghan-president-condemns-suicide-at-d5d6288.html](http://in.news.yahoo.com/indiaabroad/20080418/r_t_ians_wl_asia/twl-afghan-president-condemns-suicide-at-d5d6288.html)

<sup>20</sup> “Taliban Attack Kills 11 Officers at a Police Post in Afghanistan,” *The New York Times*, April 15, 2008, at <http://www.nytimes.com/2008/04/15/world/asia/15afghan.html?ref=todayspaper>

<sup>21</sup> “US ignored torture of Afghan prisoners: Report,” IANS, April 18, 2008, at [http://in.news.yahoo.com/indiaabroad/20080418/r\\_t\\_ians\\_wl\\_us/twl-us-ignored-torture-of-afghan-prisoners-903abaa.html](http://in.news.yahoo.com/indiaabroad/20080418/r_t_ians_wl_us/twl-us-ignored-torture-of-afghan-prisoners-903abaa.html)

<sup>22</sup> Amir Wasim, “Coalition firm on judges issue: Resolution in current NA session,” *Dawn*, April 16, 2008 at <http://www.dawn.com/2008/04/16/top1.htm>

<sup>23</sup> “Talks between MQM, PPP collapse,” *The News*, April 14, 2008 at [http://www.thenews.com.pk/arc\\_default.asp](http://www.thenews.com.pk/arc_default.asp)

willingness to work in cooperation with all the political parties in Sindh. This suggested that some sort of understanding with the MQM would be reached.<sup>24</sup>

In other developments, the Interior Advisor to the Prime Minister, Rehman Malik met the Governor of the NWFP Owais Ghani in Islamabad on April 18 to deliberate on the 'future strategy' to counter militancy in the region and bring peace and security.<sup>25</sup>

President Musharraf wrapped up his six-day visit to China during the week. He urged both China and Russia to participate in the 'joint cooperative effort' to bring forth peace and development in Afghanistan.<sup>26</sup> US officials meanwhile in Washington asserted that Pakistan was a crucial factor in the fight against terrorism.<sup>27</sup>

## NEPAL

- **Prachanda urges the SPA to work in consensus; US removes Maoists from the terror watch list**

With the CPN-UML's final decision to quit the government, Prachanda met the outgoing General Secretary Madhav Kumar Nepal and 'requested' him to join the Maoist-led government. Reports indicated that the two leaders had reached a tacit understanding for a "working cooperation."<sup>28</sup> Prachanda also urged the Seven Party Alliance to work together in consensus in order to create sustainable peace in the country, adding that "no body can run away from the past agreements and understanding, that of forming a government of consensus."<sup>29</sup> The Nepal Army on its part expressed its readiness to work under the direction of the Maoist-led government.<sup>30</sup>

Meanwhile, in the proportional representational counting, the Maoists managed to bag 30.27 percent of the votes, followed by the Nepali Congress and the CPN-UML, which accounted for 21.48 and 20.77 percent respectively.<sup>31</sup> Among parties in the Terai region, the Terai Madhes Loktantrik Party finished in

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<sup>24</sup> Shamim-ur-Rahman, "Gilani hints at PPP-MQM reconciliation," *Dawn*, April 20, 2008 at <http://www.dawn.com/2008/04/20/top2.htm>

<sup>25</sup> Syed Irfan Raza, "Militants warned of stern action: Malik meets NWFP governor, tribal MNAs," *Dawn*, April 19, 2008 at <http://www.dawn.com/2008/04/19/top1.htm>

<sup>26</sup> "Musharraf seeks Chinese, Russian help for Afghan peace," *The News*, April 15, 2008 at [http://www.thenews.com.pk/arc\\_default.asp](http://www.thenews.com.pk/arc_default.asp)

<sup>27</sup> Anwar Iqbal, "Pakistan key to US anti-terror strategy," *Dawn*, April 17, 2008 at <http://www.dawn.com/2008/04/17/top5.htm>

<sup>28</sup> "Prachanda courts Nepal for UML's participation in new govt," *Nepal News*, April 17, 2008 at <http://www.nepalnews.com/archive/2008/apr/apr17/news08.php>

