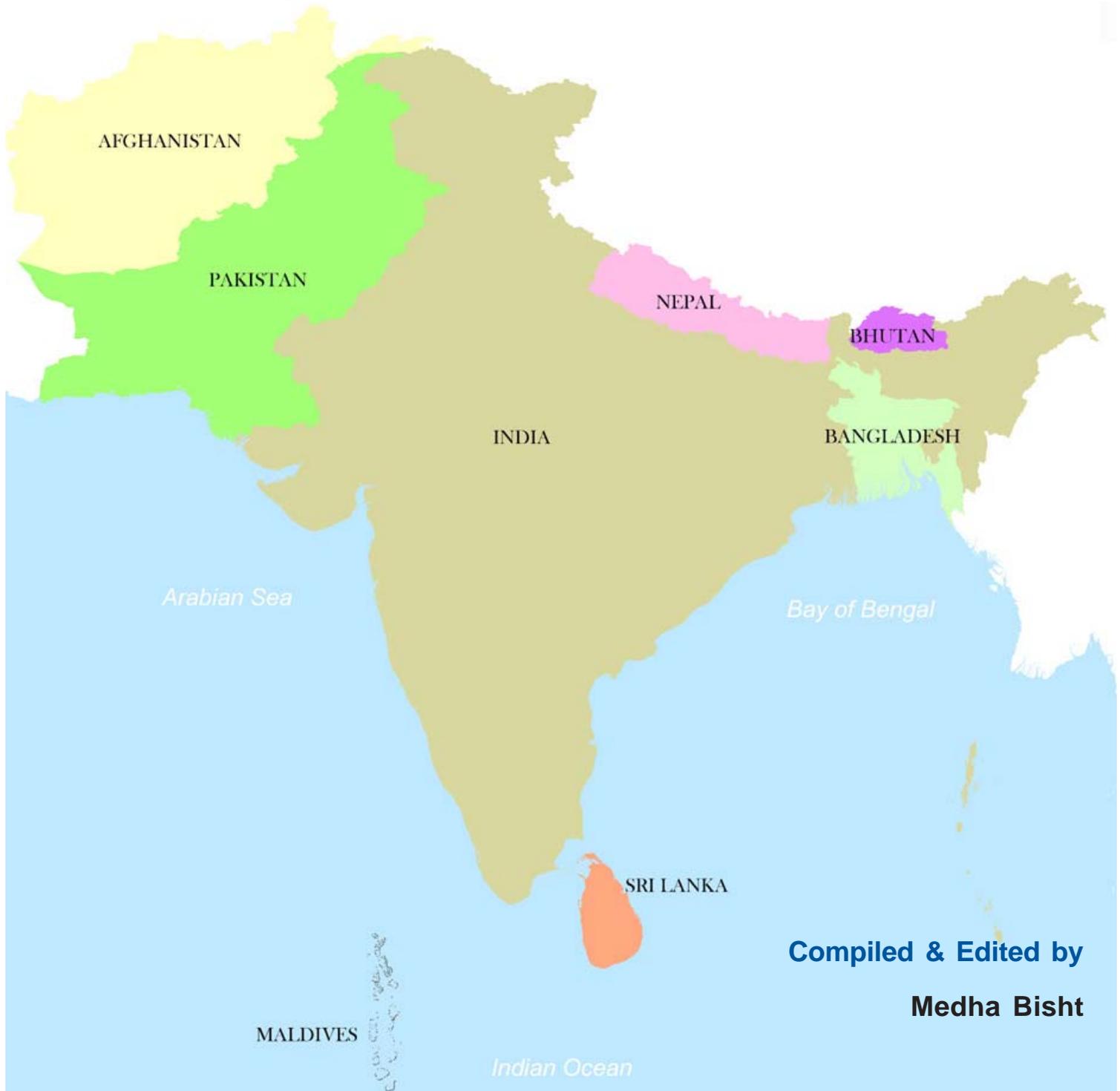


# ***SOUTH ASIA TRENDS***

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**Volume 1 Number 5 June 21-July 4, 2010**

South Asia Trends is a fortnightly newsletter on South Asian affairs. The purpose of the newsletter is to provide a panoramic view of important events that shape and impact the politics of the subcontinent. The effort would be to inform our readers of the domestic, regional and international repercussions of the political debates and diplomatic engagements that take place in South Asia.



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## Editor's Note

The resignation of Madhav Kumar Nepal on June 23, 2010 ended the political stalemate that had set in Nepal for the last few weeks. While a fresh struggle has started as the key political parties' stake their candidates for the post of premiership, China and the United States have suggested that different political parties mend their differences and find a way forward for the sake of internal and regional peace. In the days to come coalition politics might be the favourite bet as different political parties undertake a cost-benefit analysis on a majority vis a vis a consensus government.

Meanwhile the great fall of Stanley McChrystal on June 24, 2010 could well pave a fresh policy trajectory for U.S engagement in Afghanistan. While the uncertainty over the withdrawal timeline of July 2011 remains, General Patreaus after taking on as the new Commander of Afghanistan has categorically underlined the importance of maintaining unity in the civilian and military effort to counter the Taliban. Of the many announcements that the General has made on Afghanistan, his categorical support for India's legitimate role irrespective of Pakistan's reservation is quite noteworthy. Meanwhile a clandestine visit between Karzai and Sirajuddin Haqqani did create some curiosity in the diplomatic circles as reports claimed that the visit was allegedly organized by Pakistani army chief General Kayani. Though Karzai and Kayani have refuted such allegations in public, the possibility of Haqqani network becoming a part of a power-sharing deal in Afghanistan is an issue to be reckoned with. Meanwhile Pakistan has been pro-actively making space for itself in the Afghan political settlement, insisting on playing a leading role in the reconciliation process in Afghanistan. Some recent announcements include: the extradition of Mullah Baradar to facilitate Karzai's engagement with Taliban and offering support to train Afghan army in the months to come.

On another front, as a follow-up of the reconciliation package decided by the Afghan *jirga*, twenty six Taliban have been released from jails in Afghanistan. While CIA Director, Leon Panetta has expressed reservations on the success of the reconciliation strategy, the Taliban have stated that they would continue to fight until all foreign forces leave the Afghan soil.

The resignation of the cabinet in Maldives on June 29, 2010 impeded the ongoing democratization thus unleashing a political deadlock. Indicative of a clear attack on President Nasheed's policies, according to official sources the Maldivian government would be filing a case in the Supreme Court over the Majlis attempt to "grab powers invested with the executive."

## Afghanistan

### **Afghan parliamentary vote will test security conditions**

*Miami Herald, June 21, 2010*

When voters in the Afghan capital elect a new parliament later this year, they'll face a bewildering choice of more than 700 candidates that threatens to turn the election into a lottery. The election campaign, which kicks off this week, will be a major test of Afghanistan's political progress and security. Depending on how it's run, the Sept. 18 balloting could be a major advance toward stability, or, if there's fraud on the scale of last year's presidential elections, a big step backward. The election also will play a big role in determining whether the Obama administration can begin to withdraw American troops from Afghanistan a year from now as President Barack Obama said it will, confident of leaving a stable country behind. Around 2,600, including some 400 women, will stand for the 249 seats in the lower house of parliament. More than a quarter of those candidates will compete in the capital.

(Source: <http://www.miamiherald.com/2010/06/21/1692860/afghan-parliamentary-vote-will.html>)

### **David Cameron: Britain should reflect on role in Afghanistan**

*The Independent, June 21, 2010*

Britain should keep asking how long it needs to remain in Afghanistan, Prime Minister David Cameron said today after the UK death toll hit 300. Mr Cameron led tributes to the sacrifices made by the 300 British servicemen and women who have died since operations in Afghanistan began in October 2001. He said, it is a moment, for the whole country to reflect on the incredible service and sacrifice and dedication that our armed services give on our behalf. The UK currently has about 10,000 troops in Afghanistan, of whom 8,000 are based in Helmand, the country's most dangerous province. Since becoming Prime Minister, Mr Cameron has stressed that British forces will not remain in Afghanistan "a day longer than is necessary".

(Source: <http://www.independent.co.uk/news/world/asia/david-cameron-britain-should-reflect-on-role-in-afghanistan-2006415.html>)

### **26 Taliban released after Afghan jirga deal**

*Daily Times, June 22, 2010.*

Up to 26 Taliban have been freed from jails in Afghanistan as part of a peace deal that seeks to win over insurgents, Afghan and US officials said on June 21, 2010. Twelve prisoners were freed from US detention in Bagram while two would-be suicide bombers were released from Afghan custody, said the Afghan deputy attorney general. There was no immediate comment from the Taliban about the prisoners' release but the militant group has repeatedly dismissed all peace overtures, saying it will continue to fight until all foreign forces have left.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\22\story\\_22-6-2010\\_pg1\\_5](http://www.dailytimes.com.pk/default.asp?page=2010\06\22\story_22-6-2010_pg1_5))

**Iran Interferes in Afghanistan's Affairs: Faqiri**

*Daily Outlook Afghanistan, June 23, 2010.*

The Afghan Ministry of Foreign Affairs reported that Iranian government interferes in Afghanistan's internal affairs. An ISAF spokesman in Afghanistan also told reporters that they have evidences showing that Iran is supplying money and ammunition to the government opposition forces inside Afghanistan. In the meantime, an Afghan MP has also claimed to have evidence that Iran supplies arms to the Afghan insurgents in coordination with its intelligence organization and border police. "A few days ago, 800 kg of explosives, 1000 heavy weapons and some other light weapons were transported from Iran to Afghanistan," said an Afghan MP, Ahmed Waheed Tahiri.

