

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

A. SOUTH ASIA

PAKISTAN

- **Marc Grossman to be the new special US envoy to Afghanistan and Pakistan, Senator John Kerry visits Islamabad amid Davis row; Top US lawmakers reject Pakistan aid cuts over Davis issue; Pakistan hopes to reschedule US, Afghan talks**

In a significant development, Secretary of State Hillary Clinton has chosen Marc Grossman as the new United States' special envoy to Afghanistan and Pakistan. The position fell vacant due to demise of Richard Holbrooke. Grossman, a former US Ambassador to Turkey, retired from the State Department in 2005 after three decades in US diplomatic service.¹

However, US Senator John Kerry visited Pakistan on a mission to resolve a diplomatic row over an American official Davis who is facing charges of killing two Pakistani citizens. Sources in US embassy in Islamabad noted that Kerry will meet Pakistan government officials to reassure them of long-term US commitment to Pakistan.² Meanwhile, reports noted that top US lawmakers rejected talk of cutting aid to Pakistan as leverage to win the release of Davis. Despite the deep and growing frustration in the US Congress over the dispute, lawmakers were keenly aware of the need not to destabilize Pakistan at a time when Washington relies on Islamabad in Afghanistan and elsewhere.³

In another development, government of Pakistan expressed hope that postponed talks with the United States and Afghanistan would be rescheduled soon, despite a deepening diplomatic crisis over the ongoing detention of a US official. The US State Department postponed the talks, set for this month, following failed attempts to get Pakistan to release Raymond Davis, who is accused of double murder and has been held in Lahore. The annual talks, in which ministers and other top officials review the war in Afghanistan and the fight against militants, had been rescheduled for February 23-24 in Washington.⁴

¹ "Clinton picks Marc Grossman as new envoy to Afghanistan, Pakistan", February 15 at <http://www.dawn.com/2011/02/15/clinton-picks-new-envoy-to-afghanistan-pakistan-report.html>

² "Kerry arrives in Pakistan amid Davis row", Dawn, February 15 at <http://www.dawn.com/2011/02/15/kerry-arrives-in-pakistan-amid-davis-row.html>

³ "Top US lawmakers reject Pakistan aid cuts over Davis issue", Dawn, February 16 at <http://www.dawn.com/2011/02/18/top-us-lawmakers-reject-pakistan-aid-cuts-in-feud.html>

⁴ "Pakistan hopes to reschedule US, Afghan talks", Dawn, February 14 at <http://www.dawn.com/2011/02/14/pakistan-hopes-to-reschedule-us-afghan-talks.html>

BANGLADESH

- **Bangladeshi delegation meets Indian Minister of External Affairs S.M. Krishna**

A Bangladeshi delegation comprising of Bangladesh Parliamentary Standing Committee on the Ministry of Foreign Affairs, Bangladesh High Commissioner to India, Bangladesh Permanent Representative to the UN in New York and Director General (Economic Affairs), Ministry of Foreign Affairs, which arrived in New Delhi to attend the LDC conference, met EAM S.M. Krishna on February 17. During the meeting, Bangladeshi delegation sought reestablishment of rail connectivity at Chilahati-Haldibari and Kulaura-Mahishashon between India and Bangladesh. The delegation also wanted early operationalization of Rohanpur-Singhabad rail link and dual gauge conversion of Parbatipur-Birol rail section. They also discussed connectivity to Nepal and Bhutan through India as well as use of Chittagong port as a regional hub of connectivity. During the meeting, S.M. Krishna assured early conclusion of water-sharing deals on Teesta and Feni rivers with Bangladesh. Discussion was also focused on bilateral issues like barrier-free trade, stopping of civilian killings at the border and unfettered access to Tin Bigha enclave.⁵

SRI LANKA

- **Intelligence reports: Threat to Indian VVIPs from the LTTE; Pakistan delegation met with President Rajapaksa; India-Sri Lanka handed over arrested fishermen; Relief assistance to the flood victims continues to come; Chinese credit facility for Uva Udanaya project; India's OVL to get three hydrocarbon blocks in Northern offshore area of Sri Lanka; Sri Lanka tourism UK office wins CIM marketing excellence award 2010 ; IMF estimates: 6.75 percent budget deficit in 2011 for Sri Lanka; NTPC to revisit its thermal power projects in Sri Lanka; Japanese assistance to three livelihood projects in Sri Lanka; Sri Lanka welcomes peaceful transition of power in Egypt**

⁵ "Bangladesh wants enhanced rail link with India", *Economic Times*, February 18, 2011 at <http://economictimes.indiatimes.com/news/news-by-industry/transportation/railways/bangladesh-wants-enhanced-rail-link-with-india/articleshow/7522915.cms>

Reports noted that Indian Central Intelligence has alerted the Tamil Nadu police that suspected LTTE cadres may conspire to carry out attacks on VVIPs during forthcoming assembly elections in the state.⁶

The Speaker of Pakistan parliament Dr Fehmida Mirza and the Pakistan parliamentary delegation visited Sri Lanka and met with President Mahinda Rajapaksa at Temple Trees on February 12. They discussed about boosting of bilateral trade and promotion of people to people contact.⁷

