

THE WEEK IN REVIEW

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	IN THIS ISSUE	PAGE
	A. SOUTH ASIA	3-5
COUNTRY REVIEWS	B. EAST ASIA	6-9
	C. WEST ASIA	10

1. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **New US National Security Strategy calls Afghanistan, Pakistan epicentres of violent extremism; United States welcomes India's capacity building and training assistance in Afghanistan; Taliban insurgents seize district in east Afghanistan; Top Canadian Commander in Afghanistan removed from his post; McChrystal: Iran is providing training to the Taliban; 25 Taliban insurgents killed in NATO air strikes in Northern Afghanistan; US troops in Afghanistan surpass the numbers in Iraq; Number of US military deaths in Afghan war reach 1000**

The new US national security strategy released by the Obama administration describes Afghanistan and Pakistan as the epicentre of violent extremism practiced by Al Qaeda. But the new document reiterated President Obama's pledge to begin withdrawing US troops from Afghanistan in July 2011. According to the document, "In July 2011, we will begin reducing our troops responsibly, taking into account conditions on the ground." However, it warns "The danger from this region will only grow if its security slides backward, the Taliban controls large swaths of Afghanistan, and Al Qaeda is allowed to operate with impunity."¹

US Assistant Secretary of State for South and Central Asian Affairs Robert Blake stated that the United States "welcomed very much the assistance that India has provided and all of our cabinet-level officials have welcomed that and will continue to do so." He made this remark while responding to an observation that Pakistan, including its Army Chief General Ashfaq Kayani, had objected to India playing such a role. He pointed out that India has played a very important role with \$1.3 billion in assistance till date mostly in infrastructure and other kinds of reconstruction projects as well as in capacity building and training. He added that India's role was "a very important part of the international effort to help stabilise Afghanistan."²

¹ "Afghanistan, Pakistan epicentres of extremism: US," *Dawn*, May 28, 2010 at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/national/19-afghanistan,-pakistan-epicentres-of-extremism-us-850-hh-01>

² "U.S. welcomes Indian capacity building and training in Afghanistan," *The Hindu*, May 29, 2010 at <http://beta.thehindu.com/news/national/article440972.ece>

Reports noted that Taliban insurgents have seized the Barg-i-Matal district of mountainous Nuristan province of Eastern Afghanistan after days of intense fighting in the area. However, the provincial governor of Nuristan, Jamaluddin Badar, claimed that Afghan forces had retreated in order to prepare for a counter attack.³ Meanwhile, the top commander of Canadian forces in Afghanistan General Daniel Menard has been sacked following allegations of an inappropriate personal relationship. Canadian military sources however maintained that the dismissal would not affect its mission in Afghanistan. Canada has 2,800 troops in Afghanistan mostly operating in Southern Afghanistan.⁴

The top NATO commander General McChrystal has said that Iran is providing training to the Taliban and sending them to Afghanistan to carry out insurgent activities. Speaking at a press conference with NATO civilian commander, Mark Sedwill, McChrystal pointed out that there was evidence to indicate that Iran is also smuggling weapons to militants in Afghanistan. However, he did not provide any details of such evidence.⁵ Earlier, at least 25 Taliban insurgents have been killed including two of their commanders, in a NATO air strike in Dana Ghor district in Baghlan Province of Northern Afghanistan on Saturday, according to the deputy provincial police chief Sayed Zamanuddin.⁶

In other developments, as the struggle against the Taliban insurgents intensifies, the presence of US troops in Afghanistan has surpassed the numbers in Iraq for the first time since the ouster of Saddam Hussein. The most recent Pentagon figures indicate that there are 94,000 US troops in Afghanistan compare to 92,000 US troops in Iraq. The number of US troop in Afghanistan is scheduled to go up later this year to about 98,000.⁷ Meanwhile, Pentagon sources revealed that the total number of US military deaths in and around Afghanistan has reached 1,000 since the launch of US-led war in Afghanistan in October 2001.⁸

³ "Taliban fighters seize district in east Afghanistan," *Reuters*, May 29, 2010 at <http://www.reuters.com/article/idUSTRE64S0MI20100529>

⁴ "Canadian commander in Afghanistan Daniel Menard sacked," *BBC News*, May 30, 2010 at http://news.bbc.co.uk/2/hi/world/us_and_canada/10192561.stm

