

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

SRI LANKA

- **Four Indian Naval ships on a goodwill visit to Sri Lanka; The European Commission to provide humanitarian assistance to the displaced people in Sri Lanka; Canada conducts maritime search operation for Tamil smuggling ship; Sri Lanka to establish a task force to curb illegal migration; SL Navy establishes Command Centre in the North Western Coast of Sri Lanka; Fitch forecasts Sri Lankan GDP growth to be at 7.2% during 2010-12; British - Sri Lanka Chamber of Commerce established**

Four Indian Naval ships, INS “Tir”, INS “Shardul”, INS “Tarangini” and ICGS “Varuna” of the Indian Naval 1st Training Squadron, arrived in Sri Lanka on a goodwill visit on October 9. They are scheduled to stay in Sri Lanka until 15th October.¹ A special programme has been arranged for the group of 160 Indian Naval officer cadets while 150 officer under trainees from Naval & Maritime Academy—Trincomalee are scheduled to board the ships for a session of training.²

The European Commission has decided to provide 10 million Euros worth humanitarian assistance to people who had been displaced by the conflict in Sri Lanka. Last year, the Commission had allocated a total of 13 million Euros to Sri Lanka. With these, the Commission has allocated a total of 58 million Euros in humanitarian funding to Sri Lanka since 2007.³

Reports noted that Canadian authorities have been conducting a maritime search for a second Tamil smuggling ship that is reported to be steaming to British Columbia.⁴ Meanwhile Sri Lanka’s Ministry of Justice and Law Reforms has decided to establish a 44-member task force to curb illegal migration from and through Sri Lanka. Sri Lankan Navy has recently established a new command center in the North Western coast, tasked with preventing the use of sea and land routes by unauthorized persons.⁵

¹ “SLN-IN Training Programmes commence”, *Sri Lanka Navy*, October 10, 2010 at <http://www.navy.lk/index.php?id=2591>

² “Indian Naval ships in Sri Lanka”, *The Hindu*, October 10, 2010 at <http://www.hindu.com/2010/10/10/stories/2010101054880800.htm>

³ “EC to give 10 million Euros to Sri Lanka as humanitarian assistance”, *Daily Mirror*, October 7, 2010 at <http://www.dailymirror.lk/print/index.php/news/news/23565.html>

⁴ “Canadian Authorities Search For Illegal Ship”, *Daily Mirror*, October 8, 2010 at <http://www.dailymirror.lk/print/index.php/news/news/23706.html>

⁵ “Sri Lanka to establish a task force to curb illegal migration” *Colombo Page*, October 6, 2010 at http://www.colombopage.com/archive_10B/Oct06_1286372125KA.php

Fitch has forecasted Sri Lanka's real GDP growth to an average 7.2% for the period of 2010-2012 compared with an average of 5.1% in the previous 20 years.⁶

The British - Sri Lanka Chamber of Commerce was established recently during an event organised at Sri Lankan High Commission in London which was attended by Sri Lankan Deputy Minister of Finance and Planning, Dr. Sarath Amunugama. Many prominent UK businessmen, Industrialists and Financiers also attended the event.⁷

MALDIVES

- **President Nasheed visited India to attend CWG opening ceremony; US delivers first shipment of security assistance package to the Maldives; VP Dr Waheed met South African Ambassador to the Maldives**

President Mohamed Nasheed attended the Commonwealth Games 2010 opening ceremony held in New Delhi, India.⁸ During his visit to India, he met with the President and Prime Minister of India as well as with the Maldives' contingent participating in the Commonwealth Games. During the meeting with the Indian Prime Minister Dr. Manmohan Singh, President Nasheed emphasised that good relations between India and Pakistan were necessary for strengthening of the SAARC, particularly to boost intra-regional trade and build connectivity.⁹ However, Indian government has agreed to assist the Maldivian government to implement its housing scheme.¹⁰

The representative of United States Pacific Command has delivered the first shipment of a US\$ 3.9 million security assistance package to the Maldives.¹¹ Meanwhile, Vice President Dr Mohamed Waheed met with the Ambassador of South Africa to the Maldives Ms B.M. Pheto, and discussed the challenges that

⁶ "Fitch upgrades Sri Lanka rating, sees GDP at 7 % in 2010-2012", Sunday Times, October 7, 2010 at <http://www.sundaytimes.lk/news/735-fitch-upgrades-sri-lanka-rating-sees-gdp-at-7--in-2010-2012>

⁷ "British-Sri Lanka Chamber of Commerce set up in London", Daily Mirror, October 4, 2010 at <http://www.dailymirror.lk/print/index.php/business/127-local/23231.html>

⁸ "Nasheed attends Commonwealth Games opening ceremony", *Minivan News*, October 4, 2010 at <http://minivannews.com/news-in-brief/nasheed-attends-commonwealth-games-opening-ceremony-11856>.