Meanwhile, the Sri Lankan Navy handed over 136 Indian fishermen to the Indian Coast Guard authorities in the international maritime border between the two countries on February 18. On the other hand, 26 Sri Lankan fishermen who were held under detention in Southern India were released on February 17.⁸

According to reports, relief assistance to the flood victims is still pouring into Sri Lanka. The countries and organizations provided flood relief donation last week are: the Imam Khomeini Relief Foundation of the Islamic Republic of Iran (30,000 Euro), the Green Crescent Society of the Islamic Republic of Iran (20,000 Swiss Francs), The Red Crescent Society of the United Arab Emirates (US \$ 1,000,000), Coca-Cola Beverages Sri Lanka Limited (Rs.1 Million worth of dry rations and eighteen thousand litres of water), ADB (\$3 million); The European Commission's Humanitarian Aid and Civil Protection department (700,000 Euros).⁹

Meanwhile, on a request made by President Mahinda Rajapaksa, the Government of China has agreed to provide a credit facility of US\$ 24,928,046 through the Exim Bank of China to meet 85 per cent of the cost of 'Lighting Sri Lanka Uva Province' project.¹⁰

⁶ "LTTE targeting Indian VVIPs-report", *Daily Mirror*, February 14, 2011 at <http://www.projectsinfo.in/Default.aspx?Tags=K+qLx8AbBxoVn3IcOBitdg==>

⁷ "Pakistan wants trade with SL to reach US \$1 B", *Daily Mirror*, February 14, 2011 at <http://print.dailymirror.lk/news/news/35647.html>

⁸ Bandara, Kelum, "Indian fishermen return home", *Daily Mirror*, February 19, 2011 at <http://print.dailymirror.lk/news/front-page-news/36163.html>

⁹ "Iranian Aid for flood relief", *Daily Mirror*, February 18, 2011 at <http://print.dailymirror.lk/news/news/36026.html>; "Flood relief donation from United Emirates", *Daily Mirror*, February 18, 2011 at <http://print.dailymirror.lk/news/news/35964.html>; "More flood relief from Coca-cola", *Daily Mirror*, February 17, 2011 at <http://print.dailymirror.lk/news/news/35906.html>. "ADB grants \$ 3mn emergency flood assistance to Sri Lanka", *Daily Mirror*, February 19, 2011 at <http://print.dailymirror.lk/business/127-local/36100.html>; "ECHO assists flood-affected", February 18, 2011 at <http://www.priu.gov.lk>

¹⁰ "Chinese credit to finance lighting Lanka project", *Daily Mirror*, February 17, 2011 at <http://print.dailymirror.lk/news/news/35931.html>

Reports noted that the Sri Lankan government is willing to award three hydrocarbon blocks in its Northern offshore area to India's ONGC Videsh Ltd (OVL) on a nomination basis.¹¹ However, India's NTPC is looking to revisit its plans on setting up thermal power projects in Sri Lanka.¹²

Sri Lanka Tourism UK office received the world's premier marketing recognition award from the Chartered Institute of Marketing UK.¹³ According to the IMF estimates Sri Lanka will have a 6.75 percent budget deficit in 2011 with inflation set to rise due to the impact of the recent floods on food prices.¹⁴ Meanwhile, the government of Japan has provided a sum of US\$241,768 for three livelihood projects for communities in the Monaragala, Ampara and Matara districts under its Grant Assistance for Grassroots Human Security project (GGP) according to Grant Contracts signed on February 18, 2011.¹⁵

In other developments, the government of Sri Lanka has welcomed the smooth and peaceful transition of power in Egypt.¹⁶

MALDIVES

- **President Nasheed inaugurates Maldives National University; President Nasheed meets Secretary General of SAARC, Former British MP and New British high Commissioner and Vietnamese Ambassador accredited to the Maldives; UNICEF Maldives country programme 2011-2015 allocates US\$ 1.72 million to promote children's rights in the Maldives**

President Mohamed Nasheed inaugurated the Maldives National University on February 15, 2011.¹⁷

¹¹ "Sri Lanka ready to nominate OVL for oil and gas blocks", *Daily Mirror*, February 19, 2011 at <http://print.dailymirror.lk/business/127-local/36093.html>

¹² "NTPC may revisit planned thermal power plants in Lanka", *Daily Mirror*, February 15, 2011 at <http://print.dailymirror.lk/business/127-local/35732.html>.

¹³ "Sri Lanka Tourism UK wins the prestigious CIM Marketing Excellence Award 2010", *Daily Mirror*, February 19, 2011 at <http://print.dailymirror.lk/business/127-local/36094.html>.