<sup>29</sup> "Prachanda tells parties not to shy away from past agreements," *Nepal News*, April 21, 2008 at <http://www.nepalnews.com/archive/2008/apr/apr21/news14.php>

<sup>30</sup> "NA ready to obey orders of elected govt," *Nepal News*, April 15, 2008, at <http://www.nepalnews.com/archive/2008/apr/apr15/news11.php>

<sup>31</sup> "PR counting closer to conclusion; Maoists bag 30 percent of votes," *Nepal News*, April 20, 2008, at <http://www.nepalnews.com/archive/2008/apr/apr20/news12.php>



the fifth place with 2.63 percent of the votes while the Madhesi Janadhikar Forum was placed fourth with 5.74 percent.<sup>32</sup>

In other developments, the United States removed the Maoists from the terror watch list. The Speaker of the US House of Representatives Nancy J. Powell also claimed that United States would be extending the same kind of assistance and support to the new government as it had done in the past.<sup>33</sup>

#### **BHUTAN**

- **Jigmi Thinley elected as Prime Minister; India lifts ban on import of rice brands**

Bhutan finally witnessed the democratic election of Jigmi Yoezer Thinley as the first elected prime minister. Portfolios of various ministers were also announced. Thinley announced that the constitution would be announced soon, followed by a discussion of the 10<sup>th</sup> five-year plan.<sup>34</sup>

India meanwhile lifted the ban on imports of rice brands from Bhutan, in a special gesture of initiating cordial relations with the new government.<sup>35</sup>

#### **SRI LANKA**

- **EU criticizes Colombo for its military action against the LTTE**

Criticizing the Sri Lankan government for its military action against the LTTE, the EU came out strongly against the government's strategy. The Sri Lankan foreign ministry on its part charged the LTTE as having influenced EU behaviour. Colombo also noted that it was facing a tough time in persuading the EU to extend the Generalised System of Preferences facility for garments being exported from Sri Lanka.<sup>36</sup>

The Canadian government issued an order against a non-profit organization for Canadian Tamils, the World Tamil Movement. The office has been shut down due to allegations that it was collecting 'war taxes' from Canada's large ethnic Tamil community.<sup>37</sup>

Meanwhile, the IIGEP has claimed that the Sri Lankan government lacked 'political will' to find the truth about human rights violations, and called for the

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<sup>32</sup> "MJF's Yadav pips Thakur," *The Himalayan Times*, April 21, 2008, at <http://www.thehimalayantimes.com/fullstory.asp?filename=aFanata0sa2qzpc3Wa0qa.axamal&folder=aHaoamW&Name=Home&dtSiteDate=20080421>

<sup>33</sup> "US to remove Maoists from terror watch list," *Nepal News*, April 21, 2008, at <http://www.nepalnews.com/archive/2008/apr/apr21/news10.php>

<sup>34</sup> "New PM takes office," *Kuesel Online*, April 12, 2008, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=10196>

<sup>35</sup> "Ban on import of rice lifted," *Kuesel Online*, April 18, 2008, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=10231>

<sup>36</sup> "EU pressuring Sri Lanka to relent on campaign against LTTE," *Newindia Press*, April 20, 2008, at <http://www.newindpress.com/NewsItems.asp?ID=IEH20080419083510&Title=Top+Stories&rLink=0>

<sup>37</sup> "Canada investigates LTTE front organization," *Colombo Page*, April 15, 2008, at [http://www.colombopage.com/archive\\_08/April1545701CH.html](http://www.colombopage.com/archive_08/April1545701CH.html)

establishment of a “witness protection scheme” to address human rights issue in an fair manner.<sup>38</sup>

In domestic political developments, the Sri Lanka Muslim Congress has expressed concerns over the provincial elections held in the Eastern Province. It stated that divisive politics were employed as a political ploy and therefore did not really reflect the will of the people.<sup>39</sup>

