

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **President Obama: US troops presence in Afghanistan not permanent; US Military report finds errors in Farah air strikes; US plans to hunt terror financiers for Taliban; Richard Holbrooke: India has a legitimate role to play in stabilising Afghanistan**

While delivering a keynote speech to the Muslim world in Cairo on June 4, the US president Barak Obama said that the United States has no intention of keeping its troops in Afghanistan and does not want any permanent military bases there. Although he pointed out that there were still violent extremists in Afghanistan and Pakistan; and the US would use a combination of diplomacy and a commitment to root out the problem.¹ However, reacting to Obama's Cairo speech, the Taliban described his words as an attempt to deceive the Muslims and push ahead Washington's expansionist agenda, a statement of outfit released to media said.²

Meanwhile, a US military investigation report has concluded that American personnel made significant errors in carrying out some of the air strikes in the western Farah province of Afghanistan on May 4 that killed dozens of Afghan civilians.³

The US special envoy on Pakistan and Afghanistan, Richard Holbrooke said on June 5 that the US would reinvigorate efforts to trace the sources of financing for the Taliban insurgency, with special scrutiny of private donations. Private donors, including some from Persian Gulf countries, were increasingly believed to be a far more important source of money for the Taliban than even the opium trade, which the United Nations estimates to be about \$300 million a year, he added. Holbrooke was speaking at a news conference in Islamabad during his two days visit to Pakistan.⁴ Commenting on India's role in Afghanistan, Holbrooke said that India has a legitimate role to play in the search for stability in Afghanistan and the region. "India is a very important player not only in the region, but also internationally and throughout the globe. They have a legitimate role to play in the search for stability in the region, and a legitimate need to be fully informed of what we are doing," he stated while clarifying that he was not a special representative for India.⁵

Reports noted that more than 80 persons have been killed in series of violent incidents across Afghanistan over the week which included Uruzgan operations on June 4 led by

¹ "US Afghan troops 'not permanent'", *BBC*, June 4, 2009 at http://news.bbc.co.uk/2/hi/middle_east/8083272.stm

² "Taliban outfit vows to fight U.S.-led troops in", *Xinhua*, June 6, 2009 at http://news.xinhuanet.com/english/2009-06/06/content_11496662.htm

³ "U.S. Report Finds Errors in Afghan Airstrikes", *The New York Times*, June 2, 2009 at <http://www.nytimes.com/2009/06/03/world/asia/03military.html?scp=8&sq=afghanistan&st=cse>

⁴ "U.S. Plans New Hunt for Sponsors of Taliban", *The New York Times*, June 5, 2009 at http://www.nytimes.com/2009/06/06/world/asia/06pstan.html?_r=1

⁵ "India has role to play in Afghanistan: Holbrooke" *The Hindu*, June 6, 2009 at <http://www.hindu.com/2009/06/06/stories/2009060659771000.htm>

Afghan and the US forces in which at least 22 insurgents were killed as the fight between the US-led security forces and Taliban insurgents intensifies.⁶

PAKISTAN

- **Hafiz Saeed released by the Lahore High Court; US to provide additional aid of \$ 200 million for the Internally Displaced People; Gilani requests US for loan waiver; France to support Pakistan in fighting militancy**

Hafiz Saeed, the chief of Jamat-ud-Dawa and main suspect of the 26/11 attacks in Mumbai was released by the Lahore High Court on June 2. The court order contended there was lack of substantive proof against Hafiz to further detain him, reports claimed.⁷ Notwithstanding the US assured additional aid of \$200 million to rescue the refugees in the Swat and Malakand Division, where the security operations against the Taliban are taking place. The announcement to this effect was made by Richard Holbrooke in a joint press conference in Islamabad on June 3. President Zardari and Foreign Minister Shah Mehmood Qureshi were also present in the press conference.⁸ On the economic front, Prime Minister Gilani requested US to strike off its debts which could help steer the country out of economic crisis. This was during his meeting with Holbrooke in Islamabad on June 5.⁹

Meanwhile, France promised support to Pakistan in its fight against militancy and eventually “to see democracy succeed in Pakistan.” This was stated by French Ambassador to the United Nations, Jean Maurice on May 31 at UN.¹⁰

In other developments, at least 40 people were reportedly killed in suicide bomb attack in a mosque in the village of Hayagay Sharqi in Dir on June 5. The suicide bomber was reportedly a young boy who managed to enter the mosque despite being stopped by others for identification.¹¹

The state of the humanitarian crisis in Mingora is reported to be serious and people are deprived of basic necessities such as food, water and electricity due to the ongoing security operations against Taliban in the area.¹²

⁶ “Fighting intensified in Afghanistan as over 80 killed in one week”, *Xinhua*, June 7, 2009 at http://news.xinhuanet.com/english/2009-06/07/content_11504303.htm

