# THE WEEK IN REVIEW

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#### I. **COUNTRY REVIEWS**

### A. SOUTH ASIA

### PAKISTAN

 Pakistan's Federal Minister for Minorities Affairs Shahbaz Bhatti assassinated; India and Pakistan to hold talks on March 28 in New Delhi; Government of Britain doubles Pakistan aid; ISI redefining terms of engagement with CIA; Reports: Pakistan orders investigations over India's Hydel projects

In a tragic development, Pakistan's Federal Minister for Minorities Affairs Shahbaz Bhatti was assassinated in Islamabad on March 2<sup>nd</sup> for his alleged opposition to the misuse of the blasphemy law. This follows just 57 days after Governor of Punjab Mr Salman Taseer was assassinated for his opposition to the same law, by his own guard on January 4. The Tehrik-i-Taliban Punjab has claimed responsibility for the attack.<sup>1</sup>

According to reports, peace talks between Pakistan and India will finally resume on March 28 in New Delhi when the interior secretaries of respective countries meet under the renewed dialogue process to discuss counter-terrorism, with a special focus on progress made by Pakistan in the trial of Mumbai suspects. Besides issues of terrorism, narcotics control and humanitarian issues are on the agenda as well. The dialogue process is indicative of turning point in relations between the two countries which were stalled after the 26/11 Mumbai attacks.<sup>2</sup>

Meanwhile, Britain has announced that it was doubling its development aid for Pakistan over the next four years, on the condition of Islamabad's progress on reform agenda. British High Commissioner to Pakistan Adam Thomson explained that the increase in aid was meant to "unlock the potential "of Pakistani youth and it was mainly directed for education and literacy purposes.<sup>3</sup>

According to reports, the Pakistani Intelligence Agency, Inter Services Intelligence (ISI) is trying to redefine its terms of engagements with its American

harmony", "Terrorists silence another voice of interfaith Dawn. March 3 at http://www.dawn.com/2011/03/03/terrorists-silence-another-voice-of-interfaith-harmony.html

<sup>&</sup>lt;sup>2</sup> "Islamabad, Delhi to hold talks on 28<sup>th</sup>", *Dawn*, March 4 at http://www.dawn.com/2011/03/04/islamabad-

delhi-to-hold-talks-on-28th.html <sup>3</sup> "Britain to double Pakistan Aid", *Dawn*, March 3 at http://www.dawn.com/2011/03/03/britain-to-doublepakistan-aid.html

counterpart, CIA before settlement of jailed US operative Raymond Davies issue. The Chief of the Office of (US) Defense Representative in Pakistan, Vice Admiral Michael Lefever attended monthly White House Meeting on Af-Pak over video teleconferencing which confirmed the issue.<sup>4</sup>

In other developments, reports noted that the Government of Pakistan has ordered three investigations into delays in raising timely objections over India's efforts to secure international credit incentives to construct hydropower projects what it views as a violation of the Indus Waters Treaty of 1960. The objection has been raised to enquire how New Delhi secured carbon credits from the United Nations for two hydropower projects Chutak and Nimoo-Bazgo without clearance from Pakistan on environmental impact.<sup>5</sup>

### BANGLADESH

• UK Government to double its aid to Bangladesh; Reports: Islami Bank Bangladesh funds militants; Chinese company to get contract for Ghorashal 200-300 megawatt power plant; Food inflation in Bangladesh rose to 11.91 percent in January; HR situation improves in Bangladesh

The UK government has announced that it would double its aid to Bangladesh over the next four years, following a major review of Britain's global aid programmes. UK's development programme in Bangladesh will focus on creating jobs and incomes, increasing skills, and making Bangladesh a more attractive place to do business as well as helping the very poor pull themselves out of poverty by increasing their earning potential. The UK will also support Bangladesh in facing the major challenges such as climate change and natural disasters; the economic and social status of women; and malnutrition.<sup>6</sup>

Meanwhile, Bangladesh's State Minister for Home Shamsul Huq Tuku has reportedly said that Islami Bank Bangladesh spends eight percent of its profit to fund militants in Bangladesh.<sup>7</sup>

The cabinet purchase committee of Bangladesh approved a proposal to award the Ghorashal 200-300 megawatt power plant contract to the consortium of

<sup>&</sup>lt;sup>4</sup> "ISI redefining terms of engagement with CIA", *Dawn*, March 6 at <u>http://www.dawn.com/2011/03/06/isi-redefining-terms-of-engagement-with-cia.html</u>

<sup>&</sup>lt;sup>5</sup> "Government wakes up to India's Hydel projects", *Dawn*, February 28

at http://www.dawn.com/2011/02/28/govt-wakes-up-to-indias-hydel-projects.html

<sup>&</sup>lt;sup>6</sup> "UK doubles its aid to Bangladesh, Financial Express", *The Financial Express*, March 3, 2011 at http://www.thefinancialexpress-bd.com/more.php?news\_id=127896&date=2011-03-03.

<sup>&</sup>lt;sup>7</sup> "Islami Bank spends 8pc profit on militancy", *The Daily Star*, March 1, 2011 at http://www.thedailystar.net/newDesign/news-details.php?nid=175966

China National Technical Import and Export Corporation (CNTIC) and China National Machinery Import and Export Corporation (CMC).<sup>8</sup>

Reports noted that food inflation in Bangladesh rose to 11.91 percent in January, compared to 11.01 percent in the previous month. Thus food inflation soared 0.9 percentage points to hover around a 30-month high in January, amid rising prices on both domestic and international markets.<sup>9</sup>

In other developments, Chairman of National Human Rights Commission (NHRC) of Bangladesh, Dr Mizanur Rahman said that the number of extrajudicial killing has been decreased and human rights situation has also been improved in Bangladesh. He was speaking in a stakeholders' consultation workshop on 'Building a Human Rights Culture in Bangladesh' organised by NHRC at RDRS Auditorium in Rangpur.<sup>10</sup>

SRI LANKA

• Japan provides approximately US\$ 2 million as humanitarian assistance to Sri Lanka in last two months; A non-binding resolution on Sri Lanka passed by the US Senate; President Rajapaksa requests Gaddafi to establish peace in the country; Canadian High Commissioner visits northern province of Sri Lanka; Indonesian naval ship KRI is on goodwill visit to Sri Lanka

The Government of Japan has provided approximately US\$ 2 million as humanitarian assistance for flood affected people during January and February 2011.<sup>11</sup> Other than the flood relief Assistance, the Government of Japan has also extended a grant of US\$ 551, 547 (approximately Rs. 61.2 million) for a livelihood project to be implemented by Peace Winds Japan (PWJ), a Japanese NGO, under its Japan-NGO Co-operation Grant Scheme.<sup>12</sup>

A resolution was passed by the US Senate calling on the Government of Sri Lanka to establish an independent international accountability mechanism to

<sup>&</sup>lt;sup>8</sup> "Chinese consortium awarded contract", *The Daily Star*, March 4, 2011 at http://www.thedailystar.net/newDesign/news-details.php?nid=176348

<sup>&</sup>lt;sup>9</sup> Parvez, Sohel, "Food inflation strikes 30-month high", *The Daily Star*, March 6, 2011 at http://www.thedailystar.net/newDesign/news-details.php?nid=176543