¹⁴ Silva, Dianne, "6.75% budget deficit likely in 2011, deficit target for 2010 achievable – IMF", *Daily Mirror*, February 19, 2011 at <http://print.dailymirror.lk/business/127-local/36104.html>

¹⁵ "Japan grants Rs.27.2 mn for livelihood projects", February 18, 2011 at <http://www.priu.gov.lk>

¹⁶ "SL welcomes Egypt's peaceful power transition", February 18, 2011 at <http://www.priu.gov.lk>

¹⁷ "President Inaugurates the Maldives National University and Appoints Dr Musthafa Luthfee as the Chancellor", February 15, 2011 at <http://www.presidentymaldives.gov.mv/Index.aspx?lid=11&dcid=4733>

Newly appointed Secretary General of the South Asian Association for Regional Cooperation (SAARC), Fathimath Dhiyana Saeed and former Member of the United Kingdom Parliament for Salisbury Mr Robert Key paid a courtesy call on President Mohamed Nasheed on February 20, 2011.¹⁸

New British High Commissioner Mr John Rankin and new Vietnamese Ambassador Mr Nguyen Thanh Tan accredited to the Maldives presented their credentials to President Mohamed Nasheed on February 20, 2011.¹⁹

UNICEF and its partners have allocated US\$1.72 million to promote the rights of children in the Maldives, under the new UNICEF Maldives Country Programme 2011-2015. Partners for the implementation of the 2011 Annual Work Plan include the Juvenile Justice Unit of the Ministry of Home Affairs, Ministry of Health and Family, Department of National Planning of the Ministry of Finance and Treasury, Ministry of Housing and Environment, Ministry of Education, Maldives Police Services, Human Rights Commission of the Maldives and the Maldives Media Council. The activities identified under the 2011 plan will include improvement of the legislative framework for child rights, strengthening the evidence base for policy planning, and improvement of capacity of government to deliver improved quality health care and water and sanitation services.²⁰

B. EAST ASIA

JAPAN

(February 7-20, 2011)

- **Pakistani President Zardari seeks Japanese nuclear cooperation ahead of visit; Japan, Japan- Indonesia agree to boost strategic partnership; Russia wants peace treaty with Japan to mark new level of cooperation; Russia, Japan crisis talks end in failure; Russia may deploy rockets on disputed islands; Declassified reports: United States demanded Japan pay \$650 million in Okinawa reversion costs**

¹⁸ "AARC Secretary-General Pays a Courtesy Call on the President", February 20, 2011 at <http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4776>; "Former MP for Salisbury Robert Key Calls on the President", February 20, 2011 at <http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4774>

¹⁹ "New British High Commissioner Presents Credentials", February 20, 2011 at <http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4775>; "New Vietnamese Ambassador Presents Credentials to the President", February 20, 2011, at <http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4772>

²⁰ "UNICEF allocates US\$1.72 million to promotion of child rights", *Minivan News*, February 17, 2011 at <http://minivannews.com/category/news-in-brief/page/2>

Pakistani President Asif Zardari has asked that the deal which Japan is negotiating with India to cooperate in the peaceful uses of nuclear energy, should also be extended to Pakistan. He stated, "If Japan is willing to cooperate with India in nuclear technology and (is) giving nuclear technology for peaceful purpose; I do not see any reason why we should not deserve the same." He made these remarks before undertaking a three- day visit to Japan.²¹ Meanwhile, Japan and Indonesia have agreed to boost their strategic partnership to secure common interests in the Asian region as the two countries held their first ministerial strategic dialogue in Tokyo.²²

A Russian foreign ministry spokesperson noted that the much awaited peace treaty between Russia and Japan must not be related only to their territorial dispute. He stated, "A Russia-Japan peace treaty must mark the new level of cooperation with Japan in politics, trade, economy, innovations, technologies and so on." ²³ There are also reports that crisis talks between Russia and Japan over four Pacific islands on February 18, ended in acrimonious failure. This happened because Tokyo reaffirmed its claim on the chain and Moscow accused its neighbour of extreme behaviour.²⁴ It is believed that Moscow is planning to send new air defense systems, possibly including S-400 rockets, to islands at the center of a territorial dispute with Japan.²⁵

In other developments, according to newly declassified Japanese diplomatic documents, the United States, in 1969, demanded Japan pay \$650 million, worth some 234 billion yen under the exchange rate at that time, to finance unspecified costs related to the 1972 reversion of Okinawa to Japanese sovereignty from US control.²⁶

SOUTHEAST ASIA

- **19 injured in bomb explosion in Thailand; Vietnam officials visit Chennai port to meet stranded sailors; Vice President of Philippines visits China; Thai PM believes ASEAN will not intervene in Thailand-**

²¹ "Pakistani leader seeks Japanese nuclear cooperation ahead of visit+" *Associated Press*, February 19, 2011 at http://www.breitbart.com/article.php?id=D9LFRT602&show_article=1

²² "Japan, Indonesia agree to boost strategic partnership+" *Associated Press*, February 18, 2011 at http://www.breitbart.com/article.php?id=D9LF6MU00&show_article=1

²³ "Russia wants peace treaty with Japan to mark new level of cooperation" *Xinhua*, February 17, 2011 at http://news.xinhuanet.com/english2010/world/2011-02/17/c_13737181.htm

²⁴ "Russia, Japan crisis talks end in failure" *Yahoo News*, February 11, 2011 at http://news.yahoo.com/s/afp/20110211/wl_afp/russijapandiplomacy_20110211191005

²⁵ "Russia may deploy rockets on disputed islands: report" *Reuters*, February 15, 2011 at <http://www.reuters.com/article/2011/02/15/us-russia-japan-defence-idUSTRE71E2FR20110215>