China announced that it would be providing \$455 million for the construction of the Norochcholai coal power plant. Around \$20 million were also being provided to build a cultural centre along with \$307 million for the Hambantota harbor project.<sup>40</sup> The US Agency for International Development on the other hand a five year \$12 million contract to support the regional governments in the eastern and north central provinces. The aid would specifically be used in areas relating to security, improving local governance structures and for conflict resolution.<sup>41</sup> India on its part announced that it would go ahead with the setting up a 500 MW coal-based thermal plant in Sampur. The agreement for the plant, to be built by the National Thermal Power Corporation, was initially signed on December 2006, but had not been operationalised.<sup>42</sup>

## II. PAKISTAN-OCUPIED KASHMIR REVIEW

- **Chairman of the Gilgit Baltistan Democratic Alliance detained; Federal Minister gives assurance for development of the POK region**

Soon after the European Parliament (EP) in Brussels expressed concern over the human rights violation in the Pakistan-occupied Kashmir, the ISI allegedly arrested Ghulam Shezad Agha, the chairperson of the Gilgit Baltistan Democratic Alliance (GBDA). He was arrested in Skardu, the capital of Baltistan in POK on April 14. A press release on the issue noted that he was charged of criticizing the construction of hydropower Sadpara dam which was said to have adverse effects on the environment and on the society.<sup>43</sup> In a related development, Manzoor Hussain Parwana, Chairman of the Gilgit Baltistan United Movement supported the cause of Agha and affirmed that the ISI had detained him illegally.<sup>44</sup>

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<sup>38</sup> “IIGEP says lack of political will to investigate human rights abuses in Sri Lanka,” *Colombo Page*, April 15, 2008, at [http://www.colombopage.com/archive\\_08/April15135423JV.html](http://www.colombopage.com/archive_08/April15135423JV.html)

<sup>39</sup> “SLMC chairman says eastern PC polls is not the will of eastern people,” *Colombo Page*, April 15, 2008, at [http://www.colombopage.com/archive\\_08/April1545701CH.html](http://www.colombopage.com/archive_08/April1545701CH.html)

<sup>40</sup> “China to fund five projects in Sri Lanka, says Minister,” *Colombo Page*, April 17, 2008, at [http://www.colombopage.com/archive\\_08/April17173710JV.html](http://www.colombopage.com/archive_08/April17173710JV.html)

<sup>41</sup> “USAID awards a \$12 million contract to support regional government in Sri Lanka's eastern and north central provinces,” *Colombo Page*, April 16, 2008, at [http://www.colombopage.com/archive\\_08/April1640635CH.html](http://www.colombopage.com/archive_08/April1640635CH.html)

<sup>42</sup> “Agreement reached on power plant site in Sri Lanka,” *The Hindu*, April 20, 2008, at <http://www.hindu.com/2008/04/20/stories/2008042055430800.htm>.

<sup>43</sup> Press release by Shafqat Inqalabi, Former spokesman BNF, Pakistan Occupied Gilgit Baltistan (POGB)

<sup>44</sup> Press release by Manzoor Hussain Parwana, Chairman, Gilgit Baltistan United Movement.

In other developments, the Federal Minister of Kashmir (POK) Affairs and Northern Areas in Pakistan, Qamar Zaman Kaira vowed to bring about all round development in the neglected POK region. In a meeting with the Prime Minister of the region Sardar Attique Ahmed Khan in Islamabad, the Federal Minister took stock of the ongoing development activities and assured him that the government of Pakistan would extend full cooperation in this regard.<sup>45</sup>

### III. INTERNAL SECURITY REVIEW

#### JAMMU AND KASHMIR DEVELOPMENTS

- **Kashmiris asked to stay away from mainstream political rallies; Mufti favours Pak currency in Kashmir**

Senior separatist leader Syed Ali Shah Geelani and the Jamiat-ul-Mujahideen have asked all Kashmiris to stay away from rallies of all pro-India politicians, due to the increasing activities of mainstream political parties in the Kashmir Valley. Addressing a gathering in Pulwama district on April 18, Geelani stated the NC, PDP or any other 'pro-India party' only justified "India's military occupation in Jammu & Kashmir."

