

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

A. SOUTH ASIA

BHUTAN

- **Britain takes 37 Bhutanese refugees from Nepal as part of resettlement programme; Caretaker Prime Minister Madhav Nepal assures Druk National Congress of full support for democratic struggle of Bhutanese citizens; Trade and Transit Agreement to be worked between India, Bangladesh, Nepal and Bhutan; India's National Security Advisor and Foreign Secretary visit Bhutan to strengthen bilateral ties**

In yet another step forward towards the third country resettlement programme, around 37 Bhutanese refugees left Nepal to resettle in Britain. Britain is among a group of eight countries that has offered resettlement to refugees.¹ Caretaker Prime Minister of Nepal, Madhav Kumar Nepal, meanwhile gave an assurance to Druk National Congress that it would always support the democratic struggle of Bhutanese citizens. He made these remarks while meeting with a delegation of Druk National Congress (DNC) headed by its president Rongthong Kunley Dorji. The DNC President expressed desire to establish an office at Kathmandu.²

Bangladesh opened a new land port at Akhaura in Brahmanbaria district on August 6 which would help to connect it with India's Agartala city. A mutual agreement is being worked out by Bangladesh, India, Nepal and Bhutan, under which Bangladesh will have, and provide, access to its three South Asian neighbours for trade, transit and communication. All the three countries would get access to the Bangladesh's sea ports at Chittagong and Mangla. India on its part would facilitate rail and road transit to and from Bangladesh to Bhutan and Nepal.³ Meanwhile the India's National Security Advisor Shiv Shankar Menon and Foreign Secretary Nirupama Rao were on a one day visit to Bhutan on August 15. According to NSA Menon, the visit was aimed at to further strengthening the relationship between the two countries.⁴

¹ "Britain is among a group of eight countries that has offered resettlement to the refugees". *Earth Times*, August 9, 2010, at <http://www.earthtimes.org/articles/news/338657,leave-nepal-resettle-britain.html>

² "PM assures Nepal's support to democratic struggle in Bhutan", *Nepal News*, August 10, 2010, at <http://www.nepalnews.com/main/index.php/news-archive/2-political/8258-pm-assures-nepals-support-to-democratic-struggle-in-bhutan.html>

³ "New land port opens in Bangladesh", *Sify News*, August 13, 2010, at <http://sify.com/news/new-land-port-opens-in-bangladesh-news-international-kinmacahgcc.html>

⁴ "Picture story", *The Kuensel*, August 15, 2010, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=16417>

B. EAST ASIA

JAPAN

- **Japan apologizes to South Korea for its past colonial rule over Korean Peninsula; North Korea also demands apology; Japan contemplates sending SDF forces to Pakistan for flood relief operations; Japan vows to continue providing aid to Central Asia**

In a major development, Japan's Prime Minister Naoto Kan has apologized to South Korea for Japan's past colonial rule over Korean Peninsula from 1910 to 1945. Japan has extended the apology aiming at building future-oriented bilateral relations with South Korea. In a statement which was endorsed by Japanese Cabinet members, PM Kan expressed deep regret over the suffering inflicted during Japan's colonial rule in Korean peninsula.⁵ However, reacting to the development, North Korea has also demanded an apology and compensation for its harsh colonial rule from Japan. It would be worth noting that Japan did not mention about North while offering apology to South Korea.⁶

Meanwhile, reports noted that the Japanese government is contemplating over sending its Self-Defense Forces helicopter units to flood affected areas of northwestern Pakistan' on a relief duty.⁷

Japanese Foreign Minister Katsuya Okada has expressed determination to continue providing aid for Central Asia to fight terrorism and drugs from neighboring Afghanistan. Okada promised this over a meeting with Uzbek President Islam Karimov and Kyrgyz Foreign Minister Ruslan Kazakbaev. Okada also expressed desire to expand cooperation between Japan and Uzbekistan in the areas of natural resources.⁸

SOUTHEAST ASIA

- **Thai-Cambodian border meeting postponed indefinitely as the border dispute between the two states flares up; Thai navy to send two ships for anti-piracy mission in Somalia**