<sup>&</sup>lt;sup>10</sup> "Human rights situation improves", *The Daily Star*, March 6, 2011 at http://www.thedailystar.net/newDesign/news-details.php?nid=176622

<sup>&</sup>lt;sup>11</sup> Ali, Rifthi, "Japanese grant for flood victims", *The Daily Mirror*, March 1, 2011 at http://print.dailymirror.lk/news/36967.html

<sup>&</sup>lt;sup>12</sup> "Japan offers further financial assistance to Lanka", *The Daily Mirror*, March 5, 2011 at http://print.dailymirror.lk/news/37423.html

look into reports of war crimes, during the war. However the US Embassy in Colombo said this was a non-binding resolution.<sup>13</sup>

President Mahinda Rajapaksa requested the Libyan leader Colonel Muammer Gaddafi to establish peace in his country as soon as possible and safeguard the life of the people during a telephonic conversation on March 5, 2011.<sup>14</sup>

Canadian High Commissioner to Sri Lanka Bruce Levy visited the Northern Province and discussed the damage done to people and property during the recent floods, and the ability of the affected to resume their livelihood. He met with the government agents of Jaffna, Mullaitivu, Vavuniya and Kilinochchi, Jaffna Security Forces Commander Major General Mahinda Hathurusinghe, civil society representatives and members of Non-Governmental and International Non-Governmental Organizations during his visit. He expressed hope that effective measures could be adopted to involve the Tamil diaspora in Canada in the rebuilding process of the province.<sup>15</sup>

In other developments, Naval Ship KRI "Sultan Iskandar Muda 367" of Republic of Indonesia arrived at the Port of Colombo on a goodwill visit and will stay in Sri Lanka during 17th to 19th March 2011. During their stay, the crew of the ship is scheduled to participate in a series of programmes organized by the Sri Lanka Navy to enhance the relations between the two Navies.<sup>16</sup>

### MALDIVES

• High Commissioner of Cyprus meets Vice President of the Maldives; President Nasheed holds meeting with the Executive Director of the Asian Development Bank; Maldives earns USD 7.2 million as Tourism Goods and Services Tax (T-GST) from 79,459 tourists arrived in January 2011; Maldivian Fathimath Dhiyana Saeed assumes charge as Secretary-General of SAARC, becomes the first lady to occupy the position; New Ambassadors from Czech Republic and Iraq accredited to the Maldives presents their letter of credence to President Mohamed Nasheed

<sup>&</sup>lt;sup>13</sup> Silva, Dianne, "US calls for independent mechanism", *The Daily Mirror*, March 4, 2011 at http://print.dailymirror.lk/news/front-page-news/37314.html.

<sup>&</sup>lt;sup>14</sup> "Make peace MR tells Gaddafi", *The Daily Mirror*, March 5, 2011 at http://print.dailymirror.lk/news/front-page-news/37392.html.

<sup>&</sup>lt;sup>15</sup> Ali, Rifthi, "Canadian HC calls for more diaspora involvement", *The Daily Mirror*, March 5, 2011 at http://print.dailymirror.lk/news/37409.html

<sup>&</sup>lt;sup>16</sup> "Indonesian naval ship arrives", *The Daily Mirror*, March 4, 2011 at http://print.dailymirror.lk/news/news/37241.html

High Commissioner of Cyprus Nafsika Kruest paid a courtesy call on Vice President Dr Mohamed Waheed at the President's Office on March 2011 and discussed upon ways to further strengthen relations between the Maldives and Cyprus.<sup>17</sup>

Meanwhile, President Mohamed Nasheed met with the Executive Director of the Asian Development Bank (ADB), Siraj Shamsuddin on February 28, 2011 at the President's Office. During the meeting the discussion was centered on the ADB funded development programmes in the Maldives, as well as increasing ADB's assistance to the Maldives.<sup>18</sup>

According to the Maldives Inland Revenue Authority (MIRA), USD 7.2 million was collected as Tourism Goods and Services Tax (T-GST) in January. However, Reports noted that 79,459 tourists arrived in Maldives in January and USD 90 was collected by the government per head.<sup>19</sup>

Maldivian Fathimath Dhiyana Saeed has taken office as secretary-general for the South Asian Association for Regional Cooperation (SAARC). She is the first woman to hold the post.<sup>20</sup>

In other developments, Miloslav Stasek, the new Ambassador of Czech Republic accredited to the Maldives, has presented his letter of credence to President Mohamed Nasheed on March 2.<sup>21</sup> However, the new Ambassador of Iraq Kahtan Taha Khalaf accredited to the Maldives has presented his letter of credence to President Mohamed Nasheed on March 6.<sup>22</sup>

### **B.** EAST ASIA

CHINA

• China increases its defence budget by 12.7 percent; Zhao Qizheng counters media views about possibility of revolution in China; PLA is

<sup>&</sup>lt;sup>17</sup> "Cyprus High Commissioner Calls on the Vice President", *The President's Office, Government of Maldives*, March 2, 2011 at http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4886

<sup>&</sup>lt;sup>18</sup> "ADB Executive Director Calls on the President", *The President's Office, Government of Maldives,* February 28, 2011 at http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4860

<sup>&</sup>lt;sup>19</sup> "USD205.7 as tourism income for January", *Haveeru*, March 2, 2011 at http://www.haveeru.com.mv/english/details/35114

<sup>&</sup>lt;sup>20</sup> "Maldivian takes office as SAARC secretary-general", *Minivan News*, March 3, 2011 at http://minivannews.com/category/news-in-brief

<sup>&</sup>lt;sup>21</sup> "New Czech Republic Ambassador Presents Credentials to the President", *The President's Office, Government of Maldives,* March 2, 2011 at http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4887

<sup>&</sup>lt;sup>22</sup> "New Iraqi Ambassador Presents Credentials to the President", *The President's Office, Government of Maldives*, March 6, 2011 at http://www.presidencymaldives.gov.mv/Index.aspx?lid=11&dcid=4896

ready to evacuate Chinese citizens if Libya-type situation arises in other countries also; Guo Boxiong leads the delegation to the 4th Session of the 11th National People's Congress (NPC); China does not support any preconditions for restarting the Six-Party Talks; Ma Xiaotian visits Uruguay; Italian army Chief visits China; Chinese and Pakistani air forces conduct a joint drill; The 7th escort taskforce accomplishes the 300th escort mission by the Chinese naval escort taskforces; China assumes presidency of the UNSC; Greek Minister for Maritime Affairs visits China; Russia and China explore to jointly develop border island

The spokesman for the annual session of China's national legislature Li Zhaoxing has noted on 5 March that China plans to raise its defense budget by 12.7 percent to 601 billion yuan (91.5 billion U.S. dollars) in 2011, compared with an increase of 7.5 percent last year. He said that the Chinese government had always tried to limit military spending and it had set the defense spending at a reasonable level to ensure the balance between national defense and economic development. He also claimed that China's defense expenditure was transparent and defensive in nature. He reiterated that there was no such thing as a so-called hidden military expenditure in China, and the budget was subject to auditing from the government and military.<sup>23</sup> However, while responding to a question on whether China's defense budget increase would put pressure on its neighboring countries such as India, he maintained that while China's military spending amounted to about 1.4 percent of its GDP, "that ratio in India is much higher than 2 percent as far as I know". Separately, Li also informed that China and India had held 14 rounds of meetings since 2003 in an effort to speed up negotiations for an early solution to border issues.<sup>24</sup>

