

THE WEEK IN REVIEW

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I. COUNTRY REVIEWS

A. South Asia

Afghanistan

- **Four killed and several injured in two suicide bombings in Helmand and Kandahar; Afghan government official killed in Helmand**

According to reports, at least four people have died and many others injured after two car bombing incidents in neighbouring provinces of Helmand and Kandahar. First incident took place in Lashkargah in Helmand outside a bank. The other incident took place in Kandahar city, near a check post in many people were injured including 13 children. Both attacks are believed to be carried out by suicide bombers. Taliban has claimed responsibility for both the attacks.¹

In another incident, a member of the Nawa district council was killed in Helmand province in South Afghanistan. This is third killing in the area in a week's time. The governor's office reported that two gunmen targeted the member of the district council. Reports noted that insurgents are reacting to heavy pressure from US and NATO coalition forces by targeting officials and others aligned with Afghan government.²

Pakistan

- **Foreign Minister Hina Rabbani Khar visits China; China-Pakistan hold talks; Four militants killed in drone attack; Pakistani slain Governor Salman Taseer's son abducted; NATO tankers attacked in Balochistan**

In a significant development, Pakistani Foreign Minister Hina Rabbani Khar said that Pakistan does not want to be used as a ground for terrorists to carry out their activities. This comes on the wake of her two day visit to China. Khar held talks with her Chinese counterpart Yang Jiechi and met Premier Wen Jiabao. She stressed upon the need for closer cooperation between China and Pakistan. She also noted that Pakistan was increasing its counter-terrorism cooperation with China.³

However, a US drone attack killed at least four militants travelling in a vehicle in Northern Waziristan area of Pakistan. The unmanned aircraft fired two missiles at the vehicle and killed at least four militants in the strike, one security official reported. The incident took place in

¹ "Twin car bombings in Afghanistan leave several dead", *BBC*, August 27, 2011 at <http://www.bbc.co.uk/news/world-south-asia-14691998>

² "Local Afghan government officials killed in south", *Dawn*, August 24, 2011 at <http://www.dawn.com/2011/08/24/local-afghan-government-officials-killed-in-south.html>

³ "Pakistan doesn't want to be used by militants, says FM Khar", *Dawn*, August 24, 2011 at <http://www.dawn.com/2011/08/24/pakistan-china-holding-talks-in-beijing.html>

Nurak area, 20 km away from Miranshah, main town in North Waziristan.⁴

According to reports, slain Governor Salman Taseer's son Shahbaz Taseer was abducted by unknown gunmen while on his way to work. A high alert has been declared, internal routes and highways were sealed amid calls for swift action by both the federal and Punjab governments. Prime Minister Yousuf Raza Gilani called up the Taseers by telephone to show his solidarity with the family and assure them of all-out efforts to secure Shahbaz Taseer's safe return.⁵

In other developments, reports noted that a dozen gun men attacked nineteen NATO tankers in Mastung district of Balochistan. The tankers were carrying fuel to Afghanistan. Militants have frequently targeted NATO supply trucks over the past few years, but attacks have intensified since the killing of Al Qaeda chief Osama bin Laden by US Special Forces on May 2, 2011.⁶

B. East Asia

Southeast Asia

- **Indian Naval Chief visits Myanmar; Assam Rifles to guard India-Myanmar border; Thailand shelves Laos rail link plan; Tony Tan elected Singapore's President; China approves bill on ASEAN protocol ratification;**

In a significant development, India's naval chief Admiral Nirmal Verma is on a four day visit to Myanmar. The visit, which begun on 23 August, is to find ways to strengthen bilateral cooperation especially on maritime aspects. Admiral Verma is to meet his counterpart and other officials from the armed forces as also the political establishment.⁷

In another development, reports noted that putting an end to speculations on whether Border Security Force or Assam Rifles would guard the India-Myanmar border, the Assam Rifles on 26 August, made it clear that Assam Rifles personnel will be deployed along the borders. The central government has been considering on replacing the Assam Rifles with BSF along the borders since long.⁸

⁴ "US Drone attack kills four militants in North Waziristan", *Dawn*, 22 August, 2011 at <http://www.dawn.com/2011/08/22/us-drone-attack-kills-three-militants-in-north-waziristan.html>

⁵ "Slain Salman Taseer's son kidnapped", *Dawn*, August 27, 2011 at <http://www.dawn.com/2011/08/27/slain-salman-taseers-son-kidnapped.html>

⁶ Nineteen NATO tankers torched in Balochistan, *Dawn*, August 22, 2011 at <http://www.dawn.com/2011/08/22/nineteen-nato-tankers-torched-in-balochistan.html>

⁷ "Navy Chief Visiting Myanmar", *MSN News*, August 27, 2011 at <http://news.in.msn.com/national/article.aspx?cp-documentid=5395242>

⁸ "Assam Rifles, not BSF, to guard Myanmar Border", *The Times of India*, August 27, 2011 at http://articles.timesofindia.indiatimes.com/2011-08-27/guwahati/29935224_1_myanmar-border-northeast-insurgents-bsf

According to reports, Thailand has revised its high-speed rail network plan, which was unveiled on 23 August, 2011. According to the revised plan, Thailand will focus on expanding the domestic rail links rather than on regional connectivity plan led by China. The revised plan aims to develop links between Bangkok and the urban centres of north, northeast and upper south region.⁹

Tony Tan, former deputy prime minister of Singapore won the race to be Singapore's next President. After a recount of votes between the top two candidates- Tony Tan and Tan Cheng Bok, Tan emerged victorious. Tan is known for his close associations with labour unions and Prime Minister Lee Hsien Loong.¹⁰

In other developments in the region, the Standing Committee of the National People's Congress, which is considered as China's top legislature, ratified the Third Protocol amending the Treaty of Amity and Cooperation in Southeast Asia on 26 August, 2011. Signed in February 1976, the Treaty of Amity and Cooperation is one of the basic documents of the ASEAN.¹¹