⁹ "India, Pak should develop good ties for SAARC: Maldives Prez", *Economic Times*, October 5, 2010 at <http://economictimes.indiatimes.com/news/politics/nation/India-Pak-should-develop-good-ties-for-SAARC-Maldives-Prez/articleshow/6689482.cms>

¹⁰ "President Concludes India Visit", October 5, 2010 at <http://www.presidencymaldives.gov.mv/4/?ref=1,5,5415>

¹¹ "First shipment of US security assistance arrives in the Maldives", *Minivan News*, October 10, 2010 at <http://minivannews.com/category/news-in-brief>

the government was facing in the areas of development. Ambassador Pheto assured Maldives of the African assistance in these areas.¹²

MYANMAR

- **Myanmar's military-backed party pledges to practice democracy; Myanmar opposition party NDF says polls step towards democracy; Myanmar's Supreme Court to hear Suu Kyi latest appeal against her house arrest; Myanmar to free 11,000 inmates ahead of elections**

Myanmar's military-backed political party is pledging to practice multi-party democracy and market-oriented economics. The chief of the military-supported Union Solidarity and Development Party, Htay Oo, appeared in a 15-minute broadcast on state-run radio and television on October 9 in advance of the November 7, 2010 elections. He noted his party would guarantee Burmese citizens freedom of religion and would engage in "independent and active foreign policies."¹³

Reports noted that a political party 'National Democratic Force' (NDF) which has been formed by ex-colleagues of opposition leader Aung San Suu Kyi, issued a policy address which noted that upcoming elections would be a "first step" towards democracy in army-ruled Myanmar. NDF Chairman Than Nyein said "Now our country is in (a) transitional period to democracy... "we assume that (the) forthcoming election is the first step of democratisation the people aspire for," in a policy address."¹⁴

Myanmar's Supreme Court has announced it will hold a hearing on detained opposition leader Aung San Suu Kyi's latest appeal against her house arrest on October 18. Suu Kyi had lodged the last-ditch appeal in May. Her appeal has already been rejected twice, most recently by the Supreme Court in February. It would be worth noting that Court verdicts in the army-ruled country rarely favour opposition activists.¹⁵

According to reports, Myanmar's military regime is planning to release up to 11,000 prisoners ahead of November elections, in order to enable them to vote.

¹² "Vice President meets with the South African Ambassador", *Miadhu News*, October 8, 2010 at <http://www.miadhu.com/2010/10/local-news/vice-president-meets-with-the-south-african-ambassador/>

¹³ 'Burma's Military-backed Party Pledges to Practice Democracy', *Voice of America*, October 9, 2010 at <http://www.voanews.com/english/news/asia/Burmas-Military-backed-Party-Pledges-to-Practice-Democracy--104631199.html>

¹⁴ 'Myanmar opposition party says polls step towards democracy', *Yahoo! News*, October 11, 2010 at http://news.yahoo.com/s/afp/20101011/wl_asia_afp/myanmarvoteopposition

¹⁵ 'Burma's Supreme Court to hear Suu Kyi appeal', *ABC News*, October 9, 2010 at <http://www.abc.net.au/news/stories/2010/10/09/3033770.htm?section=justin>

However, it was not clear if Myanmar's political prisoners, numbering over 2,200, would be included in the released prisoners. A corrections department official said about 11,000 prisoners could be freed.¹⁶

B. EAST ASIA

CHINA

- **The PLA undertakes yet another ambitious military exercise; China and Thailand carry out joint military drill; 2010 marks the 55 years of the establishment of nuclear industry in China; The PLA hosts the second ASEAN Plus Three forum on non-traditional security threats; The UN commends the role played by China's troops in Kongo; The guidelines to reinforce control and supervision over the quality of weapons and military equipment issued**