In a statement faxed to Srinagar-based news agency KNS, the Jamiat-ul-Mujahideen spokesman, Jameel Ahmed, asked the Kashmiris not to get trapped in the gimmicks of "green handkerchief and Pakistani salt." He asserted that "freedom" was around the corner and participation of the Kashmiri people would only take away the goal of Azadi from them.<sup>46</sup>

Meanwhile, the former Chief Minister Mufti Mohammad Sayeed, while addressing a rally in Rajouri district on April 12, has favoured the use of both Indian and Pakistani currencies in Jammu and Kashmir, "like Europe which has one currency."<sup>47</sup> New Delhi however dismissed Sayeed's suggestion and termed it an "impractical" and a "hypothetical" suggestion.<sup>48</sup>

#### NORTH-EAST INSURGENCY

- **Tripura minister resigns over rebel nexus; Talks between government and NSCN(IM) held**

The Tripura food and civil supplies minister Shahid Chowdhury resigned from the state cabinet on April 17 over his alleged nexus with a Bangladeshi

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<sup>45</sup> "AJK PM calls on KANA Minister," April 15, 2008 at <http://www.tradingmarkets.com/site/news/Stock%20News/1364432/> (Asia Pulse Data Source via COMTEX)

<sup>46</sup> "Geelani, Jamiat ask Kashmiris to stay away from mainstream political rallies," *Daily Excelsior*, April 19, 2008 at <http://www.dailyexcelsior.com/web1/08apr19/news.htm#5>

<sup>47</sup> "Mufti says allow Pak currency in Kashmir," *Indian Express*, April 15, 2008 at <http://www.indianexpress.com/story/296886.html>

<sup>48</sup> "Impractical, says Delhi," *Kashmir Times*, April 16, 2008 at <http://kashmirtimes.com/main.htm>

national suspected to be an Islamic terrorist belonging to the Harkat-ul-jihad-Islami (HuJI).<sup>49</sup>

Another round of formal talks between the central government and the National Socialist Council of Nagaland-Isak-Muivah (NSCN-IM) was held in New Delhi on April 16. Besides discussing the issue of a separate constitution for Nagaland, the two sides discussed ways of dealing with local developments in Nagaland. The issue of the emergence of a new armed group popularly known as the NSCN-Unification was also reportedly discussed. The NSCN (U) is made up of cadres, many of whom are from the Sema tribe and who defected from the NSCN-IM.<sup>50</sup>

#### **MAOIST INSURGENCY**

- **Central government opposes petition seeking disbanding of Salwa Judum**

The central government has opposed the petition seeking the disbanding of Salwa Judum in Chhattisgarh, but agreed to alleged human rights violation probe. Additional Solicitor-General Gopal Subramaniam told the Supreme Court on April 15 that 'to assume that the Salwa Judum was an army of people with weapons and asking for it to be disbanded will be no more than asking for these people to be pushed out to be killed (by the Naxalites).'<sup>51</sup>

#### **IV. NUCLEAR REVIEW**

##### **INDIA**

- **US reiterates commitment to Indo-US nuclear deal; Kakodkar: Safeguards agreement not final**

The United States reiterated that it was "very committed" to the Indo-US nuclear deal and that it was "still working on it" even though the deal has been stalled due to domestic opposition. The above statement from the White House press secretary, Dana Perino came a day after leading Congress leader, Abhishek Singhvi spoke at the Heritage Foundation in Washington. Mr. Singhvi on his part asserted that the UPA government had not given up on the deal nor had it accepted it as the end of the road. He however noted that the government would like to carry all its constituents along.<sup>52</sup>

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<sup>49</sup> "Minister quits over rebel nexus," *Telegraph*, April 18, 2008 at [http://telegraphindia.com/1080418/jsp/northeast/story\\_9152526.jsp](http://telegraphindia.com/1080418/jsp/northeast/story_9152526.jsp)

<sup>50</sup> "Muivah brings up faction thorn in talks," *Telegraph*, April 17, 2008 at [http://telegraphindia.com/1080417/jsp/frontpage/story\\_9148969.jsp](http://telegraphindia.com/1080417/jsp/frontpage/story_9148969.jsp)