Japan

- **PM Naoto Kan stepped down as the President of the ruling Democratic Party of Japan (DPJ); PM Kan to step down as Prime Minister once a new DPJ President is elected; US Vice President Biden emphasizes on a strong US-Japan alliance; Japan-China territorial dispute heats up again**

In a significant development, reports noted that Japanese Prime Minister Naoto Kan has stepped down as the President of the ruling Democratic Party of Japan (DPJ) on August 26, following the passage of the two key bills (one dealing with the debt-covering bonds and the other with the promotion of renewable energy). Kan said he will step down as prime minister once a new DPJ president is elected. Earlier, Kan vowed to resign from his post on three conditions: the passage of the two bills mentioned above as well as the passage of a second supplementary budget for the current fiscal year. The condition of the passage of the second budget was met in July this year.¹²

In another development, during his recent visit to Tokyo, US Vice President Joe Biden insisted that the US would continue to seek strong alliance with Japan. According to him, the alliance would continue to serve as the cornerstone of peace and security in East Asia. Biden also assured on unwavering support of the United States to Japan's recovery and reconstruction efforts post March 11 disaster through various measures, including the so-called Tomodachi Fund.¹³

⁹ "Thailand revises high-speed rail plan, Laos link shelved", *MSNBC*, August 23, 2011 at <http://www.msnbc.msn.com/id/44240962/ns/business/t/thailand-revises-high-speed-rail-plan-laos-link-shelved/>

¹⁰ "Singapore elects new president after recount", *CNN*, August 28, 2011 at <http://edition.cnn.com/2011/WORLD/asiapcf/08/27/singapore.presidential.race/index.html>

¹¹ "China approves bill ratifying ASEAN Protocol", *Vietnam+*, August 27, 2011 at <http://en.vietnamplus.vn/Home/China-approves-bill-ratifying-ASEAN-protocol/20118/20543.vnplus>

¹² "Kan calls it quits/Ozawa expected to support Kaieda, not Maehara", *Yomiuri Shimbun*, August 27, 2011, at <http://www.yomiuri.co.jp/dy/national/T110826006101.htm>

¹³ "Biden: US-Japan ties strong", *Yomiuri Shimbun*, August 24, 2011, at <http://www.yomiuri.co.jp/dy/national/T110823005931.htm>

However, Japan-China territorial dispute over Senkaku islands heated up once again after two Chinese fishing patrol vessels entered Japanese waters briefly on July 24. According to the Japan Coast Guard, in the current year, although this was the seventh time that Chinese vessels approached the disputed islands, it was the first time that they entered Japanese territorial waters.¹⁴ While summoning Chinese Ambassador to Japan Cheng Yonghua to the Foreign Ministry to lodge a protest, Japan's Administrative Vice foreign Minister Kenichiro Sasae stated: "It is gravely serious and deplorable that despite warnings from Japan, Chinese government ships entered Japanese territorial waters near the Senkaku islands".¹⁵ In the meantime, Chinese Foreign Ministry spokesman Ma Zhaoxu issued a statement reiterating China's claim over the disputed territory. In the statement, it was mentioned that Diaoyu (Senkaku in Japanese) "is an inherent part of China's territory, and China possesses indisputable sovereignty (over the islands)".¹⁶

South Korea

- **South Korea to boost trade with Uzbekistan to \$10 bln within the next ten years**

Reports noted that during his recent two-day visit to Uzbekistan, South Korean President Lee-Myung-bak pledged to increase the bilateral trade from \$1.46 billion in 2010 to \$10 billion within the next ten years. During the visit, Lee also signed a deal with Uzbekistan on the joint project of Surgil gas field, in which both the countries will construct a huge gas field and chemical plants. The project is expected to transform Uzbekistan into a powerful industrial nation.¹⁷

North Korea

- **North Korea-Russia Summit held after nine years**

According to reports, after nine years, North Korea-Russia summit was held recently on August 24 at Ulan-Ude, the capital of the Russian republic of Buryatia. While North Korean leader Kim Jong-Il led the delegation from Pyongyang, the Russian side was led by President Dmitri Medvedev. During the summit, issues such as the resumption of the Six Party Talks and the project of an overland pipeline transporting Russia natural gas to South Korea via the North, etc. were discussed.¹⁸

¹⁴ "China boats enter waters off Senkakus", *Yomiuri Shimbun*, August 24, 2011, at <http://www.yomiuri.co.jp/dy/national/T110824006192.htm>

¹⁵ "Japan's political turmoil a lever or China/Beijing again times aggressive play on Senkakus to coincide with power vacuum in Tokyo", *Yomiuri Shimbun*, August 25, 2011, at <http://www.yomiuri.co.jp/dy/national/T110825005945.htm>

¹⁶ "Beijing's message for incoming PM", *Yomiuri Shimbun*, August 25, 2011, at <http://www.yomiuri.co.jp/dy/national/T110825005362.htm>

¹⁷ "President Lee pledges to boost trade with Uzbekistan to \$10 bln", *Dong-a-Ilbo*, August 25, 2011, at <http://english.donga.com/srv/service.php3?biid=2011082505528>

¹⁸ "1st NK-Russia summit in 9 years", *Dong-a-Ilbo*, August 24, 2011, at <http://english.donga.com/srv/service.php3?biid=2011082505538>

C. Central Asia & Russia

Central Asia

- **President Lee Myung-Bak signs deals with Kazakhstan and Uzbekistan; KazMunaiGas Exploration Production signs four new exploration contracts; National Bank of Kazakhstan to decrease gold exports; Kazakhstan to bring in reforms to privatize economy and promote industrial growth; Japan to partially finance upcoming Kyrgyz presidential election**