⁵ "Iran trains Taliban fighters: McChrystal," *Pajhwok Afghan News*, May 30, 2010 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=95158>

⁶ "NATO airstrike kills 25 insurgents in northern Afghanistan," *The Hindu*, May 29, 2010 at <http://beta.thehindu.com/news/international/article441427.ece>

⁷ "US troops in Afghanistan surpass number in Iraq," *The Telegraph*, May 25, 2010, at <http://www.telegraph.co.uk/news/worldnews/asia/afghanistan/7762893/US-troops-in-Afghanistan-surpass-number-in-Iraq.html>

⁸ "Afghanistan War Costs More Than 1,000 U.S. Service Members' Lives," *ABC News*, May 28, 2010 at <http://abcnews.go.com/print?id=10698927>

BHUTAN

- **Druk Holding Investment (DHI) proposes to pay Nu 1.451 billion dividend to the government; Bhutan Chamber of Commerce and Industry (BCCI) faces scarcity of funds; 100 per cent FDI to be allowed in projects having a minimum Nu 200 million cost; India's Lok Sabha Speaker visits Bhutan to address joint session of Bhutanese parliament**

Druk Holding Investment (DHI), the public sector umbrella organization in Bhutan, has proposed to pay a dividend of about Nu 1.451 billion to the government. This amount excludes Nu 2672.9 million it had paid as tax in 2009. Among the DHI owned companies, Druk Green contributed the highest dividend amounting to Nu 1.930 million, followed by Bhutan Power Corporation, which paid Nu 151 million. Among the DHI linked companies, Penden Cement contributed the highest at Nu 95 million, while Bhutan Ferro Alloys Ltd. Contributed Nu 27 million. Bank of Bhutan made a profit of about Nu 168 million.⁹ However, reports noted that the Bhutan Chamber of Commerce and Industry (BCCI) would have to raise more funds in order to sustain itself and its activities to support the private sector. This issue was discussed in the BCCI's 25th annual general meeting on May 24. The total amount of collection through annual membership fee of BCCI has dropped from Nu 8.3 million in 2008 to Nu 7.07 million in 2009.¹⁰

Meanwhile, according to the revised Foreign Direct Investment Policy released on May 21, 100 per cent foreign ownership will be allowed in projects related to high end education services, specialised health services, five star hotels and infrastructure development, which have a minimum cost of Nu 200 million. Hundred per cent foreign equity holdings will also be allowed for research and development projects with a minimum investment of 10 million and in the information technology sector with a minimum investment of Nu 5 million.¹¹

India's Lok Sabha speaker, Ms. Meira Kumar, paid a three day visit to Bhutan from May 26-29, 2010, to address the fifth session of the Bhutanese parliament. Ms. Kumar led a parliamentary delegation from India, and announced the formation of a parliamentary friendship group to promote people to people

⁹ "Nu 1.451B dividend proposed," *Kuensel*, May 24, 2010, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15543>

¹⁰ "BCCI cash crunch," *The Kuensel*, May 26, 2010, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15559>

¹¹ "Revised and released", *The Kuensel*, May 23, 2010, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15542>

relations between the two countries.¹² In another development, Sri Lanka has donated USD 10,000 for the construction of a Buddha Statue in Bhutan.¹³

B. EAST ASIA

CHINA

- **US Arms Sales to Taiwan is the biggest obstacle to China-US military Ties; The first high-level dialogue on Sino-Turkey military cooperation held in Beijing; Chinese Defence Minister embarks on a foreign tour; A compilation on international arms control and disarmament published; Important military exercises successfully concluded**

Ma Xiaotian, Deputy Chief of General Staff of the Chinese People's Liberation Army, said that US arms sales to Taiwan were the biggest obstacle to China-US military ties. He made this remark in a meeting with Commander-in-Chief of the US Pacific Command, Robert Willard, and Wallace Gregson, Assistant Secretary of Defence for Asian and Pacific security affairs, who were attending the second round of China-US strategic and economic dialogues in Beijing.¹⁴

The first High-Level Dialogue on Sino-Turkey Military Cooperation took place in Beijing on May 27, 2010. Ma Xiaotian, Deputy Chief of General Staff of the Chinese People's Liberation Army, and Gen. Aslan Guner, the Visiting Deputy Chief of General Staff of the Turkish Armed Forces, co-chaired the dialogue. The two sides discussed the relations between the two militaries, the international and regional security situations, and other issues of common concern.¹⁵