(Source: [http://outlookafghanistan.net/news/Pages/main\\_news.html#04](http://outlookafghanistan.net/news/Pages/main_news.html#04))

**Obama to confront General McChrystal**

*Independent Online, June 23, 2010.*

US President Barack Obama will confront his top Afghanistan commander on June 23, 2010, before deciding whether to fire him over inflammatory comments that have angered the White House and threaten to undermine the war effort. The situation poses a dilemma for Obama, who faces the choice of either being seen as tolerating insubordination from the military or shaking up the chain of command at a perilous moment in the unpopular nine-year-old war.

(Source: [http://www.iol.co.za/index.php?click\\_id=3&art\\_id=iol1277287519171O153&set\\_id=](http://www.iol.co.za/index.php?click_id=3&art_id=iol1277287519171O153&set_id=))

**Karzai Respects McChrystal Dismissal: Omar**

*Daily Outlook Afghanistan, June 24, 2010.*

President Hamid Karzai respects President Barack Obama's decision to dismiss the U.S. commander in Afghanistan, General Stanley McChrystal, but had hoped for another result, Karzai's spokesman said on June 23, 2010. Since McChrystal took over as chief of U.S. and NATO forces in Afghanistan in June 2009, he has formed a strong relationship with Karzai, accompanying him on several tours of the country in a bid to show support for the government. "We had hoped this would not have happened, but the decision has been made and we respect it," said Karzai spokesman Waheed Omer. McChrystal has also been credited with reducing civilian casualties caused by foreign troops, which had been a major source of conflict between Karzai and the West.

(Source: [http://outlookafghanistan.net/news/Pages/main\\_news.html#02](http://outlookafghanistan.net/news/Pages/main_news.html#02))

**McChrystal Out, Petraeus New Commander for Afghanistan**

*Daily Outlook Afghanistan, June 24, 2010.*

Gen. Stanley McChrystal, the U.S. commander of the overall allied mission in Afghanistan, has been "relieved of his command" for controversial remarks made about the U.S. president and his staff. He is replaced by Gen. David Petraeus,

commander of the U.S. Central Command, CNN reported. The Rolling Stone article quotes senior aides to McChrystal as saying the four-star general was disappointed in the president's leadership and found Obama disinterested in Afghan war strategy.

(Source: [http://outlookafghanistan.net/news\\_Pages/main\\_news.html#02](http://outlookafghanistan.net/news_Pages/main_news.html#02))

### **McCain: Setting Afghan withdrawal date ill-advised**

*News Observer, June 24, 2010.*

McCain also said in the nationally broadcast interview that he has full confidence in Gen. David Petraeus, chosen by President Barack Obama to succeed the ousted Gen. Stanley McChrystal as the Afghan commander. But he also said he thinks more U.S. forces are needed there. McCain said he considered it "completely understandable" that Obama dismissed McChrystal in the wake of disparaging remarks the general and his aides made about civilian officials in a Rolling Stone magazine interview. He said that in a talk he had with Obama, "I pointed out to the president, we need a new team over there as well, perhaps at the embassy, and other areas." McCain said "the relationship between the civilian and the military is not what it should be."

(Source: <http://www.newsobserver.com/2010/06/24/549339/mccain-setting-afghan-withdrawal.html>)

### **Peace Deal 'Unlikely' to Happen: CIA Director, Leon Panetta**

*Daily Outlook Afghanistan, June 28, 2010.*

The CIA Director, Leon Panetta, said that the current reconciliation efforts is unlikely to succeed in Afghanistan as the leadership of the Taliban and Haqqani network are not interested in it. "We really have not seen any firm intelligence that there's a real interest [in reconciliation] among the Taliban, the militant allies of Al Qaeda, Al Qaeda itself, the Haqqanis, TTP, other militant groups," Panetta told the ABC News in an interview. The CIA chief said "no evidence" was in place to indicate the Taliban's true interest in President Hamid Karzai's reconciliation bid. Earlier this month in a 1,600-member peace Jirga, President Karzai called on the Taliban to renounce violence. "We've seen no evidence of that and very frankly, my view is that with regards to reconciliation, unless they're convinced that the United States is going to win and that they're going to be defeated, I think it's very difficult to proceed with a reconciliation that's going to be meaningful," Panetta said in response to a question.

(Source: [http://outlookafghanistan.net/news\\_Pages/main\\_news.html#02](http://outlookafghanistan.net/news_Pages/main_news.html#02))

### **Obama welcomes Pak efforts for Afghan settlement**

*Daily Times, June 29, 2010.*

US President Barack Obama has described as a "useful step" the move by Pakistan to promote a political settlement in war-torn Afghanistan, but appeared to suggest caution at the early stage of the evolving negotiations process. "I think it's too early to tell. I think we have to view these efforts with skepticism but also with

openness," the president said, while responding to questions about the Afghan peace deal at the end of the G20 summit in Toronto, Canada. According to the New York Times, the US president avoided any direct comment on whether the Haqqani network, the Taliban group reportedly proposed by Pakistan as part of a power-sharing deal, could become part of Afghanistan's future leadership.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story\\_29-6-2010\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story_29-6-2010_pg1_1))

### **Petraeus leaves room for changes in Afghan pullout**

*Associated Press, June 29, 2010.*

Gen. David Petraeus left open the possibility of recommending that President Barack Obama delay his plans to start withdrawing troops from Afghanistan next summer if the new commander can't turn around the stalemated war." There will be an assessment at the end of this year after which undoubtedly we'll make certain tweaks, refinements, perhaps some significant changes," Petraeus told a Senate panel June 29, 2010, of the battle plan and the timeline Obama has laid out. The Senate Armed Services Committee quickly approved Petraeus for the job of running the Afghan war, and the full Senate was expected to confirm him .

(Source: <http://www.syracuse.com/newsflash/index.ssf?/base/national-19/127780283426420.xml&storylist=washington>)

### **German Defence Minister questions role of Nato in Afghanistan war**

*The Independent, June 29, 2010.*

Germany is arguing for the aims of NATO's operations in Afghanistan to be significantly scaled down and wants the alliance to adopt criteria to ensure that it never commits itself to a similarly open-ended mission in future. This was the message conveyed by the German Defence Minister, Karl-Theodor zu Guttenberg, during a lecture at a London think-tank. He was speaking after two days of talks with British officials, at a time when operations in Afghanistan are at a crucial juncture and the alliance is engaged in a comprehensive review of its future.

(Source: <http://www.independent.co.uk/news/world/europe/german-defence-minister-questions-role-of-nato-in-afghanistan-war-2013056.html>)

### **Pakistan key to Afghan reconciliation: Petraeus**

*Dawn, June 29, 2010.*

Pakistan's involvement in a reconciliation agreement in Afghanistan is essential and the United States needs to further this developing partnership between the two neighbouring countries, Gen David Petraeus told his confirmation hearing. But the new US commander for Afghanistan also told the Senate Armed Services Committee that Afghan President Hamid Karzai had denied reports that he recently met a top leader of anti-Kabul network, Sirajuddin Haqqani. "Pakistani involvement in some form of reconciliation agreement, I think that that is essential," Gen Petraeus told the committee's chairman Senator Carl Levin.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/06-pakistan-key-to-afghan-reconciliation-petraeus-060-rs-01>)

### **Barack Obama meets Saudi King Abdullah at White House**

*Times of India, June 30, 2010.*

US President Barack Obama urged bold action to secure the “Palestinian homeland” on June 29, 2010 as he welcomed Saudi King Abdullah to the White House for the first time since taking office. Obama said the two leaders also discussed Iraq, Iran’s nuclear challenge and Pakistan and Afghanistan, while the king dispensed warm personal praise for his host, though there were few in-depth details of the private talks.

(Source: <http://timesofindia.indiatimes.com/World/US/Barack-Obama-meets-Saudi-King-Abdullah-at-White-House/articleshow/6108603.cms>)

### **Lawmakers ask for Afghanistan exit strategy**

*San Francisco Chronicle June 30, 2010.*

Rep. Barbara Lee, D-Oakland, joined other House members in calling for President Obama to provide Congress with “a clear commitment and plan to withdraw U.S. forces from Afghanistan” before a vote expected later this week that would provide \$58 billion for wars in Iraq and Afghanistan. The call for a firm stance on a drawdown date in a letter to the president was echoed by the Senate Armed Services Committee Tuesday during Gen. David Petraeus’ confirmation hearing to become the top commander of U.S. forces in Afghanistan. Even though Petraeus left open the possibility of delaying Obama’s July 2011 plan to start withdrawing troops, he expressed confidence in the workability of the departure date.

(Source: <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/06/30/MN8U1E6U2H.DTL>)

### **Nato’s grand experiment leaves Marjah scrabbling for a future**

*Independent, June 30, 2010.*

Marjah is the Taliban stronghold which General Stanley McChrystal, until recently the NATO commander in Afghanistan, famously called a “bleeding ulcer”. The coalition showcased the district and made it the focus of its campaigning earlier this year, pouring in thousands of US and Afghan troops in one of the most heavily advertised attacks in history. They also installed what officials called “government in a box” and made Mr Zahir Marjah’s new district governor. US and British experts work with him, struggling to build a local administration from scratch. This approach and its subsequent success, the thinking went, would show the war could yet be won.