In a significant development, South Korean President Lee Myung-Bak as part of his Central Asian tour, signed \$8 billion worth deals with Kazakhstan. One project, worth \$4 billion, will see South Korean firm LG Chem jointly build a petrochemical complex in Kazakhstan and the other \$4 billion project involves building a coal-powered electricity-generating plant in southern Kazakh city, Balkhash.¹⁹ In Uzbekistan, the South Korean President, signed an agreement to support Uzbekistan's plans to develop the Surgil gas field, located near the Aral Sea. The Uzbek State Committee for Geology and Mineral Resources forged a joint venture with South Korean Shindong Resources to explore and develop the Sautbay tungsten deposit in the north-central Navoi region. The two sides signed the \$120 million deal during the Uzbek-Korean business forum.²⁰

In another development, Kazakhstan energy major KazMunaiGas Exploration Production (KMG EP), the listed arm of Kazakh state oil and gas company KazMunaiGas (KMG), announced that it had finalized an agreement to acquire 100 percent subsoil use rights to explore four hydrocarbon blocks— Temir and Teresken blocks in northwestern province of Aktobe; Karaton Sarkamys block in the Atyrau province; and fourth contract is adjacent to the oilfields of Uzen and Karamandybas. It is estimated that the four blocks hold around 1.5 billion barrels of oil.²¹

In the meanwhile, the National Bank of Kazakhstan on August 23rd reiterated its right to buy “in full” the gold produced in Kazakhstan in order to maintain its reserves. The move is expected to decrease the amount of gold exported by Kazakhstan.²²

According to Kazakhstan's Economy Minister Kairat Kelimbetov, Kazakhstan plans to launch the first wave of share flotation for several of its state firms around the middle of 2012. Between 5% and 15 % of some national companies will be sold on the Kazakhstan stock exchange in the 'People's IPO'. Some of these companies are KazTransOil, Air Astana, Kazakhstan Electronic

¹⁹ “Korea signs \$8B in deals with Kazakhstan”, *Universal Newswires*, August 25, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10042>

²⁰ “Korea-Uzbek trade can hit \$10B, Korean leader says”, *Universal Newswires*, August 25, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10041>

²¹ “Kazakh energy major signs four new exploration contracts”, *Universal Newswires*, August 24, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10025>

²² “Kazakh central bank reemphasizes purchase rights to all Kazakh gold”, *Universal Newswires*, August 23, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10019>

Grid Operating Company (KEGOC) and Samruk-Energo.²³ A second wave of public stock sales will follow in 2013 and other enterprise shares will be floated in 2014 and 2015. In the meanwhile, Kazakhstan will restructure the existing six special economic zones (SEZs) and create three new ones to spur economic growth, Kazakh Minister of Industry and Trade Asset Issekeshov announced last week.²⁴

In other developments in the region, the Japanese Embassy in Kyrgyzstan announced that Japan will provide an emergency grant of \$350,000 to partially finance Kyrgyzstan's upcoming presidential election, to be held on October 30, 2011. Interim President Roza Otunbayeva earlier estimated the cost of the Kyrgyz presidential poll to be \$10 million, and had expressed concern that the country would not be able to afford it.²⁵

Russia

- **Russia offers an alternative UN resolution on Syria; Prime Minister Putin calls for radical improvement in Russia's space programme after a Russian made space ship fails to reach orbit; Russia rules out a compromise trade deal with Ukraine; MiG Aircraft Company denies allegations of stealth technology transfer to China for J-20 fighters; Reports: Russia aims at creating its own International Aid Agency; Russia to supply fresh fuel to the Libyan rebels; Russia to sell Small Arms to Bahrain; Russia's growth forecast for 2011 drops to 4.1%; Russian armed forces to hold over 40 joint exercises in 2011; Russia successfully test fired Bulava class missile from a submarine; Russia-North Korea agree to create commission on gas transit; EU-NATO refuses to recognize Abkhazia elections outcome**

Reports noted that Russia has introduced a rival UN resolution on Syria that calls for Bashar Assad's government to halt its violence against protesters and expedite reforms, but makes no mention of the sanctions sought by the United States and European nations. Envoys from Britain and Germany said they welcomed Russia's decision to seek any Security Council action on Syria. But they said Russia's proposed resolution was weaker than the statement the group had issued earlier this month on the Syrian government's violent crackdown on the opposition. Russia's draft resolution calls on the Syrian government to "expedite the implementation of the announced reforms in order to effectively address the legitimate aspirations and concerns of Syria's people."²⁶

In another development, Russian Prime Minister Vladimir Putin has instructed the Russian space

²³ "Kazakhstan to launch people's IPO in mid-2012", *Universal Newswires*, August 23, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10017>

²⁴ "Existing Kazakh SEZs to be restructured, minister says", *Universal Newswires*, August 22, 2011 at <http://www.universalnewswires.com/centralasia/viewstory.aspx?id=10009>

²⁵ "Japan provides financial assistance for Kyrgyz presidential poll", *Universal Newswires*, August 23, 2011 at <http://www.universalnewswires.com/centralasia/kyrgyzstan/viewstory.aspx?id=10018>

²⁶ "Moscow offers rival UN resolution on Syria", *The Moscow Times*, August 29, 2011, at <http://www.themoscowtimes.com/news/article/moscow-offers-rival-un-resolution-on-syria/442773.html>

agency to “radically” improve its oversight of spacecraft production. The order comes after a Russian craft carrying tons of cargo to the International Space Station (ISS) crashed shortly after blast-off. The rocket failure occurred just one month after NASA carried out its final space-shuttle flight. This is the second spacecraft loss for the Russian space industry in within a week. On August 18, the Express AM-4 telecommunications satellite failed to separate from the Proton-M carrier rocket and could not reach the designated orbit. Russian officials have said the launches of Soyuz carrier rockets would be halted until the reasons for the accident become clear.²⁷