²⁶ "U.S. demanded Japan pay \$650 mil. in Okinawa reversion costs+" *Associated Press*, February 17, 2011 at http://www.breitbart.com/article.php?id=D9LESB581&show_article=1

Cambodia border talks; India, Malaysia sign trade pact; Indonesia, China to step up defence cooperation; China, Myanmar sign new accord

Suspected separatists exploded a bomb outside a parlour in Thailand's city of Narathiwat, injuring 19 people on 19 February. The explosive was detonated shortly after gunmen shot at a nearby karaoke bar, injuring two women and drawing soldiers to inspect the scene. The bomb was planted in a parked car in Narathiwat, 750 kilometres south of Bangkok. The explosion injured 19 civilians and destroyed 12 cars.²⁷

On 19 February, a delegation from the Vietnamese embassy in New Delhi visited to meet sixteen sailors who are stranded outside the Chennai port. The delegation, accompanied by representatives of the International Transport workers Federation (ITF) and the Seafarers Port Welfare Association, reached the vessel with a medical team in a special boat arranged by the Chennai port trust.²⁸

Vice President of the Philippines Jejomar Binay visited China on 18 February 2011 and met a number of officials and political leaders. According to the press release, during the meetings, the Chinese officials talked about stronger Sino-Philippine relations, deeper judicial cooperation, and joint efforts to fight trans-border drug-related crimes.²⁹

Thailand Prime Minister Abhisit Vejjajiva said, on 20 February 2011, that ASEAN would not involve itself in border conflict matters to be discussed by the two neighbouring countries. Abhisit noted during his weekly TV and radio address that the ASEAN regional grouping would act as “coordinator, witness and provide facility only” and will not get directly involved in the matter. The statement holds importance as Thailand is keen to ensure that the region grouping stays out of the issue. However, ASEAN group will meet on 22 February 2011 to discuss the matter.³⁰

Malaysia and India signed a Free Trade Pact on 18 February 2011. The pact is expected to help reinforce economic ties and increase bilateral trade twofold to \$15 billion by 2015. The Comprehensive Economic Cooperation Agreement

²⁷ “Car bomb injures 19 in Thailand”, *IOL News*, 20 February 2011 at <http://www.iol.co.za/news/world/car-bomb-injures-19-in-thailand-1.1029145>

²⁸ “Vietnam embassy team visits stranded sailors at Chennai port”, *The Times of India*, 20 February 2011 at <http://timesofindia.indiatimes.com/city/chennai/Vietnam-embassy-team-visits-stranded-sailors-at-Chennai-port/articleshow/7530544.cms>

²⁹ “Philippine vice president visits China”, *Xinhua*, 19 February 2011 at http://news.xinhuanet.com/english2010/china/2011-02/18/c_13739079.htm

³⁰ “Thai PM reiterates ASEAN will not intervene in Thai-Cambodia talks on border dispute”, 20 February 2011 at http://www.mcot.net/cfcustom/cache_page/171916.html

(CECA) was signed by Commerce Minister Anand Sharma and his Malaysian counterpart Mustapa Mohamed.³¹

The Chinese Defense Minister Liang Guanglie met with Indonesian Vice Minister of Defense Sjafrie Sjamsoedin on 18 February 2011, pledging to promote bilateral defense cooperation. Sjafrie hailed the rapid growth of defense cooperation between Indonesia and China, saying his country was ready to work with China to promote cooperation in defense and regional security affairs.³²

In other developments in the region, China and Myanmar signed a supplementary contract to a memorandum of understanding on Kyaukphyu economic and technical development zone and related port and railroad development projects on 16 February 2011. The signed contract between the CITIC Group of China and Myanmar Ministry of National Planning and Economic Development is expected to boost the bilateral cooperation in the infrastructure sector.³³

C. CENTRAL ASIA & RUSSIA

CENTRAL ASIA

- **Sixteen contenders for Kazakh presidency so far including three women; Kazakh industrialization not to damage environment; Small Chinese firms buying up Kazakh, Caspian assets; Russia, Kyrgyzstan create joint venture to provide fuel to Manas; Kyrgyzstan to host CSTO rapid reaction force meeting; Tajikistan, Russia holds talks on Tajik-Afghan border; Qatar Expresses eagerness to partner in Kazakh-Turkmen-Iran Railway; Turkmenistan, India disagree over TAPI prices; Uzbekistan and India boost economic ties**

With the joining of a third woman on February 18 in the race for Kazakhstan's presidency the total of registered candidates has reached to 16 so far to challenge incumbent President Nursultan Nazarbayev in the upcoming April 3

³¹ "India and Malaysia enter a landmark trade pact", *Business Today*, 18 February 2011 at <http://businesstoday.intoday.in/bt/story/india-malaysia-sign-the-comprehensive-economic-cooperation-agreement-%28ceca%29for-freer-trade-by-commerce-minister-anand-sharma-mustapa-mohamed/1/13320.html>

³² "China, Indonesia to step up defense cooperation: ministers", *Xinhua*, 18 February 2011 at http://news.xinhuanet.com/english2010/china/2011-02/18/c_13738665.htm