The General Border Committee (GBC) scheduled to be held between Thailand and Cambodia on August 27-28, 2010, has been postponed indefinitely in the

⁵ "Japan gov't apologizes for colonial rule of Korea" *News on Japan*, August 10, 2010 at <http://newsonjapan.com/html/newsdesk/article/83164.php>

⁶ "North Korea wants Japan to apologise" *Today Online*, August 14, 2010 at <http://www.todayonline.com/World/Worldinbrief/EDC100814-0000063/North-Korea-wants-Japan-to-apologise>

⁷ "Govt considering dispatching SDF copters to Pakistan" *Yomiuri Shimbun*, August 12, 2010 at <http://www.yomiuri.co.jp/dy/national/T100811004229.htm>

⁸ "LEAD: Japan pledges increased assistance for Central Asia+" *Associated Press*, August 8, 2010 at http://www.breitbart.com/article.php?id=D9HF95AG1&show_article=1

wake of their recent row over the border issue.⁹ The dispute flared up following the recent 'yellow shirt' movement over the border issue in Thailand. While warning that it might result in violence, Cambodian Prime Minister Hun Sen has called for international assistance to resolve the issue. He has also alleged that Thailand was violating UN rules by threatening to use military force against Cambodia.¹⁰

However, Thai Prime Minister Abhisit Vejjajiva has alleged that although Thailand is committed to resolve the border dispute peacefully under the 2000 MoU, Cambodia violated it by encroaching on the Thai territory first. In a letter to the UN, Thai government has also explained that Thailand did not threaten to use military against Cambodia.¹¹ The bilateral border dispute has recently taken a new twist with the Thai government's direction to its foreign as well as defence ministries to ensure withdrawal of those Cambodians who had encroached Thai territory at the Thai-Cambodia border.¹²

In other developments, the Thai navy is all set to send two of its ships to join the international anti-piracy mission in Somalia. Though, this mission is yet to get cabinet approval. The navy is reportedly keen to undertake this mission to gain experience in an international peace-keeping role. The first ship (consisting of 397) and second ship (consisting of 400 soldiers) will leave for Sudan on October 25 and November 23 respectively.¹³

C. WEST ASIA

IRAN

• **Iranian companies begin second phase of IPI gas pipe-line; Barack Obama plans to meet Iranian President if Iran resumed talk over nuclear programme**

The National Iranian Gas Company (NIGC) and Khatam-ol-Anbia Construction Headquarters reached an agreement over the \$200-250 million project to carry out the second phase of the proposed Iran-Pakistan-India gas pipeline project, dubbed as the Peace Pipeline. The first phase of the project

⁹ "Thai-Cambodian border meeting off", *The Bangkok Post*, August 11, 2010, at <http://www.bangkokpost.com/breakingnews/190600/thai-cambodian-gbc-meeting-postponed>

¹⁰ "Hun Sen warns of 'bloodshed'", *The Bangkok Post*, August 9, 2010, at <http://www.bangkokpost.com/breakingnews/190271/cambodian-pm-warns-of-bloodshed-over-thai-border>

¹¹ "PM Abhisit: Cambodia intrudes first", *The Bangkok Post*, August 15, 2010, at <http://www.bangkokpost.com/breakingnews/191156/pm-cambodia-intrudes-first>

¹² "Thailand asks Cambodia to leave Encroachment area", *Bernama.com*, August 10, 2010, at <http://www.bernama.com/bernama/v5/newsindex.php?id=520347>

¹³ "Thai Navy to join piracy suppression", *The Bangkok Post*, August 9, 2010, at <http://www.bangkokpost.com/breakingnews/190257/thailand-to-join-fighting-somalia-pirates>

was put into operation in July this year. The IPI route which covers the distance of 2,775-kilometer, is designed to transport Iranian gas to Pakistan and India. But the signing of a final deal has been delayed several times over price as well as political issues. Iran, Pakistan, and India had conceptualized the Peace Pipeline project in 1990s, to help boost peace and security in the region. However, due to the tense India-Pakistan relations, New Delhi stepped back from the later stages of negotiations, though it never formally withdrew from the project.¹⁴

