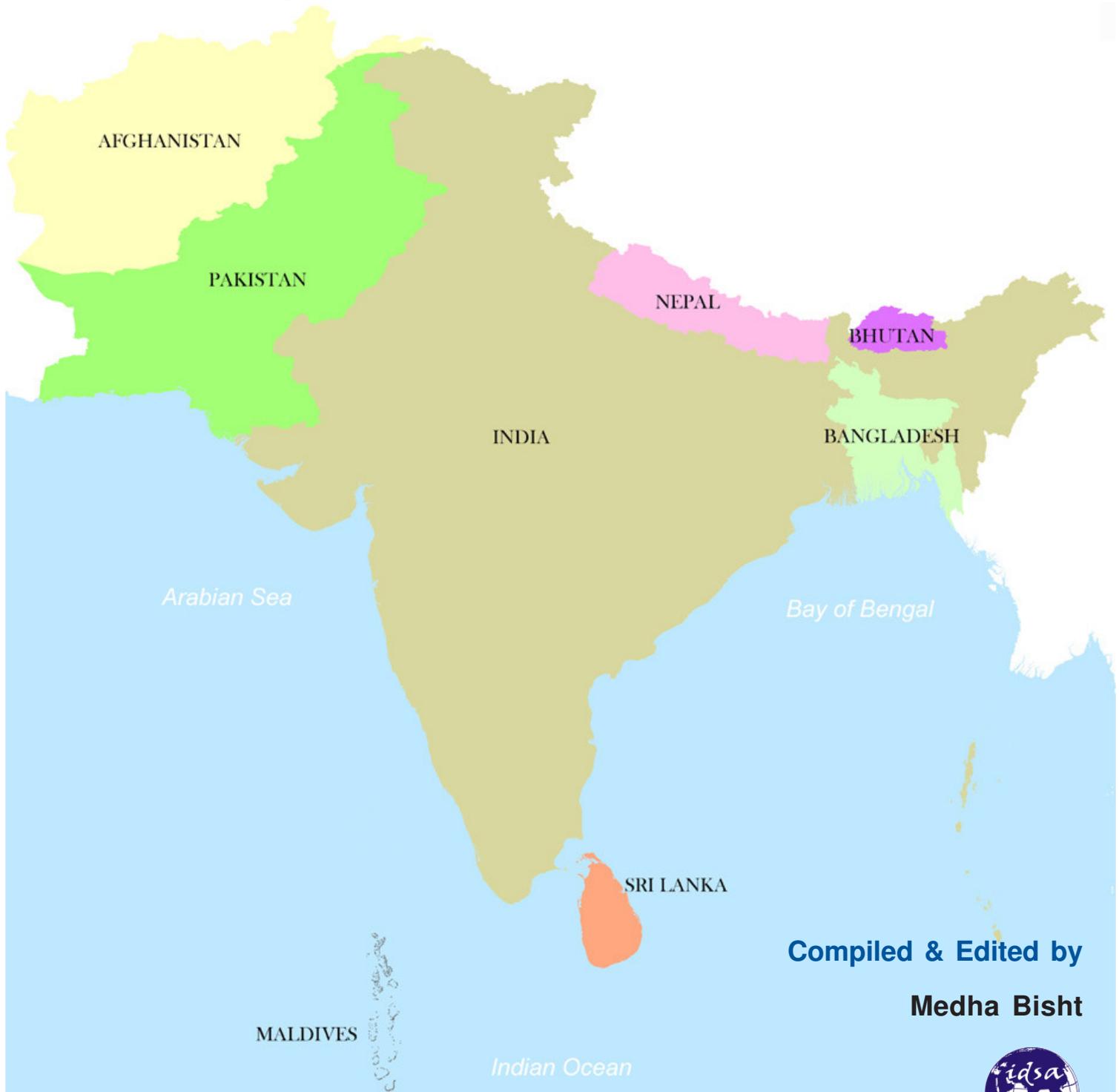


# ***SOUTH ASIA TRENDS***

**Volume 2 Number 4 April 01-15, 2011**

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

“While the Taliban has stayed, Al Qaida is back.” Given the increasing presence of Taliban, and the resurgence of Al Qaida, this statement is being made by Afghan and U.S officials. According to some sources, Al Qaeda has begun setting up training camps, hideouts and operation bases in remote mountains along the Afghanistan-Pakistan border. The return of the Al Qaida is being accounted to the U.S. pullback from large swathes of the region starting eighteen months ago. Engaging the Taliban and implementing a regional approach would guide the U.S. strategy in Afghanistan in the months to come. Turkey and Pakistan voiced support for initiatives to stabilise conflict-torn Afghanistan, including efforts for dialogue with the Taliban. Amongst other developments, a group of twenty Taliban surrendered in southern Zabul province. Meanwhile emphasizing a regional approach, Iran and Russia underlined the need for joint cooperation. Both countries have decided for more cooperation in the campaign against drug trafficking and terrorism to help bring back security to Afghanistan