Chinese Defence Minister Liang Guanglie visited Kazakhstan where he met his Kazakh counterpart Adilbek Dzhasysbekov. The two defence ministers agreed to upgrade cooperation between their militaries to a new level in all aspects.¹⁶ Before arriving in Kazakhstan, the Chinese Defence Minister had visited

¹² "Meira Kumar to address Bhutanese parliament Friday," *Sify*, May 27, 2010, at <http://sify.com/news/meira-kumar-to-address-bhutanese-parliament-friday-news-international-kfluucafbib.html>

¹³ "[Lanka donates 10,000\\$ for Bhutan Buddha statue.](http://www.dailymirror.lk/print/index.php/news/news/11744.html)" *Daily Mirror*, May 28, 2010, at <http://www.dailymirror.lk/print/index.php/news/news/11744.html>

¹⁴ "Arms Sales to Taiwan Remain 'Biggest' Obstacle to China-U.S. Military Ties: Chinese Military Official," *PLA Daily* (Online), 26 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/26/content_4225782.htm

¹⁵ "First High-level Dialogue on Sino-Turkey Military Cooperation Held," *PLA Daily* (Online), 28 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/28/content_4227740.htm

¹⁶ "Chinese, Kazakh Defense Ministers Vow to Upgrade Cooperation," *PLA Daily* (Online), 29 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/29/content_4227998.htm

Turkmenistan where he met President Gurbanguly Berdymukhamedov on Wednesday and discussed bilateral ties and cooperation in various fields.¹⁷ Meanwhile, Chief of the General Staff of the Chinese People's Liberation Army Chen Bingde visited Angola and met Angolan President Jose Eduardo dos Santos on Friday.¹⁸

Reports noted that an aviation division of the air force under the Guangzhou Military Area Command of the Chinese People's Liberation Army organized a systematic combat exercise in south China in mid May in which IT based management system played a significant role.¹⁹ Meanwhile, the "Jingwei 2010" surveying, mapping and navigation support exercise for trans-military-area-command manoeuvre operation of group army organized by a department under the General Staff Headquarters of the Chinese People's Liberation Army has been concluded in China's eastern Jiangsu Province.²⁰

In other developments, a compilation on International Arms Control and Disarmament (2010 edition) was launched in Beijing on 26 May 2010. This publication, compiled by the China Arms Control and Disarmament Association, includes not only a summary of the international arms control and disarmament situation in 2009, but carries special-topic articles on regional nuclear issues, weaponisation of outer space, adjustment of nuclear policies of relevant countries and anti-proliferation in the world.²¹

SOUTHEAST ASIA

- **Thai PM emphasises on refining the reconciliation plan; Thaksin considers the possibility of reconciliation 'very far away'; US Senator Jim Webb to revisit Myanmar; Palestinian President visits Malaysia; Malaysia urges both Koreas to exercise restraint after the alleged sinking of the South Korean ship by the North**

¹⁷ "Turkmen President Meets Visiting Chinese DM on Ties, Cooperation," *PLA Daily* (Online), 28 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/28/content_4227317.htm

¹⁸ "Angolan President Meets with China's PLA Senior Officer," *PLA Daily* (Online), 29 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/29/content_4227995.htm

¹⁹ "Aviation Division Raises Systematic Combat Command Efficiency," *PLA Daily* (Online), 28 May, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/28/content_4227733.htm

²⁰ "Jingwei 2010" Surveying, Mapping and Navigation Support Exercise Concluded," *PLA Daily* (Online), 26 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/26/content_4226283.htm

²¹ "International Arms Control and Disarmament (2010 edition) Published," *PLA Daily* (Online), 27 May 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-05/27/content_4227069.htm

Thai Prime Minister Abhisit Vejjajiva has stressed upon the need to improve his five-point reconciliation plan further in order to restore the nation after the recent political turmoil as well as to ensure public participation.²² While acknowledging that it will take more time to execute such a plan as some elements within the country are still trying to create problems, Abhisit firmly stated that his government had no intention of reconciling with those 'terrorists' who were among the red shirt demonstrators.²³ In the meantime, fugitive former Prime Minister Thaksin Shinawatra has termed the ruling Thai government a 'junta' and considered the possibility of reconciliation 'very far away'.²⁴

