

THE WEEK IN REVIEW

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1. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **Afghan Council of Ministers calls for a review of international force presence; US agrees to take part in investigation into incident in Herat; UN: Area under poppy cultivation reduced from previous year**

The Afghan Council of Ministers meeting on August 25 decided to review the presence of international forces and agreements with foreign allies - including with NATO and the United States, after a series of military operations have led to mounting civilian losses. The ministers demanded a status of forces agreement, which would stipulate the authority and responsibilities of international forces, as well a stop to aerial bombing, illegal detentions and house raids. The defense and foreign affairs ministers were urged to begin negotiations with international partners.¹

The US on its part has agreed to take part in a joint investigation into reports that a recent air raid in western Afghanistan killed more than 90 civilians. US officials however insisted that most of those killed in Herat were militants and that only five civilians had died. UN and Afghan authorities would also assist in the probe.²

Afghan security forces meanwhile began taking over command of Kabul from the NATO-led International Security Assistance Force (ISAF). Reports noted that this was largely a symbolic move and that there would be very little immediate impact on foreign forces still patrolling large parts of the city.³

German opposition parties have also urged the German government to do a rethink on the issue of Germany's involvement in the NATO-led ISAF after the killing of three Afghan civilians - a woman and two children, at a German military checkpoint in the northern province of Kunduz.⁴ At the same time, Azerbaijan has offered to send more troops who would function under the command of NATO. This was indicated by the Azerbaijan Deputy Foreign Minister during his visit to Kabul.⁵

The body of a Japanese aid worker who was kidnapped on August 26 was recovered in the eastern province of Nangahar. Mr. Ito, an engineer, was

¹ "Afghans Want a Deal on Foreign Troops," *The New York Times*, August 25, 2008, at <http://www.nytimes.com/2008/08/26/world/asia/26afghan.html?ref=middleeast>

² "US to back Afghan Air Raid Probe," *BBC News*, August 31, 2008, at http://news.bbc.co.uk/2/hi/south_asia/7590303.stm

³ "Afghans Take Over Kabul Security," *BBC News*, August 2008, at http://news.bbc.co.uk/2/hi/south_asia/7585634.stm

⁴ "Germans Urge a Rethink on Afghan Mission," *Pajhwok Afghan News*, August 31, 2008, at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=61308>

⁵ "Baku to send more troops to Afghanistan," *Pajhwok Afghan News*, August 26, 2008, at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=61071>

kidnapped while inspecting an irrigation project. He was the third Japanese citizen to be kidnapped and killed in Afghanistan in the past three years.⁶

A UN report noted that the area under poppy production in Afghanistan and the yield of opium from those crops had reduced in the current year compared with 2007. It stated that among the country's 34 provinces, 18 had become poppy-free as compared with 13 poppy-free provinces in 2007. Despite such positive reports however, Afghanistan remained the world's biggest opium producer.⁷

PAKISTAN

- **PML-N withdraws support to government; PPP: November 3 order cannot be reverted; Security operations in FATA to be withheld during Ramzan; 40 militants killed in Swat**

The ruling coalition finally split up with the PML-N withdrawing support from the PPP-led government on the pretext of inaction on the judicial issue and Zardari's candidature for presidency. While addressing a press conference in Islamabad on August 26, PML-N chief Nawaz Sharif also announced that Saeeduz Zaman Siddhiqui, a former Chief Justice, would be his party's candidate for the upcoming presidential polls.⁸ Reports noted that as many as 32 candidates have filed the nomination for the election.⁹ Prime Minister Gilani meanwhile asserted the sovereignty of the Parliament by stating that the president should have no right to dismiss the popularly-elected assemblies.¹⁰

The PPP also expressed its vulnerability on the November 3 constitutional order issue with Law Minister Farooq H. Naek stating on August 27 that the controversial order could not be revoked.¹¹ Naek further added that since the order was passed in the Supreme Court, it was beyond the power of the National Assembly to undo it. Amidst these developments, eight deposed judges took fresh oaths at the Sindh High Court on August 27 in Karachi.¹²

In other developments, the government decided to withhold the security operations in FATA beginning from August 31 till the end of Ramzan.¹³ Earlier

⁶ "Aid Worker Killed in Afghanistan," *BBC News*, August 27, 2008, at http://news.bbc.co.uk/2/hi/south_asia/7584232.stm

⁷ "UN Reports Afghan Opium Decline," *BBC News*, August 26, 2008, at http://news.bbc.co.uk/2/hi/south_asia/7582018.stm

⁸ Amir Wasim, "Nawaz pulls out of coalition: Justice Saeeduz Zaman is PML-N candidate for president's post," *Dawn*, August 26, 2008, at <http://www.dawn.com/2008/08/26/top1.htm>

⁹ Iftikhar A. Khan, "32 file papers for presidential poll," *Dawn*, August 27, 2008, at <http://www.dawn.com/2008/08/27/top1.htm>

¹⁰ "President should not have power to dismiss assemblies," *Daily Times*, August 25, 2008, at http://www.dailytimes.com.pk/default.asp?page=2008\08\25\story_25-8-2008_pg1_1

¹¹ "Nov 3 actions cannot be undone: Naek," *The News*, August 28, 2008, at http://thenews.jang.com.pk/arc_default.asp

¹² Jamal Khurshid, "Eight deposed SHC judges take oath," *The News*, August 28, 2008, at http://thenews.jang.com.pk/arc_default.asp

¹³ "FATA operation suspended," *Daily Times*, August 31, 2008, at http://www.dailytimes.com.pk/default.asp?page=2008\08\31\story_31-8-2008_pg1_1

on August 30, at least 40 militants were reportedly killed in security operations in Swat.¹⁴

Reports noted that the chief of the Pakistani Army, Gen. Pervez Kayani met with the Chairman of the US Joint Chiefs of Staff, Adm. Mike Mullen on a US aircraft carrier USS Abraham Lincoln on August 28 in the Indian Ocean. The two were said to have discussed military to military ties between the two countries.¹⁵

NEPAL

- **Nepal's Embassy in China: PM's visit strengthened Nepal-China ties; Gajurel: Nepal would maintain cordial and equidistant ties between India and China; Cabinet expands to include 17 more ministers; Factionalis in CPM(M), CPM(UML), NC; CoAS Katawal: Nepal Army will not be politicized; WB provides \$127 m grant to Nepal**

Nepal's Embassy in Beijing noted that Prime Minister Pushpa Kamal Dahal's visit to China strengthened relations between the two countries. Chinese support to Nepal's economic, infrastructure and technical development were discussed in meetings with the Chinese leadership. Nepal's Ambassador to China Tanka Karki hoped that China would "extend more assistance to Nepal in the coming days."¹⁶

Prime Minister Dahal on his part assured Hu Jintao of Nepal's commitment to the 'One China' policy and vowed not to allow any anti-China activity on Nepal's territory. Prime Minister Wen Jiabao announced financial assistance amounting to \$300,000 to the victims of the recent floods in eastern Nepal. In order to bring in more Chinese tourists, Dahal requested Beijing to take significant measures to expand the connectivity between the two countries and promote trade, investment and tourism.¹⁷

Meanwhile, CPI-Maoist international affairs department head, C.P. Gajurel dismissed suggestions that Prime Minister Dahal's visit to China was an indication of Nepal using the 'China card' against India. Gajurel insisted that his party wanted to maintain cordial and equidistant relations with both India and China.¹⁸

Following the visit by Dahal and earlier by the UML members, a high-level delegation of the Nepali Congress (NC) left for China on August 30. The

¹⁴ "Swat death toll touches 40," *Dawn*, August 31, 2008, at <http://www.dawn.com/2008/08/31/top2.htm>

¹⁵ Anwar Iqbal, "Pakistan terror war focus finally on target, says US: Kayani attends secret talks with American military chief on aircraft carrier," *Dawn*, August 29, 2008, at <http://www.dawn.com/2008/08/29/top1.htm>

¹⁶ "PM's visit strengthened Nepal-China ties: Nepali Embassy," *Kantipuronline*, August 26, 2008, at <http://www.kantipuronline.com/kolnews.php?nid=158387>