Bhutan and Nepal relations seem to have received a new fillip in the recent bilateral visit by Prime Minister Thinley to Nepal. Amongst the many issues discussed were refugee repatriation and mutual bilateral ties. According to sources, bilateral negotiations between Bhutan and Nepal on repatriation of Bhutanese refugees could gather pace in the coming months. The dates are yet to be decided through diplomatic channels. However Thinley maintained that the preconditions for refugee repatriation would remain the same and only ‘bonafide’ citizens would be allowed back to Bhutan. Bhutan People’s Party (BPP) has expressed concern over the statement, criticizing Thinley for continuing the selective approach. Also Nepal and Bhutan could sign a bilateral trade agreement. This process was initiated at the joint secretary level meeting on October 2010, when both the countries agreed to work out issues regarding list of exportable products including trade routes and business procedures.

## Afghanistan

### **Protesters trapped UNAMA staff in burning building - Afghan news agency**

*Pajhwok Afghan News, April 1, 2011.*

Eight foreign workers with the United Nations Assistance Mission in Afghanistan (UNAMA) were killed after angry protestors trapped them in a burning building in northern Balkh province, an official said. Hundreds of people in Mazar-e Sharif, the provincial capital, set fire to the UNAMA office during a protest against the burning of a copy of the holy Quran by a Florida church pastor, Lal Mohammad Ahmadzai, the 303 Pamir Police Zone commander, told Pajhwok Afghan News. Before entering the building, they pelted stones at the UNAMA office .

(Source: Pajhwok Afghan News website, Kabul )

### **U.S. Set to Name New Afghanistan Commanders: Defense Shuffle**

*Daily Outlook Afghanistan, April 1, 2011.*

David Petraeus, perhaps the most celebrated American general of his generation, is likely to leave his job as the top U.S. commander in Afghanistan this summer, multiple defense officials say. Petraeus, who stepped into the post last summer after President Barack Obama fired Lt. Gen. Stanley McChrystal for comments his aides made to Rolling Stone magazine, is likely to be succeeded by Deputy CENTCOM commander, Marine Corps Lt. Gen. John Allen, defense sources told The Envoy.

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

### **Karzai to Replace Acting Ministers Soon: Omar**

*Daily Outlook Afghanistan, April 4, 2011.*

President Hamid Karzai is expected to send the Wolesi Jirga a list of his cabinet ministers to replace the acting ones as soon as possible, his spokesman said. The list will also carry the names of Supreme Court members appointed by the President for a vote of trust, Waheed Omar told a press conference in Kabul. "In next few days, a list of ministers-designate and members of the Supreme Court will be sent to the Wolesi Jirga," Waheed Omar said, but he did not provide an exact date. Omar also briefed journalists about the rejection of budget draft for the new Afghan year by the lower house. On March 28, a majority of parliamentarians rejected the budget saying it has many problems.

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

### **Turkey Condemns Attack on UNAMA**

*Daily Outlook Afghanistan, April 5, 2011.*

Press release issued from the Embassy of the Republic of Turkey strongly condemns attack on UN office Mazar-e Sharif on Friday, April 01, 2011. The text of the press release is as follow, "The news of the attack against the UN Assistance Mission in Afghanistan (UNAMA) during a demonstration that took place in the Balkh province, in which 14 people including 7 UN personnel were killed and several

others were wounded, have been received with profound sadness. We offer our condolences foremost to the bereaved families of those who were killed in this heinous incident as well as, to UNAMA and to all UN family. We wish speedy recovery to those who have been wounded in the incident." The UN is the common organization of the mankind and its Assistance Mission in Afghanistan serves foremost to the well-being of the Afghan people.

(Source: [http://epaper.outlookafghanistan.net/news\\_Pages/main\\_news.html#01](http://epaper.outlookafghanistan.net/news_Pages/main_news.html#01))

### **20 Taliban Join Peace Process in Zabul**

*Daily Outlook Afghanistan, April 6, 2011.*

Twenty Taliban, including a commander, have joined the peace process in southern Zabul province, the governor's office said. The group involved in insurgency related incidents had been active in different parts of the province against Afghan and international forces, the governor's office said in a statement. Without releasing further details, the statement said the group renounced violence after intelligence operatives promised them protection. The Taliban have not yet commented on switching sides by their comrades. It was for the first time that a 20-member Taliban group has surrendered to authorities in Zabul.

(Source: <http://epaper.outlookafghanistan.net/Main%20news.html#>)

### **Iran, Russia to Work on Afghanistan**

*Daily Outlook Afghanistan, April 6, 2011.*

Iran and Russia have underlined the need for joint cooperation to help restore stability in Afghanistan ahead of a meeting of the Shanghai Cooperation Organization (SCO) on the war-ravaged country, reported Press TV. Head of the Iranian Foreign Ministry's Afghanistan Headquarters Mohsen Pak-Ayin and Russian president's special envoy to Afghanistan Zamir Kabulov met and held talks on Afghanistan, Mehr news agency reported. In the meeting, the two officials called for more cooperation in the campaign against drug trafficking and terrorism to help bring back security to Afghanistan. Pak-Ayin said that Tehran and Moscow should devise a joint plan to expand cooperation over Afghanistan.