Meanwhile, Russian President Dmitry Medvedev has ruled out a compromise deal with Ukraine which would have allowed Kyiv to pursue free-trade pacts with the European Union and a Russian-led regional bloc. Medvedev said that to secure access to Russia’s market and a much-needed gas price discount, Ukraine would have to become a full member of the customs union that Moscow has set up with other former Soviet republics Belarus and Kazakhstan. The government of Ukrainian President Viktor Yanukovich has rejected similar proposals because joining the Russian bloc is incompatible with Kyiv’s plans to negotiate a free-trade deal with the EU.²⁸

According to reports, MiG aircraft compay has vehemently denied that it has transferred any stealth technology to China to assist it with its J-20 Black Eagle fifth-generation stealth fighter prototype. MiG’s statement follows claims in the Russian and foreign press last week that China’s J-20, unveiled over six months ago, is based on technology and components from the Russian Mikoyan Article 1.44, a stealth technology demonstrator aircraft, development of which was suspended.²⁹

Reports noted that Russia is making headway in a plan to set up its own international development agency to finance projects in poorer countries, mostly around its borders. The effort would bolster the country’s global status as a donor nation and help maintain peace in the often restive area of Central Asia. The Finance Ministry has drafted a proposal to establish the Russian Agency for International Development, which will be reviewed by the Cabinet. The agency would help finance supplies of industrial equipment, construction of various manufacturing facilities and work force training sessions.³⁰

According to reports, Libyan rebels will get fresh supplies of fuel from Russia, although Moscow, a longtime ally of Libyan strongman Moammar Gadhafi, has yet to recognize them. President Dmitry Medvedev has said that Moscow might establish formal relations with the rebels if they

²⁷ “Putin orders ‘radical’ Russian space improvements”, *Radio Free Europe*, August 25, 2011, at http://www.rferl.org/content/space_station_russia/24307241.html

²⁸ Russia rules out compromise trade deal with Ukraine”, *Radio Free Europe*, August 24, 2011, at http://www.rferl.org/content/russia_ukraine_trade_deal_compromise/24306858.html

²⁹ “MiG denies stealth technology transfer to China for J-20 fighter”, *RIA Novosti*, August 26, 2011, at http://en.rian.ru/mlitary_news/20110826/166209279.html

³⁰ Medetsky, A, “Moscow crafting its own International Aid Agency”, *The Moscow Times*, August 29, 2011, at <http://www.themoscowtimes.com/news/article/moscow-crafting-its-own-international-aid-agency/442778.html>

were able to "unite the country for a new democratic start." Russia did not use its UN Security Council veto power in March to block military intervention, but Russian officials have previously warned that NATO aerial support for the takeover of Tripoli could jeopardize the rebels' legitimacy.³¹

Meanwhile, reports noted that Russia for the first time is selling weapons to Bahrain after Britain and France banned deliveries of security equipment to the Gulf monarchy because of its crackdown on protesters. State arms trader Rosoboronexport has said that it wants more business in Bahrain. The country is selling AK-103 Kalashnikovs with grenade launchers and ammunition for tens of millions of dollars to Bahrain.³²

The Economic Development Ministry has trimmed its growth forecast for 2011 to 4.1 percent from 4.2 percent against a backdrop of budgetary spending cuts and growing imports. The recent turmoil in stock markets and fall in the price of oil, the key driver of the country's commodity-oriented economy, due to a worldwide debt crisis and shaky economic recovery has forced the government to review its assessments. The ministry had cut its industrial production growth projection for this year to 4.8 percent from a previous 5.4 percent, while the ruble was expected to weaken further to 32.2 ruble per \$1 in 2012-14 from some 28.7 now. The Economic Development Ministry expects capital outflows to reach \$30 billion to \$40 billion this year, with the possibility of no flight in 2012.³³

Reports noted that Russian Armed Forces will have over 40 joint exercises with foreign colleagues this year, the majority with member countries of the CIS and the Collective Security Treaty Organization (CSTO). At present Russia and Kazakhstan are hosting the CIS air defense drill, Combat Commonwealth 2011. It involves servicemen of Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan.³⁴

In another development, the state-of-the-art strategic submarine cruiser Yuri Dolgoruky successfully test launched the second intercontinental ballistic missile Bulava. The ICBM Bulava was test launched successfully for the first time at the maximum distance from the White Sea to the Pacific. This was the 16th test launch of the missile and second from the submarine which is poised to become the mainstay of Russia's submarine fleet.³⁵

In a significant development, Russia and North Korea have agreed to create a tripartite

³¹ "Gunvor shipping fuel to Benghazi for Libyan rebels", *The Moscow Times*, August 29, 2011, at <http://www.themoscowtimes.com/news/article/gunvor-shipping-fuel-to-benghazi-for-libyan-rebels/442766.html>

³² "Reports of Small Arms being sold to Bahrain", *The Moscow Times*, August 29, 2011, at <http://www.themoscowtimes.com/business/article/reports-of-small-arms-being-sold-to-bahrain/442780.html>

³³ "Growth forecast drops to 4.1%", *The Moscow Times*, August 29, 2011, at <http://www.themoscowtimes.com/business/article/growth-forecast-drops-to-41/442767.html>

³⁴ "Russian armed forces to hold over 40 joint exercises in 2011- Makarov", *ITAR-TASS*, August 28, 2011, at <http://www.itar-tass.com/en/c32/213410.html>

³⁵ "Yuri Dolgoruky submarine test launches successfully 2nd Bulava", *ITAR-TASS*, August 27, 2011, at <http://www.itar-tass.com/en/c32/212893.html>

commission for gas transit to South Korea via the DPRK. The construction of a gas pipeline between Russia and South Korea via the DPRK will guarantee the restoration and strengthening of trust between Seoul and Pyongyang. Russia and North Korea may also resume talks on the settlement of North Korea's 11-billion-dollar debt.³⁶