Meanwhile, spokesman for the Fourth Session of the 11th National Committee of the Chinese People's Political Consultative Conference (CPPCC) Zhao Qizheng has vociferously countered the views expressed in some quarters of the media about possible revolution in China following the recent revolutionary trends in the Middle East. He argued that recent riots in the Middle East and North Africa would not be repeated in China as the Chinese government was doing a good job and taking people's demands seriously. He emphasized, "Some media have said the problems in the Middle East will infect China, and that there have been such signals in China. I have said explicitly, with confidence, that such comparison is very absurd and does not match the facts... we are to build 10 million

<sup>&</sup>lt;sup>23</sup> "China's defense budget to grow 12.7 pct in 2011: spokesman", *PLA Daily* (Online), 5 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/05/content\_4395781.htm

<sup>&</sup>lt;sup>24</sup> "Despite defense budget rise, China to maintain friendly relations with neighbors: spokesman", *PLA Daily* (Online), 5 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/05/content\_4395780.htm

apartments in one year, can you hear about that in any other country around the world?". He was talking to the media at a news conference on 6 March.<sup>25</sup>

Meanwhile, reports noted some Chinese Generals as saying that Chinese army is likely to participate in more possible evacuations of overseas Chinese should the situation require such an action. This statement has come in the backdrop of evacuation of Chinese citizens from Libya by the PLA. Luo Yuan, a Major General and also a researcher with the PLA Academy of Military Science, has said that Libya-like situations – riots or wars – are likely to occur in other countries also. In that scenario, the PLA will help to evacuate overseas Chinese citizens. So far, Chinese government had pulled all 35,860 Chinese out of Libya by late Wednesday evening.<sup>26</sup> Meanwhile, China's Ministry of Commerce (MOC) has issued a security advisory to the Chinese enterprises in Yemen to strengthen their security in view of rising tensions in the country. The MOC suggested to Chinese enterprises that are planning to invest or do business in Yemen that they pay close attention to the development of local conditions and put off plans in the short term.<sup>27</sup>

The head of a PLA delegation Guo Boxiong and the deputy heads, Xu Caihou and Li Jinai, are leading the PLA delegation attending the 4th Session of the 11th National People's Congress (NPC). The session opened on March 5<sup>th</sup> in Beijing.<sup>28</sup> According to reports, currently there are a total of 40 PLA members in the special committees of the 11th NPC and altogether 39 PLA members in the special committees of the 11th CPPCC National Committee. The responsibilities of the PLA members of the NPC are to review the proposals submitted by the NPC Presidium or the NPC Standing Committee and to assist the NPC and the NPC Standing Committee in legislation and supervision. At the same time, the PLA members also play an important role in participation in deliberation of state affairs in the special committees of the CPPCC.<sup>29</sup>

The Chinese special representative for Korean Peninsula affairs Wu Dawei has recently said that the resumption of the Six-Party Talks is facing many difficulties, but China hopes that those difficulties can be overcome at an early

<sup>&</sup>lt;sup>25</sup> "Riots will not be inspired in China: Officials", *China Daily* (Online), 6 March 2011 at http://www.chinadaily.com.cn/china/2011npc/2011-03/06/content\_12122683.htm

<sup>&</sup>lt;sup>26</sup> "Chinese army likely to join more overseas evacuations after Libya mission: PLA generals", *PLA Daily* (Online), 5 arch 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/05/content\_4395779.htm

<sup>&</sup>lt;sup>27</sup> "China warns citizens of security risks in Yemen", *China Daily* (Online), 3 March 2011 at http://www.chinadaily.com.cn/china/2011-03/03/content\_12112218.htm.

<sup>&</sup>lt;sup>28</sup> "PLA delegation to 4th session of 11th NPC set up", *PLA Daily* (Online), 4 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/04/content\_4395401.htm

<sup>&</sup>lt;sup>29</sup> PLA members of NPC & CPPCC special committees play important role, *PLA Daily* (Online), 4 March 2011, http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/04/content\_4395403.htm

date. He also reiterated that China was not in favor of any preconditions for restarting the Six-Party Talks on the Korean Peninsula nuclear issue. The talks have been stalled for about two years now. Wu was talking to media on the sidelines of the annual session of the National Committee of the Chinese People's Political Consultative Conference, the country's top political advisory body.<sup>30</sup>

Last week, Chinese deputy chief of the General Staff of the People's Liberation Army (PLA) Ma Xiaotian visited Uruguay. During his visit, he met and held talks with Uruguayan Defense Minister Luis Rosadilla on Friday, 5 March 2011. The two leaders exchanged their views on various issues of mutual concern.<sup>31</sup> On the other hand, the visiting Italian Army chief Giuseppe Valotto visited China last week where he had a meeting with Liang Guanglie, state councilor and defense minister of the People's Republic of China (PRC), on Monday, 1 March 2011 in Beijing. On this occasion, Liang Guanglie had said the China-Italy relations had seen continuous development since the establishment of diplomatic ties between the two countries more than four decades ago. Valotto also said the world was the witness of the rapid progress in the friendly relations between Italy and China, and the Italian side was willing to join hands with the Chinese side to continuously promote the China-Italy military relations to a new height.<sup>32</sup>

Meanwhile, the Information Office of the Chinese Ministry of National Defense reported that Chinese and Pakistani air forces had started a joint drill. The drill, code-named "Shaheen-1", is being undertaken in Pakistan and will continue through 30 March 2011.<sup>33</sup>

The 7th escort taskforce of the Navy of the Chinese People's Liberation Army (PLA) accomplished its 32nd escort mission, also the 300th escort mission accomplished by the Chinese naval escort taskforces on 28 February 2011. The media learnt that the Chinese naval escort taskforces had provided escorts for a total of 3,454 Chinese and foreign ships in 300 batches, 1,507 of which were foreign merchant ships accounting for 43.6% of the total ships escorted.<sup>34</sup>

Li Baodong, the Chinese permanent representative to the United Nations, has taken over the rotating Council presidency from Brazilian UN Ambassador

<sup>&</sup>lt;sup>30</sup> "China not in favor of preconditions for Six-Party Talks", *China Daily* (Online), 4 March 2011 at http://www.chinadaily.com.cn/china/2011-03/04/content\_12116204.htm

<sup>&</sup>lt;sup>31</sup> "Chinese Air Force general meets Uruguay's defense minister", *PLA Daily* (Online), 6 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/06/content\_4396356.htm

<sup>&</sup>lt;sup>32</sup> Liang Guanglie meets Italian guest, *PLA Daily* (Online), 2 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/02/content\_4393652.htm

<sup>&</sup>lt;sup>33</sup> "Chinese, Pakistani air forces kick off joint drill", *PLA Daily* (Online), 6 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/06/content\_4396357.htm