⁷ “Hafiz Saeed set free,” *Daily Times*, June 3, 2009, at http://www.dailytimes.com.pk/default.asp?page=2009\06\03\story_3-6-2009_pg1_1

⁸ “Holbrooke assures full help in reconstruction phase : US announces extra \$200m for IDPs,” *Daily Times*, June 4, 2009, at

http://www.dailytimes.com.pk/default.asp?page=2009\06\04\story_4-6-2009_pg1_1

⁹ “Pakistan asks US to write off loans,” *Daily Times*, June 6, 2009, at http://www.dailytimes.com.pk/default.asp?page=2009\06\06\story_6-6-2009_pg1_1

¹⁰ “France backs Pakistan in fight against militancy,” *Dawn*, May 31, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/france-backs-pakistan-in-fight-against-militancy-169>

¹¹ Delawar Jan, “40 killed in suicide attack on Dir mosque,” *The News*, June 6, 2009, at http://www.thenews.com.pk/arc_default.asp

¹² Hameedullah Khan, “Humanitarian situation grave in Mingora,” *Dawn*, June 1, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/humanitarian-situation-grave-in-mingora-169>

BHUTAN

- **Punatsanghchu would displace ninety families**

According to some estimates, Bhutan's biggest power project, Punatsanghchu would be displacing ninety families on its completion. Though the government has announced rehabilitation and compensation measures, the general public mood on the ongoing project is dismissive.¹³

Meanwhile, a flip side of cyclone Alia was witnessed in Bhutan, when hydropower sector generated around 1,500 MW of power, double of the original power generated. Most of the power projects in Bhutan generated well above their capacity, with 1020 MW Tala generating 1094 MW on May 30, the 336 MW Chukha generating 355 MW, the 60 MW Kurichu generating 67 MW and Basochu with its full capacity at 64 MW.¹⁴

MALDIVES

- **Maldives appeals the United Nations for help in building its defenses against rising sea levels; Maldives becomes the 183rd member state of the ILO**

Maldives has appealed to the United Nations space agency to help it build its defenses against rising sea levels. In a recent statement, the Environment Minister Abdulla Shahid pointed out that Maldives had to relocate the populations of two of its 200 islands because of eroding beaches.¹⁵ Meanwhile, the United Nations Special Rapporteur on the right to freedom of opinion and expression, Frank La Rue, has applauded the Maldivian government on steps taken towards strengthen press freedom.¹⁶

In other developments, Vice President Dr Mohamed Waheed, is on a diplomatic visit to the United States. Dr Waheed would be participating at a UN General Assembly meeting on renewable energy.¹⁷ Maldives has now become the 183rd member state of the International Labour Organization. The population of Maldives is 299,000, of whom some 81,000 are migrant workers. The major generators of income and employment are tourism and fishing.¹⁸

SRI LANKA

- **Sri Lanka appeals to the international community to dismantle the international support network of the LTTE**

¹³ "The price of progress," *The Kuensel*, June 2, 2009, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=12638>

¹⁴ "Cyclone Aila's silver lining," *The Kuensel*, May 31, 2009, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=12619>

¹⁵ "Maldives' Disappearing Coast Prompts Appeal To Un Space Agency," *Business Mirror*, June 7, 2009, at <http://businessmirror.com.ph/home/science/11368-maldives-disappearing-coast-prompts-appeal-to-un-space-agency.html>

¹⁶ "UN press freedom expert praise Maldives," *Miadhu News*, June 4, 2009, at <http://miadhu.com.mv/news.php?id=10336>

¹⁷ "Maldives: The Vice President begins a visit to the United States," *Presidency Maldives*, June 5, 2009, at <http://www.presidencymaldives.gov.mv/4/?ref=1,5,1057>

¹⁸ "Maldives 183rd Member of ILO," *Asian Tribune*, June 3, 2009, at <http://www.asiantribune.com/?q=node/18140>

India's Permanent Representative to the UN in Geneva, A. Gopinathan has emphatically cautioned Commissioner for Human Rights, Navanethem Pillay, to restrain from "misinterpreting or willfully neglecting" decisions of Human Rights Council on Sri Lanka. Mr Gopinathan asserted that Ms Pillai should restraint from pursuing the agenda of 'some' states and that any attempt to ignore the decisions of the Human Rights Council would be unfortunate.¹⁹ In another statement, the Minister of Disaster Management and Human Rights Mahinda Samarasinghe, in his address to the 11th Regular Session of the United Nations Human Rights Council in Geneva stated that the special session on Sri Lanka at the UN Human Rights Council was "unnecessary".