In other developments, the European Union and NATO have refused to recognize the outcome of the presidential elections in Abkhazia. The head of European diplomacy reiterated "the support of the EU for Georgia's territorial integrity and sovereignty recognized by the international law." Abkhazia was recognized by Russia after the Georgian war of 2008 which brought Russia into a direct diplomatic confrontation with the West.³⁷

D. West Asia

Iran

- **India finds new arrangements to meet Iran payment difficulty; Iran's Foreign Minister: Change in Syria lead to regional crisis**

Reports noted that India will set up a rupee account to make payment to exporters for goods sold to Iran and those importing goods from Iran will pay into this account, creating a mechanism where only the net amount will need to be paid to Iran. This will considerably reduce the payments that need to be made to Iran. The details of the arrangement, a kind of barter to the extent possible, are being worked out by the ministries of finance and commerce along with the Reserve Bank of India (RBI). A commerce department official said "we are planning to set up a rupee account, which would allow exporters to get payments for whatever they sell to Iran and sort out the payment crisis that they have been facing." An estimated Rs 1,800 crore (\$390m) in dues to exporters is stuck in Iran since December, when US sanctions against the country compelled the RBI to suspend settlements through the Asian Clearing Union, a payment arrangement for Asian countries including India. The Iranian government has already given its in-principal nod to the proposal. The netting arrangement will initially be limited to non-oil trade, but could be extended to cover crude imports from Iran as well.³⁸

In another development, Iran, the closest ally of Syria warned that a power vacuum in Damascus could spark an unprecedented regional crisis, as thousands of protesters insisted they will defy

³⁶ "Russia, N Korea may resume Soviet debt settlement talks", *ITAR-TASS*, August 24, 2011, at <http://www.itar-tass.com/en/c32/210492.html>

³⁷ "EU, NATO refuse to recognize Abkhazia elections outcome", *ITAR-TASS*, August 28, 2011, at <http://www.itar-tass.com/en/c32/213183.html>

³⁸ "India mulling new arrangement to clear Iran payment problem," *Tehran Times*, August 25, 2011, at <http://www.tehrantimes.com/index.php/economy-and-business/1908-india-mulling-new-arrangement-to-clear-iran-payment-problem>

tanks and bullets until President Bashar Assad is toppled. Iran's Foreign Minister Ali Akbar Salehi said "If a vacuum is created in the Syrian ruling system, it will have unprecedented repercussions." He said Syria has "sensitive neighbors" and that change in the country could lead to regional crisis. Syria is Iran's conduit for aid to powerful anti-Israel proxies Hezbollah in Lebanon and Hamas in the Gaza Strip. Reports noted that Iran has offered unwavering support for Damascus.³⁹

Iraq

- **Outgoing UN's Envoy to Iraq Ad Melkert: Iraq must determine whether its security forces are strong enough to prevent violence before requiring US troops to leave**

The UN's outgoing top envoy to Iraq Ad Melkert said that Baghdad must determine whether its security forces are strong enough to prevent violence before requiring US troops to leave. He cited concerns about tensions between Arabs and Kurds in Iraq's north, and said security forces made up of soldiers from both ethnic backgrounds must continue to work together, even if the Americans leave. The US and Iraqi governments are negotiating over how many American troops might stay beyond the end of the year, and what their roles would be, in a mission that has already lasted more than eight years.⁴⁰

Yemen

- **Yemen: 80 Al Qaeda terrorists killed in Abyan**

According to reports, eighty Al Qaeda terrorists were killed in an encounter with the security forces in the southern Yemeni province of Abyan on August 22. According to Ali Al Ansi, Head of the National Security Agency (NSA), the terrorists include Yemeni and non-Yemeni leaders and operatives; and all of them were recognized and identified by names. He stated that some of the Al Qaeda elements are hiding in the protest squares and inside the defected First Armored Division (FAD) of General Ali Muhsen, under the protection of the opposition. Al Ansi also informed that Al Qaeda terrorists are also fighting with the opposition tribesmen in places like Arhab and Taiz who fight the government troops with support from the defected General Ali Muhsen.⁴¹

³⁹ "Iran warns of regional crisis if Syria falls," *Khaleej Times*, August 27, 2011, at http://www.khaleejtimes.com/displayarticle.asp?xfile=data/middleeast/2011/August/middleeast_August617.xml§ion=middleeast&col=

⁴⁰ "UN concerned about Iraq strength before US exit," *Khaleej Times*, August 28, 2011, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2011/August/middleeast_August631.xml§ion=middleeast

⁴¹ "80 Al Qaeda insurgents killed in south Yemen battles", *Yemen Observer*, August 24, 2011, at <http://www.yobserver.com/front-page/10021305.html>

II. DEFENCE REVIEW

National

- **Pentagon's report paints a scary picture of PLA modernization for India; Infantry Commanders' Conference to focus on terrorism**

According to reports, the latest assessment of Pentagon released on Thursday paints a scary picture of the frenetic pace at which the 2.25-million People's Liberation Army (PLA) is being modernized, in the backdrop of uncertainty over its long-term intentions. Though the US report holds that thwarting any American intervention in Taiwan remains PLA's "main strategic direction", New Delhi can ill-afford to ignore China's increasing trans-border military capabilities, its assiduous strategic encircling of India and hardening posture in the border talks. All this might not startle the Indian defence establishment, which also keeps a close tab on PLA, but the fact remains that China can now move over 30 divisions (each with over 15,000 soldiers) to the LAC within a month to outnumber Indian forces by at least three-is-to-one due to the huge military infrastructure build-up in Tibet in recent times. India has also taken some steps in recent years to counter China, which range from planning a new mountain strike corps (over 35,000 combat troops) in 2012-2017 after raising two new divisions (over 15,000 soldiers each) in Nagaland and Assam to deploying Sukhoi-30MKI fighters, missile batteries and spy drones in the North-East.⁴²