¹⁷ "Nepal-China Ties" *The Rising Nepal*, August 26, 2008, at http://www.gorkhapatra.org.np/detail.php?article_id=5613&cat_id=7

¹⁸ "PM's China visit customary," *The Rising Nepal*, August 28, 2008, at http://www.gorkhapatra.org.np/detail.php?article_id=5603&cat_id=4

six-member delegation being led by NC vice-president Prakash Man Singh was invited by the Chinese Communist Party.¹⁹

In domestic political developments, Prime Minister Dahal expanded the cabinet on August 31 by inducting 17 more ministers, six of whom were from CPN (Maoist), six from CPN (UML) and one each from Janamorchha Nepal, CPN (United) and Sadbhawana Party. CPN (Marxist Leninist), which earlier had decided to join the government, opted out after it was denied its chosen portfolio (land reform). With the new inductions, the strength of the cabinet rose to 24.²⁰

Reports noted that some senior leaders were unhappy at being denied cabinet posts. Mohan Vaidya Kiran, Maoists senior leader stated that the party high command failed to select five leaders to represent the party in the government.²¹ Central committee member Barshaman Pun alias Anata declined Dahal's invitation to join the cabinet.

Factionalism also seemed to be a major issue in the NC and UML. NC sources revealed that said some members criticized the leadership for the losses the party suffered in the Constituent Assembly (CA) election. The 'dissident leaders' also suggested the party to play a strong opposition role in the CA, and demanded that the meeting of Maha Samiti be summoned as early as possible to fix the date for the general convention that will choose new leadership.²²

Disgruntled UML leaders have also been demanding fresh nominations. Reports noted that CPN (UML) leaders and cadres from far-western region and Karnali zone have warned of 'collective revolt' if the party leadership failed to ensure balanced representation in crucial positions. CPN-UML leader Bhim Rawal and leaders from Seti, Mahakali and Karnali zones for instance took the party leadership to task for not including a single leader from far-west region and Karnali in the team of ministers it had finalised. UML central leader Bhim Rawal warned that leaders and cadres from these regions would resign from the party en masse if the leadership failed to make a balance in terms of representation including the list of ministers.²³

Defense Minister Ram Bahadur Thapa meanwhile stated that the process of integration of army will be completed within six months and that a special committee would be formed to initiate the process. Nepal's Chief of Army Staff

¹⁹ "NC team leaves for China," *Nepalnews*, August 31, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug31/news01.php>

²⁰ "15 new ministers sworn in," *Nepalnews*, August 31, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug31/news10.php>

²¹ "Nepal: Ministerial nomination, crisis deepens in Maoists camp," *The Telegraph Nepal*, August 30, 2008, at http://www.telegraphnepal.com/news_det.php?news_id=3989

²² "NC analyses its future role; some leaders call for leadership change," *Nepalnews*, August 26, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug26/news06.php>

²³ "UML leaders from far-western region warn of revolt," *Nepalnews*, August 26, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug26/news11.php>

Rookmangad Katawal on August 30 insisted that Nepal Army would “not be politicized at any cost.”²⁴

The UN appealed to the Maoists to release children from their guerrilla army immediately. Radhika Coomaraswamy, UN’s Special Representative for Children and Armed Conflict urged that UN agencies should have access to the children to ensure their “recovery and reintegration.” Nepal’s Maoists on their part have stated that they had yet to decide about the course of action regarding the nearly 3,000 fighters under the age of 18. Around 19,000 former fighters, inclusive of these underage combatants, have been in UN-monitored camps since a 2006 peace deal that ended the Maoists’ bloody ‘people’s war.’²⁵

While uncertainties continued over the integration issue, the World Bank provided a grant of \$127 million to help the Nepal government to consolidate the peace process and to scale up the delivery of basic services to under-served rural populations. The \$50 million grant for the Emergency Peace Support Project intends to help Nepal fulfill commitments made under the Comprehensive Peace Agreement and the subsequent 23 Point Agreement. The grants, which are the first such aid given to Nepal since the Maoists took over, were from the International Development Association (IDA), the World Bank’s concessionary lending arm.²⁶

In other developments, Nepal’s Defense Minister asserted that Nepal would not continue to wait for India to renovate Kosi embankments and would instead start mobilising internal resources to repair them in a permanent manner.²⁷

BANGLADESH

- **EC asks all political parties to register before October 15; Chief Adviser calls on bureaucrats to concentrate on holding free, fair and credible upazila and general elections; US Ambassador: Elections under the state of emergency would not be “that much acceptable,”; Charges framed against Hasina in MiG-29 graft case**

Reports noted that the Election Commission (EC) might not be able to ensure registration of political parties and complete the intra-party reforms before the ninth parliamentary polls scheduled for December due to time constraints and lack of necessary laws.²⁸ With the EC insisting that parties must register by

²⁴ “Nepal Army will not be politicized: CoAS Katawal,” *The Telegraph Nepal*, August 30, 2008, at http://www.telegraphnepal.com/news_det.php?news_id=3992

²⁵ “Nepal’s ruling Maoists must release child soldiers: UN,” *AFP*, August 26, 2008, at <http://afp.google.com/article/ALeqM5i0IYmbpswwhRwe7bHcOMigVJj58A>

²⁶ “WB donates nearly Rs 9b to consolidate peace process,” *Nepalnews*, August 26, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug26/news10.php>

²⁷ “Army integration within six months: Defense Minister,” *Nepalnews*, August 27, 2008, at <http://www.nepalnews.com/archive/2008/aug/aug27/news01.php>

²⁸ “EC watches time tick away: Proposed changes to electoral laws yet to be formalised; party registration, reforms may not be ensured before JS polls,” *The Daily Star*, August 18, 2008, at <http://www.thedailystar.net/story.php?nid=50830>

October 15, major political parties like the AL, BNP and JP have stated that it will not be possible for them to hold party councils and change the party constitutions in time to get registered.²⁹ Another round of talks with political parties to reach a consensus about party registration and for fixing a date for the polls was being contemplated.

Necessary arrangements for the polls were however proceeding. These include the publication of the final voter list of Dhaka City Corporation (DCC) area by September 4. The Chief Adviser Fakhruddin Ahmed on his part appealed to the country's top bureaucrats to overcome "partisan" concerns and concentrate on holding free, fair and credible upazila and general elections.³⁰

Upazila elections will be held from October 23, the first phase of which would cover about 250 of the 482 upazilas.³¹ The EC has proposed that Tk. 100 crore, which was over half of the estimated total cost for the upazila elections, be spent to ensure foolproof security. Reports noted that this would represent the highest security expenditure for elections held so far in Bangladesh.³²

The Awami League on its part urged the government to hold the parliamentary election in the third week of October.³³ It has also charged that releasing detained BNP chief Khaleda Zia and her son Tarique Rahman was an undue administrative favour towards the BNP-Jamaat alliance.³⁴ A special court meanwhile framed charges against AL chief Sheikh Hasina and five others in a graft case in connection with purchase of MiG-29 warplanes.³⁵

In other election-related developments, US Ambassador James Moriarty stated that elections under the state of emergency would not be "that much acceptable."³⁶ The EC asked the National Board of Revenue (NBR) and the police to verify the income tax returns, wealth statements and police records of those elected in the August 4 polls.³⁷ The High Court on its part asked the government and the EC to explain within two weeks why three sections of the Representation of the People Ordinance (RPO) 2008 - including rules restricting religion-based

²⁹ "Major parties find it hard to fulfil criteria," *The Daily Star*, August 26, 2008, at <http://www.thedailystar.net/story.php?nid=51898>

³⁰ "Concentrate on holding fair polls: CA also asks top bureaucrats to overcome 'partisan' concerns," *The Daily Star*, August 19, 2008, at <http://www.thedailystar.net/story.php?nid=50941>

³¹ "Upazila elections from Oct 23 in two phases: 200-250 upazilas go to polls in first phase; schedule on Sept 10," *The Daily Star*, August 27, 2008, at <http://www.thedailystar.net/story.php?nid=52059>