Meanwhile, the Sri Lankan government has appealed to the international community to dismantle the international support network of the LTTE. Foreign Minister Bogollogama dismissed arguments on "genocide against Tamilians" as primarily being used as 'propaganda material' against the Government; and stated that Sri Lanka's war on terror was a strong "signal to the international community that terror can be defeated and terrorism can be eliminated."²⁰

The Tamil Business Community has hailed Rajapakse effort, expressing their solidarity on the President's latest announcement that "there will not be any minority community in Sri Lanka, and that all Sri Lankans will be citizens in a single country with equal rights and status".²¹ Sri Lankan international trade minister G.L. Peiris has announced that the International Monetary Fund would soon approve its application for an emergency loan. Commenting on the controversial nature of IMF loan, Peiris reiterated that a decision on the disbursement of the funds "should not involve political considerations," but should be "dependent upon technical criteria".²²

In other developments, Palestinian Foreign Affairs Minister Dr. Riad Malki congratulated Foreign Affairs Minister Rohitha Bogollagama on the defeat of terrorism. Don Randall of the Liberal Party, meanwhile passed a motion on the Australian parliament, stating that the LTTE had violated the rights of millions of Sri Lankans over three decades.²³

¹⁹ "Indian Envoy castigates Pillay," *Daily News*, June 6, 2009, at <http://www.dailynews.lk/2009/06/06/news01.asp>

²⁰ "Foreign Minister tells international community," *Daily News*, June 6, 2009, at http://www.dailynews.lk/2009/06/06/main_News.asp

²¹ "Tamil business community hail President's leadership," *Daily News*, June 5, 2009, at <http://www.dailynews.lk/2009/06/05/news02.asp>

²² "IMF loan will be approved soon- Peiris," *Daily News*, June 03, 2009, at http://www.dailymirror.lk/DM_BLOG/Sections/frmNewsDetailView.aspx?ARTID=50823

²³ "Motion on Sri Lanka in Australian Parliament," *Daily News*, June 5, 2009, at <http://www.dailynews.lk/2009/06/05/news04.asp>

B. WEST ASIA

IRAN

• **Sectarian Unrest in Iran; Obama's New Overtures to Iran; Mousavi Accused Ahmadinejad for Targeting His Supporters**

Dozens of people have been arrested over deadly sectarian unrest in the Iranian city of Zahedan which erupted shortly before the country goes to the polls. Ten people died in the violence that flared after the bombing of a Shiite mosque last week that left 25 dead. Iran has been shaken by a spate of violent incidents in the run-up to the June 12 presidential election, in which incumbent President Mahmoud Ahmadinejad faces challenges from three rival candidates. However, Zahedan, capital of Sistan-Baluchestan province bordering Pakistan and Afghanistan, was calm after appeals by local Sunni and Shiite leaders. The recent mosque bombing in the city was claimed by a shadowy Iranian Sunni insurgent group called Jundallah (Soldiers of God), according to a US group that monitors Islamist websites. SITE Intelligence quoted a Jundallah statement as saying the attack was to avenge the hanging last year of members of the Baluch minority that adheres to Sunni Islam and makes up a significant part of the Sistan-Baluchestan population.²⁴

In a new overture to Iran, the Obama administration has authorized US embassies around the world to invite Iranian officials to Independence Day parties they host on or around July 4th. A State Department official said that the notice sent on June 5, 'may invite representatives from the government of Iran' to the events. However, it was not immediately clear how many embassies and consulates would actually invite Iranian diplomats to the July 4 parties or whether any Iranians would accept the invitations. The move comes amid the administration's ongoing efforts to engage Iran in variety of venues, including formal diplomatic meetings over its nuclear program, violence in Iraq and the situation in Afghanistan. But Iran has given mixed responses to the overtures, which began early in the administration when President Barack Obama recorded a videotaped greeting to the Iranian people and its leaders for their new year. In an interview with the British Broadcasting Corporation, Obama said it is in the world's interest — and Iran's interest — 'to set aside ambitions for a nuclear weapon.' Obama also said that while he didn't want to put 'artificial timetables' on diplomacy with Tehran, 'we do want to make sure that by the end of this year we've actually seen a serious process move forward. And I think that we can measure whether or not the Iranians are serious.'²⁵

Meanwhile, Mahmoud Ahmadinejad's main reformist challenger said that the Iranian president has made false accusations against his supporters to try to sabotage his campaign with just days to go before presidential election. Former Prime Minister Mir Hossein Mousavi wrote a letter to Iran's supreme leader, Ayatollah Ali Khamenei, accusing Ahmadinejad and his supporters of taking unethical steps against his campaign. In an unusual twist for elections in Iran, the presidential campaign has descended into bitter personal attacks between candidates. Khamenei, who has final say on all state matters in Iran, has urged

²⁴ "Dozens arrested in restive Iranian city," *Khaleej Times*, June 2, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2009/June/middleeast_June26.xml§ion=middleeast