US Senator Jim Webb (Dem.) is scheduled to revisit Myanmar during June 3-5. Senator Webb was responsible for the release of American citizen, John Yettaw, the eccentric Vietnamese war veteran who was sentenced to seven years of imprisonment by the Myanmar authorities for his intrusion into Suu Kyi's house last year. During his visit, Webb will meet junta officials as well as leaders of the recently dissolved National League for Democracy including democratic icon Aung San Suu Kyi.²⁵

Palestinian President Mahmoud Abbas arrived in Malaysia on May 26 on a three-day working visit. During his visit, he would meet Malaysian leaders and discuss bilateral and international issues, including the latest developments in Palestine. The visit is expected to boost bilateral relations further.²⁶

After the recent revelation by a multinational probe that North Korea was responsible for the sinking of the South Korean ship in an unprovoked torpedo attack, Malaysia has urged both Koreas to exercise restraint and refrain from actions that could escalate the tension on the Korean peninsula further. This was stated by the Foreign Ministry of Malaysia in a statement.²⁷

²² "Reconciliation plan to be refined," *Bangkok Post*, May 24, 2010, at

<http://www.bangkokpost.com/breakingnews/178996/reconciliation-plan-to-be-adapted-pm>

²³ "PM: Reconciliation a hard road," *Bangkok Post*, May 27, 2010, at <http://www.bangkokpost.com/breakingnews/179328/pm-reconciliation-is-hard>

²⁴ "Reconciliation 'very far away': Thaksin," *Bangkok Post*, May 27, 2010, at <http://www.bangkokpost.com/breakingnews/179301/reconciliation-in-thailand-very-far-away-thaksin>

²⁵ "Senator Web to return to Burma," *Bangkok Post*, May 26, 2010, at

<http://www.bangkokpost.com/breakingnews/179277/us-senator-webb-to-return-to-burma>

²⁶ "Palestine President arrives for three-day working visit," *Bernama.com*, May 26, 2010, at <http://www.bernama.com/bernama/v5/newsindex.php?id=501380>

²⁷ "Korea: Malaysia urges all parties to exercise restraint," *Bernama.com*, May 26, 2010, at <http://www.bernama.com/bernama/v5/newsindex.php?id=501346>

During his recent visit to South Korea, Malaysian Information Communication and Culture Minister Datuk Seri Dr. Rais Yatim expressed hope that bilateral cooperation would be strengthened further in the information communication technology (ICT) sector. According to him, the involvement of the two countries in ICT-related projects could also facilitate strengthening of diplomatic relations.²⁸

C. WEST ASIA

IRAN

● Iran informs IAEA about its fuel deal with Turkey and Brazil

Iran has formally notified the UN atomic watchdog, the International Atomic Energy Agency (IAEA), about its nuclear fuel swap deal with Turkey and Brazil. Delegates from the three countries handed over a letter to the Director General of IAEA about the May 17 deal. However, the deal has been played down by Western governments which are engaged in pushing for more economic sanctions on Iran. The IAEA had been waiting for a written response from Iran since Tehran signed the pact with Brazil and Turkey, though it did not immediately comment on the content of the letter.²⁹

IRAQ

● MP of secular Iraqiya bloc shot dead in Mosul

An Iraqi MP Bashar al-Ageidi belonging to the secular Iraqiya bloc has been shot dead by gunmen in the northern city of Mosul. No group has claimed responsibility for the attack. Ageidi, who was in his mid-30s, was in front of his house in western Mosul, when a car carrying the gunmen stopped nearby. One of the attackers was reportedly arrested later. Mosul, about 350km (215 miles) north of Baghdad, remains a focus of insurgent activities, despite efforts to pacify it.³⁰

²⁸ "Malaysia wants more cooperation in ICT with Korea," *Bernama.com*, May 26, 2010, at <http://www.bernama.com/bernama/v5/newsindex.php?id=501197>

²⁹ "Iran notifies UN nuclear watchdog of fuel deal," *Khaleej Times*, May 25, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/May/middleeast_May431.xml§ion=middleeast

³⁰ "Iraq MP from Iraqiya bloc shot dead in Mosul," *BBC News*, May 24, 2010, at http://news.bbc.co.uk/2/hi/world/middle_east/10150863.stm