Meanwhile, the Infantry Commanders' Conference will be held at the Infantry School in Mhow in the first week of September. The Army chief Gen V K Singh will attend this conference. Top brass of the infantry fraternity of the Indian army attend this conference once every two years to discuss about the strategies, technological aspects and future military challenges before the nation. According to an official of the Infantry School, though a wide variety of subjects will be discussed in the conference, a special emphasis will be given on the threat emanating from the terror organisations like the Al-Qaeda. The other key issue to come for discussion is the psychology and mental state of the soldiers. "As per the media reports, more than 500 soldiers and officers have committed suicide in the last five years and the number of casualties resulting from the fratricidal killings has also reached a considerable number," the official noted.⁴³

International

- **'Dragon' anti-air warfare destroyer ready for induction in the UK navy; China takes strong exception to the Pentagon report**

Reports noted that 'Dragon' the fourth Type 45 anti-air warfare destroyer will be formally handed over to the Royal Navy at a ceremony on August 24. The destroyer is capable of carrying out a

⁴² "Pentagon warns India of Chinese build-up", *Bharat Rakshak*, August 26, 2011, at <http://www.bharat-rakshak.com/NEWS/newsrfl.php?newsid=15101>

⁴³ "Infantry Commander's Conference in Mhow in Sept", *Bharat Rakshak*, August 28, 2011, at <http://www.bharat-rakshak.com/NEWS/newsrfl.php?newsid=15110>

wide range of operations, including anti-piracy and anti-smuggling activities, disaster relief work and surveillance operations as well as high intensity war fighting. It will be able to engage a large number of targets simultaneously, and defend aircraft carriers or groups of ships, such as an amphibious landing force, against the strongest future threats from the air.⁴⁴

In another development, China dismissed as “completely groundless” a Pentagon report which said Beijing’s massive military modernisation drive could destabilise the Asia-Pacific region. The Pentagon’s annual assessment of Chinese military capabilities and doctrine “seriously twists the facts and doesn’t have a leg to stand on,” Chinese Defence Ministry said in a statement. “China has lodged solemn representations with the US side,” Defence Ministry spokesman Yang Yujun said. Yang added that the report turned a blind eye to facts and played up the so-called Chinese mainland’s “military threat” to Taiwan, and made groundless claims on China’s policies on space and network security.

He said the Chinese army had increased its opening-up to the outside world, while actively conducting exchanges and cooperation with foreign armies, and always endeavoured to protect global and regional stability. The state-run China Daily in its editorial said “China is not a threat to peace in Asia, as it will never seek hegemony or military expansion. It has solemnly reiterated on every occasion that it unswervingly adheres to a defence policy that is defensive in nature.”⁴⁵

III. INTERNAL SECURITY REVIEW

Jammu & Kashmir

(Aug 15-21)

- **Police claims Kulgam woman rape allegations against the army were baseless; Four top Hizbul Mujahideen militants surrender after a joint operation by forces; Hizb rebuffs police claim; 12 Militants killed in Gurez sector ; Gunmen loot J&K Bank branch in Shopian district**

Reports noted that a day after Chief Minister Omar Abdullah announced that the Kulgam rape allegation was false, police claimed that the allegations leveled by the woman against the army were baseless and that she was neither abducted nor raped. The investigating team could not find any evidence that could corroborate with the allegations and action has been initiated against the complainant for misleading the police and public.⁴⁶

⁴⁴ “Dragon destroyer ready for UK’s Royal Navy”, *Brahmand*, August 29, 2011, at <http://www.brahmand.com/news/Dragon-destroyer-ready-for-UKs-Royal-Navy/7860/1/13.html>

⁴⁵ “China slams Pentagon report on its military modernization”, *Brahmand*, August 26, 2011, at <http://www.brahmand.com/news/China-slams-Pentagon-report-on-its-military-modernisation/7847/1/13.html>

⁴⁶ “Kulgam womam not raped: Police”, *Greater Kashmir*, August 16, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/17/kulgam-woman-not-raped-police-113.asp>

In a joint operation carried out by Reasi, Kulgam Police, Army's 9RR and the CRPF, four top militants including Divisional Commander surrendered before the forces at Hakawas on Reasi-Kulgam border. The arrested militants were from the militant group Hizbul Mujahideen. The militants were wanted in five cases in Kulgam district and 12 in Reasi.⁴⁷ However, Hizb-ul-Mujahideen rebuffed the police claim that four of its militants had surrendered in Pir Panchal Range of south Kashmir, saying that no outfit commander or militant had surrendered before the police. The spokesman claimed that the divisional commander of Pir Panchal Range along with other companions was quite safe.⁴⁸

In one of the fiercest gunfights, army has claimed to have foiled an infiltration bid by killing 12 militants along the Line of Control in Gurez sector. The fire-fight also left an army Lieutenant dead while two soldiers were injured. The soldiers intercepted the infiltrators while they were crossing the Kishanganga River in a Pneumatic boat in a bid to infiltrate.⁴⁹

In other developments, two unidentified gunmen stormed a bank in south Kashmir's Shopian district and looted over Rs five lakh. The daring robbery took place in Harmain branch of the Jammu and Kashmir Bank. According to officials the gunmen fired few shots in the air before fleeing with Rs 5,27,800 and police had launched a massive hunt to nab the robbers.⁵⁰

(Aug 22-28)

- **Violent clashes broke out in the South Kashmir town of Islamabad; Woman killed in "crossfire" between militants and Army in Rajwar area; Two militants killed in Handwara; A Border Security Force (BSF) Jawan killed and 14 others injured in three separate incidents in Baramulla town; Grenade attacks engulf towns; Violent clashes broke out in Nowhatta**