³³ "China, Burma sign new cooperation accord", *Malaysia Sun*, 18 February 2011 at <http://story.malaysiasun.com/index.php/ct/9/cid/303b19022816233b/id/43063549/ht/China-Burma-sign-new-cooperation-accord/>

presidential elections. The campaign begins from February 21 and would end on April 1.³⁴

Reports noted that Kazakhstan has implemented a five-year plan ending in 2014—the ‘Program for Accelerated Industrial Initiative Development’ to expand non-oil industries with the aim to diversify the economy. Environment Minister Nurgali Ashim assured that this will not have adverse impact on the environment. In this regard a bill has been introduced to impose “tight restrictions on the operation of enterprises related to waste, emissions to air and water, the Kyoto Protocol, disposal and flaring of gas”, he added.³⁵

According to reports, privately-owned Chinese oil firm MIE Holdings purchased a small Kazakh miner Tuesday, bolstering a trend that has seen hundreds of small-and medium-sized Chinese miners buying holdings in the highly competitive Caspian region. Until recently, Chinese investment into the republic’s oil and gas sector had been undertaken by the state-owned energy giants, but following recent encouragement from the government in Beijing, hundreds of smaller private oil and gas companies entered Kazakhstan’s market, some by purchasing local energy firms.³⁶

Kyrgyzstan and Russia signed agreements to create a joint venture company which will provide fuel to the U.S.-run Manas Transit Center. The joint venture agreed upon by Kyrgyzstan and Russia was created by Kyrgyzstan's state-controlled Manas fuel supply company and a division of Russia's Gazprom, Gazpromneft-Aero-Kyrgyzstan. The remaining 50 percent will be provided by Mina Corp to the air base to transport goods and military into Afghanistan.³⁷

Kyrgyzstan will be the host country when Russian-led Collective Security Treaty Organization (CSTO) executives meet in June to discuss the organization’s new rapid reaction security force. CSTO Secretary-General Nikolai Bordyuzha who is

³⁴ ‘Third female candidate joins race for Kazakh presidency’, *Central Asia Newswire*, February 18, 2011 at <http://centralasianewswire.com/Kazakhstan/Third-female-candidate-joins-race-for-Kazakh-presidency/viewstory.aspx?id=3305>

³⁵ ‘Minister: Kazakh industrial expansion will not damage environment’, *Central Asia Newswire*, February 18, 2011 at <http://centralasianewswire.com/Kazakhstan/Minister-Kazakh-industrial-expansion-will-not-damage-environment/viewstory.aspx?id=3306>

³⁶ ‘Small Chinese firms buying up Kazakh, Caspian assets’, *Central Asia Newswire*, February 16, 2011 at <http://centralasianewswire.com/Kazakhstan/Small-Chinese-firmsbuying-upKazakh-Caspian-assets/viewstory.aspx?id=3280>

³⁷ ‘Russia, Kyrgyzstan create joint venture to provide fuel to Manas’, *Central Asia Newswire*, February 18, 2011 at <http://centralasianewswire.com/Kyrgyzstan/Russia-Kyrgyzstan-create-joint-venture-to-provide-fuel-to-Manas/viewstory.aspx?id=3317>

on a three-day visit to Kyrgyzstan, made the announcement as he met with top-ranking members of Kyrgyzstan's government.³⁸

Tajik and Russian border officials are negotiating a new joint agreement on controlling the porous border Tajikistan shares with Afghanistan to renew the expired five-year Tajik-Afghan border protection agreement. Moscow has several times expressed concern about the rise of drug smuggling from Afghanistan across Tajikistan's poorly-protected border that could spread into Central Asia and on to Russia. Russian border officers left Tajikistan in 2005, ending a police presence of more than 100 years. Units of Russia's Federal Security Service have since taken a border advisory role.³⁹

Reports noted that Qatari Minister of State for International Cooperation Khalid Bin Mohammad Al-Attiyah expresses the kingdom's eagerness to help construct the international railway corridor— Central Asia's proposed North-South railway link to the Persian Gulf— during a meeting with Turkmen leader this week. The 620-mile railway line will initially be used by Kazakhstan and Turkmenistan to transport goods across Iranian territory to Persian Gulf ports and out to world markets. But project partners say the route will become a major international transportation corridor connecting China with Europe. Apart from this Qatar is willing to invest in a wide range of economic projects in Turkmenistan's transportation, energy and telecommunications sectors as well as in other economic areas.⁴⁰

Meanwhile, India has rejected Turkmenistan's idea to link the price of natural gas transported by the pipeline to oil or naphtha. The discussions of the 10th Technical Working Group (TWG) for the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline are underway in the Turkmenistan capital of Ashgabat.⁴¹

In another development in the region, Uzbekistan and India plan to step up their business cooperation in the wake of the signing an agreement last week between each country's major business associations. The Uzbek Chamber of Commerce and Industry (CCI) met with the Association of Chambers of Commerce and

³⁸ 'Kyrgyzstan to host CSTO rapid reaction force meeting', *Central Asia Newswire*, February 11, 2011 at <http://centralasianewswire.com/Regional/Kyrgyzstan-to-host-CSTO-rapid-reaction-force-meeting/viewstory.aspx?id=3282>