<sup>51</sup> "Salwa Judum to stay put - Centre open to rights probe, SC told," *Telegraph*, April 16, 2008 at [http://telegraphindia.com/1080416/jsp/frontpage/story\\_9144443.jsp](http://telegraphindia.com/1080416/jsp/frontpage/story_9144443.jsp)

<sup>52</sup> Arun Kumar, "US very committed to N-deal with India," *Hindustan Times*, April 17, 2008 at <http://www.hindustantimes.com/StoryPage/StoryPage.aspx?id=3f0800a9-dd06-4309-9f0c-6396beb9948f&&Headline='US+committed+to+N-deal+with+India'>

In other developments, Anil Kakodkar, Secretary of the Department of Atomic Energy (DAE) clarified that the India-specific safeguards agreement that has been negotiated with the IAEA was not final. This was in response to the statement made by the EAM Pranab Mukherjee who during his visit to Washington had stated that the agreement had been finalised.<sup>53</sup>

## IRAN

- **Meeting between Iranian Atomic Energy Organisation chief and ElBaradei postponed; Hillary calls for direct talks with Iran; Barack Obama says preventing Iran from acquiring nukes will be top priority; Talks in Shanghai to decide on incentives for Iran ends with little concrete progress**

The meeting scheduled between the chief of Iran's Atomic Energy Organisation, Gholamreza Aghazadeh and the Director-General of the IAEA, Mohammed ElBaradei was postponed. No reasons were however given for the postponement.<sup>54</sup>

In other developments, the Democratic presidential candidates expressed their strong views on Iran. Hillary Clinton termed President Bush's Iran policy "a loser" and recommended low-level talks with the country that the United States has labeled as a sponsor of terrorism. Barack Obama on the other hand stated that keeping Iran free of nuclear weapons would be one of his top priorities if elected as the President.<sup>55</sup>

Meanwhile, talks in Shanghai aimed at persuading Iran to stop its nuclear program ended with no clear result, though the meeting's chairman, Chinese Assistant Foreign Minister He Yafei stated that diplomatic efforts would continue. The meeting, attended by the five permanent U.N. Security Council members as well as Germany and the European Union, however managed to "reach an agreement on some major parts" of the issue.<sup>56</sup>

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<sup>53</sup> Pallava Bagla, "IAEA agreement not final: Kakodkar," *NDTV*, April 18, 2008 at <http://www.ndtv.com/convergence/ndtv/story.aspx?id=NEWEN20080047179&ch=4/18/2008%2011:50:00%20AM>

<sup>54</sup> "Iranian official's meeting with IAEA head postponed," *Reuters*, April 13, 2008, at <http://www.reuters.com/article/worldNews/idUSL1362052020080413?rpc=401&feedType=RSS&feedName=worldNews&rpc=401>

<sup>55</sup> Jeff Mason, "Clinton, Obama tackle Iran issue in debate," *Reuters*, April 16, 2008, at <http://www.reuters.com/article/politicsNews/idUSN1639555120080417?rpc=401&>

<sup>56</sup> "Envoys at talks on Iranian nuclear program reach some agreements on incentives for Tehran," *International Herald Tribune*, April 17, 2008, at <http://www.iht.com/articles/ap/2008/04/17/asia/AS-GEN-China-Iran-Nuclear.php>

## NORTH KOREA

- **North Korea to submit list of nuclear programs and materials by April end; Verification mechanism to be put in place under the Six-Party framework; Bush demands declaration from Pyongyang**

Reports citing unnamed South Korean officials stated that North Korea would submit a list of its nuclear programs and materials by the end of April. The reports also mentioned that the US would begin talks on removing North Korea from the list of state sponsors of terrorism after it came out with the declaration.<sup>57</sup> It has been reported that North Korea would provide a list of its plutonium stockpile and “acknowledge” concerns listed by the United States about its suspected uranium enrichment and nuclear proliferation activities.