³² "Half of UZ poll budget sought for security: Army may be deployed as more political parties oppose govt decision," *The Daily Star*, August 23, 2008, at <http://www.thedailystar.net/story.php?nid=51638>

³³ "Hold parliament polls by third week of Oct: AL leaders demand," *The Daily Star*, August 23, 2008, at <http://www.thedailystar.net/story.php?nid=51510>

³⁴ "AL might be forced to change stance: Leaders allege govt's undue favour to BNP-Jamaat alliance," *The Daily Star*, August 30, 2008, at <http://www.thedailystar.net/story.php?nid=52454>

³⁵ "MiG-29 corruption case goes to trial: Hasina indicted; hearing from Sept 3," *The Daily Star*, August 21, 2008, at <http://www.thedailystar.net/story.php?nid=51239>

³⁶ "Elections under emergency won't be 'that much acceptable': Says US envoy," *The Daily Star*, August 19, 2008, at <http://www.thedailystar.net/story.php?nid=50955>

³⁷ "Winners in Aug 4 Polls: NBR, cops asked to check vital records," *The Daily Star*, August 19, 2008, at <http://www.thedailystar.net/story.php?nid=50940>

political parties to register their names in the EC's list - should not be declared illegal.³⁸

In other developments, India and Bangladesh held a border conference at which both sides decided to resolve all 'outstanding development issues' related to border security within a month's time, except for issues which came under the purview of the Bangladesh-India Joint River Commission.³⁹ India and Bangladesh Home Secretaries also met on August 30.

Japan wrote off \$680 million in debt overdue from Bangladesh under a debt-relief agreement.⁴⁰ The Sri Lankan Army Chief visited Dhaka during the week and both sides agreed to enhance the level of defence cooperation.⁴¹

SRI LANKA

- **LTTE carries out an air raid on naval base at Trincomalee; TNA MP: LTTE's tactical withdrawal helped safeguard their weapons cache and life of well-trained senior cadres; TULF: LTTE weakened and in disarray; NSA: International treaties cannot be changed overnight**

The LTTE carried out an air raid on a naval base at Trincomalee on the east of the island, causing minor damage and creating tension in the surrounding areas. This was first aerial attack launched by the LTTE in more than a year. Reports noted that two light aircraft, flying in from the direction of the sea off Mullaitivu, dropped at least two bombs near the Harbour dockyard. Government defence spokesman Minister Keheliya Rambukkwellla stated that the Tiger aircraft may have attempted to target the Navy's "Jet Liner" ship that was loaded with food items to be transported to Jaffna for distribution.⁴²

TMVP spokesperson Azath Moulana meanwhile noted that Tiger intelligence operations in the east, mostly in Kancikudichcharu and its surrounding areas, had shown a marked increase in recent weeks.⁴³ This was in the face of the government's contention that the LTTE was totally wiped out from the east.

Reports also quoted a Tamil National Alliance (TNA) MP as stating that the LTTE had confided to the loss of some of the land areas earlier held by them due to the current military operations. However, the LTTE's tactical withdrawal had enabled them to safeguard bulk of the weaponry and the life of well-trained

³⁸ "HC Rule: Govt asked to explain 3 rules of RPO ordinance," *The Daily Star*, August 29, 2008, at <http://www.thedailystar.net/story.php?nid=52341>

³⁹ "BSF for resolving issues, says sorry for BDR deaths," *The Daily Star*, August 25, 2008, at <http://www.thedailystar.net/story.php?nid=51795>

⁴⁰ "Japan writes off \$680m in debt," *The Daily Star*, August 27, 2008, at <http://www.thedailystar.net/story.php?nid=52096>

⁴¹ "Enhance cooperation in defence sector: President tells Sri Lankan army commander," *The Daily Star*, August 28, 2008, at <http://www.thedailystar.net/story.php?nid=52226>

⁴² Sunil Jayasiri, "Tiger planes attack Trinco Naval base," *Daily Mirror*, August 27, 2008, at http://www.dailymirror.lk/DM_BLOG/Sections/frmNewsDetailView.aspx?ARTID=24501

⁴³ "LTTE presence in the East on the increase—TMVP," *The Morning Leader*, August 27, 2008, at <http://www.themorningleader.lk/20080827/news.html>

senior cadres. The senior TNA MP, who wished to remain anonymous, told *The Bottom Line* that the Tigers would not let the government troops capture Kilinochchi and Mullaitivu.⁴⁴

Meanwhile, the LTTE leaders have said that the time had come for the entire Tamil populace to fight the government forces in order to “liberate the motherland from the enemy.” Puthinam website quoted LTTE political wing leader B. Nadesan as stating at Killinochchi that the “enemy” should be given an appropriate reply accumulating from the whole strength of the Tamil people.⁴⁵ LTTE Women’s political wing leader S. Thamilini also noted that the only way for the Tamils to protect their lives was to fight the enemy.

Tamil United Liberation Front (TULF) Leader V. Anandasangari meanwhile, meeting a visiting European Union (EU) parliamentary delegation, stated that the current military operations had weakened the LTTE and that the outfit was in complete disarray. The TULF leader noted that the LTTE was heading towards its ‘Waterloo’.⁴⁶

In other developments, National Security Adviser (NSA) M.K. Narayanan met Tamil Nadu Chief Minister M. Karunanidhi and senior officials in Chennai during the week. The NSA stated that there would be no firing by the Sri Lankan Navy on Indian fishermen hereafter, and in the event of arrest, they would be released in the “shortest possible time.” On the demand made by political parties for the retrieval of Kachatheevu ceded to Sri Lanka [under the 1974 bilateral agreement], Mr. Narayanan pointed out that “international treaties and agreement cannot be changed overnight. If there is any requirement, that will be discussed at the appropriate time.”⁴⁷

B. SOUTHEAST AND EAST ASIA

MYANMAR

- **NLD criticizes Gambari**

The National League for Democracy (NLD) termed the visit of UN Special Envoy Ibrahim Gambari as a failure. In a statement released on August 29, the NLD charged that although Gambari came to Myanmar representing UN Secretary-General Ban ki-Moon, he had only met people chosen by the ruling junta. Citing the lack of progress made by Mr. Gambari, the NLD stated that his six visits to

⁴⁴ “LTTE says they are still intact,” *The Bottom Line*, August 27, 2008, at <http://www.thebottomline.lk/2008/08/27/index%2038.htm>

⁴⁵ “All Tamils should fight Govt. forces,” *Daily Mirror*, August 26, 2008, at http://www.dailymirror.lk/DM_BLOG/Sections/frmNewsDetailView.aspx?ARTID=24422

⁴⁶ “LTTE heading for its waterloo – TDNA,” *Sunday Observer*, August 27, 2008, at <http://www.sundayobserver.lk/2008/07/27/sec01.asp>

⁴⁷ “Sri Lankan Navy won’t fire on Indian fishermen,” *The Hindu*, August 26, 2008, at <http://www.hindu.com/2008/08/26/stories/2008082657160100.htm>

the country were a “waste of time.” Gambari was in Myanmar from August 18-23 but failed to meet with leaders of the junta or with Aung San Suu Kyi.⁴⁸

Forbes magazine meanwhile rated Suu Kyi as the 38th most powerful woman in the world and as the 12th most powerful female politician.⁴⁹

CHINA

- **China expresses ‘concern’ over developments in South Ossetia and Abkhazia; Mongolia and China hold the third Defense Security Consultation; SCO issues joint declaration on security, energy, says force will not solve all problems; Taiwan President expresses optimism that US would approve weapons package**

Foreign Ministry spokesman Qin Gang expressed “concern” over the developments in South Ossetia and Abkhazia and hoped that the relevant parties could resolve the issue “through dialogue and consultation.” The Chinese reaction was in response to Russian President Dmitry Medvedev recognizing the independence of the two regions.⁵⁰

President Hu Jintao during his visit to South Korea stated that trade and economic cooperation was important elements of the bilateral relationship. Bilateral trade reached nearly \$160 billion in 2007.⁵¹ Both sides also discussed North Korean denuclearization.