(Source: <http://www.independent.co.uk/news/world/asia/natos-grand-experiment-leaves-marjah-scrabbling-for-a-future-2014043.html>)

**India has legitimate interest in Afghan: Petraeus**

*Zee News, June 30, 2010.*

Strongly refuting the Pakistani claim that India has no role in Afghanistan, new US Commander General David Petraeus has said that New Delhi has a legitimate interest in the region. "India has legitimate interests in this region," Gen Petraeus said in response to a question at his confirmation hearing for the US and NATO in Afghanistan before the Senate Armed Services Committee. The Senate Armed Services Committee later in the day confirmed him by a voice vote. His nomination now goes to the full Senate for confirmation.

(Source: <http://www.zeenews.com/news637563.html>)

**Petraeus vows to spare civilians in Afghan war**

*Times of India, July 1, 2010.*

General David Petraeus, the new Afghan war commander, pledged Thursday to give his forces the right firepower to fight the Taliban but insisted that sparing civilian lives remained a priority. Petraeus was at NATO headquarters in Brussels to brief allies before taking up his post in Afghanistan, where a new bout of fighting left at least 31 Taliban insurgents dead in the southern province of Helmand. In a counter-insurgency the human terrain is the decisive terrain and therefore you must do everything humanly possible to protect the population and indeed again to reduce the loss of innocent civilian life," he said. He said there had been a 50 percent reduction in the loss of civilian lives in the last 12 weeks compared to the same period last year.

(Source: <http://timesofindia.indiatimes.com/world/south-asia/Petraeus-vows-to-spare-civilians-in-Afghan-war/articleshow/6115676.cms>)

**Gen Kayani denies secret Karzai-Haqqani meets**

*Dawn, July 1, 2010.*

Pakistan's army chief General Ashfaq Pervez Kayani denied organising secret meetings in Kabul between Afghan President Hamid Karzai and a senior Al-Qaeda-linked militant. Kayani's brief statement came days after a media report claimed that he and the head of Pakistani intelligence services facilitated a meeting between Karzai and Sirajuddin Haqqani, who heads the Haqqani network. "General Ashfaq Kayani has said that during his last two visits to Kabul, he met President Karzai to discuss issues of mutual interest," the military said in a statement.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/16-gen+kayani+denies+secret+karzai-haqqani+meets-hs-03>)

**Pakistan to help train Afghan military**

*The Australian, July 2, 2010.*

A Pakistan military spokesman July 1, 2010 confirmed the training had been agreed to by both sides, as the US Senate confirmed General David Petraeus as the new

commander of US and NATO troops fighting the Taliban insurgency in Afghanistan. A top Islamabad security official also said this week that Pakistan may extradite top Taliban commander Mullah Baradar as part of efforts to help Afghan President Hamid Karzai reach a settlement with the Taliban. General Petraeus told senators he would not be surprised if elements of Pakistan's Inter-Services Intelligence agency still had links with Afghan Taliban commanders and other extremist groups. "What we have always had to figure out with Pakistan centre is, are they working with the Taliban to support the Taliban or to recruit sources in the Taliban," he said.

Source: <http://www.theaustralian.com.au/news/world/pakistan-to-help-train-afghan-military/story-e6frg6so-1225886863743>

### **Petraeus Seeks Unity in Afghan Effort**

*Herald Tribune, July 3, 2010.*

Gen. David Petraeus, the new commander of U.S. and NATO forces in Afghanistan, called for unity in the civilian and military effort to turn back the Taliban and stabilize the country. The remarks were Petraeus' first public comments since he arrived Friday night to assume command of the troubled international military mission in Afghanistan. "In this important endeavor, cooperation is not optional," Petraeus told about 1,700 invited guests, including Afghan government and military and police officials gathered at the U.S. Embassy. "Civilian and military, Afghanistan and international, we are part of one team with one mission." Petraeus added that the campaign to strengthen the Afghan government in the face of the insurgent threat "is an effort in which we must achieve unity of effort." He told the Afghan dignitaries, "Your success is our success."

(Source: <http://www.heraldtribune.com/article/20100703/ZNYT03/7033015/-1/FEATURES21?Title=Petraeus-Seeks-Unity-in-Afghan-Effort>

### **Cameron outlines Afghan exit scheme**

*Guardian, July 4, 2010.*

David Cameron has spelt out his five-year exit strategy for British forces in Afghanistan. While the Prime Minister said combat troops should be out by 2015, he said there would continue to be a diplomatic presence in the war-stricken country. And he said British forces could remain in the region after 2015 to train Afghan police and soldiers. Speaking to Christina Schmid, whose husband Staff Sergeant Olaf Schmid was killed by a blast last October, he said Afghanistan represented the "biggest challenge" of his job and "the thing I think about the most". "We've been there since 2001 and in Helmand since 2006," he said. "I've said that by 2015 we shouldn't have our troops there - but we may." "We'll certainly be there diplomatically, helping with aid. We may even be training their police and soldiers still. But the idea of combat troops after 2015..."

(Source: <http://www.guardian.co.uk/uk/feedarticle/9157009>)

### **Karzai is an Illegitimate President; Haji Mohammad Mohaqiq**

*Pajhwak, July 4, 2010*

A prominent Hazara Leader and head of People's Unity Party of Afghanistan (Hizb-e-Wahdat Mardoom) Haji Mohammad Mohaqiq, on Saturday speaking to thousands of people in western Kabul said that President Hamid Karzai as an illegitimate president, accused the president of lying to the Hazara community during his election campaign. Haji Mohaqiq, Head of the Higher Education, Islamic Affairs, and the Socio-Cultural committee of the Lower House of the parliament, said Karzai had promised him during his last presidential campaign to appoint five ministers from the tribe in his new cabinet. He added the president had promised to give two Hazara districts the status of province. The gathering was also participated by several Hazara MPs and other high ranking officials belonging to the tribe. His allegations come days after the parliament rejected two Hazara picks of the president for cabinet slots.

(Source: [http://www.outlookafghanistan.net/news/Pages/main\\_news.html#02](http://www.outlookafghanistan.net/news/Pages/main_news.html#02))

## **Bangladesh**

### **Rebels' bid for revival : KLO militant held**

*Telegraph, June 21, 2010*

KLO militant arrested from the outskirts of Siliguri has given police information on the outfit's renewed efforts to raise money from businessmen in north Bengal to regroup and revive its activities. Our intelligence officers are working in tandem with other security agencies and are trying to find out the number of youths who have joined the outfit after 2003," said another officer. "There is information that the KLO is carrying out recruitments from certain districts of Assam also."

(Source: [http://www.telegraphindia.com/1100621/jsp/siliguri/story\\_12587946.jsp](http://www.telegraphindia.com/1100621/jsp/siliguri/story_12587946.jsp))

### **Bangladesh to sign MoU for rail link with Nepal, Bhutan**

*The Nation, June 21, 2010*

Bangladesh is going to sign a Memorandum of Understanding (MoU) with neighbouring India to start rail connectivity with Nepal and Bhutan, official sources said. The MoU is likely to be signed next month to facilitate smooth and speedy flow of transit traffic to and from Nepal by the overland rail route through India and Bangladesh. The Ministry of Communication has prepared a draft of the MoU which mentioned that rail connectivity between Bangladesh and Nepal will begin once the 'transit traffic' between Singhabad station of India and Rohanpur station of Bangladesh starts. And, the rail connectivity between Bangladesh and Bhutan will be established once the transit traffic between Biral and Radhikapur starts.

(Source: <http://nation.ittefaq.com/issues/2010/06/21/news0571.htm>)

### **Arsenic in Water Kills 1 in 5 in Bangladesh**

*Mother Jones, June 23, 2010.*

To avoid getting sick from waterborne diseases—chronic diarrhea, hookworm, dysentery, typhoid, cholera—in their monsoon ponds, the people of West Bengal,

India, and of Bangladesh have been turning to tube wells. But a different death awaits from well water—cancers of the skin, bladder, and lung, among others. According to a new study in the medical journal *The Lancet*, between 33 and 77 million people in Bangladesh have been exposed to arsenic in the drinking water. The World Health Organization calls it the largest mass poisoning in history.

(Source: <http://motherjones.com/blue-marble/2010/06/arsenic-water-kills-1-5-bangladesh>)

### **Bangladesh losing US garment market to India, China**

*Economic Times, June 24, 2010.*

Bangladesh is losing the US market for garments to India, China, Vietnam and Indonesia, among others, causing concern among exporters. Citing a recent report of US Commerce Department, exporters say Bangladesh, recording a marginal fall during January-April this year, has witnessed overall negative growth in shipments compared to other Asian competitors. The report on “US apparel imports from major Asian sources in January-April 2010” shows Bangladesh’s apparel shipments saw one per cent decline over the like period of the past year.

(Source: <http://economictimes.indiatimes.com/markets/global-markets/Bangladesh-losing-US-garment-market-to-India-China/articleshow/6086434.cms>)

### **India, Bangladesh to exercise calm on border**

*Sify News, June 24, 2010.*

India’s Border Security Force (BSF) and its Bangladeshi counterpart agreed to exercise ‘utmost restraint’ in areas of dispute along the border. After a meeting with Deputy Director General of Bangladesh Rifles (BDR) Brigadier Obaidul Haque, BSF Inspector General R.C. Saxena said: ‘We have strongly voiced our concern and displeasure regarding recent unprovoked firing by them creating unnecessary tension along the border. ‘BSF and BDR officials met at Dawki, 85 km south of Meghalaya’s capital Shillong, in the aftermath of BDR’s ‘unprovoked firing’ June 15 that left a school teacher injured.