²⁵ "US inviting Iranian diplomats to July 4 parties," *Khaleej Times*, June 2, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/international/2009/June/international_June142.xml§ion=international

the contenders and their supporters to exercise restraint. Ahmadinejad has previously accused Mousavi of having links with people involved in corruption.²⁶

C. EAST AND SOUTHEAST ASIA

CHINA

- **Malaysian Prime Minister and Liberian Defense Minister visit China; Post-retirement lives of military officers and soldiers in China; Military exercise to be carried out soon to test antiterrorist capabilities of Beijing**

Last week saw two important foreign dignitaries visiting China - one being Malaysian Prime Minister Najib Tun Razak and another being Liberian defense minister Brownie J. Samukai. During the discussions held with these dignitaries, their support to peaceful and consultation based solution of the South China Sea disputes, and One-China policy was reinforced. The Malaysian prime minister met Chinese premier Wen Jiabao on June 3. During the meeting, both Premier Wen Jiabao and Prime Minister Najib Tun Razak reaffirmed their faith in resolving this issue through consultation and dialogue. The Chinese premier maintained that dialogue and cooperation over this issue should be strengthened and carried out in such a way that peace and stability remains unharmed in the region. During the talk, he expressed his opinion that peace and stability should be jointly safeguarded in the region by all concerned parties.²⁷

Liberian defense minister Brownie J. Samukai also met Liang Guanglie, state councilor and defense minister of the PRC, and held talks with him on June 3, 2009 in Beijing. During the talks, Liang Guanglie appreciated Liberia's support to One-China policy and China's reunification. Similarly the Liberian defense minister also acknowledged and appreciated China's help that has been extended to the Liberian government, military and people in their efforts to restore peace and reconstruct their nation. He described Chinese help as "great" and "honest". Both defense ministers expressed their willingness to further deepen and consolidate mutual cooperation. On this occasion, while the Chinese defence minister assured that the People's Liberation Army is committed to take cooperation with its Liberian counterpart to various different fields, his Liberian equivalent also assured that Liberia will continue its support to One-China policy.²⁸

Assigning new jobs to discharged military officers has emerged as a major responsibility for the Chinese government. According to Chinese Vice President Xi Jinping, more than 4 million discharged army personals have been given reemployment in civil domain in the last six decades. He said that either retired army persons can find jobs for themselves or they can avail government's help in this regard. The government is committed to provide them jobs in civilian sector after their retirement from armed forces. Xi Jinping

²⁶ "Main Ahmadinejad rival says supporters targeted," *Khaleej Times*, June 7, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2009/June/middleeast_June146.xml§ion=middleeast

²⁷ "China Calls for Dialogue, Cooperation over South China Sea", *People's Daily* (Online), June 4, 2009 at <http://english.people.com.cn/90001/90776/90883/6671212.html> (accessed on 08-06-09).

²⁸ "Liang Guanglie Holds Talks with Liberian Defense Minister", *PLA Daily* (online), June 4, 2009 at http://english.chinamil.com.cn/site2/news-channels/2009-06/04/content_1787080.htm (accessed on 08-06-09).

was speaking at a meeting last week, attended by the military and civil affairs department. The purpose of this meeting was to address the issues and problems faced by military personals after their retirement. In this meeting, he acknowledged the need of an effective system to take care of post-military lives of soldiers and officers.²⁹

A national anti terror exercise “Great Wall-6” is going to begin on coming June 9 in China. This exercise will consist of a series of specialized drills and take place in the Inner Mongolia Autonomous Region and Shanxi and Hebei provinces that surround Beijing. The timing and place of this exercise is important as it is going to be carried out less than four months ahead of the celebrations of the 60th founding anniversary of the People's Republic of China and it is going to be conducted in the regions surrounding Beijing. The purpose of this exercise is to test the anti terrorist capabilities of these areas, particularly of the national capital “to combat terrorism and deal with emergencies”.³⁰

JAPAN

- **Exploring F-22 version for Japan; Japan's LDP backs pre-emptive strike capability against North Korea**

The Senate Appropriations Committee's Defense Sub-Committee is considering requiring the U.S. Air Force to study the viability of creating an export version of the Lockheed Martin Corp, F-22 fighter jet. Japan for years has expressed interest in buying two squadrons of its own F-22s, which could translate into orders of 40 to 60 more airplanes for Lockheed, said defense analyst Loren Thompson of the Virginia-based Lexington Institute.³¹ The U.S. Air Force estimates it would cost Japan as much as \$250 million per plane to buy dozens of radar-evading F-22 fighter jets, a U.S. senator told Japan's ambassador in a letter, saying he hopes to reverse a current U.S. ban on such exports.³²