Reports noted that China's People's Liberation Army (PLA) began yet another massive and ambitious military exercise on Sunday involving 30,000 soldiers from three divisions across three of China's seven military area commands. The drill will focus on battle scenarios in a "complex information environment" as well as different terrains and weather conditions. The exercise will include military infantry forces, paratroopers and air force (transport planes, fighter jets and attack helicopters). It will test and improve the forces combat capability in high-tech warfare. It will also test long-distance mobilization capability of ground and air forces and test coordination in defense and striking military targets. During the drill, civilian passenger aircrafts and cargo planes which transport soldiers and military equipments will also be mobilized. However, the date of the completion of the drill has not yet been announced.¹⁷ Meanwhile, Chinese and Thai Special Forces kicked off a joint anti-terrorism drill, codenamed "Strike-2010" on Friday. This drill is the third of its kind between the two armies since 2007. The two armies will share their anti-urban experiences among other things in this exercise. The exercise which is being carried out in the city of Guilin, in south China's Guangxi Zhuang Autonomous Region, will last for 15 days.¹⁸

¹⁶ 'Myanmar to free 11,000 inmates ahead of elections', October 10, 2010 at <http://www.thehimalayantimes.com/fullNews.php?headline=Myanmar+to+free+11%2C000++inmates+ahead+of+elections&NewsID=261356>

¹⁷ "China to conduct 30,000-troop military drill", *The PLA Daily* (Online), October 09, 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/10/content_4310797.htm

¹⁸ "China, Thailand launch joint anti-terrorism drill", *The PLA Daily* (Online), October 09, 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/09/content_4309963.htm

The year 2010 marks the 55th anniversary of the establishment of nuclear industry in China. The recently held “Press Conference for the 55th Anniversary of the establishment of Nuclear Industry” by the China National Nuclear Corporation (CNNC) noted that China has the capacity to independently design, build, operate and manage nuclear power stations with capacities of 300,000 kilowatts, 600,000 kilowatts and 1,000,000 kilowatts, developing nuclear power brands through years’ independent innovations. With the regard to the construction and installation of nuclear power, China has acquired core technologies to build nuclear reactors with installed capacities of 300, 000 kilowatts, 600, 000 kilowatts, 700, 000 kilowatts, 900, 000 kilowatts and 1, 000, 000 kilowatts. It has formed a proprietary technology system and intellectual property rights on nuclear power station construction and realized independent building of nuclear power units with a capacity of 1,000,000 kilowatts including the AP1000, EPR and other G3 nuclear power units.¹⁹

On diplomatic front, the Chinese People’s Liberation Army (PLA) will host the second ASEAN Plus Three forum on non-traditional security threats, which is being convened on October 12 and 13 in Shijiazhuang, capital of the northern Hebei Province. In this convention, defense officials and military officers from Association of Southeast Asian Nations (ASEAN) countries plus China, Japan and the Republic of Korea (ROK) will discuss non-traditional security threats.²⁰

Meanwhile, the United Nations Mission for Stabilization in the Democratic Republic of the Congo (MONUSCO) conferred the UN peace medals to 218 officers and men of the 11th Chinese peacekeeping detachment to Congo (K) on October 7. These medals are a commendation for the outstanding contributions made by them to the promotion of peace process in Congo (K).²¹

Reports noted that China would reinforce control and supervision over the quality of weapons and military equipment. In this regard, Premier Wen Jiabao and Chairman of the Central Military Commission Hu Jintao has signed a decree to publish the new regulation. The new regulation also covers the quality

¹⁹ “Complete new-type nuclear industry system established in China (I)”, *The PLA Daily* (Online), October 09, 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/09/content_4310524.htm

²⁰ “China to host ASEAN Plus Three forum on non-traditional security threats”, *The PLA Daily* (Online), October 10, 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/10/content_4310836.htm

²¹ “Chinese peacekeepers to Congo (K) win UN peace medals”, *The PLA Daily* (Online), October 8, 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/08/content_4309660.htm

controls on raw materials, computer software and accessories used in armaments.²²

NORTH & SOUTH KOREA

- **South Korea views North Korean nuclear threat, reaching at an "alarming level" ; EU, South Korea sign free trade pact; S Korea, South Africa sign nuclear power cooperation agreement; South Korea, US reaffirm their strong defense alliance**

Expressing concern over North Korean nuclear threat, a South Korean government official noted that nuclear threat posed by North Korea has reached at an "alarming level". The South Korean official pointed out that North Korea is now trying to miniaturize weapons to improve their mobility and impact.²³