³⁹ 'Tajikistan, Russia renew talks on securing Tajik-Afghan border', *Central Asia Newswire*, February 18, 2011 at <http://centralasianewswire.com/Tajikistan/Tajikistan-Russia-renew-talks-on-securing-Tajik-Afghan-border/viewstory.aspx?id=3309>

⁴⁰ 'Qatar eager to partner in Kazakh-Turkmen-Iran railway', *Central Asia Newswire*, February 16, 2011 at <http://centralasianewswire.com/Regional/Qatar-eager-to-partner-in-Kazakh-Turkmen-Iran-railway/viewstory.aspx?id=3277>

⁴¹ 'Turkmenistan, India disagree over TAPI prices', *Central Asia Newswire*, February 15, 2011 at <http://centralasianewswire.com/Turkmenistan/Turkmenistan-India-disagree-over-TAPI-prices/viewstory.aspx?id=3275>

Industry of India (ASSOCHAM) during the Indian association's visit to Uzbekistan. Businesses in both countries, as per the signed agreement between the organizations, will enhance their cooperation in the fields of processing, engineering and export-import. Other sectors which could see increased cooperation include agriculture equipment, the construction of roads and the development of modern laboratories.⁴²

RUSSIA

- **Russian Foreign Minister visits London to seek a strategically stable tie with United Kingdom; Russian President on an official visit to Italy; Ukraine to pay more for Russian natural gas; Russia plans food fund to combat rising inflation and regulate prices; Russia's GAZ and Volkswagen to ink 300,000 cars per year joint venture; Russia warns West against encouraging Middle East protests; Russia has opposes long term US military bases in Afghanistan**

The Foreign Minister of Russia Sergey Lavrov paid an official visit to the United Kingdom and called upon to revive their bilateral relationship which has apparently stagnated on account of the controversial fallout of the Litvinenko murder case of 2006. Lavrov is the first senior Russian government official to come to Britain since the death from radiation poisoning of Alexander Litvinenko, a former Russian agent, in London, in November, 2006.⁴³

In addition to trade and economic relations, the two sides discussed a wide range of international and regional issues, including the Middle East, Afghanistan, European security and the controversy surrounding Iran's nuclear plans. Special focus was laid on anti-terrorist cooperation and visa free regime between Russia and Europe. Lavrov named six priority areas of cooperation with Britain in his talks with Foreign Secretary William Hague. These include trade and investment, finance, high-tech, energy, business ties, and building up infrastructure for forthcoming Olympic events. The dialogue was termed 'very positive' with both sides agreeing to overcome serious disagreements and move towards a 'steady and patient rapprochement'. It would be worth noting that Russia is one of Britain's main trading partners. Over 1,000 British companies are currently operating in Russia. According to experts' estimates, the two countries' trade exceeds 17 billion US dollars. Moreover, Britain is one of Russia's largest foreign investment partners.⁴⁴

⁴² 'Uzbek, Indian business associations boost economic ties', *Central Asia Newswire*, February 16, 2011 at <http://centralasianewswire.com/Uzbekistan/Uzbek-Indian-business-associations-boost-economic-ties/viewstory.aspx?id=3283>

⁴³ "Russian Foreign Minister Visits Britain Amid Tense Relations", Radio Free Europe Radio Liberty, February 14 2011 at http://www.rferl.org/content/lavrov_london/2308434.html

⁴⁴ Ibid

Russian President Medvedev paid a two days visit to Italy. During the visit, he sought support of Prime Minister Silvio Berlusconi for cooperation on energy projects and development of a new regional aircraft. Russia plans to develop its ties with Italy in gas and other energy resources, as well as cooperate in nuclear energy. Some of the main documents signed included Gazprom's agreement with Eni to jointly develop an oil field in Northern Africa, an agreement between Vneshekonombank and Italy's Cassa Depositi e Prestiti bank and a document on military transit over Russian territory. The year 2011 was declared as the year of Russian culture in Italy and 2012 vice versa. Italy is one of Russia's biggest business partners, with bilateral trade reaching \$36.8 billion last year.⁴⁵

In an apparent sign of Russia and Ukraine being able to resolve their long standing differences over the pricing of natural gas, Ukraine has agreed to pay \$280 per 1000 cubic metres of gas starting from April 2011⁴⁶. It would be worth recalling the long standing gas pricing dispute which had led Russia to cut off gas supplies to Ukraine in the year 2009. This also resulted in South Eastern Europe being deprived off their main source of fuel in one of the harshest winter's which Europe had ever experienced.

In order to tackle the problem of rising inflation, Russia's First Deputy Prime Minister Igor Shuvalov has ordered the Agriculture, Finance and Economy ministries to formulate mechanisms to regulate food prices and create a fund to buy and sell food products⁴⁷. The first major initiative could be the plan to regulate the prices of potatoes which have witnessed an upward jump of close to 25%.