Meanwhile, there have been discussions by the defence panel of Japan's ruling party on which suggest that despite its pacifist constitution, Japan should be able to launch a pre-emptive strike against North Korea to stop any imminent attack. The Liberal Democratic Party (LDP)'s defence policy committee also argued that Japan should develop new spy satellites to provide advance warning of a missile launch without having to rely on US or other allies' intelligence.³³ On the other hand a revised draft Security Council resolution outlined by seven key United Nations members on North Korea's second nuclear test would obligate all U.N. members to inspect North

²⁹ “China addresses employment of discharged military officers”, *People's Daily* (online), June 03, 2009 at <http://english.peopledaily.com.cn/90001/90776/90785/6670274.html> (accessed on 08-06-09).

³⁰ “China to Hold National Antiterror Drills in Areas around Beijing”, *PLA Daily* (online), June 8, 2009 at http://english.pladaily.com.cn/site2/news-channels/2009-06/08/content_1790185.htm (accessed on 08-06-09).

³¹ “US lawmakers said exploring F-22 version for Japan” *Reuters*, June 1, 2009 at <http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0147016920090601>

³² “Cost of F-22 fighter for Japan as much as \$250 mln” *Reuters*, June 5, 2009 at <http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0530055420090605>

³³ “Japan's LDP backs pre-emptive strike capability against North Korea” *Channel News Asia*, June 4, 2009 at http://www.channelnewsasia.com/stories/afp_asiapacific/view/433732/1/.html

Korean cargo if it is suspected of carrying nuclear or missile-related items, U.N. diplomatic sources said.³⁴

In other developments, Japan's ambassador to the U.S., Ichiro Fujisaki, flew from Washington to San Antonio on May 30, to deliver his country's first in-person apology before the 64th reunion of the American Defenders of Bataan and Corregidor. Many of the 73 surviving veterans in attendance welcomed the apology, but not all. Some survivors criticized the address, feeling the speech lacked sincerity.³⁵

There are also reports which suggest that senior officials from Japan, the United States and China are looking to hold their first trilateral policy dialogue in Washington around July to discuss issues of common interest.³⁶

MALAYSIA

- **Malaysian PM visits Beijing; Malaysia and China agree on the partial abolition of the necessity of visas for certain section of their citizens while visiting each others countries; South Korea signs major FTA with ASEAN; ASEAN agrees with India on tariff cuts issue for the upcoming FTA between the two parties**

Malaysian Prime Minister Najib Razak went on an official visit to Beijing, starting from June 3.³⁷ While considering Sino-Malaysian relations having a special personal significance for himself, Najib pledged to take the bilateral relationship to a greater height.³⁸ Describing Najib's Beijing visit a success, Chinese President Hu Jintao too stated that the relationship between the two states have "entered into a deeper and more matured phase" from the time of the initiation of their diplomatic relations thirty five years back.³⁹ Later on, during his meeting with Najib, Chinese Prime Minister Wen Jiabao emphasized on the necessity of dialogue and cooperation in dealing with issues of mutual concern and maintaining peace and stability in the South China Sea region.⁴⁰ As part of the four MoUs signed between Malaysia and China during Najib Razak's Beijing visit, both the states have decided to bring about partial abolition of the necessity of visas for those citizens holding diplomatic or official or service passports while visiting each other's countries.⁴¹

³⁴ "Revised U.N. draft obligates member nations to inspect N. Korean cargo+" *Associated Press*, June 5, 2009 at http://www.breitbart.com/article.php?id=D98KSJB80&show_article=1

³⁵ "Japan Apologizes to U.S. for 1942 Bataan Death March" *allgov.com*, June 2, 2009 at http://www.allgov.com/ViewNews/Japan_Apologizes_to_US_for_1942_Bataan_Death_March_90602

³⁶ "U.S., Japan, China plan trilateral powwow," *Japan Times*, June 7, 2009 at <http://search.japantimes.co.jp/print/nn20090607a2.html>

³⁷ "PM accorded Grand and Warm Welcome in Beijing", *Bernama.com*, June 3, 2009, at http://www.bernama.com/bernama/v5/news_lite.php?id=415665

³⁸ "Najib pledges to Enhance Malaysia-China Ties", *Bernama.com*, June 3, 2009, at http://www.bernama.com/bernama/v5/news_lite.php?id=415519

³⁹ "Jintao Says Sino-Malaysia relations have matured", *Bernama.com*, June 4, 2009, at http://www.bernama.com/bernama/v5/news_lite.php?id=415954

⁴⁰ "China Calls for Dialogue, Cooperation over South China Sea", *Xinhua*, June 3, 2009, at http://news.xinhuanet.com/english/2009-06/03/content_11482724.htm