The National Committee of the Chinese People’s Political Consultative Conference (CPPCC), the top Chinese political advisory body, in its meeting noted that a balance between the urban and rural development of China was key to the cause of ‘Socialism with Chinese Characteristics.’⁵²

Mongolian and Chinese officials held the third Defense Security Consultation at which various issues like the regional security situation, international peacekeeping, bilateral ties among others were discussed. Chen Xiaogong, Assistant Chief of the General Staff of the People’s Liberation Army (PLA) and the State Secretary of the Mongolian Defense Ministry M. Borbaatar led the two delegations. Chen noted that high-level exchanges, personnel training, and cooperation in frontier defence had been highly effective in pushing forward the bilateral ties.⁵³

⁴⁸ “NLD Criticizes Gambari,” *Irrawaddy*, August 30, 2008, at http://irrawaddy.org/article2.php?art_id=14092

⁴⁹ “Suu Kyi 38th most powerful woman in world,” *Mizzima*, August 30, 2008, at <http://www.mizzima.com/news/world/965-suu-kyi-38th-most-powerful-woman-in-world.html>

⁵⁰ “FM spokesman: China ‘concerned’ of situation in South Ossetia, Abkhazia,” *People’s Daily*, August 27, 2008, at <http://english.people.com.cn/90001/90776/90883/6488086.html>

⁵¹ “Hu calls on China, S Korea to strengthen economic cooperation,” *People’s Daily*, August 26, 2008, at <http://english.people.com.cn/90001/90776/90883/6486972.html>

⁵² “Top political advisory body holds meeting to discuss development,” *People’s Daily*, August 26, 2008, at <http://english.people.com.cn/90001/90776/90785/6487310.html>

⁵³ “Military officials of China, Mongolia discuss regional security, defense issues,” *People’s Daily*, August 27, 2008, at <http://english.people.com.cn/90001/90776/90883/6488083.html>

The leaders of the Shanghai Cooperation Organisation (SCO) issued a joint declaration on security, energy and other issues of mutual interests. The declaration noted that any attempt to solve problems by merely resorting to force could not work and would only hinder a comprehensive settlement of local conflicts. They agreed that a comprehensive solution to existing problems could be by taking into account the interests of all parties involved.⁵⁴

Chinese President Hu Jintao and his Russian counterpart Dmitry Medvedev also met in the Tajik capital Dushanbe to discuss various bilateral issues. This was the second meeting between the two leaders in less than two months.⁵⁵

President Ma Ying-jeou of Taiwan expressed optimism that the US would approve the sale of weapon systems package to Taiwan. The equipment included anti-tank missiles, Apache helicopters, Patriot PAC-3 missile batteries, diesel-powered submarines, P3C anti-submarine aircraft, sea-launched Harpoon missiles and Black Eagle helicopters.⁵⁶

JAPAN

- **Japan voices grave concerns over South Ossetia and Abkhazia; Govt. announces an economic stimulus package worth more than \$100 billion; MSDF and IN conduct exercises**

Japan voiced grave concerns over Russia's action in recognizing South Ossetia and Abkhazia.⁵⁷ Controversy also erupted over the disputed islands of Dokdo (Takeshima for Japan) following Japan's announcement that it would recommend that a government teaching manual refer to its claim to the area, which are mostly uninhabited but rich in marine resources.⁵⁸

In domestic developments, the Japanese government also announced an economic stimulus package worth more than \$100 billion to tackle the rising inflation and the looming threat of a recession.⁵⁹ Prospects also increased that Prime Minister Yasuo Fukuda may dissolve the House of Representatives for a general election in January after submitting to the Diet a bill on a newly adopted

⁵⁴ "SCO leaders issue declaration on security, energy," *People's Daily*, August 29, 2008, at <http://english.peopledaily.com.cn/90001/90776/90883/6489033.html>

⁵⁵ "Chinese, Russian presidents meet in Tajik capital," *People's Daily*, August 27, 2008, at <http://english.people.com.cn/90001/90776/90883/6488120.html>

⁵⁶ "President Ma optimistic about U.S. arms sales to Taiwan," *Central News Agency*, August 30, 2008, at <http://www.cna.com.tw/cnaeng/RealTimeNews/NewsDetail.aspx?strNewsDate=&strNewsID=200808300023&strType=PD>

⁵⁷ "Japan voices 'grave concern' over Russia's recognition of rebel regions," *The Associated Foreign Press*, August 26, 2008, at http://georgiandaily.com/index.php?option=com_content&task=view&id=6676&Itemid=65

⁵⁸ "SKorea, Japan Island Dispute Worsen" *The Associated Press*, August 30, 2008 at <http://www.time.com/time/world/article/0,8599,1836585,00.html?xid=rss-topstories>

⁵⁹ "Japan unveils economic plan as inflation hits decade high," *The Associated Foreign Press*, August 30, 2008, at <http://afp.google.com/article/ALeqM5hf1fbF1YQzKAMRyQCHfUw67GQbwz>

flat-sum tax cut.⁶⁰ A new political front was launched by four members of the House of Councillors, including two defectors from the main opposition Democratic Party of Japan. Reports noted that the group would take a favourable stance to the ruling coalition.⁶¹

Reports noted that Japan would introduce the third-country refugee resettlement program as early as 2010 in a bid to accept more foreign refugees.⁶² The body of kidnapped aid worker Kazuya Ito was found in a mountainous region of eastern Afghanistan, according to Ichita Yamamoto, senior vice minister of the Foreign Ministry.⁶³

In other developments, two guided missile destroyers and one training ship of Japan's Maritime Self-Defense Force (MSDF) took part in an exercise with the Indian Navy (IN) from August 23-26 on India's western seaboard.⁶⁴

C. WEST ASIA

IRAN

- **Obama in favour of more pressure on Iran; Iran strongly supports Russia over Georgia; Ali Larijani condemns Ahmadinejad's policies; NCP nominates its Presidential candidate**

US Democratic presidential candidate Barack Obama urged for an increase in the pressure on Iran over its nuclear program to prevent any Israeli action over the issue. Obama stressed that as president, he would make sure that the world community was mobilised to go after Iran's program in a serious way. The US and its Western allies have been pushing for a fourth round of UN sanctions, but Russia and China have sought to tone those measures. Obama also stated that the Bush administration's decision to invade Iraq had strengthened Iran.⁶⁵

Iranian President Mahmud Ahmadinejad meanwhile met his Russian counterpart Dmitry Medvedev on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Tajikistan's capital, Dushanbe. Ahmadinejad, accusing the West of trying to prevent Iran and Russia from becoming powerful, called for closer cooperation between the two countries in their campaign against terrorism and drug trafficking in the region. He also urged the swift

⁶⁰ "Lower house dissolution likely in Jan," *Yomuri Shinbun*, August 31, 2008, at <http://www.yomiuri.co.jp/dy/national/20080831TDY01302.htm>

⁶¹ "DPJ rebels to side with ruling bloc," *Yomuri Shinbun*, August 30, 2008, at <http://www.yomiuri.co.jp/dy/national/20080830TDY03303.htm>

⁶² "Japan to introduce 3rd-country refugee resettlement program," *The Associated Press*, August 21, 2008, at http://www.breitbart.com/article.php?id=D92MJLC81&show_article=1

⁶³ "NGO worker's body found in Afghanistan," *Yomuri Shinbun*, August 28, 2008, at <http://www.yomiuri.co.jp/dy/national/20080828TDY01305.htm>

⁶⁴ "Japanese naval ships visit India for exercise with Indian Navy," *IRNA*, August 23, 2008, at <http://www2.irna.ir/en/news/view/menu-234/0808231032172540.htm>

⁶⁵ "Obama World must press Iran or Israel may respond," *Khaleej Times*, August 26, 2008, at http://www.khaleejtimes.com/DisplayarticleNew.asp?section=uselection&xfile=data/uselection/2008/August/uselection_August126.xml

implementation of former agreements signed between Moscow and Tehran. The Iranian President accused foreign troops in Iraq and Afghanistan of provoking extremism in the region. Referring to the recent conflicts between Russia and Georgia over the breakaway region of South Ossetia, Ahmadinejad blamed foreign interference as well as Tbilisi's leadership for the crisis, noting that the root cause of many regional problems was due to interference from outside the region. President Medvedev on his part urged him to continue dialogue on the nuclear issue.⁶⁶