(Source: <http://sify.com/news/india-bangladesh-to-exercise-calm-on-border-news-national-kgyuOcaeiag.html>)

### **200 protesters arrested during Bangladesh strike**

*Associated Press, June 28, 2010.*

Security forces arrested more than 200 activists according to police and news reports, as Bangladesh’s main opposition party led a nationwide dawn-to-dusk general strike to protest alleged government misrule. The unrest comes as frustration has been growing in Bangladesh over frequent power cuts and deteriorating law and order, among other issues. The opposition Bangladesh Nationalist Party, led by former Prime Minister Khaleda Zia, called strike to protest alleged Awami League misrule. Zia accused the government of suppressing the opposition and failing to control commodity prices or improve law and order.

(Source: [http://www.boston.com/news/world/asia/articles/2010/06/28/200\\_protesters\\_arrested\\_during\\_bangladesh\\_strike/](http://www.boston.com/news/world/asia/articles/2010/06/28/200_protesters_arrested_during_bangladesh_strike/))

### **India to review security of Dhaka mission**

*Sify News, June 29, 2010.*

In the wake of a fresh intelligence alert about the possibility of terror attacks on Indians in Bangladesh, New Delhi has taken up the issue with Dhaka and plans to soon review the security of its mission there. India has taken up the issue with the Sheikh Hasina government, which has assured full assistance, sources said. The threat perception has been communicated and steps will be taken to beef up security at these missions, added the sources. In the meantime, the government is reviewing the security of its missions in Dhaka and Dhaka may decide to use security forces to guard its missions. Local police guard the high commission in Dhaka and the consulates in Chittagong and Rajshahi.

(Source: <http://sify.com/news/india-to-review-security-of-dhaka-mission-news-national-kg3wEcdaaffh.html>)

### **Prospects of internally driven growth for Bangladesh**

*Financial Express, June 30, 2010.*

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has recently published Economic and Social Survey of Asia and Pacific 2010. The Survey, inter alia, suggests the need for redirection of policies to promote growth based on internal stimulus, rather than external demand. To quote from the Survey "..... to unwind the global imbalances, many of the developed countries will need to restrain debt-fuelled consumption. The Asia-Pacific Countries, for their part, will therefore need to seek new sources of growth rebalancing their economies in favour of greater domestic and regional consumption".

(Source: [http://www.thefinancialexpress-bd.com/more.php?news\\_id=104583&date=2010-06-30](http://www.thefinancialexpress-bd.com/more.php?news_id=104583&date=2010-06-30))

### **Climate change threatens to slash Bangladesh rice crop, report warns**

*Alert Net, June 30, 2010.*

Without adequate intervention, rice production in Bangladesh could see a dramatic decline by 2050 due to the impacts of climate change, even as population is projected to continue rising, researchers say. "Bangladesh faces formidable challenges to feed its population in the future," note the authors of a new report on adapting Bangladesh's agriculture to climate change.

(Source: [http://www.alertnet.org/db/an\\_art/60167/2010/05/30-133522-1.htm](http://www.alertnet.org/db/an_art/60167/2010/05/30-133522-1.htm))

### **Bin Laden eyes on Bangladesh**

*Blitz Weekly, June 30, 2010.*

Notorious terror kingpin and Al Qaeda man Mullah Omar has signed a sermon endorsing Islamist Jihad in Bangladesh with the goal of seizing power from the

democratically elected government thus transforming the moderate Muslim nation into an Islamic republic. According to various sources, a number of Islamist politicians and clergies in Bangladesh are having regular contact with Mullah Omar and other top ranking terrorists in Al Qaeda. It is already reported that, Jihadists are taking extensive preparations under the direct guidance of Al Qaeda kingpins to stage Islamic revolution in Bangladesh. With this goal, recruitment and training of Jihadists are continuing in more than 71,000 Madrassas throughout the country as well as hidden training camps within Chittagong Hill Tract area, Burmese Border and mountains in Nepal.

(Source: <http://www.weeklyblitz.net/830/bin-laden-eyes-on-bangladesh>)

### **India takes mega projects**

*Daily Star, July 3, 2010.*

India has taken up several mega projects to develop its rail and road infrastructure for access to Chittagong Port and transit and transshipment through Bangladesh to remotest northeastern region. Although India has begun its infrastructure building, Bangladesh is still waiting for Indian financial support to develop roads and railways inside its territory to facilitate the connectivity. Bangladesh has agreed to have land, air and waterways connectivity with South Asian countries, especially to allow India, Nepal and Bhutan to use the Chittagong and Mongla ports.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=145158>)

### **Bangladesh anti-government stir intensifies**

*Sify News, July 4, 2010.*

Bangladesh on Sunday braced for another round of agitation by opposition parties who have re-united to demand the release of arrested top Islamist leaders. Opposition leader and former prime minister Khaleda Zia on Saturday night had a discussion with leaders of Islami Oikya Jote (IOJ), a conglomerate of Islamist parties and gave a five-day ultimatum to the government to release three top officials of the Jamaat-e-Islami (JeI), the country's largest Islamist party. A two-day stir was announced followed by a human chain formation on Wednesday and relay fast for two days thereafter.

(Source: <http://sify.com/news/bangladesh-anti-government-stir-intensifies-news-international-khemCffaefe.html>)

## **Bhutan**

### **Preliminary review of tariff revision proposal**

*Kuensel, June 21, 2010.*

In its preliminary review of the power tariff revision applications the Bhutan electricity authority (BEA) has recommended maintaining the 'debt equity' ratio as stipulated in the regulations. If this is taken on board, it could change a number of things, like bring down the cost of generation and supply. This means the proposed tariff revision could also come down. Both the Bhutan power corporation limited (BPCL) and the Druk Green power corporation (DGPC) had proposed changing the debt equity ratio or 'gearing ratio' from the stipulated 70/30 to ac-

tual ratios; that cost of supply and generation can be based on actual costs. The equity portion is way higher than debt for both entities, and achieving the 10 percent return on investments, as allowed by regulations, means power becomes costlier.

(Source: <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15836>)

### **After the ballot comes the bill**

*Kuensel, June 21, 2010*

Discussions on state funding for political parties re-emerged this week, as almost 100 Druk Phuensum Tshogpa (DPT) members met in Thimphu to try and solve the party's dire financial situation. During DPT's annual executive meeting on June 19, 2010 dzongkhag party coordinators, parliamentarians and office bearers raised concerns over defaulting bank loans, minimal contribution and registration fees from the members. Most of them said that only state funding could therefore keep the party alive. With a total debt of almost Nu 24 M, DPT's general secretary Thinley Gyamtsho said that the party explored three options: registration fees, members' contribution and state funding.

(Source: <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15839>)

### **Tehri Hydro Development to study Bunakha project in Bhutan**

*Hindustan Times, June 24, 2010.*

State-run power generator Tehri Hydro Development Corp said it has inked an agreement with the Bhutan government for carrying out due diligence on the 180-MW Bunakha hydroelectric project in the neighbouring country. "THDC India Ltd has signed a Memorandum of Understanding (MoU) with Department of Energy, Bhutan, for the Detailed Project Report (DPR) of 180-MW Bunakha hydroelectric project in Bhutan," an official statement said.

(Source: <http://www.hindustantimes.com/rssfeed/corporatenews/Tehri-Hydro-Development-to-study-Bunakha-project-in-Bhutan/Article1-562693.aspx>)

### **10 percent growth rate projected**

*Kuensel, June 29, 2010.*

The Bhutanese economy is expected to grow at 10 percent and beyond in the remaining three years of the current plan, largely because of construction activity, spurred by building of the hydropower projects, according to the 2010-11 budget report. The construction of the Punatshangchu I and Dagachu have already begun and the construction of the Punatsangchu II and Mangdechu projects are to begin this year. Besides the hydropower sector, the report also anticipates notable contributions to growth from other sectors as well, with the government having hired the services of McKinsey consultancy to bring about accelerated development. Tourism has been identified as the sector with the highest potential for contributing to economic growth after hydropower. The government is to triple the

number of dollar paying tourists to 100,000 by 2013.

(Source: <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15916>)

### **Eastern Himalayas getting more vulnerable**

*The Himalayan Times, June 30, 2010.*

A new study report published by the International Centre for Integrated Mountain Development states that the synergistic effect of climate change and other ecosystem stressing factors are increasing the vulnerability in the Eastern Himalayas in recent years. The Eastern Himalayas covers a total area of 524,190 square km from the Kaligandaki Valley in Nepal to northwest Yunnan in China, Bhutan, parts of India and Bengal), southeast Tibet and northern Myanmar.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Eastern+Himalayas+getting+more+vulnerable&NewsID=248287>)

### **Bengal writes to Centre on Bhutan power survey**

*Times of India, July 1, 2010.*

State power minister Nirupam Sen has written to the Union power minister seeking sanction to conduct surveys in Bhutan for setting up hydel power stations in north Bengal, Sen told the assembly. Sen said it was possible to set up hydel power stations on the Raidak and Torsa rivers, which flowed through north Bengal. But to set up such plants, it was necessary to conduct surveys on water availability in the upper reaches of the rivers, which originated in Bhutan, he added. Representatives from the power department had recently gone to Bhutan along with a team of experts sent by Delhi. "It appears that the Bhutan government does not have problems with such a survey. Only the Centre can take it up with Bhutan," he said.