<sup>&</sup>lt;sup>34</sup> "Chinese naval escort taskforces accomplish 300 escort missions", *PLA Daily* (Online), 1 March 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-03/01/content\_4392496.htm

Maria Luiza Ribeiro Viotti. The Security Council presidency rotates among the Council members in the English alphabetical order of their names. Each president holds office for one calendar month.<sup>35</sup>

Greek Minister for Maritime Affairs, Islands and Fisheries Ioannis Diamantidis has recently visited Shanghai to meet with policymakers and shipping industry executives from February 25 to 27. The aim of his visit is to enrich maritime cooperation with China. The two countries enjoy a close partnership in shipping transportation and shipbuilding. Separately, Greece is a global leader in shipping, with more than 4,000 ships and 15 percent of the world's total moving capacity. Shipping contributes around 5 percent of overall GDP of Greece. An additional 325 Greek-owned vessels worth \$15 billion are currently under construction in China. Furthermore, the Chinese maritime freight group COSCO operates two terminals at Piraeus, Greek's largest port, situated 10 kilometers from Athens in the East Mediterranean Sea. According to Diamantidis, with its strategic location, the Piraeus port could become a key hub for Chinese goods bound for Europe.<sup>36</sup>

In other developments, Chinese and Russian local authorities are exploring to codevelop a border island, Heixiazi, into a tourist destination visa-free for each other's citizens. Reports noted that a delegation of planning officials from Northeast China's Heilongjiang province have recently concluded a meeting on the island's development with the government of Khabarovskiy Territory in Russia.<sup>37</sup>

### SOUTHEAST ASIA

• ASEAN to set up meeting on Cambodia-Thai dispute; East Timor applies for ASEAN membership; East Timor, Indonesia call for Regional Forum to address human trafficking; Myanmar pro-democracy group slams Junta budget

Reports noted that Indonesia, which is holding the ASEAN chair this year, is arranging meetings for Cambodian-Thai defense ministers and border chiefs in Jakarta. According to the reports, Indonesia is preparing to have the meetings of

<sup>&</sup>lt;sup>35</sup> "China takes over UN Security Council presidency", *China Daily* (Online), 2 March 2011 at http://www.chinadaily.com.cn/china/2011-03/02/content\_12098428.htm

<sup>&</sup>lt;sup>36</sup> "Greek minister's China visit highlights maritime cooperation", *China Daily* (Online), 1 March 2011 at http://www.chinadaily.com.cn/china/2011-03/01/content\_12097864.htm

<sup>&</sup>lt;sup>37</sup> "China, Russia to jointly develop border island", *China Daily* (Online), 28 March 2011 at http://www.chinadaily.com.cn/world/2011-02/28/content\_12091136.htm

Cambodia-Thai General Border Committee and Joint Border Committee on Demarcation for Land Boundary (JBC) in Jakarta.<sup>38</sup>

Meanwhile, East Timor has applied for the membership of the Association of Southeast Asian Nations. A formal application in that regard was submitted on 4 March 2011. Indonesia's Foreign Minister Marty Natalegawa accepted the application for consideration on behalf of the association.<sup>39</sup>

Indonesia and East Timor have called for a regional forum to address the issue of people smuggling and asylum seekers. Indonesian Foreign Affairs Minister Marty Natalegawa said that such a proposal would be placed in the forum soon. It came out during a joint press conference held jointly by Indonesian and East Timor leaders on 4 March 2011.<sup>40</sup>

In other developments in the region, on 4 March, Myanmar's pro-democracy group has criticized the government's recently released budget for allocating too much money to the military and not enough to social services. A statement from officially disbanded National League for Democracy also said that the budget should have been passed by the newly elected parliament, rather than enacted by the outgoing ruling junta.<sup>41</sup>

### C. CENTRAL ASIA & RUSSIA

• Presidential election campaign begins in Kazakhstan; Kazakhstan awards deal to South Korean consortium; OSCE chair to maintain December Summit momentum, raises concern over southern Kyrgyzstan stability; Kyrgyz President appeals French support for UNSC bid; Kyrgyz economy depends on joining customs union; Gazprom nears deal with Kyrgyzgaz; Tajikistan, Pakistan expand cooperation; China, Turkmenistan pledge economic cooperation; 50 Turkish-owned businesses closed in Uzbekistan; Uzbek parliament reduces presidential power

Presidential election campaigning began as registration of presidential candidates ended late on 2<sup>nd</sup> March with the Central Election Committee (CEC)

<sup>&</sup>lt;sup>38</sup> ASEAN chair to set up meetings for Cambodian-Thai border dispute, *Xinhua*, 5 March, 2011 at http://news.xinhuanet.com/english2010/world/2011-03/05/c\_13762849.htm

<sup>&</sup>lt;sup>39</sup> East Timor applies to SE Asian regional group, *The Jakarta Post*, 5 March 2011 at http://www.thejakartapost.com/news/2011/03/05/east-timor-applies-se-asian-regional-group.html

<sup>&</sup>lt;sup>40</sup> Indonesia, East Timor Call for Regional Forum to Address People Smuggling, Trafficking, *The Jakarta Globe*, 4 March, 2011 at http://www.thejakartaglobe.com/home/indonesia-east-timor-call-for-regional-forum-to-address-people-smuggling-trafficking/426744

<sup>&</sup>lt;sup>41</sup> Myanmar pro-democracy group slams govt's budget, *Forbes*, 4 March, 2011 at http://www.forbes.com/feeds/ap/2011/03/04/general-as-myanmar-opposition\_8338700.html

of Kazakhstan announcing that Nazarbayev, nominated by the ruling Nur Otan party, would run against Communist People's Party secretary Zhambyl Akhmetbekov, Party of Patriots senator Gani Kasymov and an independent environmentalist Mels Yeleusizov.<sup>42</sup> According to reports, President Nazarbayev is expected to win the April 3<sup>rd</sup> Presidential elections as he enjoys popularity as per the polls.

Meanwhile, Government of Kazakhstan has awarded a \$46 million contract to a consortium of South Korean enterprises to lay power cables in Central Asia's largest republic. South Korea's national power company Korea Electric Power Corp (KEPCO) will construct 200 miles of 220-kilovolt power cables by October 2012.<sup>43</sup>

Reports noted that Organization for Security and Cooperation in Europe (OSCE) Chairperson Lithuanian Foreign Minister Audronius Azubalis told Kazakh President Nursultan Nazarbayev on Monday that Lithuanian hopes to maintain the momentum achieved at December's OSCE 2010 summit in Astana.<sup>44</sup> He pledged to continue Kazakhstan's emphasis on the Eurasian dimension of the OSCE. However, he expressed his non-optimism about stability in southern Kyrgyzstan. Azubalis urged Kyrgyzstan to continue to work on inter-ethnic dialogue to improve the security situation in the south which includes reforming the police, judiciary and ensuring policies to promote economic stability and respect for the rights of all members of society.<sup>45</sup>