In domestic developments, Iran's Majlis Speaker Ali Larijani stated that a constant change of administrators was not the key to solving the problems. He also urged the Majlis to take steps to reform the higher education system.⁶⁷

In other developments, Iran's reformist National Confidence Party (NCP) nominated its leader Mehdi Karroubi as the party's candidate in the next presidential election scheduled to be held in mid-2009. Karroubi, who had served two times as Iran's Parliament Speaker, had also stood as a candidate in the 9th presidential elections in 2005. However, Iran's Supreme Leader Ayatollah Ali Khamenei asked President Mahmoud Ahmadinejad to prepare for a second term in office, despite mounting criticism from the public and pro-reform opponents over the state of country's economy and rising inflation.⁶⁸

IRAQ

- **Iraqi Prime Minister insists on troop pullout; 25 people killed in suicide bomb attack; US hands over Anbar province to Iraqi security forces; US military: 11,000 detainees released**

Prime Minister Nouri al-Maliki insisted that all foreign soldiers leave Iraq by a specific date in 2011 and rejected legal immunity for American troops. US and Iraqi officials had in the previous week agreed tentatively to a schedule that included a broad pullout of combat troops by the end of 2011, with the possibility that a residual US force might stay behind to continue training and advising Iraqi security services. Al-Maliki's remarks however indicated that his government was not satisfied with that arrangement. However, White House spokesman Tony Fratto stated that negotiations with the Iraqis were continuing and repeated the US position that the withdrawal must be linked to conditions in Iraq⁶⁹

⁶⁶ "Rise of Iran, Russia disquiets West: Ahmadinejad," *Tehran Times*, August 30, 2008, at http://www.tehrantimes.com/index_View.asp?code=176547

⁶⁷ "Change of administrators not a solution: Majlis speaker," *Tehran Times*, August 31, 2008, at http://www.tehrantimes.com/index_View.asp?code=176646

⁶⁸ "Iranian party nominates former parliament speaker for presidency," *Sindh Today*, August 27, 2008, at <http://www.sindhtoday.net/world/15670.htm>

⁶⁹ "Iraqi leader insists on deadline for troop pullout," *Khaleej Times*, August 26, 2008, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2008/August/middleeast_August493.xml§ion=middleeast

In continuing violence, a suicide bomber killed 25 people and injured more than 40 others in an attack in the Sunni-majority province of Diyala. Iraqi forces had detained hundreds of people in the province in operations against Sunni insurgents since the previous month.⁷⁰ Elsewhere in Diyala, five members of a Sunni family, including two women and two children, were killed when a roadside bomb struck their van near the town of Mandali.⁷¹

US forces meanwhile handed over the responsibility for the security of Anbar Province to the Iraqi forces. Anbar was once a stronghold of the Sunni insurgency and was one of the most violent regions in Iraq. The transfer would also be the first in a province bordering Baghdad. Lt. Col. Chris Hughes, a spokesman for the Marine Corps in Anbar, stated that the number of US troops had dropped to 25,000 from 37,000 in February, and that the Iraqi police force had grown to 28,000, up from 5,000 three years ago.⁷²

In other developments, US military stated that it had released 11,000 detainees from its prisons in Iraq so far in the current year. Maj. Neal Fisher, spokesman for the US military's detainee operations in Iraq noted that "the goal of more than 12,000 releases for 2008" would be reached by mid-September. Earlier in the month, Iraq's human rights ministry pointed out that around 47,400 detainees were held in US and Iraqi prisons across the country, including 23,200 in facilities operated by the American military.⁷³

D. US ELECTION REVIEW

- **McCain and Obama announce their respective running mates; Hillary Clinton urges her supporters to support Obama; Edward Kennedy attends the Democratic National Convention in Denver; Polls: US voters apprehensive over Obama's entry in the White House**

The speculation over the prospective running mates of the Republicans and the Democrats came to an end during the week. Sen. Obama announced that Joseph R. Biden Jr would be his vice-presidential candidate during a rally in Washington on August 23. Biden, the Chairman of the Senate Foreign Relations Committee, is known for his foreign policy credentials.⁷⁴ Obama introducing Biden noted that

⁷⁰ "Iraq bomb kills police recruits," *BBC News*, August 26, 2008, at http://news.bbc.co.uk/2/hi/middle_east/7582063.stm

⁷¹ "Bomber Kills 25 Police Recruits in Iraq," *The New York Times*, August 26, 2008, at http://www.nytimes.com/2008/08/27/world/middleeast/27iraq.html?_r=1&hp&oref=slogin

⁷² "U.S. to Hand Over Security in Anbar to the Iraqis," *The New York Times*, August 27, 2008 at http://www.nytimes.com/2008/08/28/world/middleeast/28iraq.html?_r=1&oref=slogin

⁷³ "US says 11,000 Iraq detainees freed this year," *Khaleej Times*, August 30, 2008, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2008/August/middleeast_August548.xml§ion=middleeast

⁷⁴ Adam Nagourney and Jeff Zeleny, "Obama's pick adds foreign expertise to ticket," *The New York Times*, August 24, 2008, at <http://www.nytimes.com/2008/08/24/us/politics/24veep.html?sq=john%20biden&st=cse&adxnnl=1&scp=32&adxnnlx=1219811016-qjeua3j14cy0hci5xmvm1a&pagewanted=print>

the Senator from Delaware was “a man who could relate to the culture of the Senate or of the working class voters.” Sen. McCain on the other hand opted for the low-profile Sarah Palin, Governor of Alaska, as his vice-presidential candidate.⁷⁵

The Democratic National Convention (DNC) meanwhile was held in Denver on August 25. Sen. Edward Kennedy, recovering from cancer, made a strong appeal to those present to ensure that Obama emerged as the winner in the presidential race.⁷⁶ Sen. Hillary Clinton also urged her supporters on August 25 to contribute effectively for an Obama victory.⁷⁷

Reports noted that the issue of race was still occupying centre-stage with Sen. McCain accusing Obama of playing the race card to pull off victory. The Voice of America noted that American voters were still bedeviled over their preparedness to accept an African-American as their President.⁷⁸

Sen. McCain’s stance on the Georgian crisis generated debate over his ‘hard line’ approach to Russia. McCain had urged the ouster of Russia from the G-8 for its highhandedness in the Georgian crisis and had termed Russia as “revanchist.” Reports also pointed out that in 2006, McCain had urged President Bush not to attend the meeting of the G- 8 nations which was held in Petersburg that year.⁷⁹

Reports also noted that McCain and Obama were detailing their respective assets to help them cash in on the sentiments of people in states like Pennsylvania and Ohio, who were at the receiving end due to the deteriorating state of the US economy.⁸⁰

⁷⁵ Michael Cooper and Elisabeth Bumiller, “Alaskan is McCain’s choice; First Woman on G.O.P. Ticket,” *The New York Times*, August 30, 2008, at http://www.nytimes.com/2008/08/30/us/politics/29palin.html?_r=1&nl=pol&oref=slogin&emc=pola1&pagewanted=print

⁷⁶ Adam Nagourney, “Fighting Cancer, Kennedy Adds an Opening Spark,” *The New York Times*, August 26, 2008, at <http://www.nytimes.com/2008/08/26/us/politics/26demsday.html?nl=pol&emc=pola1&pagewanted=print>

⁷⁷ Jeremy W. Peters, “Clinton Tells Her Supporters To Back Obama,” *The New York Times*, August 26, 2008 at <http://www.nytimes.com/2008/08/26/us/politics/26york.html?nl=pol&adxnnl=1&emc=pola1&adxnnlx=1219810218-c0apu2zzk39poubipu2zww&pagewanted=printdenver>

⁷⁸ Chris Simkins, “US Voters Divided Over Prospect Of African-American Winning White House,” *Voice of America*, August 11, 2008 at <http://www.voanews.com/english/2008-08-11-voa26.cfm>