Reports noted that Russia's GAZ and Germany's Volkswagen plan to form a joint venture in order to produce 300,000 cars per year in Russia⁴⁸. The joint venture will produce a range of Volkswagen brands including the Jetta, Skoda Octavia and Skoda Yeti models. GAZ would use its plant in Nizhny Novgorod for the joint-venture project, while VW would use its Kaluga facility in Russia.

⁴⁵ "Medvedev seeks Berlusconi's support for energy, jets", Lyubov Pronina, Bloomberg, February 16, 2011, <http://www.bloomberg.com/news/2011-02-15/medvedev-to-look-for-aerospace-energy-projects-in-italy.html>

⁴⁶ "Ukraine to pay more for Russian natural gas", Kateryna Choursina, Bloomberg, February 16, 2011, <http://www.bloomberg.com/news/2011-02-16/ukraine-to-pay-more-for-russian-natural-gas-interfax-reports.html>

⁴⁷ "Russia plans food fund to regulate prices", Marina Sysoyeva, Bloomberg, February 16, 2011, <http://www.bloomberg.com/news/2011-02-16/russia-plans-food-fund-to-regulate-prices-kommersant-reports.html>

⁴⁸ "Russia's GAZ nearing Volkswagen deal", Karolina Tagaris, Reuters, February 20, 2011, <http://www.reuters.com/article/2011/02/21/gaz-volkswagen-idUSLDE71K00820110221>

Meanwhile, Russia's foreign minister Mr. Lavrov has said that it can be "counter-productive" for the United States and the West to encourage the spread of revolutions and pro-democracy protests in the Middle East⁴⁹. However, the former USSR leader Mikhail Gorbachev has asserted that popular revolts in Egypt and Tunisia are a warning that democratic freedoms cannot be traded for a facade of political stability or economic growth. Gorbachev has likened Putin's dominant United Russia party to the Soviet Communist Party and said that the Kremlin's economic modernization drive will not succeed without improvements in democracy and the electoral system. He said that "power without accountability" was unsustainable. In the end the voice of the people will be decisive.⁵⁰

Reports noted that France's oil major company Total and Russia's top oil producer Rosneft are negotiating possible cooperation in projects on the shelves of the Barents and Black Seas⁵¹. Total is also interested in cooperation on continental shelf projects in Russia. Total (Europe's third largest oil producer) recently teamed with Russian gas monopoly Gazprom to develop the Shtokman natural gas field in the Barents Sea, which holds about 3.9 trillion cubic meters of gas (enough to meet current global demand for more than a year). The French company is also bidding for as much as 25 percent of Tarko-Sale-based Novatek's project to produce liquefied natural gas on the Yamal Peninsula. The Arctic region, mainly in Russia's zone, holds about a fifth of the world's undiscovered and commercially viable oil and gas reserves, according to U.S. government estimates.⁵²

In other developments, Russia has urged the United States of America to refrain from establishing long term military bases in Afghanistan on the grounds that permanent military presence can undermine peace keeping effort and 'anger neighbours'⁵³. Russia has in the recent past assisted the United States and NATO in their fight against the Taliban-led insurgency by providing supply routes and weapons for Afghan forces. However, it has ruled out sending its own troops there and stressed that the campaign must not last forever. Russia has also

⁴⁹ "Russia warns west against encouraging Middle East Protests", *Voice of America*, February 15, 2011 at <http://www.voanews.com/english/news/europe/Russia-Warns-West-Against-Encouraging-Middle-East-Protests-----116239894.html>

⁵⁰ "Mikhail Gorbachev says Egypt is warning to autocrats", *DNA India*, February 16, 2011 at http://www.dnaindia.com/world/report_mikhail-gorbachev-says-egypt-is-warning-to-autocrats_1508983

⁵¹ "Total joins BP, Exxon in rush for offshore oil riches", *The Moscow Times*, February 17, 2011 at <http://www.themoscowtimes.com/business/article/total-joins-bp-exxon-in-rush-for-offshore-oil-riches/431161.html>

⁵² "Total Joins BP, Exxon in Rush for Offshore Oil Riches", *International Business House*, February 17, 2011 at <http://ibhouse.net/en/news/total-joins-bp-exxon-in-rush-for-offshore-oil-riches>

⁵³ "Russia opposes long term US bases in Afghanistan", *Steve Gutterman*, Reuters, February 18, 2011 at <http://www.reuters.com/article/2011/02/18/us-russia-usa-afghanistan-idUSTRE71H60120110218>

expressed its displeasure over the continuing US military base in Kyrgyzstan and has repeatedly stated that the base should be dismantled once the military operations in Afghanistan come to an end.⁵⁴

D. WEST ASIA

IRAN

• Two people killed in latest uprising in Iran; Rare meeting held between German Foreign Minister and Iranian President

Reports noted that two people were killed and several others wounded in clashes between protesters and security forces in central Tehran. On February 14, thousands of people gathered at Tehran's Azadi Square in solidarity with the uprisings in Tunisia and Egypt. This was their first major show of dissent since December 2009, when eight people were killed. Reports noted that many protesters chanted "Death to dictators". However, United States President Barack Obama has sharply criticised the Iranian authorities' response. Obama said the US could not dictate what went on inside Iran, but hoped people would have the "courage to be able to express their yearning for greater freedom and a more representative government". However, Iran's president dismissed the protests, saying they had wanted to undermine a rally held last Friday to mark the 32nd anniversary of the Islamic Revolution.⁵⁵