Reports noted that violent clashes broke out in the South Kashmir town of Islamabad after police allegedly thrashed a shopkeeper. Police detained 15 youth in the town after the clashes. According to witnesses the shopkeeper was manhandled. Policemen resorted to baton charge and tried to disperse the protesters who retaliated with stones, triggering clashes. The CRPF men used sling shots and also hurled stones on the youth. Later police arrested 15 youth from the town.⁵¹

According to reports, a 40-year-old woman was killed and another civilian injured in "crossfire" between militants and Army in the Rajwar area. According to police an Army unit of 6 Rashtriya Rifles after receiving inputs about militant movement in the area laid siege and cordoned off

⁴⁷ "4 Hizb militants surrender, claims Police", *Greater Kashmir*, August 18, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/19/4-hizb-militants-surrender-claims-police-70.asp>

⁴⁸ "Hizb rebuffs police claim", *Greater Kashmir*, August 19, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/20/hizb-rebuffs-police-claim-45.asp>

⁴⁹ "12 militants killed in Gurez: Army", *Greater Kashmir*, August 20, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/21/12-militants-killed-in-gurez-army-37.asp>

⁵⁰ "Gunmen loot JK Bank branch", *Greater Kashmir*, August 17, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/18/gunmen-loot-jk-bank-branch-55.asp>

⁵¹ "Clashes in Islamabad", *Greater Kashmir*, August 23, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/24/clashes-in-islamabad-42.asp>

the Padlu Behak in upper reaches of Rajwar forests. As the army patrol party advanced towards a Gujjar Dhoka (temporary shift shack), militants hiding inside opened the fire, which retaliated and triggered an encounter which left Saleema Begum succumb to death.⁵²

A day after a lady was killed in a gunfight between militants and forces, two militants died in separate encounters in north Kashmir's Handwara area. According to the Superintendent of Police Handwara, the encounter was extension of the previous day when a lady died in "cross firing" as militants managed to escape from the cordon. In the heavy exchange of fire, two militants were killed. The militants are unidentified and are believed to be part of the group that escaped the cordon.⁵³

Reports noted that after a brief lull, violence returned to the Valley with two persons including a Border Security Force (BSF) Jawan killed and 14 others injured in three separate incidents including grenade blasts in Baramulla town. A civilian and a BSF man were killed in a grenade blast in Jehlum market of Baramulla town. Meanwhile, just two and a half hours after Baramulla incident, unidentified persons hurled a grenade on CRPF vehicle in Batamaloo area of Srinagar city. But it missed the intended target and exploded on the roadside leaving 11 pedestrians including a woman injured.⁵⁴

In other developments, according to reports, violent clashes broke out in Nowhatta soon after the Friday prayers were over at the historic Jamia Masjid. Eyewitnesses said raising pro-freedom slogans, hundreds of youth attempted to take out a peaceful procession. However the police and CRPF, deployed in strength, swung into action to disperse the crowd. Witnesses said, the police cane-charged the protesters and fired numerous tear smoke canisters to disperse them.⁵⁵

North East India

(Aug 15-21)

- **Rebels ask Assam based groups to leave Meghalaya; Seven tribal militants killed in a fierce encounter in Assam; Ultras killed in encounter; Normal life was hit in many areas of Manipur due to protest demonstrations**

The A'chik National Volunteers Council (ANVC), a powerful rebel group in Meghalaya, told the United Liberation Front of Asom (ULFA) and National Democratic Front of Bodoland (NDFB) to leave the Garo Hills region saying the two groups were associated with Pakistan's spy agency ISI. In a statement, ANVC spokesman accused the ULFA and NDFB together with the Garo

⁵² "Woman killed in Handwara Encounter", *Greater Kashmir*, August 22, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/23/woman-killed-in-handwara-encounter-75.asp>

⁵³ "2 militants killed in Handwara", *Greater Kashmir*, August 23, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/24/2-militants-killed-in-handwara-74.asp>

⁵⁴ "Grenade attacks in Baramulla, Batamaloo", *Greater Kashmir*, August 25, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/26/grenade-attacks-in-baramulla-batamaloo-48.asp>

⁵⁵ "Clashes in Nowhatta", *Greater Kashmir*, August 26, 2011 at <http://www.greaterkashmir.com/news/2011/Aug/27/clashes-in-nowhatta-64.asp>

National Liberation Army (GNLA) with having killed more than eight people including three Meghalaya policemen in the recent past.⁵⁶

Reports noted that seven militants of a local organisation were gunned down and an Army Major was seriously injured in an encounter in Karimganj district. A huge cache of sophisticated arms and ammunition were recovered from the slain ultras. The identity of the extremists was not immediately known, but they were suspected to belong either to the United Democratic Liberation Army (UDLA) or Tripura based BRU outfit. The UDLA is active in areas between Karimganj and neighbouring Mizoram.⁵⁷

In other developments, normal life was hit in many areas of Manipur due to demonstrations demanding the creation of a Naga-dominated district in the State. According to a government official, the United Naga Council (UNC), the apex body of Nagas in the state, called a shutdown in all Naga inhabited areas in northern Manipur, demanding that these areas should not be carved out without their consent. The UNC has also imposed economic blockades on three national highways, preventing movement of vehicles along these routes, the lifeline for the mountainous state.⁵⁸

(Aug 22-28)

- **Three persons held in Seven Mile area for suspected LeT links; Home Ministry estimates: 79 ultra groups active in North East India; Paresh Baruah faction of ULFA procures huge quantity of arms; Economic blockade affects life in Manipur**

According to reports, Assam Police has arrested three persons, suspecting their links from the city's Seven Mile area under Jalukbari Police Station. Although a section of police officers is seeking to link the men with Pakistan-based outfit Lashkar-e-Toiba, Senior Superintendent of Police (City) Deepak Choudhury said that the trio had been arrested on suspicion of having links with an international smuggling group.⁵⁹