Meanwhile, Kyrgyz President Roza Otunbayeva has made appeal during a visit to France's National Assembly for support in Kyrgyzstan's quest to join the United Nation's Security Council as a non-permanent member. In her speech to the French assembly, Otunbayeva described the democratic transition underway in Kyrgyzstan and the opposition of some members of the former regime. "But much has been done to ensure the system works. The opposition has been provided with broad powers, and two key committees in parliament have been

<sup>&</sup>lt;sup>42</sup> 'Kazakhstan kicks off presidential election campaign', *Central Asia Newswire*, March 3, 2011 at <u>http://centralasianewswire.com/kazakhstan/Kazakhstan-kicks-off-presidential-election-</u>

 <sup>&</sup>lt;u>campaign/viewstory.aspx?id=3436</u>
<sup>43</sup> 'Kazakhstan awards \$46M power line deal to South Korea consortium', *Central Asia Newswire*, March 2, 2011 at <u>http://centralasianewswire.com/kazakhstan/Kazakhstan-awards-46M-power-line-deal-to-South-Korea-consortium/viewstory.aspx?id=3427</u>

<sup>&</sup>lt;sup>44</sup> 'New OSCE chair to continue December OSCE summit momentum', *Central Asia Newswire*, February 28, 2011 at <u>http://centralasianewswire.com/kazakhstan/New-OSCE-chair-to-continue-December-OSCE-summitnbspmomentum/viewstory.aspx?id=3394</u>

<sup>&</sup>lt;sup>45</sup> 'OSCE chair not 'optimistic' about southern Kyrgyz stability', *Central Asia Newswire*, March 4, 2011 at <u>http://centralasianewswire.com/Kyrgyzstan/OSCE-chair-not-lsquooptimisticrsquo-about-southern-Kyrgyz-stability/viewstory.aspx?id=3457</u>

reserved for it," she said, while adding, "We implemented many other checks and balances to ensure transparency of state power."<sup>46</sup>

However, Prime Minister Almazbek Atambayev connected the recovery of Kyrgyz economy to its joining the customs union with Kazakhstan, Russia and Belarus. Atambayev, confident of joining the union, warned that the transition into the union might be initially painful, but said the benefits will ultimately outweigh the challenges.<sup>47</sup> A long-negotiated deal which started in 2008, that fell through due to high price for the Kyrgyzgaz shares, is nearing completion wherein the Russian energy giant Gazprom will acquire 75% stake of Kyrgyz national energy company Kyrgyzgaz. Kyrgyzstan's estimated gas reserves are believed to be only 5.7 billion cubic meters in which Gazprom is eager to obtain majority shares of the company to expand its presence in Kyrgyzstan.<sup>48</sup>

According to reports, Tajik and Pakistani officials on March 3<sup>rd</sup> ended the fourth Joint Ministerial Commission (JMC) with a signed agreement to expand bilateral trade and cooperate in agriculture and energy. The conference, held in Dushanbe, was attended by Pakistani Federal Minister for Privatization Syed Naveed Qamar and Tajik Energy Minister Gul Sherali, along with Pakistan's Deputy Minister for Economic Affairs and Statistics Suheil Reihan.<sup>49</sup>

Reports noted that Turkmenistan reaffirmed its commitment to expand bilateral relations with China in gas and other sectors during a visit by Turkmenistan's vice premier Baymyrat Hojamuhammedov on 1<sup>st</sup> March. He along with his counterpart Wang Qishan signed an agreement that will see the China Development Bank provide a loan to the Turkmen state-owned gas company Turkmengaz. Qishan also said he hopes to build on Turkmen-Chinese cooperation in other spheres, including transportation, infrastructure construction and telecommunication.<sup>50</sup>

<sup>&</sup>lt;sup>46</sup> 'Otunbayeva seeks French support for UN Security Council bid', *Central Asia Newswire*, March 3, 2011 at <u>http://centralasianewswire.com/Kyrgyzstan/Otunbayeva-seeks-French-supportnbspfor-UN-Security-Council-bid/viewstory.aspx?id=3443</u>

<sup>&</sup>lt;u>Council-bid/viewstory.aspx?id=3443</u> <sup>47</sup> 'Kyrgyz economic recovery hinges on joining regional customs union, says PM', *Central Asia Newswire*, March 03, 2011 at <u>http://centralasianewswire.com/Kyrgyzstan/Kyrgyz-economic-recovery-hinges-on-joining-regional-customs-union-says-PM/viewstory.aspx?id=3439</u>

<sup>&</sup>lt;sup>48</sup> 'Gazprom nears deal to buy 75% of Kyrgyzga', *Central Asia Newswire*, March 1, 2011 at <u>http://centralasianewswire.com/Kyrgyzstan/Gazprom-nears-deal-to-buy-75-of-</u>

Kyrgyzgaz/viewstory.aspx?id=3411

<sup>&</sup>lt;sup>49</sup> 'Tajikistan, Pakistan to expand cooperation and trade', *Central Asia Newswire*, March 3, 2011 at <u>http://centralasianewswire.com/Tajikistan/Tajikistan-Pakistan-to-expand-cooperation-and-trade/viewstory.aspx?id=3437</u>

<sup>&</sup>lt;sup>50</sup> 'China, Turkmenistan pledge expanded economic cooperation', *Central Asia Newswire*, March 3, 2011 at <u>http://centralasianewswire.com/Turkmenistan/China-Turkmenistan-pledge-expanded-economiccooperation/viewstory.aspx?id=3416</u>

In other developments in the region, fifty Turkish-owned businesses in Uzbekistan were closed this week by the Uzbek government and confiscated approximately \$238,000 in assets for allegedly providing support to underground Islamist groups. It was suspected that these businesses were engaged in distributing literature that promotes the activity of a religious movement Nurchilar, banned in Turkey.<sup>51</sup> However, Uzbekistan's lower house of parliament has passed a law to limit the powers of president while increasing those of the country's prime minister. The law also changes the structure of accountability within Uzbek government, wherein the prime minister would be accountable to the parliament as opposed to the president. The bill is expected to become law as the changes were proposed by President Karimov whose party controls both houses of parliament.<sup>52</sup>

RUSSIA

• Russia attempts to mediate between Azerbaijan and Armenia to resolve the contentious Karabakh issue in an attempt to play a more prominent role in the region; French firm 'Total' buys a stake in Russian Gas Supplier Novatek; Russia delivers humanitarian aid to Libyan refugees; St. Petersburg has been rated as Russia's best city for living; Microsoft becomes the first to invest to Skolkovo; Russia initiative to woo private equity; Nord Stream secures finance

President Dmitri Medvedev of Russia has tried to project Moscow's diplomatic clout in the Caucasus by mediating between the leaders of Armenia and Azerbaijan in an attempt to resolve the Nagorno-Karabakh conflict.<sup>53</sup> President Serge Sargsyan of Armenia and his counterpart from Azerbaijan, Ilham Aliyev met in Sochi with the Georgia war in 2008 appearing to have lent fresh impetus to diplomatic efforts to resolve the conflict. Ethnic Armenians in Nagorno-Karabakh broke away from Azerbaijan in a war as the Soviet Union fell apart and the region now runs its own affairs, with support from Armenia. It has declared its independence but is not recognized by any state. Turkey, a NATO member and ally of Azerbaijan, had taken the diplomatic lead on Nagorno-Karabakh in the wake of the Russia-Georgia war of 2008. The initiative by Medvedev is seen as Russia trying to play a more prominent role in a region where Russia and the West are vying for influence over vital energy transit