Meanwhile, the European Union and South Korea has signed a free trade pact on October 6, cutting billions of dollars in industrial and agricultural duties despite EU carmakers' fears of a surge in cheap imports. The deal should come into force on July 1, 2011 once it gets approval of the EU parliament.²⁴

South Korea signed a nuclear power co-operation agreement with South Africa on October 8, with expectation of securing lucrative deals for its companies in any future plant construction.²⁵ However, the defense chiefs of South Korea and the United States have noted that their defense and security alliance is now stronger than ever before. South Korean Defense Minister Kim Tae-young held talks with US Defense Secretary Robert Gates during the 42nd Security Consultative Meeting. This annual security meeting took place at the Pentagon in Washington on October 8 where the two defense officials discussed security issues including the Strategic Alliance 2015.²⁶

²² "China to strengthen quality control on armament", *The PLA Daily* (Online), October 09, 2010, http://eng.chinamil.com.cn/news-channels/china-military-news/2010-10/09/content_4309964.htm

²³ 'North Korea nuclear threat is alarming says South', *Reuters*, October 6, 2010 at <http://www.reuters.com/article/idUSTRE6950OY20101006>

²⁴ 'EU, South Korea sign free trade deal' *Yahoo! News*, October 6, 2010 at http://news.yahoo.com/s/ap/20101006/ap_on_bi_ge/eu_eu_south_korea

²⁵ 'S Korea, SA sign nuclear power deal', *News24.com*, October 8, 2010 at <http://www.news24.com/World/News/S-Korea-SA-sign-nuclear-power-deal-20101008>

²⁶ 'Strong Defense Alliance Reaffirmed Between South Korea and US' *Arirang*, October 9, 2010 at http://www.arirang.co.kr/News/News_View.asp?nseq=107781&code=Ne2&category=2

C. WEST ASIA

IRAN

- **Russia cancels deal of the S-300 air defence system to Iran; Islamic Republic condemns World bank for declining loans**

Russia has banned the sale of the S-300 air defence system to Iran after it was barred by UN sanctions. Sergei Chemezov, Head of Russia's state weapons exporter, said it had canceled the contract and would repay Iran's \$166m (£105m) advance payment. However, beyond that, he said, "we are not obliged to return another kopeck". Although Iranian officials have blamed Moscow of breaching its contract and caving in to US pressure.²⁷

In another development, Iran has accused the World Bank of "discriminatory behavior" for declining to authorize new development assistance to the country. Iran's Economy Minister Shamseddin Hosseini stated that development and humanitarian assistance was not part of UN sanctions, imposed by the UNSC to curb Iran's nuclear development. He said the refusal by the global lender since 2005 to consider a new lending strategy, known as the Country Assistance Strategy (CAS), for Iran is against the Bank's articles of agreement. The US lawmakers have forced the World Bank not to lend to Iran and have threatened to withhold US funding to the poverty-fighting institution if it approves new lending.²⁸

D. USA

- **Reports: Republican Party expects to make major gains in races for the governorship of various states; Reports: Democrats may have to curtail their legislative agendas in case of loss in the upcoming elections**

With the United States midterm elections around the corner, the Republican Party hopes to make major gains in races for the governorship of various states. Currently Democrats hold 26 governorships and the Republicans hold 24 governorships. Reports noted that the balance may shift, "perhaps markedly,

²⁷ "Russia to repay Iran for cancelled missile order," *BBC News*, October 7, 2010, at <http://www.bbc.co.uk/news/world-europe-11495172>

²⁸ "Iran blasts World Bank for refusing loans," *Khaleej Times*, October 9, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/October/middleeast_October114.xml§ion=middleeast

with Republicans holding the upper hand in many of this year's 37 races, including those in crucial political battlegrounds"²⁹ According to reports, in the event the Democrats losing the control of the House of Representatives, it would essentially lead to the Democrats having to curtail their legislative agendas. Maryland Representative, Chris Van Hollen stated that "It may well be the case that there are some issues that we would have gotten passed last time that would not be able to pass this time."³⁰

²⁹ "Republicans Poised to make Gains in Races for Governor." *The New York Times*, October 10, 2010. at <http://www.nytimes.com/2010/10/11/us/politics/11govs.html?hp>

³⁰ "Smaller Majority May Force Democrats to Curtail Agenda, Van Hollen Says." *Bloomberg News*, October 10, 2010, at <http://www.bloomberg.com/news/2010-10-10/smaller-house-majority-may-harm-agenda-democrat-says-update1-.html>