⁴¹ "M'sia and China abolish Visa Requirements for Diplomatic and official passports", *Bernama.com*, June 3, 2009 at http://www.bernama.com/bernama/v5/news_lite.php?id=415703

In another significant development, Malaysia has denied Indonesia's recent allegation regarding encroachment of Malaysian naval vessel into the disputed oil-rich waters of Ambalat in the Sulawesi Sea, almost compelling patrolling Indonesian naval vessel to open fire on the Malaysian patrol ship. The encounter is being considered as one of the worst incidents occurred so far after the beginning of the dispute over those waters.⁴²

OTHER SOUTHEAST ASIAN NEWS

As part of its attempt to raise border guard forces with armed ceasefire groups in the border areas of Myanmar, the military junta has proposed to replace riot police personnel in the border townships of Buthidaung and Maungdaw with a new border defense force.⁴³

In another significant development, on June 2, both South Korea and ASEAN leadership have signed a major free trade pact. Under this pact, both sides have not only pledged to fight protectionism, they have also decided to make efforts to come forward with new ideas regarding how to help each other in tackling the problems emerging from the current global financial meltdown.⁴⁴ They have also decided to join hands in dealing with issues like global warming and promotion of 'green growth' in the region.⁴⁵

In the meantime, India has finally been able to convince the ASEAN leadership not to change the latter's earlier position of reducing duty only once a year under the upcoming India-ASEAN FTA to be signed later this year. It is worth noting that earlier, ASEAN proposed for two annual tariff cuts with a view to achieving tariff reduction at a faster rate.⁴⁶

II. INTERNAL SECURITY REVIEW

JAMMU AND KASHMIR

- **US doesn't intend to meddle in Kashmir; Valley situation triggers decline in tourist arrivals**

The US does not intend to meddle in the Kashmir issue, a key aide to President Barack Obama said in Washington on June 7. Allaying apprehensions in some quarters in India that US Special Envoy to Afghanistan and Pakistan Richard Holbrooke's mandate may also include Kashmir, Bruce Riedel, who co-chaired the inter-agency committee which formulated the Af-Pak policy, said: "I do not think, the Obama Administration intends to meddle in Kashmir."⁴⁷

⁴² "M'sia denies Naval vessel Encroached into disputed waters", *Bernama.com*, June 4, 2009, at http://www.bernama.com/bernama/v5/news_lite.php?id=415842

⁴³ "New border defence forces to replace riot police in Western Burma", *Burma News Online*, June 4, 2009, at <http://www.bnionline.net/news/narinjara/6396-new-border-defence-forces-to-replace-riot-police-in-western-burma.html>

⁴⁴ "Asean, S. Korea sign trade pact", *Bangkok Post*, June 2, 2009, at <http://www.bangkokpost.com/breakingnews/144909/asean-skorea-sign-trade-pact>

⁴⁵ "Asean, S. Korea agree on 'green growth'", *Bangkok Post*, June 2, 2009, at <http://www.bangkokpost.com/breakingnews/144885/asean-skorea-to-promote-green-growth>

⁴⁶ "India gets kinder Asean duty cuts", *Indo-Burma News*, June 6, 2009, at <http://www.indoburmanews.net/archives-1/2009/june-2009/india-gets-kinder-asean-duty-cuts>

⁴⁷ US doesn't intend to meddle in Kashmir: Riedel", *Hindu*, June 7, 2009, at <http://www.hindu.com/thehindu/holnus/000200906071121.htm>

Worsening situation in Kashmir valley following the death of two young women in Shopian district under mysterious circumstances last week has once again started to have an adverse effect on the tourism industry which was grappling to revive itself after damaging impact of the rumour of Taliban presence in the Kashmir Valley. The sector was adversely hit during the Amarnath land row agitation last year and the tourist season has not been able to reach its peak from that time as situation in the Valley has frequently remained unstable due to various reasons. The occupancy rate in hotels was 100 percent during the corresponding period last year but currently the rate hovers around 40 percent. Expressing concern over the impact of current situation on tourism, Chief Minister Omar Abdullah on June 4 said "the aeroplanes that arrived here full with tourists are now coming empty. People related with tourism trade are hit hard." People whose livelihood depends on tourism are also apprehensive over the situation."⁴⁸

A bar on ISD calls to Pakistan and PoK from Jammu and Kashmir is virtually being rendered irrelevant by Pakistan Army by smuggling more and more SIM cards of Pakistan mobile companies into the Poonch and Rajouri districts and increasing the frequency of mobile towers installed right on LoC in PoK. Meanwhile, the security forces seized two more SIM cards of Pakistan mobile company from Balakote sector in Poonch district on June 5. According to official sources, during last couple of days it has been observed that full signal of Pakistan mobile companies were being received even in the towns like Poonch, Mendhar, Mandi and parts of Rajouri district. According to sources, besides raising signal of mobile towers in PoK, Pakistan Army has also started pushing more SIM cards of their companies to this side of LoC along with infiltrators and some guides. It may be mentioned here that last month, police had seized eight SIM cards of Pakistan companies from truck operators and civilians of PoK, who had come to Poonch in connection with weekly trade and LoC crossing on Poonch-Rawlakote route. Police believed that these SIM cards were meant for the militants.⁴⁹