<sup>&</sup>lt;sup>51</sup> 'Uzbekistan closes 50 Turkish businesses for alleged subversive activities', *Central Asia Newswire*, March 04, 2011 at <u>http://centralasianewswire.com/Uzbekistan/Uzbekistan/Dzbekistanbspcloses-50-Turkish-businesses-for-alleged-subversive-activities/viewstory.aspx?id=3458</u>

<sup>&</sup>lt;sup>52</sup> 'Uzbek parliament votes to reduce presidential power', *Central Asia Newswire*, March 04, 2011 at <u>http://centralasianewswire.com/Uzbekistan/Uzbek-parliament-votes-to-reduce-presidential-power/viewstory.aspx?id=3456</u>

power/viewstory.aspx?id=3456 <sup>53</sup> "Azerbaijan, Armenian Presidents hold Karabakh talks in Sochi", Radio Free Europe, March 05, 2011, http://www.rferl.org/content/shooting\_nagorno\_karabakh\_talks\_russia/2328820.html

routes from Central Asia to Western markets. Armenia is considered Russia's strongest ally in the region, but is also being courted by the United States. It is also a member of the NATO Partnership for Peace program and has hosted alliance exercises in the past.

Reports noted that French firm 'Total' became the third energy major to forge an alliance in Russia this year by agreeing to pay 4 billion US\$ for a stake in Novatek and joining its Arctic Yamal liquefied natural gas project.<sup>54</sup> The three deals signed this year all represent a major shift in Russia's energy strategy away from the knockabout oligarchic capitalism born in the 1990s. Now, companies either controlled by or allied with the Kremlin are contributing reserves and keeping control while foreign partners get minority stakes and provide technology, know how and capital. The latest deal, under discussion since mid 2010 fits that pattern with Total signing a memorandum of understanding to acquire 12% in Novatek for 4 billion US\$ with a view to raising its holding to 19.4% within 3 years. Total said it estimated the reserve capacity at the Yamal project was around 44 trillion cubic feet of gas. This would allow the companies to produce more than 15 million tons of LNG each year.<sup>55</sup>

Russia has delivered humanitarian aid which includes baby food and tents to the Libyan refugees in Tunisia. According to the Red Cross more than a hundred thousand people have crossed the Libya-Tunisia border since the crisis erupted.<sup>56</sup> Influential UK research based agency the Economist Intelligence Unit has rated St. Petersburg as the city with the best quality of life anywhere in Russia.<sup>57</sup> The experts who compiled the ratings evaluated residents' economic, social and personal well-being based on 30 major criteria. These include GDP per capita, security, employment, health care standards, transport infrastructure, the level of environmental pollution and divorce rates.

Reports noted that Microsoft gave a \$100,000 grant to the anti-piracy start-up Pirate Pay on Friday thus making it the first company to receive seed funding as the result of cooperation between the IT company and the Skolkovo Foundation.<sup>58</sup> This is also an indication of President Medvedev's modernization

<sup>&</sup>lt;sup>54</sup> "French firm Total buying stake in Russian gas supplier", Radio Free Europe, March 03, 2011, <u>http://www.rferl.org/content/total\_deal/2326533.html</u>

<sup>&</sup>lt;sup>55</sup> "Total moves into Russia's arctic energy plans", United Press International, March 03, 2011, http://www.upi.com/Science\_News/Resource-Wars/2011/03/03/Total-moves-into-Russias-arctic-LNGplans/UPI-43551299168762/

<sup>&</sup>lt;sup>36</sup> "Russia delivers humanitarian aid to Libyan refugees", Ria Novosti, March 06, 2011, <u>http://en.rian.ru/russia/20110306/162885323.html</u>

<sup>&</sup>lt;sup>57</sup> "Petersburg rated Russia's best city for living", The St. Petersburg Times, March 2, 2011, <u>http://www.sptimes.ru/index.php?action\_id=2&story\_id=33625</u>

<sup>&</sup>lt;sup>58</sup> "Skolkovo, Microsoft invest in first start up", The Moscow Times, March 05, 2011, <u>http://www.themoscowtimes.com/business/article/skolkovo-microsoft-invest-in-first-startup/432104.html</u>

initiative getting off the ground with real companies now beginning to come into the picture.

According to reports, with a view to attract private equity, Russia is setting up a \$10 billion fund to co-invest with international private equity firms<sup>59</sup>. Private equity firms have been cautious about investing in Russia, nervous about political risk and the country's energy-focused economy. Modernization of Russian economy and establishment of Moscow as a major global financial hub has been a key plan of President Medvedev and the private equity plan perfectly fits the bill.

In other developments, Nord Stream AJ, a joint venture, has managed to raise 2.5 billion Euros (\$3.5 billion) from 24 banks, thereby completing financing for construction of the Gazprom-led natural-gas pipeline from Russia to Germany under the Baltic Sea.<sup>60</sup> Nord Stream will use the funding to start second-phase construction in May while work on the first line of the gas link will be completed in April. Gazprom and its European partners plan to directly ship gas to Europe by bypassing transit countries like Ukraine. Nord Stream's first line will start delivering gas to European consumers in early October. Nord Stream will carry natural gas to supply both businesses and households. The new pipeline will be an important factor of energy security in Europe. Nord Stream will transport up to 55 billion cubic meters of gas each year. This is enough to supply more than 26 million households.<sup>61</sup>

### D. WEST ASIA

IRAN

# • Reports: Opposition leaders Mousavi and Karroubi arrested by Iranian security forces

Reports noted that Iranian opposition leaders Mir Hossein Mousavi and Mehdi Karroubi, and their wives, have been taken from their homes by security forces, reports suggest. Website close to Mousavi stated that the men have been taken to Heshmatiyeh jail in Tehran. However, government officials denied the report. Government official said "the two are currently in their homes and there have only been restrictions on their contacts." It happens ahead of planned protests

<sup>&</sup>lt;sup>59</sup> "Russia initiative to woo private equity-source", Reuters, March 06, 2011, <u>http://www.reuters.com/article/2011/03/07/russia-fund-idUSLDE72600220110307</u>

<sup>&</sup>lt;sup>60</sup> "Nord Stream completes phase II financing (Switzerland)", LNG World News, March 04, 2011, http://www.lngworldnews.com/nord-stream-completes-phase-ii-financing-switzerland/

<sup>&</sup>lt;sup>61</sup> "Nord Stream", Nord Stream, <u>http://www.nord-stream.com/en/</u>

that are due for Tuesday. Opposition groups said some 1,500 people were detained, but official figures put the number at 150.<sup>62</sup>

## IRAQ

# • Nine people killed in a suicide bomb blast in Anbar province; Six more people also killed in a roadside bomb blast in Basra