In another development, German government has confirmed that the Foreign Minister Guido Westerwelle held a rare meeting with Iranian President Mahmoud Ahmadinejad in Tehran during the release of two German journalists. It was first visit by a German Foreign Minister to Iran since before Ahmadinejad seized power in 2005. The two journalists, who had been detained since October, 2010 in link with a highly publicized stoning case, were released. However, the German government had dismissed the charges.⁵⁶

⁵⁴ "U.S. Advised Not to Keep Afghan Bases", *The Moscow Times*, February 21, 2011 at <http://www.themoscowtimes.com/mobile/article/us-advised-not-to-keep-afghan-bases/431344.html>

⁵⁵ "Iran protests 'going nowhere', says Mahmoud Ahmadinejad," *BBC News*, February 15, 2011 at <http://www.bbc.co.uk/news/world-middle-east-12475824>

⁵⁶ "German foreign minister met with Ahmadinejad," *Khaleej Times*, February 20, 2011 at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2011/February/middleeast_February686.xml§ion=middleeast

IRAQ

- **One protester killed in Iraq for demanding better services**

One person was killed and 33 wounded in latest clashes between protesters and police in the Northern city of Sulaimaniya. Meanwhile, Iraqi Prime Minister Nuri Al Maliki appealed for peaceful protests. The latest protests took place against local governments and demanding an end to food and power shortages. Unlike anti-government uprisings in other parts of the world, the Iraqi protesters usually have not demanded the overthrow of an elected federal government formed less than two months ago, although some have voiced direct anger at Maliki. Maliki also said "the demonstrations are protected and here I say that the security forces are not allowed to use any force against any demonstration." The clashes occurred when about 1,000 protesters looking to oust the local government and demanding better services stopped in front of the headquarters of the Kurdistan Democratic Party, headed by Iraqi Kurdistan president Masoud Barzani, and began to throw stones.⁵⁷

BAHRAIN, YEMEN

- **Protests continue in Bahrain despite offer for dialogue by Government; Protests continue in Yemen, Yemeni President offers for talks with opposition**

Reports noted that hundreds of demonstrators are gathered at the Pearl Square in Manama for ninth day protesting against the government and ruling royal family. Earlier on February 19, Bahrain's Crown Prince Shaikh Salman bin Hamad Al Khalifa has offered a national dialogue "with all parties" in a conciliatory move to resolve a crisis. The Crown Prince has called on for calm, saying it was "time for dialogue, not fighting". "The dialogue is always open and the reforms continue." He also added that, "This land is for all citizens of Bahrain...We need to call for self-restraint from all sides, the armed forces, security men and citizens." Calling upon the opposition he said that, "I respect Wefaq, as I respect others. Today is the time to sit down and hold a dialogue, not to fight."⁵⁸ Meanwhile, opposition groups met on February 20 to formulate a charter of demands and to take part in the dialogue process announced by the government. Earlier two people were killed by the security forces during the

⁵⁷ "Protesters, police clash in Iraq, one killed," *Khaleej Times*, February 17, 2011, at http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/middleeast/2011/February/middleeast_February611.xml§ion=middleeast

⁵⁸ "Time for talks says Bahrain", *The Khaleej Times*, February 19, 2011, at http://www.khaleejtimes.com/displayarticle.asp?xfile=data/middleeast/2011/February/middleeast_February658.xml§ion=middleeast&col=

demonstrations in the capital and the King has expressed his regret for the deaths.

Similarly, thousands of anti-government protesters continue to gather in front of the Sana'a University gate for 11th consecutive day, demanding that the Yemen President, Ali Abdullah Saleh, step down. There have been several clashes between the pro government and the anti-government protesters in the capital. On February 20, President Saleh offered dialogue between his ruling party and the opposition. He stated that, "Dialogue is the best means, not sabotage or cutting off roads. I am ready to sit on the negotiating table and meet their demands if they are legitimate." However, he warned against "infiltrators" seeking to divide Yemenis and sabotage their country."⁵⁹ On February 19, riot police fired on protesters in Sana'a, killing one and injuring five others. A total of seven people have been killed since the unrest began.

E. USA

- **Reports: US expresses concern as West Asian crisis persists**

Reports noted that as public protests spread across West Asian countries like wild fire, the US is getting more concerned with the situation in various countries in West Asia. Meanwhile, Obama administration on Sunday condemned Libya's use of lethal force against peaceful demonstrators, pointing to what it said were "multiple credible" reports that "hundreds of people" had been killed and injured in several days of unrest.⁶⁰

⁵⁹ "President Ali Abdullah Saleh offers talks to Yemen opposition", *The National*, February 21, 2011, at <http://www.thenational.ae/news/worldwide/middle-east/president-ali-abdullah-saleh-offers-talks-to-yemen-opposition>

⁶⁰ "US 'Gravely Concerned' Over Violence in Libya", *The New York Times*, February 20, 2011 at http://www.nytimes.com/2011/02/21/world/middleeast/21diplomacy.html?_r=1&ref=world