United States National Security Adviser Gen. James Jones has indicated that President Obama may be prepared to meet Iranian President Mahmoud Ahmadinejad if Iran resumed negotiations over its nuclear program. Gen. James Jones also pointed out that return of three American hikers held in Iran for the past year would be an “important gesture” in this regard. Earlier this month, Ahmadinejad had requested face-to-face talks with Obama during the UN General Assembly meeting in New York. However, the White House had ruled out any such meeting. However, in an interview with CNN, Gen Jones indicated that “the door’s open” if the Iranians agree to resume talks with the International Atomic Energy Agency.¹⁵

IRAQ

• 5 Security officials killed in Baghdad

The Iraqi police authorities said that gunmen have killed five Iraqi security officials in a half-hour shooting spree targeting checkpoints in Shiite-dominated neighborhoods around Baghdad. As US troops leave Iraq by the end of this month, insurgents aim to weaken confidence of the government and exaggerate sectarian tension.¹⁶

II. DEFENCE REVIEW

National

- **ASSOCHAM reiterates its demands for 49 % FDI in Defence; Air Force to receive all six C-130Js in 2011**

Reiterating its earlier stand, the Associated Chambers of Commerce and Industry of India (ASSOCHAM) has demanded the government to increase FDI in defence

¹⁴ “Khatam-ol-Anbia to build 2nd phase of IPI gas pipe,” *Tehran Times*, August 1, 2010, at http://www.tehrantimes.com/index_View.asp?code=224634

¹⁵ “Barack Obama may be prepared to meet Iranian president,” *Tehran Times*, August 14, 2010, at http://www.tehrantimes.com/index_View.asp?code=224757

¹⁶ “Gunmen kill 5 in Baghdad checkpoint shooting spree,” *Khaleej Times*, August 14, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/August/middleeast_August249.xml§ion=middleeast

industry from present 26 per cent to 49 per cent. The industrial association has however asked the government to subject all the defence related FDI to government approval. The increase in FDI cap “will allow for a significant degree of control by Indian government on FDI inflows in defence and encourage domestic industry to seek meaningful foreign tie-ups through which defence indigenization can grow to an intended level of 70 per cent.”¹⁷

The Indian Air Force (IAF) is expected to receive the first two C-130J advanced tactical airlifter in February 2011, followed by the remaining four by the end of the year. In 2008, India had signed a \$1 billion contract with the US for procurement of six aircrafts under the Foreign Military Sales (FMS) route, with the option for six more without any cost escalation. The Lockheed Martin, the maker aircrafts, is presently undertaking pre-delivery flying testing of one C-130J, with the others at various stages of construction. The induction of C-130J will significantly enhance IAF’s strategic lift capability. The aircraft is equipped with night landing capability and can operate from a small airstrip of a football field-sized.¹⁸

International

- **Delay in F-X programme may limit Japan to buy F-35 off-the-shelf**

Quoting a senior official in the Japan’s defence ministry, Jane’s Defence Weekly noted that delay in finalization of Tokyo’s next generation fighter aircraft requirement may limit it to buying F-35 fighter, instead of participating in its joint development. Japan had long expressed its desire to participate in the US led multi-country development of the F-35, the only globally available 5th generation fighter. The continuous delay in issuance request for the same has however made F-35 “essentially an import issue”, noted the official.¹⁹

¹⁷ ASSOCHAM, “Permit 49% FDIs In Defence With DIPP Approval – ASSOCHAM”, *Press Releases*, August 13, 2010 at <http://www.assochem.org/prels/shownews.php?id=2538>

¹⁸ “IAF to receive all six C-130J airlifters in 2011”, *Sify News*, August 13, 2010 at <http://sify.com/news/iaf-to-receive-all-six-c-130j-airlifters-in-2011-news-national-kinnubhebab.html>

¹⁹ Jon Grevatt, Japan looks to ‘off-the-shelf’ JSF purchase as chance to join programme fades”, *Jane’s Defence Weekly*, August 12, 2010, at http://www.janes.com/news/defence/jdw/jdw100813_1_n.shtml