(Source: <http://timesofindia.indiatimes.com/city/kolkata-/Bengal-writes-to-Centre-on-Bhutan-power-survey/articleshow/6112455.cms>)

### **Govt mulls separate firm for Bhutan power projects**

*Times of India, July 2, 2010.*

The Prime Minister's Office has asked the power and external affairs ministries to examine the idea of setting up a separate company for building hydel plants in Bhutan under an inter-government deal. The move is aimed at keeping a window open for flow of private investment into such projects that are envisaged to be built by Indian state-owned firms. Sources said the directive was given by PM's principal secretary T K A Nair at a recent review meeting.

(Source: <http://timesofindia.indiatimes.com/Biz/India-Business/Govt-mulls-separate-firm-for-Bhutan-power-projects/articleshow/6117516.cms>)

## Maldives

### **Government cannot be complacent on economic reform: Nasheed**

*Minivan News, June 21, 2010.*

President Mohamed Nasheed has said the government cannot be complacent in implementing economic reform, following the release of the IMF's Country Report on the Maldives. Speaking in his weekly radio address, President Nasheed said while the report had lauded certain financial achievements, including "painful expenditure-reducing measures including public sector wage cuts and reducing electricity subsidies," as well as increasing the airport tax rate and proposing the draft bill on goods and services on tourism. However although the IMF report had noted that the economy stabilised, the IMF "urges to continue with the cost cutting measures".

(Source: <http://minivannews.com/news-in-brief/government-cannot-be-complacent-on-economic-reform-nasheed-8316>)

### **Sri Lankan management consultants for Maldives Electricity Board**

*Sunday Times, June 20, 2010.*

Colombo-based Business Resource Management Services (BRMS) is serving as consultants in the restructuring of the Maldivian government-owned State Electrical Company Ltd (STELCO), through its counterpart Charterhouse Pvt Ltd. The consultancy also included a review of the current human resource policies and procedures and recommending constructive changes to the existing systems in force.

(Source: <http://www.sundaytimes.lk/100620/BusinessTimes/bt40.html>)

### **Maldives is Walking the Talk: Phasing Out Ozone-depleting Substances**

*Media Newswire, June 21, 2010.*

The Maldives has strongly renewed its commitment to carbon neutrality with a declaration by its President Mohamed Nasheed to phase-out HCFCs ( hydrochlorofluorocarbons ), the substitutes for chlorofluorocarbons ( CFCs ), used in refrigeration, including air-conditioning units, refrigerators and various types of manufacturing processes. HCFCs not only destroy the stratospheric ozone layer which is essential to life on Earth, but they are also greenhouse gases. The Maldives has now committed to phase-out the consumption of HCFCs, which are mainly used in the air conditioning in its nearly 100 tourist resorts spread over its more than 1,200 islands.

(Source: [http://media-newswire.com/release\\_1121331.html](http://media-newswire.com/release_1121331.html))

### **US adds Maldives into trafficking watch list**

*Asian Tribune, June 19, 2010.*

The United States put Maldives, Afghanistan, Brunei, Laos, Singapore, Thailand and Vietnam on a human trafficking watch list. Although the reason for the inclusion of the Maldives was not stated, the treatment of expatriate laborers was believed to be the cause, Miadhu reported.

(Source: <http://www.asiantribune.com/news/2010/06/19/us-adds-maldives-trafficking-watch-list>)

### **Closer scrutiny of Maldives Human Rights performance now, warns foreign minister Shaheed**

*Minivan News, June 24, 2010.*

Membership of the United Nations Human Rights Council will bring close scrutiny of the country's human rights performance, warned foreign minister Shaheed as the Maldives takes its seat on the 47 member Council. Speaking at the Palais des Nations in Geneva, the foreign minister said it was the first time Maldives has held a seat on a UN Council, and he promised the Maldivian government was determined to use its three-year membership to promote human rights abroad and to consolidate democracy at home.

(Source: <http://minivannews.com/news-in-brief/closer-scrutiny-of-maldives-human-rights-performance-now-warns-foreign-minister-shaheed-8498>)

### **Maldives least 'failed' state in South Asia: Failed States Index**

*Minivan News, June 23, 2010.*

Maldives and India are much better places to live than other South Asian countries, according to the Failed States Index prepared by the Washington DC-based research organisation Fund for Peace and Foreign Policy magazine. Many countries bordering the Indian Ocean are in the top 37 'Alert' category of Failed States, including Somalia, Sudan, Iraq, Pakistan, Kenya, Yemen, Burma, Ethiopia, Bangladesh, Sri Lanka and Iran. Maldives, ranked at 84 in the 'Warning' category is considered less 'failed' than India, ranked at 79.

(Source: <http://minivannews.com/news-in-brief/maldives-least-failed-state-in-south-asia-failed-states-index-8445>)

### **Maldives cabinet quits**

*Haveeru News, June 29, 2010.*

The cabinet has resigned on June 29, 2010. President Mohamed Nasheed and Vice President Dr Mohamed Waheed Hassan Manik now remain as the only two cabinet members. In a news conference held at President's Office, the ministers presented their resignation letters. Speaking at the press conference, the President noted that the ministers resigned because they were not able to act according to their oaths. The parliament's decisions are hindering the ministers' works, he added. The President assured the public that he would investigate the ministers' complaints. "I am forced to investigate the matter. I will investigate the complaints. I will use every possible legal authority," he said.

(Source: [http://www.haveeru.com.mv/english/details/31248/Maldives\\_cabinet\\_quits](http://www.haveeru.com.mv/english/details/31248/Maldives_cabinet_quits))

### **EU worried about Maldives as stalemate continues**

*Hindustan Times, July 2, 2010.*

A worried European Parliament (EP) has said the ongoing political crisis in Maldives

could have a negative impact on the country's economic development. '...we are therefore particularly concerned at the recent events that have led to the resignation of the Cabinet. We believe that such political instability could have a crucial impact on the social, economic and tourism development of the country, which needs stability in order to capitalise on its location,' the EP said in a statement. It said that the EP had expressed its constant support to the Maldives in their democratic reform process and welcomed, following the adoption of a new constitution in August 2008, the first multiparty presidential election in October the same year. "In view of the developments in the Maldives, and at the request of several Members, the European Parliament's Delegation for relations with South Asia intends to discuss the situation in the Maldives at its next meeting, to take place in Brussels on July 15th," it added.

(Source: <http://www.hindustantimes.com/EU-worried-about-Maldives-as-stalemate-continues/Article1-566572.aspx>)

### **Maldives government to go to Supreme Court to break political deadlock: Zuhair**

*Minivan News, July 2, 2010.*

The Maldives government is preparing evidence to file a case in the Supreme Court over the Majlis attempt to "grab powers invested with the executive", according to the President's Office press secretary Mohamed Zuhair in a statement to the Asian Tribune. The government is also attempting to hold talks with opposition parties to encourage co-operation between the Majlis and the executive branch of government, said Zuhair. Opposition DRP official Dunya Maumoon confirmed there have been "indications" of approaches for talks, and she criticised the government for attempting to govern without cabinet ministers.

(Source: <http://minivannews.com/news-in-brief/maldives-government-to-go-to-supreme-court-to-break-political-deadlock-zuhair-8845>)

### **Maldives stalemate: It's a case of Mohamed going to the Mountain, says Ibra**

*Asian Tribune, July 4, 2010.*

A key player in drafting the Maldives' new constitution and former Parliamentarian, Ibrahim Ismail (Ibra) summed up the tug of war between the ruling MDP and the opposition, calling it a case of: "if the Mountain won't come to Mohamed, then Mohamed will have to go to the Mountain." The opposition's "dilemma" – their inability to win presidency – has made them instead to trim executive powers through Parliament, he opines. The main opposition DRP is the largest party in the House and it has a pact with the opposition PA, making it easy for them to command a majority of the 77 member Parliament. Writing in his blog, Ibra describes the amendments to the Public Finance Act "as the Grand Finale in the process of decimating the Executive, once and for all." The opposition backed amendment passed early this week, subjected privatization and borrowing to par-

liamentary approval, amongst key changes.

(Source: <http://www.asiantribune.com/news/2010/07/04/maldives-stalemate-it%E2%80%99s-case-mohamed-going-mountain-says-ibra>)

## Nepal

### **Hindu group calls for shutdown in west Nepal**

*Sify News, June 22, 2010.*

Western Nepal remained paralysed June 22, 2010 as a little-known Hindu organisation enforced a shutdown demanding the restoration of Hinduism as the state religion, the second such disruptive protest since March. The Bhishma Ekta Parishad, an obscure organisation that claims to have been founded about four years ago by a Hindu, who calls himself 'Sindhu', forced transport, businesses, markets and educational institutions in western Nepal to remain shut for the second day, threatening retribution to those defying the closure.

(Source: <http://sify.com/news/hindu-group-calls-for-shutdown-in-west-nepal-news-international-kgwnkfbcdfh.html>)

### **PM pounces upon Nepal Bureaucracy**

*Telegraph Nepal, June 22, 2010.*

Nepal's Prime Minister Madhav Kumar Nepal has put the entire blame onto the heads of the bureaucracy for the government's failure to carry out development works and systematize good governance in the country. He said this has happened mainly due to the corrupt mentality of the bureaucracy. To recall, the then Prime Minister Pushpa Kamal Dahal making a speech at a program held in the capital December 9, 2008 too had blamed the bureaucracy for not accepting the changes taking place in the country.