⁷⁹ Michael Cooper, “War Puts Focus on McCain’s Hard Line On Russia,” *The New York Times*, August 12, 2008 at <http://www.nytimes.com/2008/08/12/us/politics/12mccain.html?nl=pol&emc=pola1&pagewanted=print>

⁸⁰ Patrick Healy And Katharine Q. Seelye, “Obama and McCain Seek a Common Touch,” *The New York Times*, August 22, 2008 at <http://www.nytimes.com/2008/08/22/us/politics/22memo.html?hp=&adxnnl=1&pagewanted=print&adxnnlx=1219397331-u/qvgaazmkfr7zrynqvc3g>

II. INTERNAL SECURITY REVIEW

JAMMU AND KASHMIR

- **SAYSS agrees to peace formula; PDP threatens to join movement; 17 killed in LoC gun-battle**

In a major breakthrough, the 62-day old agitation in Jammu region on the Amarnath land row was suspended in the early hours of August 31, following an agreement between the Shri Amarnath Yatra Sangarsh Samiti (SAYSS) and the Jammu and Kashmir Governor-appointed panel. The Shrine Board would make temporary use of 40-hectares of land during the yatra period while the ownership of the forest land would not undergo any change. The government also accepted the withdrawal of all criminal cases against the protestors during the agitation, and the payment of compensation to the victims who were killed in Jammu region during the agitation. All the powers of the Board as they existed before the agitation would remain unchanged.⁸¹

Earlier, the state government thwarted the Coordination Committee (CC)-sponsored march to Lal Chowk in Srinagar on August 25. However, there were widespread protests as curfew was defied at a number of places in the Kashmir Valley. At least four persons were reported killed and about 200 wounded as security forces opened fire on protesters.⁸²

The People's Democratic Party (PDP) on August 24 had threatened to join 'the people's movement' if the government continued its 'repressive' policies against the demonstrators. PDP chief Mehbooba Mufti stated that the crisis could be "resolved through dialogue and peaceful means."⁸³ The National Conference president Omar Abdullah, talking to reporters in New Delhi on August 24 also urged the government to initiate talks with separatist leaders in the Kashmir Valley on a priority basis rather than use 'excessive' force.⁸⁴

In other developments, a 72-hour gun battle between the militants and the security forces in Machil sector in north Kashmir ended on August 24. 14 militants and three soldiers, including a commanding officer, were killed.⁸⁵ On August 27, 11 persons including three soldiers, five civilians and three militants were killed in an operation that lasted 18 hours to neutralize three militants who had taken shelter in a house at Chinore in Jammu city. 10 civilians were held hostage by the militants. All three militants were members of the suicide squad of Lashkar-e-Toiba (LeT).⁸⁶

⁸¹ "Govt-Samiti ink agreement at 4.40 am," *Daily Excelsior*, August 31, 2008, at <http://www.dailyexcelsior.com/web1/08aug31/news.htm#1>

⁸² "Four killed in Kashmir police firings," *The Hindu*, August 26, 2008, at <http://www.hindu.com/2008/08/26/stories/2008082657280100.htm>

⁸³ "PDP threatens to join movement," *Daily Excelsior*, August 25, 2008, at <http://www.dailyexcelsior.com/web1/08aug25/news.htm#5>

⁸⁴ "Omar for talks with separatists," *Daily Excelsior*, August 25, 2008, at <http://www.dailyexcelsior.com/web1/08aug25/news.htm#5>

⁸⁵ "17 killed in LoC gun-battle," *Kashmir Times*, August 25, 2008, at <http://kashmirtimes.com/main.htm>

⁸⁶ "3 Armymen, 5 civilians, 3 ultras killed," *Daily Excelsior*, August 28, 2008, at <http://www.dailyexcelsior.com/web1/08aug28/news.htm>

MAOIST INSURGENCY

- **Union Government approves creation of anti-Naxal force of CRPF; Maoists kill 11 policemen and six CRPF personnel**

The Union Government on August 27 approved a proposal to create an exclusive anti-Naxal force - the Combat Battalion for Resolute Action (COBRA), to comprise 10 battalions (10,000 personnel) of the Central Reserve Police Force (CRPF). The force, being raised to tackle the growing problem of Maoist violence, would cost Rs. 13.89 billion of which Rs. 8.98 billion would be spent on land and infrastructure while Rs. 4.91 billion would be spent on manpower training over a period of three years.⁸⁷

The Maoists meanwhile blew up a police vehicle in Jharkhand's East Singhbhum district, killing all 11 policemen, including a sub inspector, on August 29.⁸⁸ Earlier on August 29, six CRPF personnel, including an officer, were killed in a landmine blast triggered by suspected Maoists in Chhattisgarh's in Narayanpur district. The blast blew up the CRPF jeep, killing one sub-inspector, four constables and a driver.

NORTHEAST INSURGENCY

- **Kangleipak Communist Party submits petition to UN**

To draw the attention of the United Nations to the decade-old armed struggle in Manipur, the Kangleipak Communist Party (KCP) claimed to have submitted a memorandum to the Secretary General of the UN through the UN's Nepal office. The KCP in a statement called for a complete ban on the activities of the Nehru Yuva Kendra as also a ban on the recruitment of NCC cadets from the state, along with a ban on Hindi films.⁸⁹

In other developments, 39 militants surrendered before the Army and police in Assam's Rangiya town on August 29. Thirty-one of them were from the United Liberation Front of Asom (ULFA).

OTHER INTERNAL SECURITY DEVELOPMENTS

- **Supreme Court: Ban on SIMI to continue; BSF chief: 12,00,000 Bangladeshis went missing in India between 1972-2005**

The Supreme Court on August 25 extended its interim order of a six-week stay on the Special Tribunal's decision to lift the ban on Students Islamic Movement of India (SIMI). This was in response to the Union government's contention that SIMI was a threat to peace, integrity and the secular fabric of India. The government told the Supreme Court that SIMI activists were not just spreading the message of "jihad", but were also extending "full support to extremists and

⁸⁷ "Union Government approves creation of anti-Naxal force of CRPF," *South Asia Terrorism Portal*, August 28, 2008, at http://satp.org/satporgtp/detailed_news.asp?date1=8/28/2008#11

⁸⁸ "11 policemen killed in Maoist attack," *The Hindu*, August 31, 2008, at <http://www.hindu.com/2008/08/31/stories/2008083157070100.htm>

⁸⁹ "KCP petitions UN," *Sangai Express*, August 25, 2008, at http://thesangaexpress.com/News_pages/Local_page-08.html

terrorists in Jammu and Kashmir and Punjab and have been involved in various militant and disruptive activities in Maharashtra, Kerala, Uttar Pradesh and Tamil Nadu.⁹⁰

Director General of Border Security Force (BSF), A.K. Mitra told reporters in New Delhi on August 25 that the number of Bangladeshi nationals who had disappeared after entering India during 1972-2005 on valid travel documents was pegged at about 12 lakhs.⁹¹

An unspecified Union Home Ministry report noted that terror groups backed by Pakistan's Inter Services Intelligence (ISI) could use chemical, biological, nuclear or radiological weapons against India. The report spoke of active terror modules mushrooming in Bihar, Assam and West Bengal.

In its section on 'terror groups and weapons of mass destruction', the report defines "super terrorism" as the "projected future use of chemical, biological, nuclear and radiological weapons by terrorist groups." It adds that terrorists may use aircraft, buses or other means commonly available to cause heavy casualties without having to go through the 'rigorous' process of acquisition of technological capabilities involved in the use of nuclear, biological and chemical weapons. It also states that technology-oriented terrorists camps could use explosive-laden unarmed aerial vehicles at selected high value targets.

The report notes that the Indo-Nepal border was being used for smuggling of arms, explosives, fake currency into the country, while the ISI was focusing on Uttar Pradesh to fund Madrasas and recruit youngsters for subversive activities. South India too had become an important part of the overall ISI game-plan since it was being targeted to recruit unemployed youths.