According to reports, a suicide bomber targeted a bank in the northern Iraqi town of Haditha, killing at least nine and wounded eight people. It is believed to be the first major attack in the town since October 2009. Anbar province, where Haditha is situated, was once a stronghold for Sunni militants following the 2003 invasion of Iraq by US-led forces. It got infamy when US Marines were charged of killing 24 Iraqi civilians in 2005. But violence declined after tribal leaders allied themselves with US forces.<sup>63</sup>

In another incident, a roadside bomb targeting a US military convoy exploded near a civilian bus in the southern oil hub of Basra, killing six people and wounding a dozen others, a provincial official said. According to Ali Al Maliki, the head of the Basra provincial council's security committee, in the attack most of the victims were belong to women and children. Explosion happened near the prison and was targeting a US patrol.<sup>64</sup>

### LIBYA, YEMEN

# • Counteroffensive by Gaddafi's forces push rebels; Six Yemeni soldiers killed in Al Qaeda attacks; Yemen ruling party members quit party

In Libya, Gaddafi's forces ambushed rebels advancing on the coastal town of Bin Jawad with machine guns and rocket-propelled grenades on March 6, forcing the rebels in east Libya into their first major retreat of the three-week-old rebellion. The rebels had occupied Bin Jawad on March 4 and then withdrew, allowing army units to take over houses and mount an ambush March 6 when the rebels returned in anticipation of an advance westward towards Sirte, Gaddafi's hometown and stronghold. The army, supported by aerial bombardments, forced rebels back to one of their own strongholds further east, Ras Lanuf. It was the first time since the uprising against the Libyan leader began on February 15

<sup>&</sup>lt;sup>62</sup> "Mir Hossein Mousavi and Mehdi Karroubi arrested," *BBC News*, February 28, 2011 at <u>http://www.bbc.co.uk/news/world-middle-east-12599837</u>

<sup>&</sup>lt;sup>63</sup> "Iraq attack: Bomber kills nine at Haditha bank," *BBC News*, March 3, 2011 at <u>http://www.bbc.co.uk/news/world-middle-east-12633980</u>

<sup>&</sup>lt;sup>64</sup> "Blast kills six in Iraqi oil city Basra," *Khaleej Times*, March 6, 2011 at <u>http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2011/March/middleeast\_March1</u> 09.xml&section=middleeast

that the rebels have admitted conceding ground to his forces. The protestersturned-rebels, backed by mutinous army units and armed with weaponry seized from storehouses, are going on the offensive to try to topple Gaddafi's. The government has said that it had driven the rebels, who took over eastern Libya over a week ago, all the way back to their eastern stronghold of Benghazi.<sup>65</sup>

Reports noted that Gaddafi's counter-offensive against the rebels is increasing fears that Libya is heading for a civil war. The resilience of Gaddafi's forces and their ability to counterattack has raised the prospect that the country is heading for a protracted conflict. Meanwhile, Gaddafi loyalists had poured into the streets of Tripoli and have expressed their support for the leader.<sup>66</sup>

According to reports, in Yemen, three Yemeni officers and three soldiers were killed in an attack by suspected Al Qaeda militants on March 6. Three soldiers and an officer who belonged to the Republican Guards were ambushed as they were driving an army vehicle to distribute food to troops at checkpoints in the city of Marib. In Abyan province an intelligence officer was killed in a similar attack by suspected al Qaeda militants. According to security sources terrorists on bicycles shot and killed the colonel in a vegetable market of Zinjibar city. Another intelligence officer was also killed in a similar attack in Seyoun city, in the province of Hadramaut.<sup>67</sup>

Several members of Yemen's ruling General People's Congress (JPC), including members of parliament and some ministers, have resigned from the party in protest against the violence and harassment used against anti-government demonstrators in the country. Ali Al-Imrani, an MP from al-Baida province, and Fathi Tawfiq Abdulrahim, head of the finance committee of the Yemeni parliament, resigned from the JPC on March 6. This brings the number of resigned ruling party MPs to 13 since the wave of protests against Ali Abdullah Saleh's rule began. Sam Yahya Al-Ahmar, the deputy culture minister, Hashid Abdullah al-Ahmar, the deputy minister for youth and sports and Nabil Al-Khameri, a businessman, have also quit the ruling party.<sup>68</sup>

<sup>&</sup>lt;sup>65</sup> "Qaddafi ambushes push rebels into first major retreat", *The National*, March 07, 2011 at <u>http://www.thenational.ae/news/worldwide/africa/qaddafi-ambushes-push-rebels-into-first-major-retreat?pageCount=0</u>

<sup>&</sup>lt;sup>66</sup> "Gaddafi counter-offensives raise civil war fears" *The Khaleej Times*, March 07 at <u>http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/international/2011/March/international\_March336.xml&section=international</u>

<sup>&</sup>lt;sup>67</sup> "Six Yemeni soldiers killed in suspected al Qa'eda attacks", *The National*, March 07, 2011 at <u>http://www.thenational.ae/news/worldwide/middle-east/six-yemeni-soldiers-killed-in-suspected-al-qaeda-attacks</u>

<sup>&</sup>lt;sup>68</sup> "Yemen MPs quit ruling party", *Al Jazeera*, March 5, 2011 at <u>http://english.aljazeera.net/news/middleeast/2011/03/20113514455840795.html</u>

Meanwhile, tens of thousands of people continued with protests in several key cities across Yemen, including Sanaa, Aden, Taiz and Hadramawt, pressing on with demands that the President Saleh to step down. On March 4, Saleh rejected a proposal by opposition groups that offered him a smooth exit from power by the end of 2011. The offer sought to end the country's political crisis, calling for a "peaceful transition of power" from Saleh by the end of this year. It also called for a probe into the deadly crackdown on the recent anti-government protests. The proposal also called for steps to change the constitution and rewriting election laws to ensure fair representation in parliament, removing Saleh's relatives from leadership positions in the army and security forces, and a guaranteed right to peaceful protest.<sup>69</sup>

### E. USA

### • Reports: United States mulls over options in Libya

Reports noted that as the Libyan military uses air power to quash the rebellion, and intensifies its military campaign against the rebels, the United States is now weighing in on all the response options it has to oust Gaddafi. US has been warning about a possible civil war if Gaddafi did not quit. In view of this, the US has been looking for options that it could exercise to normalize the situation in Libya.<sup>70</sup> Rebel commanders have been begging for American strikes on troops and weapons that have turned on civilians and assaulted strongholds of the resistance. On Sunday, three prominent members of the United States Senate, from both major political parties, renewed the Senate's call for consideration of enforcing a "no-flight" zone to ground the Libyan air force and prevent it from attacking its people. They also pressed the Obama administration for a more aggressive response, including supplying intelligence, arms and training to the rebels. Meanwhile, the US Defense Secretary Robert M. Gates, and top commanders have warned of political fallout if America again attacks a Muslim nation, even to support a popular revolt. So military planners on the Pentagon's Joint Staff and in its field commands are considering a broad range of approaches, depending on how events play out in Libya and how tough the United States and its allies want to be.71

<sup>69</sup> Ibid.