(Source: [http://www.telegraphnepal.com/news\\_det.php?news\\_id=7849](http://www.telegraphnepal.com/news_det.php?news_id=7849))

### **PM Nepal says he, too, is in favour of unity govt**

*Nepal News, June 24, 2010.*

At a time when the main opposition Unified CPN (Maoist) and a section of the CPN (UML) have been describing him as the main obstacle to forming a government of national consensus, Prime Minister Madhav Nepal said he, too, also in favour of such a government. PM Nepal also said all the political parties represented in the Constituent Assembly should be involved in the formation of 'national unity government' along with the three major parties.

(Source: <http://www.nepalnews.com/main/index.php/news-archive/1-top-story/7055-pm-nepal-says-he-too-is-in-favour-of-unity-govt.html>)

### **Newsprint furor intensifies: Nepal leaders, Civil Society Criticize India**

*Telegraph Nepal, June 25, 2010.*

Dr. Prakash Chandra Lohani, vice chairman of Rastriya Janshakti Party and a member of the Public Accounts Committee, PAC, observed talking to Kantipur

Daily, June 25, 2010 that "India had held supplies of newsprint intended for Kantipur Publications because it wanted to possibly penalize Kantipur for the Nationalist role the media had played in the MRP (Machine Readable Passport) episode". He also said that the Indian act was against International rules and regulations.

(Source: [http://www.telegraphnepal.com/news\\_det.php?news\\_id=7869](http://www.telegraphnepal.com/news_det.php?news_id=7869))

### **Only Bhattarai can lead national unity govt**

*Republica, June 24, 2010.*

Tarai Madhes Democratic Party (TMDP) Vice Chairman Brishesh Chandra Lal that all Maoist leaders except Dr Baburam Bhattarai were 'disqualified' to lead a national consensus government. Speaking at an interaction organized by Awadhi Journalists Association, Lal said Dr Bhattarai could lead the new national consensus government should the Maoist choose to pick him as a prime ministerial candidate. "The Maoists should not delay in picking his name since there is a situation of national consensus for his name," he said. "Dr Baburam Bhattarai is the only consensus prime minister candidate in the present context."

(Source: [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=2027](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=2027))

### **Nepal parties NC and UML agree to realize 3 point accord verbatim**

*Telegraph Nepal, June 25, 2010.*

The ruling parties, Nepali Congress and United Marxist Leninists have decided after a meeting between representatives of the two parties at the UML parliamentary delegation office, June 23, 2010 that they will abide by the three points agreement in both letter and spirit, which was reached late night May 28, 2010-in effect it was May 29, 2010 already. Three Point Agreement follows: (a) To bring logical end to the peace process and accomplish historical goal of drafting New Constitution, we hereby commit ourselves to accomplish our duties in consensus and unity (b) We agree to extend tenure of the Constituent Assembly by one year period to accomplish the remaining tasks of drafting constitution (c) To accomplish above mentioned jobs and responsibilities we agree to form a National Unity government in consensus and assure that the prime minister of the current coalition government is ready to tender his resignation.

(Source: [http://www.telegraphnepal.com/news\\_det.php?news\\_id=7866](http://www.telegraphnepal.com/news_det.php?news_id=7866))

### **Nepal Prez to visit China in October**

*Asian Tribune, June 28, 2010.*

President Dr Ram Baran Yadav is visiting People's Republic of China in October this year. Officials at Foreign Ministry said President Dr Yadav is paying an official visit to the northern neighbor to take part in the concluding session of the ongoing Sanghai Expo. Dr Yadav will be honored as the chief guest of the function. Sanghai Expo 2010 is being held on both banks of the Huangpu River in the

city of Shanghai, China, from May 1 to October 31.

(Source: <http://www.asiantribune.com/news/2010/06/29/nepal-prez-visit-china-october>)

### **PM Nepal quits after 13 months**

*Himalayan Times, June 30, 2010.*

Ending months of speculation in Nepali politics, Prime Minister Madhav Kumar Nepal resigned from his post on June 30, 2010, 13 months and 7 days after he took over the premiership from UCPN-Maoist's chairman Pushpa Kamal Dahal "Prachanda" who had quit in similar fashion. PM Nepal announced his resignation during his address to the nation which was televised by major news channels of the country.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=PM+Nepal+quits+after+13+months&NewsID=248352>)

(Read Nepal's Interview At [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=20533](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=20533))

### **Majority govt likely**

*Republica, July 1, 2010.*

While the picture of the new coalition and its leadership still remains sketchy, formation of a national consensus government seems very much unlikely. As the single largest party in parliament, main opposition UCPN (Maoist) is the first claimant to stake the leadership claim. But other parties are not ready to accept Maoist Chairman Pushpa Kamal Dahal as the prime minister. Bhattarai argued the Maoist should be given to head the new government. Since the second (Nepali Congress), third (CPN-UML) and the fourth (Madhesi People's Rights Forum) largest parties have president, CA chairman and vice president, respectively from their parties, the Maoists should get the prime ministerial berth, he said. Nepali Congress and CPN-UML have ruled out the possibility of forming new government under the Maoist leadership as long as they do not transform themselves into a civilian party.

(Source: [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=20534](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=20534))

### **Prez asks incumbent govt to continue as caretaker**

*Himalayan Times, July 1, 2010.*

Responding to the prime minister's resignation, President Dr. Ram Baran Yadav asked the incumbent government to act as a caretaker until next arrangement is made. Issuing a statement, the President's Office said the state head, exploiting the constitutional provision stated in the Article 38.9 (B), asked the PM Nepal and the Council of Ministers to continue with the government.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Prez+asks+incumbent+govt+to+continue+as+caretaker&NewsID=248353>)

### **US hopes Nepal pulls together**

*Sify News, July 2, 2010.*

The United States voiced hope on July 1, 2010 that all sides in Nepal would pull together after the prime minister resigned, saying it was "vitally important" to make progress in the peace process. "It's vitally important that the peace process should go forward," State Department spokesman Philip Crowley told reporters. "Perhaps the departure of the prime minister gives yet another opportunity for the various elements within Nepalese society to come together and reach an agreement that allows for the process to move forward and a return of stability to their country," he said.

(Source: <http://sify.com/news/us-hopes-nepal-pulls-together-news-international-khce4cbchgg.html>)

### **Resolve differences for Regional Peace: China to Nepal's political parties**

*Telegraph Nepal, July 2, 2010*

While Indian media is still analyzing a rare statement made by Chinese Authorities expressing concerns over Nepal's deteriorating political situation and its possible impact in the regional stability as back May 4, 2010, the Chinese Foreign Ministry in yet another similar statement made on Thursday has said that "China sincerely hopes that political consensus is reached through dialogue in Nepal". The Chinese Foreign Ministry spokesperson Qin Gang at a regular press briefing held in Beijing, July 1, 2010 hoped that the political forces in Nepal will seek political consensus through dialogue. Qin also said Chinese government adheres to the principle of non interference in the internal matters of other countries and stressed "Not only for their national interest and restoration of peace in the country but Nepali political actors should resolve their differences for regional stability and peace."

(Source: [http://www.telegraphnepal.com/news\\_det.php?news\\_id=7898](http://www.telegraphnepal.com/news_det.php?news_id=7898))

### **UN asks warring Nepal parties to form united government**

*Hindustan Times, July 2, 2010.*

With just five days left for Nepal's warring parties to put aside their long enmity and form a new government supported by all, the UN has sounded a note of concern and asked rivals to bury the hatchet. The UN is calling for the integration and rehabilitation of over 19,000 combatants of the Maoists' People's Liberation Army, who have been leading a life of confinement since 2006, when the guerrillas signed a peace accord and ended their 10-year war. With the prime minister resigning on Wednesday after a protracted battle with the Maoists, Nepal's President Ram Baran Yadav gave the 25 parties in parliament a week to select a new premier who would be supported by all of them. The deadline for a consensus prime minister ends on July 7, 2010.

(Source: <http://www.hindustantimes.com/UN-asks-warring-Nepal-parties-to-form-united-government/Article1-566403.aspx>)

### **Nepal Maoists blame India for failure to form government**

*Sify News, July 3, 2010.*

With only four days remaining for forming a new government supported by all parties in parliament but failing to make any headway in talks with its traditional rivals, Nepal's Maoist party has begun blaming its favourite scapegoat India, accusing the neighbour of trying to prop up a rival party. The indications are that the warring parties will fail to cobble together an all-party government by July 7, 2010, the deadline given to them by President Ram Baran Yadav. "If we fail to have a consensus government, we will opt for a majority government," Maoist spokesman Dinanath Sharma said. The Maoist daily alleged that officials of the Indian Embassy in Kathmandu were trying to influence the parties into supporting Poudel.

(Source: <http://sify.com/news/nepal-maoists-blame-india-for-failure-to-form-government-news-international-khdpadhgebe.html>)

Kathmandu: Chief of the International Liaison Department of the Chinese Communist Party (CCP) Wang Jiarui has said China would always honour Nepal's independence.