The report adds that the ISI was trying to revive militancy in Punjab. While Maharashtra has been a victim of underworld gangs with strong links to the ISI, the report mentions that ISI was also trying to liaison with the underworld in Gujarat and were using the coast for transporting arms and for drug-running operations. The report states that various insurgent groups active in Bangladesh were under the control of the ISI and were being used for pumping fake Indian currency notes.⁹²

⁹⁰ "Ban on SIMI to continue: SC," *Times of India*, August 26, 2008, at http://timesofindia.indiatimes.com/India/Ban_on_SIMI_to_continue_SC/articleshow/3403347.cms

⁹¹ "12L Bangladeshis went missing in India between 1972-2005: BSF chief," *Times of India*, August 26, 2008, at http://timesofindia.indiatimes.com/India/12L_Bangladeshis_went_missing_in_India_between_1972-2005_BSF_chief/articleshow/3405392.cms

⁹² "ISI expands network from J&K to South," *Daily Excelsior*, August 30, 2008, at <http://www.dailyexcelsior.com/web1/08aug30/news.htm#4>

III. NUCLEAR REVIEW

INDIA

- **August 21-22 meeting of NSG fails to clear India specific exemption; NSG to meet again on September 4-5; Some NSG members clarify their position – support India**

The first meeting of the Nuclear Suppliers Group (NSG) held on August 21-22 in Vienna did not manage to arrive at a consensus on the issue of granting a waiver to India. Reportedly, six countries led by Austria, New Zealand and Switzerland raised questions and made suggestions to the existing draft circulated by the US. These countries raised issues related to the Non-Proliferation Treaty and the issue of testing and questioned the grant of a waiver to India to conduct civil nuclear trade.⁹³

Following the August 21-22 meeting, many countries who had expressed their reservations have since clarified their position on the Indian case at the NSG. Leading the pack is Japan and New Zealand. Japanese Chief Cabinet Secretary Nobutaka Machimura stated that “India's promotion of nuclear power generation will contribute to efforts to control global warming.” New Zealand's Disarmament Minister, Phil Goff clarified that “while New Zealand remains a strong advocate of the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Nuclear Test Ban Treaty (CTBT) and would welcome India's accession to these treaties, we have not included these elements in our package of proposals.”⁹⁴

The NSG would hold a second Extraordinary Plenary meeting to discuss the Indian case on September 4-5. Both US and India see this meeting as the last chance to get the waiver passed before the window of opportunity closes in the US Congress.⁹⁵

IRAN

- **Tehran begins designing its second nuclear power plant; Russia and Iran to finalise the launch date of its second nuclear power plant; Saeedi: Iran will respond to remaining questions raised by the IAEA**

Recent reports indicate that Tehran has begun designing its second nuclear power plant, a 360-megawatt facility in southwestern Iran. IRNA news agency quoted Mohammad Saeedi, deputy head of the Atomic Energy Organization of Iran (IAEO) as saying that experts had already chosen the site where the light-water nuclear reactor will be built using local technology.⁹⁶

⁹³ “NSG meets on India waiver issue, 3 nations raise questions,” *The Hindu*, August 21, 2008, at <http://www.hindu.com/thehindu/holnus/000200808211970.htm>

⁹⁴ Michael Field, “NZ denies blocking India's nuclear dream,” *Stuff New Zealand*, September 02, 2008, at <http://www.stuff.co.nz/4670950a12.html>

⁹⁵ Siddharth Varadarajan, “Second NSG meet is ‘last chance’ for nuclear deal,” *The Hindu*, September 02, 2008, at <http://www.hindu.com/2008/09/02/stories/2008090260511200.htm>

⁹⁶ “Iran: 2nd nuclear plant in design stage,” *Jerusalem Post*, August 24, 2008, at <http://www.jpost.com/servlet/Satellite?cid=1219572112747&pagename=JPost%2FJPArticle%2FPrinter>

Russia and Iran are also expected to finalise the launch date of the Bushehr nuclear plant.⁹⁷ A visiting delegation from Russia's state-run Atomstroieexport pledged to "abide by the working agenda by providing the necessary experts... and sending the necessary equipment for the power plant in time."⁹⁸

IAEO's Saeedi also stated on August 24 that Tehran would give response to the remaining questions raised by the IAEA in line with its commitments.⁹⁹

NORTH KOREA

- **Pyongyang stops disabling its nuclear facilities; Reports indicate that it is piecing back its disabled facilities at Yongbyon**

The North Korean nuclear disablement programme suffered a setback with Pyongyang stating that it had stopped disabling its nuclear facilities. Pyongyang claims that the US has reneged on its commitments made under the Six-Party talks by not removing North Korea from its list of states sponsoring terrorism.¹⁰⁰ North Korea's Foreign Ministry spokesperson stated that disablement-related work was stopped on August 14.

Pyongyang has also threatened to restore facilities at its Yongbyon nuclear plant.¹⁰¹ Recent reports quoting US officials indicated that the North Koreans were piecing together the Yongbyon facility.¹⁰²

IV. ENERGY SECURITY REVIEW

EXPLORATION AND PRODUCTION

- **Russia, Tajikistan to further hydropower, gas cooperation**

Presidents Dmitry Medvedev of Russia and Emomali Rakhmonov of Tajikistan agreed on August 29 to further cooperation in the fields of hydropower and gas. Both the sides attached priority to cooperation in the hydropower industry, specifically in the construction of the Sangtudinskaya hydroelectric plant as well as the Rogunsky hydroelectric plant. Russia also agreed to develop and explore natural gas deposits in Tajikistan. Joint ventures within the framework of interregional cooperation were singled out to be pursued. Strengthened bilateral

⁹⁷ "Iran, Russia to discuss N-plant launch," *Press TV*, August 24, 2008, at <http://www.presstv.ir/Detail.aspx?id=67441§ionid=351020104>

⁹⁸ "Russia will complete Iran nuclear plant," *AFP*, September 3, 2008, at <http://afp.google.com/article/ALeqM5hPktVZjPGdR70jJBLuTvB7K6QC2Q>

⁹⁹ "Tehran to respond to IAEA questions in line with its commitments: Saeedi," *Tehran Times*, August 25, 2008, at http://www.tehrantimes.com/index_View.asp?code=176164

¹⁰⁰ Blaine Harden, "N. Korea, Angry Over Terror List, Threatens to Rebuild Nuclear Program," *Washington Post*, August 27, 2008, at http://www.washingtonpost.com/wp-dyn/content/article/2008/08/26/AR2008082600300_pf.html

¹⁰¹ "N Korea 'stops nuclear disabling,'" *BBC News*, August 26, 2008, at <http://news.bbc.co.uk/2/hi/asia-pacific/7581647.stm>

¹⁰² "North Korea Reassembling Nuclear Center, U.S. Officials Say," *FOX News*, September 2, 2008, at <http://www.foxnews.com/story/0,2933,415442,00.html>

cooperation in the military and military-technical spheres was also emphasized.¹⁰³

- **China bags \$3 bn deal for Adhab oil field**

The state-run China National Petroleum Corporation (CNPC) secured Iraq's first major oil contract in the post-Saddam era amounting to \$3 billion to pump oil from the Adhab oil field. Iraq's oil minister Hussain al-Shahristani stated that the field would start pumping in 2011, at a target output of 110,000 barrels per day, and operate for 20 years.

Analysts noted that the deal, which revised the terms of a 1997 agreement, was unusual as the current Iraqi government had cancelled all other Saddam-era oil arrangements. Reports also pointed out that the deal had "heavy political overtones", as seen by the visits of senior Chinese officials.

CNPC, which owns refiner PetroChina, would hold a 75 per cent stake in the joint venture, with Iraq's Northern Oil Company owning the remainder.¹⁰⁴

GEOPOLITICS

- **Putin reminds EU of Russia's Pacific oil pipeline**

Prime Minister Vladimir Putin urges that the Eastern Siberia - Pacific Ocean pipeline, Russia's first oil pipeline to Asia, should be completed without delay. Putin's statement underlined Russia's energy clout just hours before European Union (EU) leaders met to discuss the Georgian crisis. State-owned news agency RIA noted that Putin had signed a government order speeding up the building of the pipeline while on a visit to the Far East.