NORTH EAST

- **DHD Chief, Jewel Gorlosa nabbed in Bengaluru**

On June 4, the Dima Haram Daogah-Jewel Gorlosa received a major setback as the chairman of the outfit Jewel Gorlosa was arrested by a joint team of Assam and Karnataka Police in Bengaluru. Two of his aides were also arrested. Police sources said that the arrest of Jewel Gorlosa would be a major blow for the outfit.⁵⁰

Unidentified gunmen killed five persons and also burnt down at least 54 houses in Assam's NC Hills district on June 3.⁵¹

⁴⁸ "Valley situation triggers decline in tourist arrivals", *Daily Excelsior*, June 5, 2009, at <http://www.dailyexcelsior.com/web1/09june05/news1.htm#1>

⁴⁹ "More SIM cards of Pak companies seized", *Daily Excelsior*, June 6, 2009, at <http://www.dailyexcelsior.com/web1/09june06/news.htm#4>

⁵⁰ "Dima Haram Daogah(J) chief Garlosa held in Bengaluru", *Assam Tribune*, June 5, 2009, at <http://www.assamtribune.com/scripts/details.asp?id=jun0509/at01>

⁵¹ "5 killed, 54 houses burnt in NC Hills", *Assam Tribune*, June 4, 2009, at <http://www.assamtribune.com/scripts/details.asp?id=jun0409/at02>

OTHER DEVELOPMENTS

- **Government to set up National Counter Terrorism Centre**

India said it will seek to reshape ties with Pakistan depending on its sincerity in acting against terror groups operating from its soil. "My Government will seek to reshape our relationship with Pakistan depending on the sincerity of Pakistan's actions to confront groups who launch terrorist attacks against India from its territory," President Pratibha Patil said in her maiden address to the joint sitting of Parliament on June 4. She said that internal security will remain the thrust area of the government with zero-tolerance towards terrorism and will tackle it in a time-bound manner. Outlining the government's approach towards dealing with security issues, the President said a National Counter-Terrorism Centre will be established to take pro-active measures to combat the menace. To ensure effective intelligence sharing, the Multi-Agency Centre will be strengthened and its subsidiaries will be activated in all states.⁵²

Mohd Omar Madni, a top aide of Lashkar-e-Toiba founder Hafiz Saeed, who was arrested in New Delhi on June 4, had been asked by leaders of the terror outfit to recruit young people from Delhi, Mumbai, Chennai and Kolkata for training in Pakistan. A Special Cell team arrested 50-year-old Madni from Qutub Minar area when he arrived to hand-over money to a contact for recruiting people for terror activities. Besides Hafiz, Madni was also in touch with other LeT key functionaries Zaki-ur-Rehman and Mohd Yakub who asked him to recruit two educated youngsters each from the four main metros for terror training.⁵³

III. MISSILES, SPACE, AND DEFENCE REVIEW

NATIONAL

- **MoD Plans to Strengthen Coastal Security System**

News reported that in order to beef up the coastal security apparatus, the Ministry of Defence has announced to purchase fast patrol vessels, speed boats and is intending to double the surveillance aircraft of the Coast Guard. The government has taken into consideration to take 12 twin-engine helicopter offered by the US Coast Guard. Besides this, the government is of the mind to purchase 80 fast interception vessels and strengthen its 1000 strong "Sagar Prahari Bal". The Coast Guard has also been given go-ahead to purchase 12 Dornier aircraft. The Coast Guard also intends to acquire radars and for the same its Director-general of Coast Guard had visited France.⁵⁴

- **Vice-Admiral Nirmal Verma next Navy Chief**

Reports noted that Vice-Admiral Nirmal Kumar Verma who is Flag Officer Commanding-in-Chief (FOC-in-C) Eastern Naval Command will be the next Chief of Naval Staff of India after Admiral Sureesh Mehta who retires on August 31, 2009. During his long and distinguished career of 39 years, Vice Admiral Nirmal Kumar Verma

⁵² "Ties with Pak depends on action against terror: Prez", *Daily Excelsior*, June 5, 2009, at <http://www.dailyexcelsior.com/web1/09june05/news.htm#1>

⁵³ "LeT key operator Madni was asked to recruit Indian youth", *daily Excelsior*, June 6, 2009, at <http://www.dailyexcelsior.com/web1/09june06/news.htm#1>