<sup>&</sup>lt;sup>70</sup> "US Warns of Civil War Unless Qaddafi Goes" *Reuters*, March 1, 2011 at <u>http://www.reuters.com/article/2011/03/01/us-libya-protests-idUSTRE71G0A620110301</u>

<sup>&</sup>lt;sup>71</sup> "U.S. Weighs Options, On Air and Sea" *The New York Times,* March 6, 2011 at <u>http://www.nytimes.com/2011/03/07/world/middleeast/07military.html</u>

### II. DEFENCE REVIEW

### National

• Union Budget 2011: Significant hike in budgetary allocation for defense; Multi-billion dollar helicopter acquisition programme for the Indian armed forces

The Union Budget 2011-12, presented in Parliament on February 28, 2011 has increased the defense budget by almost 12 percent to Rs 1.64 lakh crores for fiscal 2011-12, keeping a balance between fiscal prudence and India's strategic imperatives. Reports noted that the increase should provide a boost to the ongoing military modernization programme. The hike of 12% in defense budgetary allocations, compared to 4% last year, emphasizes New Delhi's two-pronged strategic approach, a more secure northern border, which it shares with China and Pakistan, and a greater presence in the Indian Ocean.<sup>72</sup>

However, in a major development the Indian Armed Forces plan to induct more than 1,000 indigenous and foreign helicopters for attack, transport and utility operations by 2020. The acquisition is significant in light of the fact, that India is more likely to face internal security challenges rather than external security risks, in the foreseeable future, coupled with the fact that there are more prospects of India engaging in a mini-war than in a mega-war. In such scenario the role and intensity of helicopters operations will increase manifold.<sup>73</sup>

### International

• China announces a 12.7 percent increase in its annual defense budget, reaches to a new high of \$91.5 billion; China's defense spending is now second only to the United States; Tension in the Korean Peninsula

China has announced a 12.7 percent increase in its annual defense budget to a new high of \$91.5 billion, up from \$78.6 billion in 2010. China defense spending is now second only to the USA, although, Beijing's strategic goals simply do not necessitate the military resources that Washington requires to support its campaign in Afghanistan and Iraq and maintain a global presence. China

<sup>&</sup>lt;sup>72</sup> "Union Budget 2011: Budgetary allocation for defence up 12% to Rs 1.64 lakh cr", *The Economic Times*, February 28, 2011 at <u>http://articles.economictimes.indiatimes.com/2011-02-28/news/28642402\_1\_defence-budget-crore-capital-outlay-allocation</u>

<sup>&</sup>lt;sup>73</sup> '<u>1000 New Attack, Transport, Utility Helicopters for Indian Armed Forces by 2020</u>', *Defence News*, March 03, 2011 at <u>http://www.defencenews.in/defence-news.asp</u>

however, claims that part of the reason for its increasing military budget is to improve living standards for "grass-root units."<sup>74</sup>

According to reports, North Korea has been trying since March 4 to jam mobile phones in the Seoul area, as well as GPS tracking devices used by South Korean troops, amid high tension over the ongoing joint command post/field training exercises by South Korean and U.S. forces. Relation between the two Koreas has deteriorated since the deadly sinking of South Korea's Cheonan warship last year. It is alleged that the General Bureau of Surveillance of the North Korean People's Army which was blamed for last year's sinking of South Korean communication devices.<sup>75</sup>

### III. UNITED NATIONS (UN) REVIEW

• India against enforcement of no-fly zone or use of force in Libya; U.N. General Assembly votes for suspension of Libya from U.N. Human Rights Council; India asks for a speedier U.N. Security Council reform process; Withdrawal of U.N. peacekeepers from Sierra Leone; U.N. Security Council condemns violence in Cote d'Ivoire

India, articulating its official thinking on the situation in Libya has said that it is against the enforcement of a no-fly-zone or the use of force to end the civil war in the nation. India's Foreign Secretary, Nirupama Rao said in an interview that India had not decided whether to abstain or vote against such a resolution in case the issue came up before the United Nations Security Council. She also indicated that any such decision would be made by India after consulting with its 'friends'.<sup>76</sup>

Following the U.N. Security Council's imposition of sanctions on Libya, the U.N. General Assembly suspended Libya from UN Human Rights Council for committing 'gross and systematic violations of human rights'. The vote does not permanently remove Libya from the Council, but prevents it from participation until the General Assembly determines whether to restore the country to full status.<sup>77</sup>

<sup>&</sup>lt;sup>74</sup> 'China's Defense Budget Hits Record \$91.5B', *Defense News*, March 04, 2011 at http://www.defensenews.com/story.php?i=5868087&c=ASI&s=TOP

<sup>&</sup>lt;sup>75</sup> 'S. Korea Blames North for GPS, Phone Jamming', *Defense News*, March 6, 2011 at http://www.defensenews.com/story.php?i=5883068&c=ASI&s=LAN

<sup>&</sup>lt;sup>76</sup> 'India opposed to 'no-fly zone', use of force against Libya', *The Hindu*, March 4, 2011 at http://www.hindu.com/2011/03/04/stories/2011030461120100.htm

<sup>&</sup>lt;sup>77</sup> 'UN suspends Libya from rights council', *The Washington Post*, March 2, 2011 at <u>http://www.washingtonpost.com/wp-dyn/content/article/2011/03/02/AR2011030202737.html</u>

Meanwhile, addressing an informal meeting of the plenary on the intergovernmental negotiations on the reform of the UN Security Council, India's Ambassador to the U.N. Hardeep Singh Puri asked UN diplomats to no longer delay the reform process and to act decisively to change the Council's current structure. He warned that proposals that would give new permanent members less rights and obligations as the existing ones, were "not saleable".<sup>78</sup>

In the last week, the Security Council at the request of Sierra Leone, unanimously authorized the withdrawal of U.N. peacekeepers protecting the court trying indicted war criminals in the country by 7<sup>th</sup> of March. It also authorized handing over of the responsibility to local forces.<sup>79</sup>

In other developments, amidst the growing clashes in Cote d'Ivoire between pro-Gbagbo and pro-Quattara forces, the U.N. Security Council voiced 'deep concerns' at the escalating violence on civilians, the increasing number of refugees and displaced persons and the risk of a resurgence of a civil war. Calling on both sides to show utmost restraint, the Security Council condemned the violence perpetrated against U.N. personnel and civilians. It also urged the UNOCI 'to use all necessary means to carry out its mandate, in particular to protect civilians'. Further, it reiterated its readiness to impose sanctions against all those threatening the peace process, obstructing the UNOCI and inciting hatred and violence.<sup>80</sup>

<sup>&</sup>lt;sup>78</sup> 'UN: Indian Envoy Refers to 'Kabhi Khushi Kabhi Gham', *Outlook*, March 3, 2011 at <u>http://news.outlookindia.com/item.aspx?713802</u>

<sup>&</sup>lt;sup>79</sup> 'UN transfers security for Sierra Leone war crimes to local authorities', *UN News Centre*, March 3, 2011 at <u>http://www.un.org/apps/news/story.asp?NewsID=37673&Cr=sierra+leone&Cr1</u>=

<sup>&</sup>lt;sup>80</sup> 'Attack helicopters arrive to reinforce UN peacekeepers in Cote d'Ivoire', UN News Cenre, March 3, 2011 at http://www.un.org/apps/news/story.asp?NewsID=37677&Cr=ivoire&Cr1=