The 1,680 km pipeline, which will stretch from Eastern Siberia to the Pacific coast, was being touted by the Kremlin as a means to diversify Moscow's dependence on energy sales to the EU. The two-stage pipeline has been delayed by a year and building costs have soared as constructors grapple with the complexities of Eastern Siberia, where temperatures regularly fall to 50 degrees celsius below zero and where infrastructure was practically absent. The pipeline, being built from Taishet in Eastern Siberia's Irkutsk region to Skovorodino on the Amur region near the Chinese border, would cost more than \$12 billion. The latest launch date for the first part of the pipeline has been set for late 2009.

The project is a key part of Russia's aim to boost sagging oil production and diversify oil supplies to the booming economies of Asia.¹⁰⁵

¹⁰³ "Russia, Tajikistan Continue Hydropower, Gas Cooperation," *Asia Energy*, August 31, 2008, at http://asianenergy.blogspot.com/2008_08_01_archive.html

¹⁰⁴ "China nabs gold in Iraq's oil race," *Forbes-Tina wang*, August 28, 2008, at http://www.forbes.com/2008/08/28/china-iraq-oil-markets-comm-cx_tw_0828markets28_print.html

¹⁰⁵ "Putin reminds EU of Russia's Pacific oil pipeline," *Reuters*, August 31, 2008, at <http://asianenergy.blogspot.com/2008/08/putin-reminds-eu-of-russias-pacific-oil.html>

- **Bulgaria pushes for Nabucco pipeline**

Bulgarian economy minister Petar Dimitrov called on the EU to throw its weight behind the Nabucco energy corridor - a pipeline designed to lessen dependency on Russian gas. The Nabucco project - connecting Turkey with Austria, via Bulgaria, Romania and Hungary, would enable the transportation of Caspian energy resources to the European market. Earlier in the year, Turkmenistan had agreed to supply 10 billion cubic metres (bcm) of natural gas to the EU each year. In addition, EU also pinned its on ensuring the bulk of the supplies from countries such as Azerbaijan, Kazakhstan, Egypt or Iraq. Mr. Dimitrov also urged the EU to hold talks with the countries involved in the project to counter similar offers made by Russia which offered to buy all of Azerbaijan's gas exports.

Reports noted that with rising demand for energy in the EU, which was expected to import at least 360 bcm - out of 500 bcm consumed, by 2020. The Nabucco project's capacity, construction for which would begin in 2010, amounted to 31 billion cubic metres of natural gas per year.¹⁰⁶

V. SPACE AND MISSILE REVIEW

INDIA

- **India to position Sukhoi Su-30MKI multirole fighters at Tezpur Air Base**

Reports noted that India was set to position a first batch of eight Russian-built Sukhoi SU-30 MKI multi-role fighters in the Tezpur Air Base, close to the Sino-Indian border. The deployment of two squadrons of Su-30MKI fighters at Tezpur would greatly enhance India's capability to launch aerial precision attacks on China. India plans to equip the fighters with the latest BrahMos air-to-ground supersonic missiles, which have a 180-mile range.¹⁰⁷

MISSILES

- **Minuteman III ICBM launched from Vandenberg**

Minuteman III intercontinental ballistic missile configured with a National Nuclear Security Administration (NNSA) test assembly was launched from North Vandenberg on August 13. The launch was an operational test to determine the weapon system's reliability and accuracy. The missile's three unarmed re-entry vehicles traveled approximately 4,220 nautical miles to pre-determined targets in the Pacific Ocean.¹⁰⁸

¹⁰⁶ "The Pipeline Wars: Bulgaria Pushes Nabucco Pipeline," *Reuters*, August 29, 2008, at <http://asianenergy.blogspot.com/2008/08/pipeline-wars-bulgaria-pushes-nabucco.html>

¹⁰⁷ Andrei Chang, "India Set To Ramp Up Air Force Part One," August 22, 2008, at http://www.spacewar.com/reports/India_Set_To_Ramp_Up_Air_Force_Part_One_999.html

¹⁰⁸ "Missile successfully launches from Vandenberg," August 13, 2008, at <http://www.af.mil/news/story.asp?id=123110643>

- **US Navy test launches Trident II D5 missiles**

The US Navy conducted a successful test launch of two Trident II D5 Fleet Ballistic Missiles (FBMs) built by Lockheed Martin. The Navy launched the unarmed missiles from the submerged submarine USS Louisiana (SSBN 743) in the Pacific Ocean. The Trident II D5 missile has now achieved a record 124 consecutive successful test launches since it was first flown in 1989.¹⁰⁹

MISSILE DEFENCE

- **Ukraine prepared to cooperate in missile defence**

Ukraine's Foreign Ministry stated that the country was prepared to cooperate on missile defence with European and other foreign powers. The ministry noted that withdrawal by Russia from a bilateral defence agreement earlier in the year had allowed Ukraine to establish active cooperation with European countries. Russia's parliament had in January voted to withdraw from a bilateral missile radar accord in response to Ukraine's application for membership in NATO.¹¹⁰ Ukraine's statement came in the wake of the Georgian crisis and the signing of a missile defence deal between Washington and Warsaw.

- **Russia to deploy Iskander SAM's in Syria**

Russian Foreign Minister Sergei Lavrov stated that Russia was ready to supply Syria with defensive weapons. The Ministers assurance came in the wake of a meeting between the two countries leaders' at the Black Sea resort of Sochi. Israeli media reported on August 25 that Russia was planning to deploy Iskander surface-to-air missiles in Syria and at its Baltic exclave of Kaliningrad, in response to a proposed US missile shield in Central Europe and arm sales by the US and Israel to Georgia.¹¹¹

SPACE

- **China set to launch first Venezuelan Satellite**

Venezuela's first satellite is set to be launched from China on November 1. President Hugo Chavez stated that the launch would be an example for south-south cooperation. The orbiter, "Simon Bolivar," named after the 19th century Venezuelan independence hero, was built under contract by a Chinese firm.¹¹²

¹⁰⁹ "LockMart Trident II D5 Missile Achieves 124 Successful Test Launches In A Row," August 28, 2008, at http://www.spacewar.com/reports/LockMart_Trident_II_D5_Missile_Achieves_124_Successful_Test_Launches_In_A_Row_999.html

¹¹⁰ "Ukraine proposes missile defence cooperation with west," August 16, 2008, at <http://www.dawn.com/2008/08/16/rss.htm>

¹¹¹ "Russia Says Ready To Supply Syria With Defensive Weapons," August 21, 2008, at http://www.spacewar.com/reports/Russia_Says_Ready_To_Supply_Syria_With_Defensive_Weapons_999.html

¹¹² "Venezuela to Launch Its First Satellite from China in November," August 18, 2008, at <http://www.venezuelanalysis.com/news/3729>

- **Test Rocket destroyed by NASA after launch**

US space officials stated that a sub-orbital rocket was destroyed by officials shortly after liftoff from NASA's Wallops Flight Facility due to safety reasons. The rocket was destroyed by launch controllers because it failed to follow its planned path. No injuries or property damage were reported.¹¹³

- **Computer virus in orbit**

NASA confirmed on Wednesday that a computer virus sneaked aboard the International Space Station. NASA was reportedly looking into whether the virus got into the computers through a memory drive used to store music, video and other digital files. The virus however would have no adverse effect on space station operations.¹¹⁴

- **Garbage in Space**

Russia's Mission Control Center (MCC) stated on August 28 that the International Space Station's orbit had been adjusted to avoid a cluster of space garbage.¹¹⁵

¹¹³ "Test Rocket destroyed by NASA after launch," August 22, 2008, at http://www.upi.com/Science_News/2008/08/22/Test_rocket_destroyed_by_NASA_after_launch/UPI-78681219455382/

¹¹⁴ "Computer virus goes into orbit," August 27, 2008, at http://www.space-travel.com/reports/Computer_virus_goes_into_orbit_999.html

¹¹⁵ "ISS Orbit Adjusted To Dodge Space Junk," August 27, 2008, at http://www.spacedaily.com/reports/Dawn_Advances_Slowly_999.html