In expectation of the declaration by Pyongyang, efforts are underway to put in place a mechanism to scrutinize any declaration provided by North Korea of its nuclear weapons program. The verification mechanism is expected to be set up under the “denuclearization of the Korean peninsula” working group, one of five groups set up under a February 2007 agreement among the six parties.<sup>58</sup>

In other developments, US President George Bush also spoke out on the North Korean issue, demanding that Pyongyang should submit its much-delayed declaration of nuclear weapons.<sup>59</sup>

## PAKISTAN

- **Pak PM: Pakistan has effective nuclear command and control structure; Pakistan tests Hatf-VI (Shaheen-II)**

The Pakistani Prime Minister, Yousaf Raza Gilani asserted that Pakistan had an effective command and control structure for its nuclear weapons and that they were fully safe and secure. Mr. Gilani added that the Pakistani nuclear command structures were “well conceived and elaborate” and that they had “matured.” A statement from the Prime Minister’s office also mentioned that the (nuclear) force development as per the needs of Pakistan’s minimum deterrence, was progressing well.<sup>60</sup>

In other developments, the Pakistani army test fired a long-range, nuclear-capable ballistic missile on April 21. The launch marked the culmination of a field training exercise for the Hatf-VI (Shaheen-II), which included a test firing

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<sup>57</sup> Bomi Lim, “North Korea to Declare Nuclear Program This Month, Hankook Says,” *Bloomberg*, April 16, 2008, at <http://www.bloomberg.com/apps/news?pid=20601101&sid=aYhjxpr1gYOE&refer=japan>

<sup>58</sup> “New mechanism set to verify North Korea’s nuclear program,” *AFP*, April 18, 2008, at [http://afp.google.com/article/ALeqM5hq\\_OCivLoF2IouIBR4S8-XKgMmOg](http://afp.google.com/article/ALeqM5hq_OCivLoF2IouIBR4S8-XKgMmOg)

<sup>59</sup> Jeremy Pelofsky, “Bush: North Korea must declare nuclear programs,” *Washington Post*, April 19, 2008, at [http://www.washingtonpost.com/wp-dyn/content/article/2008/04/19/AR2008041901130\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2008/04/19/AR2008041901130_pf.html)

<sup>60</sup> Zeeshan Haider, “Pakistan has effective nuclear command: PM,” *Reuters*, April 17, 2008, at <http://in.reuters.com/article/domesticNews/idINISL11841220080417?rpc=401&>

on April 19. The missile, with a range of about 1,900 kilometres, is a two-stage solid fuel weapon and can carry both conventional and nuclear warheads.<sup>61</sup>

## V. ENERGY SECURITY REVIEW

### TAPI PIPELINE

- **Deora: TAPI pipeline talks to be held in Islamabad along with discussion on IPI**

Minister of Petroleum and Natural Gas Murli Deora, while inaugurating the 15<sup>th</sup> Asia Gas Partnership Summit announced that discussions on the Turkmenistan-Pakistan-Afghanistan-India (TAPI) gas pipeline would be held in Islamabad on April 23-24. Bilateral talks with Pakistan on the Iran-Pakistan-India (IPI) gas pipeline would follow the discussions on the TAPI.<sup>62</sup>

Adding to the rising speculations that IPI might still be a pipedream, Pakistan President Pervez Musharraf again mooted the idea of an Iran-Pakistan-China pipeline. While speaking at Beijing's Tsinghua University, he said that Pakistan would be eager to act as a conduit for Iranian gas to China, building Pakistan as an "energy and trade corridor".<sup>63</sup>

### EXPLORATION AND PRODUCTION

- **Potentially large reserves of oil found in southeastern Brazil**

The director of National Oil and Gas agency (ANP) of Brazil, a regulator of the oil and gas sector in Brazil, Harold Lima announced that Repsol, Petrobras, and the BG Group have discovered the potentially third largest oil and gas reserves in the deep waters of the Santos basin, south eastern Brazil. Mr. Lima announced that the field has been named temporarily as 'Sugar Loaf' and that it could hold an estimated 33 billion barrels of oil.<sup>64</sup>

### OIL PRICES

- **Oil prices reach \$1140-a-barrel**

Oil prices reached \$114 a barrel during the week. Crude oil futures jumped by \$2.03 closing at \$113.79 a barrel on the New York Mercantile Exchange. Oil prices have increased by about 18 percent since the beginning of the year and by about 125 percent since early 2007.