### **China for Nepal's independence, says Prakash**

*Himalayan Times, July 3, 2010*

"Wang said China was for Nepal's national independence and against foreign intervention," said vice-chairman of Unified CPN Maoist Narayan Kaji Shrestha 'Prakash' while informing about his China visit. He said Wang felt relationships between the two parties had become stronger. "China is also willing to extend support Nepal's development," he added.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=China+for+Nepal%27s+independence%2C+says+Prakash+&NewsID=248704>)

## **Pakistan**

### **Pakistan hasn't quit courting insurgents: report**

*Daily Times, June 22, 2010.*

Pakistan has not quit its habit of courting insurgents, and extremist networks with current or former ties to the government pose a significant risk to the US and the Pakistan government itself, a new study concludes. A rising number of terrorist plots in the US with roots in Pakistan stems in part from an unsuccessful strategy by Islamabad to blunt the influence of militant groups in the country, said the report by the RAND Corp.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\22\story\\_22-6-2010\\_pg1\\_7](http://www.dailytimes.com.pk/default.asp?page=2010\06\22\story_22-6-2010_pg1_7))

### **Balochistan presents Rs 152 billion tax-free budget**

*Dawn, June 21, 2010.*

The PPP-led Balochistan coalition government on presented Rs 152.017 billion tax-free budget with deficit of Rs 7.10 billion for the fiscal year 2010-11."The budget envisages development programme of Rs 26.75 billion including Rs 3.916 billion of

foreign project assistance with current budget of Rs 125 billion,” Provincial Finance Minister Asim Kurd Gailu said in his speech while presenting the third annual budget of the coalition government in Balochistan assembly. The minister said the Balochistan government would spend an amount of Rs 3 billion for the uplift of education and health sectors during the next fiscal year.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/provinces/06-balochistan-presents-rs-152-billion-tax-free-budget-rs-04>)

### **Pakistani PM ignores US warning on Iran gas deal**

*Houston Chronicle, June 22, 2010.*

Defying a warning from Washington, Pakistan’s prime minister promised to go ahead with a plan to import natural gas from Iran, even if the U.S. levies additional sanctions against the Mideast country. Prime Minister Yousuf Raza Gilani’s comments came two days after the U.S. special envoy to Pakistan, Richard Holbrooke, cautioned Pakistan not to “overcommit” itself to the deal because it could run afoul of new sanctions against Iran being finalized by Congress. Gilani said Pakistan would reconsider the deal if it violated U.N. sanctions, but the country was “not bound to follow” unilateral U.S. measures. He said media reports that quoted him as saying Pakistan would heed Holbrooke’s warning were incorrect.

(Source: <http://www.chron.com disp/story.mpl/ap/world/7074698.html>)

### **Pakistan, India pledge new chapter in relations**

*Daily Times, June 25, 2010.*

Addressing a joint conference with Pakistani Foreign Secretary Salman Bashir at the Foreign Office, Indian Foreign Secretary Nirupama Rao said the two countries have been expressing commitment to a serious, sustained and comprehensive dialogue to get fragile relations back on track and deny terrorists space to derail the reconciliation process. “We were seeking to re-engage each other. The focus should be on the fact that dialogue was resuming between the two countries,” she told reporters after a detailed meeting with Bashir. Ruling out any differences between the civil and military leadership of the country on the issue of talks with India, Bashir said the leadership speaks from the same page.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\25\story\\_25-6-2010\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2010\06\25\story_25-6-2010_pg1_1))

### **McChrystal’s exit not to reduce pressure on Pakistan in fighting militancy: experts**

*Xinhuanet, June 24, 2010.*

The exit of the United States top commander General McChrystal and approved entry of General Petraeus from the Afghanistan’s battlefield would not reduce America’s pressure on Pakistan, which is in the loop in fight against homegrown militancy in the region, experts said. The North Atlantic Treaty Organization (NATO) secretary general Anders Fogh Rasmussen announced that the Alliance’s

would maintain its policy in Afghanistan. While reacting to this sudden change, Taliban spokesman Qari Yousef Ahmadi said that Taliban would continue to fight against foreign troops.

(Source:[http://news.xinhuanet.com/english2010/indepth/2010-06/24/c\\_13367680\\_2.htm](http://news.xinhuanet.com/english2010/indepth/2010-06/24/c_13367680_2.htm))

### **Biden calls Zardari, discuss bilateral issues**

*Dawn, June 24, 2010.*

US Vice President Joe Biden night called President Asif Ali Zardari on telephone and discussed various issues with him. Issues relating to Pakistan-US bilateral relations, Pakistan's fight against militancy and regional situation came under discussion during the conversation. Biden reiterated the commitment of the US government for stability and democracy in Pakistan. Zardari said that the government is committed to defeating terrorists and the fight against them will continue until the complete eradication of this menace. The president said that a handful of militants and extremists would never be allowed to impose their vicious agenda on the people of the country

(Source:<http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/12-biden+calls+zardari+discuss+bilateral+issues-bi-06>)

### **Pakistan pushes to be admitted into fold of international nuclear states**

*Daily India, June 25, 2010.*

Reiterating that its nuclear programme meets all international safety standards, Pakistan has once again called for its inclusion in the group of international nuclear states. In a letter, published in the latest issue of the Foreign Affairs magazine, Press Minister at the Pakistan Embassy here, Imran Gardezi, stressed that his country's nuclear programme was based on minimum deterrence and self-defence. "The nuclear programme is in the interest of regional and global peace and Pakistan should be admitted into the fold of nuclear states," The Daily Times quoted Gardezi, as saying.

(Source: <http://www.dailyindia.com/show/382809.php>)

### **Pakistan seeks to exploit US command vacuum**

*Daily Times, June 29, 2010.*

Pakistan is looking to exploit a shake-up in the US command in Afghanistan to bolster its allies within the Taliban and increase its influence over a future Kabul government, analysts say. The strategy, however, relies on bringing the brutal and independent-minded Haqqani network to heel, something many believe is impossible. The incoming US commander, General David Petraeus, "does not have a good relationship" with Chief of Army Staff Gen Ashfaq Parvez Kayani, said Ahmed Rashid, a political analyst, journalist and expert on the Taliban. "The army does not trust him and they don't like him," Rashid said. "This hiatus is going to be used by both the Afghan government and the Pakistani government to see if

they can get something going," he added.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story\\_29-6-2010\\_pg7\\_12](http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story_29-6-2010_pg7_12))

### **26/11 aimed at instigating Indo-Pak war, says Malik**

*Daily Times, June 29, 2010.*

The criminals responsible for carrying out the Mumbai attacks wanted to instigate a war between India and Pakistan, and Hindu extremists are carrying out terrorist activities in India, a private TV channel quoted Interior Minister Rehman Malik. Malik reiterated that Islamabad took action against Lashkar-e-Tayyaba (LT) founder Hafiz Saeed, however, the judiciary had declared him innocent. He went on to say that Islamabad had banned 29 groups including the LT in an attempt to curb terrorism.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story\\_29-6-2010\\_pg7\\_6](http://www.dailytimes.com.pk/default.asp?page=2010\06\29\story_29-6-2010_pg7_6))

### **Kashmiris will decide the fate of Kashmir, says Qureshi**

*The Dawn, June 30, 2010.*

Speaking to media representatives in Multan, Foreign Minister Shah Mehmood Qureshi said the Kashmir issue would be resolved according to the wishes of the Kashmiri people. Regarding the possibility of a civil nuclear agreement between Pakistan and China, Qureshi said no one had any objection on the matter. Qureshi expressed that terrorism was not only Pakistan and India's concern but also of the world at large. He said the menace could not be eradicated through blame games and joint efforts and strategies were vital for its elimination. He said Pakistan was herself a victim of terrorism and now the international community had realised the sacrifices given by the country in the fight against terror.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/kashmiris-will-decide-the-fate-of-kashmir-says-qureshi-jd-05>)

### **Pakistan needs nuclear deterrence, says US**

*The Dawn, July 1, 2010.*

A person no less than the US military chief has conceded that Pakistan's nuclear programme is different from those of Iran and North Korea because it makes 'extraordinary efforts' to protect its nuclear weapons while there's no reason to trust those two countries. US Joint Chiefs of Staff Chairman Admiral Mike Mullen's statement at a public forum in Aspen, Colorado, follows a meeting of the Nuclear Suppliers' Group in New Zealand last week where the United States, contrary to media speculations, did not raise a Chinese plan to build two nuclear reactors in Pakistan. "These are the most important weapons in the Pakistani arsenal. That is understood by the leadership, and they go to extraordinary efforts to protect and secure them. These are their crown jewels," the admiral said.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/06-pakistan-needs-nuclear-deterrence%2C-says-us-170-rs-02>)

**Afghan peace efforts will succeed: Gen Kayani**

*Daily Times, July 1, 2010.*

Chief of Army Staff (COAS) General Ashfaq Kayani expressed his hope that efforts to bring peace and stability in Afghanistan would succeed, stated a press release issued on June 30, 2010 by the Inter-Services Public Relations. Kayani called upon all stakeholders to synergise their efforts towards the achievement of common strategic objectives, it said. He welcomed the appointment of General David Petraeus as commander of the NATO forces in Afghanistan, and said that his "experience and expertise in similar conditions is likely to add value to a complex situation".