⁵⁴ "Defence Ministry beefing up coastal security apparatus", *The Hindu*, June 7, 2009, New Delhi

commanded aircraft carrier INS Virat. Besides this, other commands of the Admiral include leander class frigate “Udaigiri”, and guided missile destroyer “Ranvir”. He also headed naval academy at Goa. For his services, Vice-Admiral was conferred Param Vishist Seva and Ati Vishist Seva Medals.⁵⁵

- **\$102 million additional payment for final delivery of Vikramaditya**

News reported that India has paid an additional \$102 million to Russia in order to speed up the refit project of Vikramaditya, INS (Admiral Gorshkov). The refit project is going on at Sevmash shipyard in north Russia. India has now paid 62 per cent of the original deal of \$964 million but Russian side has kept on raising its demand on the pretext of cost overrun. Now indicates that the deal is expected to be finalised somewhere closer to \$2.2 billion instead of \$2.9 billion. News also indicates that India has showed interest to purchase the air elements of the carrier. It has already purchased 16 MiG-29K fighters as well as intends to purchase more from Russia. The delivery schedule of the carrier is fixed by 2012.⁵⁶

- **Seven defence firms blacklisted by India**

News reported that after the arrest of the former the Ordnance Factory Board (OFB) Chairman Sudipto Ghosh on alleged charges of corruption, the government of India has blacklisted seven defence firms. The blacklisted firms are both foreign and national, namely Israeli Military Industries (IMI), Singapore Technology, Media Architects (Singapore) and BVT Poland, the indigenous ones are HYT Engineering, R K Machine Tools and T S Kishan and Company Pvt Ltd. These firms were expected to provide different capabilities to the Indian defence. For instance, the IMI had signed contract worth of Rs. 1200 crore for Nalanda project. Similarly, the Singaporean firm was suppose to bag contract of 155mm artillery guns for the army. BVD Poland was expected to be engaged in maritime engineering and naval architecture. The Indian firm T.S. Kishan and Company and HYT Engineering and R.K. Machine Tools, were involved in supplying spare parts.⁵⁷

INTERNATIONAL

- **Raytheon bags US 14 million Contracts for Patriot Maintenance**

Raytheon Company has bagged \$14.7 million contract for providing depot-level maintenance services such as diagnostic, maintenance, repairs, modifications and technical assistance to the US Army Patriot Air and Missile Defence Systems. These services are expected to enhance high reliability and readiness required by the Army, particularly where Army Patriot System is deployed.⁵⁸

⁵⁵ “Vice-Admiral Nirmal Verma next Navy Chief”, *The Hindu*, June 7, 2009, New Delhi

⁵⁶ India Pays Additional USD 102 million for Speedier INS Vikramaditya Delivery” on May 4, 2009, at <http://www.india-defence.com/reports/4418>

⁵⁷ “India Blacklists Seven Defense Firms for Alleged Involvement in Corruption”, on June 6, 2009 at <http://www.india-defence.com/reports/4419>

⁵⁸ “Raytheon Receives USD 14 million Contract for Patriot Maintenance “ on June 3, 2009 at <http://www.india-defence.com/reports/4416>

- **Lockheed Martin bags \$2.1 billion Contract for JAF Delivery to US, Dutch, UK**

News reported that the Lockheed Martin has received a \$2.1 billion contract to supply seventeen F-35 Joint Strike Fighter (JSF) aircrafts by 2012 to the US, the UK and Netherlands. Out of seventeen, seven would be for the US Air Force (conventional take off and landing - CTOL), seven for the US Marine Corps (Short take-off and vertical landing - STOVL) and one for Netherlands (CTOL) and two for Britain (STOLVs).⁵⁹

- **Bunker buster to South Korea**

Reports noted that the US has agreed to supply GBU-28 bombs, known as “bunker-buster” to South Korea. The laser guided missiles which were used during the Gulf war, 1990-91, to destroy the underground facilities in Iraq would also enable South Korea to hit and destroy North Korea’s underground storing missile and aircrafts facilities. The delivery of the missile is scheduled between 2010 and 2014. South Korea has also planned to purchase high-tech bombs such as JDAMs, JASSMs and GBU-24s. The GBU-24s has a capability to perform better at low altitudes and under poor visibility condition while the JDAMs with its global positioning systems would be effective against North Korean artillery. JASSMs are precision guided missiles which can hit at the desired locations.⁶⁰

⁵⁹ “Lockheed Martin Receives USD 2.1 billion Contract for US, Dutch, UK JSF Delivery”, on May 3, 2009 at . <http://www.india-defence.com/reports/4417>

⁶⁰ “South Korea to Acquire GBU-28 Bunker Buster Bombs from United States” on May 3, 2009 at <http://www.india-defence.com/reports-4415>