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<sup>61</sup> "Pakistan Tests Nuclear Capable Ballistic Missile," *The New York Times*, April 21, 2008, at <http://www.nytimes.com/reuters/world/international-pakistan-missile.html?sq=nuclear&st=nyt&scp=10&pagewanted=print>

<sup>62</sup> "Deora to visit Islamabad to discuss TAPI and IPI pipeline projects issues," *PIB Press Release*, April 14, 2008, at [pib.nic.in/release/release.asp?relid=37365](http://pib.nic.in/release/release.asp?relid=37365)

<sup>63</sup> "Musharraf favors IPC oil, gas project," *Press TV*, April 14, 2008, at [www.presstv.ir/detail.aspx?id=51579&sectionid=351020401](http://www.presstv.ir/detail.aspx?id=51579&sectionid=351020401)

<sup>64</sup> "Brazil discovers world's 3<sup>rd</sup> largest oil and gas reserves," *Xinhuanet*, April 14, 2008, at [http://news.xinhuanet.com/english/2008-04/15/content\\_7979602.htm](http://news.xinhuanet.com/english/2008-04/15/content_7979602.htm)

## AGREEMENTS AND CO-OPERATIONS

- **OVL short-listed to bid for contracts in Iraq; Greater cooperation in the oil and gas sector with Brazil and Saudi Arabia in store**

The overseas arm of Oil and Natural Gas Corporation, ONGC Videsh Limited (OVL) has been shortlisted as one of the 35 firms qualified to bid for oil and gas contracts in Iraq to develop one of the world's largest oil fields. While OVL was the only Indian company to have been short-listed, four Chinese firms - CNOOC, CNPC, Sinochem and Sinopec Group and seven energy majors from US were also short-listed.<sup>65</sup>

India was also gearing towards firming cooperation with Brazil and Saudi Arabia in the coming months. India and Brazil on their part would sign a memorandum of understanding (MoU) to further strengthen ties in the energy sector during the ongoing visit of President Pratibha Patil. The agreement would foster greater cooperation between oil companies of the two countries in all areas including research and development.<sup>66</sup>

Reports also noted the impending increase in the level of engagement with Riyadh. EAM Pranab Mukherjee is to meet his Saudi counterpart Saud Al Faisal during a forthcoming two-day visit. His visit will be followed by the visit of deputy Chairman of the Planning Commission Montek Singh Aluwalia and a visit by the Vice-Chief of Army staff early next month. The cycle of talks is likely to culminate in the visit to the kingdom by Prime Minister Manmohan Singh later in the year. Reports noted that collaboration in oil exploration, refineries, and storage facilities would be the focus of the negotiations.<sup>67</sup>

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**Note:** This issue does not contain the Myanmar and Bangladesh sections.

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<sup>65</sup> "OVL qualifies for oil, gas contracts in Iraq," *Economic Times*, April 14, 2008, at [economictimes.indiatimes.com/.../OVL\\_qualifies\\_for\\_oil\\_gas\\_contracts\\_in\\_Iraq/articleshow/2951068.cms](http://economictimes.indiatimes.com/.../OVL_qualifies_for_oil_gas_contracts_in_Iraq/articleshow/2951068.cms)

<sup>66</sup> "India, Brazil to sign MoU in oil, natural gas sector," *Myiris.com*, April 15, 2008, at <http://www.myiris.com/newsCentre/sectionShow.php?secID=economy>

<sup>67</sup> Atul Aneja, "Visit to bolster energy, trade and investment ties," *The Hindu*, April 20, 2008, at [www.thehindu.com/2008/04/20/stories/2008042059600800.htm](http://www.thehindu.com/2008/04/20/stories/2008042059600800.htm)