(Source: [http://www.dailytimes.com.pk/default.asp?page=2010\07\01\story\\_1-7-2010\\_pg1\\_3](http://www.dailytimes.com.pk/default.asp?page=2010\07\01\story_1-7-2010_pg1_3))

**Additional 20,000 cusecs water for Sindh: Irsa**

*Dawn, July 1, 2010.*

The Indus River System Authority (IRSA) rejected Punjab's request for opening up the Chashma-Jhelum link canal and decided to give an additional 20,000 cusecs of water to Sindh. The decision to give additional water to Sindh was made during an Irsa meeting in Islamabad presided by Acting Irsa Chairman Shafqat Masood. The meeting analysed the request for opening up the Chashma-Jhelum link canal which was eventually rejected after opposition from two Irsa committee members. Meanwhile, a majority of members agreed over giving an additional 20,000 cusecs of water to Sindh. After June 30, 2010 decision, the total amount of water being given to Sindh has risen to 1,90,000 cusecs.

(Source: <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/04-sindh-water-irsa-qs-14>)

**Pakistan govt should hold talks with Taliban: Nawaz Sharif**

*Times of India, July 3, 2010.*

Pakistan's main opposition leader Nawaz Sharif said that the government should hold talks with the Taliban as part of its efforts to tackle the menace of terrorism as even the US has indicated its willingness to talk to militants. "If Washington says it is prepared to talk to the Taliban who are willing to listen, then a similar initiative should also come from Islamabad. We should not only see what decision they (the Western countries) will make about our fate. We should decide our own fate," said Sharif, the chief of the PML-N party and a two-time former premier. "We have this problem at home. Why don't we take initiatives? Why should we wait for others' initiatives?" he told a news conference at his home in this eastern Pakistani city.

(Source: <http://timesofindia.indiatimes.com/World/Pakistan/Pakistan-govt-should-hold-talks-with-Taliban-Nawaz-Sharif/articleshow/6125700.cms>)

## Sri Lanka

### **EU boosts aid effort to Sri Lanka**

*Daily Mirror, June 19, 2010.*

The delegation of the European Union to Sri Lanka and the Maldives said it was pleased to announce the allocation of an indicative budget of Euro 60 million (LKR 8.4 billion) in grants, as the second part of the EU Country Strategy for Sri Lanka covering the period 2007- 2013. The funds are committed for the period 2011-2013. The programme will focus mainly on medium-term assistance to the north and east of the country.

(Source: <http://www.dailymirror.lk/print/index.php/news/news/13480-eu-boosts-aid-effort-to-sri-lanka.html>)

### **“LTTE is active internationally”: Sri Lanka Defence Secretary**

*Asian Tribune, June 22, 2010.*

Sri Lanka's Defense Secretary, Rajapaksa who attended the opening of the Security Forces headquarters in Mullaithivu stated that the defeated Liberation Tigers of Tamil Eelam (LTTE) are still active internationally. “Despite the LTTE been defeated their international network is still active but yet they do not have the capabilities to wage a war. “

(Source: <http://www.asiantribune.com/news/2010/06/22/ltte-active-internationally-sri-lanka-defence-secretary>)

### **Sri Lanka rejects EU offer**

*The Hindu, June 24, 2010*

The Sri Lankan government rejected the conditional offer made by the European Union (EU) for extension of GSP+ tariff concessions for a limited period and said that the conditions imposed by the EU amounted to interference into the internal affairs of the island nation. Addressing a news conference here, Foreign Minister G.L. Peiris maintained that 15 conditions imposed by the EU on GSP+ tariff concessions amounting to \$150 million undermined the sovereignty of Sri Lanka and were not acceptable.

(Source: <http://www.thehindu.com/news/international/article484110.ece>)

### **Sri Lanka in port expansion deal with China**

*Dredging News Online, June 24, 2010.*

The Sri Lanka ports Authority has signed a contract with a Chinese firm, China Harbour Engineering Company, to start the second phase of a new port in Hambantota on the south coast. Phase two would start in November this year with the completion of the first phase of the port project, a SLPA statement said. The agreement was signed by SLPA chairman Priyath B Wickrama and the chairman of the China Harbour Engineering Company Sun Ziyu. China will also provide concessionary finance for the second phase of the port project.

(Source: <http://www.sandandgravel.com/news/article.asp?v1=13222>)

### **UN snoopers will not be given visa to enter SL - Govt**

*The Island, June 24, 2010.*

The three-member Panel of Experts, appointed to advise UN Secretary-General Ban ki-Moon, on accountability issues relating to Sri Lanka's war on terrorism, will not be issued visas to visit Sri Lanka, External Affairs Minister Professor G. L. Peiris said June 23, 2010. He said that he had informed UN Under-Secretary of State for Political Affairs Lynn Pascoe, who was in Sri Lanka recently that the appointment of a panel will only complicate matters and repercussions will be unfortunate.

(Source:[http://www.island.lk/index.php?page\\_cat=article-details&page=article-details&code\\_title=686](http://www.island.lk/index.php?page_cat=article-details&page=article-details&code_title=686))

### **Tamil parties hold talks**

*Daily Mirror, June 25, 2010.*

A group of Tamil political parties met in Colombo late last evening and discussed matters concerning the Tamil community. Leaders and representatives of the EPDP, TULF and PLOTE are among those who took part in the discussion. Speaking to our sister website Tamil Mirror, EPDP leader Douglas Devananda, who hosted the discussion, said that he will seek talks with the Tamil National Alliance as well.

(Source:<http://www.dailymirror.lk/index.php/news/4627-tamil-parties-hold-talks.html>)

### **JHU Demonstrates against UN interference in Sri Lanka**

*Asian Tribune, June 29, 2010.*

Sri Lanka's Buddhist political party, Jathika Hela Urumaya (JHU) protested outside the United Nations (UN) office in Colombo on June 28, 2010. The JHU which commenced their protest march from the All Ceylon Buddhist Congress premises to the UN office were demanding that the UN stop interfering with Sri Lanka's internal affairs.

(Source: <http://www.asiantribune.com/news/2010/06/29/jhu-demonstrates-against-un-interference-sri-lanka>)

### **EU not under any influence**

*Daily Mirror, June 29, 2010.*

The decisions taken on Sri Lanka by the European Union (EU) are not influenced by anyone nor is the 27 member block influencing any party in the country, the European Commission head of delegation to Sri Lanka and the Maldives Ambassador Bernard Savage told Daily Mirror online. Ambassador Savage said this in response to a question posed by Daily Mirror online regarding comments made by the government, that the conditions put forward by the EU last week in order for Sri Lanka to obtain the GSP plus trade concessions are similar to conditions raised by the opposition to the government.

(Source: <http://www.dailymirror.lk/index.php/news/4698-eu-not-under-influence.html>)

**Lanka-Ukraine sign four bilateral agreements**

*Asian Tribune, July 1, 2010.*

Sri Lanka signed four agreements with Ukraine enhancing cooperation in tourism, maritime, shipping and defence sectors. The signing of these four agreements took place before President Mahinda Rajapaksa and his Ukrainian counterpart Victor Yanukovich at the latter's office June 30, 2010.

(Source: <http://www.dailynews.lk/2010/07/01/pol01.asp>)

**Sri Lanka's detained former Army Commander to register new political party**

*Colombo Page, June 30, 2010.*

Sri Lanka's former Army Commander and Democratic National Alliance parliamentarian retired General Sarath Fonseka has handed an application today to the Elections Commissioner to register a new political party under his leadership. The new political party under General Fonseka is to be called the Democratic Party (DP). DNA parliamentarian Tiran Alles has been named as the secretary of the new political party and fellow DNA parliamentarian Arjuna Ranatunga is also to play a key role in the new party.

(Source: [http://www.colombopage.com/archive\\_10A/Jun30\\_1277907043JR.php](http://www.colombopage.com/archive_10A/Jun30_1277907043JR.php))

**China backs Sri Lanka's opposition to UN rights panel**

*DNA India, July 1, 2010.*

China today backed Sri Lanka in its opposition to the setting up of a human rights panel by the UN to look into alleged rights abuses during the ethnic war, saying the government was capable of handling it. China said Sri Lanka and its people were capable of handling the issue and asked UN Secretary General Ban Ki-moon and world community to help the Colombo stabilise its internal situation. Chinese Foreign Ministry spokesman Qin Gang said Colombo has appointed a 'Reconciliation Commission' of its own to probe the charges of human rights abuses during the last stages of the conflict against the LTTE in Sri Lanka.

(Source: [http://www.dnaindia.com/world/report\\_china-backs-sri-lanka-s-opposition-to-un-rights-panel\\_1403946](http://www.dnaindia.com/world/report_china-backs-sri-lanka-s-opposition-to-un-rights-panel_1403946))

**No political plans for KP: Colombo**

*The Hindu, July 4, 2010.*

Sri Lanka's Defence Secretary Gotabaya Rajapaksa has denied reports in a section of the media that the government is planning to install former the LTTE leader, K. Pathnathan (KP), who is under detention, as the Chief Minister of the Northern Province. In an interview to the state-run English weekly, *Sunday Observer*, Mr. Rajapaksa, who is the younger brother of President Mahinda Rajapaksa, however, confirmed that the government was working with KP in a "strategic manner" to mobilise the support of the Tamil diaspora. A few days ago KP had organised a meeting of eight former leaders of the LTTE, based in different parts of the world,

with the Sri Lankan authorities and pledged their support for the efforts of the government in the re-settlement of war displaced Tamil civilians and reconstruction in the war ravaged Northern and Eastern Provinces.

(Source: <http://www.thehindu.com/news/international/article500051.ece>)