According to an estimate of the Home Ministry, there are 79 insurgent groups including splinter factions, which are active across six North Eastern States. A detailed list of the militant outfits furnished by Minister of State for Home Affairs M Ramachandran in the Lok Sabha reveals that Manipur has the dubious distinction of having the highest number of 50 active militant outfits in the region including 22 valley-based and 27 hill-based outfits.⁶⁰

⁵⁶ "Rebels ask Assam based groups to leave Meghalaya", *The Assam Tribune*, August 15, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug1611/state05>

⁵⁷ "7 ultras killed in encounter", *The Assam Tribune*, August 19, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2011/at092>

⁵⁸ "Protests hit life in Manipur", *The Assam Tribune*, August 21, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2111/at046>

⁵⁹ "3 held for suspected LeT links", *The Assam Tribune*, August 22, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2311/at096>

⁶⁰ "79 ultra groups active in NE", *The Assam Tribune*, August 23, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2411/at09>

According to reports, the hard line faction of the United Liberation Front of Asom (ULFA), headed by Paresh Baruah recently managed to procure a huge consignment of arms and explosives. According to information available with the security forces, the hardliners in the ULFA now has much more weapons than manpower. As per intelligence inputs, the ULFA faction recently procured at least 400 weapons including AK series rifles, small arms including M-20 pistols and explosives including remote controlled improvised explosive devices.⁶¹

In other developments, reports noted that the three week-old economic blockade and indefinite highway bandh in Manipur over the demand and counter-demand for a separate district has led to scarcity of life-saving drugs and petroleum products besides impacting the prices of foodgrains.⁶²

IV. UNITED NATIONS (UN) REVIEW

- **India highlights resource gap in peacekeeping debate at Security Council; UNSC condemns attacks on UN building in Nigeria; India justifies its stand on UNHRC resolution; Security Council unfreezes \$1.5 billion towards humanitarian aid to Libya; India continues its support for Palestine at the UN; US reiterates support for India's seat in UN Security Council**

In a debate on peacekeeping organized by the Security Council under the presidency of India, the members discussed steps to improve UN peacekeeping capacities. The Secretary General called for greater flexibility and funding to meet the complex needs of the peacekeeping missions. India pointed the existence of a "severe mismatch between the resources and the mandates of the peacekeeping operations".⁶³ In his presidential statement, India's permanent representative, Hardeep Singh Puri stressed the role of the UN peacekeepers in supporting efforts to promote political processes and peaceful settlement of disputes.⁶⁴

Meanwhile, the UN Secretary General, Ban ki-Moon and the Security Council condemned the attacks on the UN building in Abuja, Nigeria. According to Ban, the UN did not yet have the precise casualty figures. The Council members too voiced their sympathy for the victims of the attack.⁶⁵

⁶¹ "Paresh group procures huge quantity of arms", *The Assam Tribune*, August 23, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2411/at094>

⁶² "Blockade hard hits life in Manipur", *The Assam Tribune*, August 23, 2011 at <http://www.assamtribune.com/scripts/detailsnew.asp?id=aug2411/oth07>

⁶³ "Security Council seeks to strengthen UN peacekeeping capacities", *UN News Centre*, August 26, 2011 at <http://www.un.org/apps/news/story.asp?NewsID=39391&Cr=peacekeeping&Cr1=>

⁶⁴ "India highlights 'severe mismatch' in UN peacekeeping" *The Asian Age*, August 27, 2011 at <http://www.asianage.com/international/india-highlights-severe-mismatch-un-peacekeeping-847>

⁶⁵ "Security Council and Ban condemn deadly attack on UN compound in Nigeria", *UN News Centre*, August 26, 2011 at <http://www.un.org/apps/news/story.asp?NewsID=39395&Cr=Ki-moon&Cr1=>

India abstained from the UN Human Rights Council vote condemning the violence committed against civilians by the Syrian authorities. The Indian government's justification for its stand was that engaging Syria in a constructive dialogue was a more pragmatic option. It also regretted that a country-specific resolution was proposed without a consensus. It added that the position thus taken by it should not be misconstrued as condoning the violations of human rights.⁶⁶

In another development, the Security Council allowed the release of \$1.5 billion in frozen Libyan assets to assist the delivery of humanitarian aid and other basic services to Libya. This decision came after an agreement was reached between the US and South Africa which prevented the Council from voting on the draft resolution that was submitted by the U.S. earlier.⁶⁷

According to reports, Indian Foreign Minister, S.M Krishna told the PLO representative, Nabil Shaath that India would work to support the Palestinian bid for an independent statehood at the UN. The Palestine issue will be voted upon on September 20th at the General Assembly.⁶⁸

In other developments, the United States continued its support to India's bid to a seat in the Security Council. US State Department spokesperson Victoria Nuland stated, "It remains our position that we support a UN Security Council seat for India."⁶⁹

⁶⁶ "India justifies move to abstain from UN rights vote on Syria", *The Times of India*, August 24, 2011 at http://articles.timesofindia.indiatimes.com/2011-08-24/india/29927447_1_human-rights-country-specific-brazil-and-south-africa

⁶⁷ "UN to release \$1.5 billion in frozen assets for Libya", *The Hindu*, August 26, 2011 at <http://www.thehindu.com/news/international/article2399534.ece>

⁶⁸ "Shaath: India will support Palestinians at UN", *Ma'an News Agency*, August 25, 2011 at <http://www.maannews.net/eng/ViewDetails.aspx?ID=416032>

⁶⁹ "US supports UN Security Council seat for India", *The Economic Times*, August 24, 2011 at http://articles.economictimes.indiatimes.com/2011-08-24/news/29922877_1_permanent-membership-daily-news-conference-south-and-central-asia