(Source: <http://epaper.outlookafghanistan.net/Main%20news.html#>)

### **US, Afghan Officials: Al-Qaeda Returns to Afghanistan**

*Daily Outlook Afghanistan, April 7, 2011.*

Militant Islamist group Al-Qaeda is re-establishing itself as a force in Afghanistan's Korengal valley, claim both the US and Afghan officials. Over the past six to eight months, Al Qaeda has begun setting up training camps, hideouts and operation bases in remote mountains along the Afghanistan-Pakistan border. The stepped-up infiltration followed a U.S. pullback from large swatches of the region starting 18 months ago. The areas were deemed strategically irrelevant and left to Afghanistan's uneven security forces, and in some parts, abandoned entirely. "Al Qaeda tends to navigate to areas where they sense a vacuum. There are serious concerns about al Qaeda moving back into some areas of Afghanistan, the places

that we've pulled back from," said Seth G. Jones, a senior political scientist at the Rand Corporation in Washington. American commanders have argued that the U.S. military presence in remote valleys is the main reason why locals are joining the Taliban. Once American soldiers leave, they predicted, the Taliban would go too. Instead, the Taliban have stayed and "al Qaeda is coming back,"

(Source: <http://epaper.outlookafghanistan.net/index1.html#>)

### **US to Intensify Regional Diplomacy, Afghan Peace**

*Daily Outlook Afghanistan, April 7, 2011.*

US president Barack Obama has told the Congress that for stability and peace in Afghanistan, his administration planned to intensify regional diplomacy in 2011. "In 2011, we will intensify our regional diplomacy to enable a political process to promote peace and stability in Afghanistan, to include Afghan-led reconciliation, taking advantage of the momentum created by the recent security gains and the international consensus gained in Lisbon," Obama said in a report to the Congress. "As we shift to transition, a major challenge will be demonstrating that the Afghan government has the capacity to consolidate gains in geographic areas that have been cleared by ISAF and ANSF," he said. Noting that specific components of US strategy for Afghanistan and Pakistan are working well, and there are notable operational gains, he said most important, al-Qa'ida's senior leadership in Pakistan is weaker and under more sustained pressure than at any other point since it fled Afghanistan in 2001.

(Source: <http://epaper.outlookafghanistan.net/index1.html#>)

### **War in Afghanistan is destabilising Pakistan, says president**

*Afghanistan Daily Outlook, April 10, 2011.*

The war in Afghanistan is destabilising Pakistan and seriously undermining efforts to restore its democratic institutions and economic prosperity after a decade of military dictatorship, Pakistan's president, Asif Ali Zardari, has told the Guardian. Speaking during an exclusive interview in the imposing presidential residence in Islamabad, Zardari also pointed to widespread concern in Pakistan at the slow pace of efforts to end the Afghan conflict, and said some US politicians showed limited understanding of the impact of American policies. Pakistani officials say relations with the US reached a "low ebb" following the recent row over Raymond Davis, a CIA contractor who shot dead two Pakistanis; a CIA drone attack in Pakistan's tribal areas last month that accidentally killed dozens of civilian elders meeting in a *jirga* (council), and Pakistan's suspicions that it is being excluded from discussions about an Afghan peace deal.

(Source: <http://www.guardian.co.uk/world/2011/apr/10/asif-ali-zardari-guardian-interview>)

### **EU Appreciates Tajik Support for ISAF**

*Afghan Daily Outlook, April 11, 2011.*

Tajikistan's Ambassador to the European Union Rustamjon Soliyev presented

credentials to European Council President Herman Van Rompuy, according to the Tajik MFA information department. In the course of the talks, the EU president highly appraised bilateral relations between the European Union and Tajikistan. He pointed out a reasonable policy of Tajikistan and the country's readiness for an open dialogue on topical issues, the source said. According to him, Herman Van Rompuy stressed that Tajikistan was a significant and reliable partner of the European Union in the region. He also appreciated Tajik government's support for efforts of the International Security Assistance Forces (ISAF) and the European Union to establish peace and stability in Afghanistan and reconstruct its economy, the source said. Tajik ambassador, for his part, expressed gratitude to the European Union for support for development of Tajikistan's economy.

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

### **US committed to improving relationship with Pakistan: Munter**

*Dawn, April 11, 2011.*

The United States is committed to improving its relationship with Pakistan, despite tensions over the shooting deaths of two Pakistanis by a CIA contractor, the US ambassador told a skeptical audience. In his first major public speech since the Jan. 27 shootings, Cameron Munter spoke of a "renewal" in Pakistani-US relations and noted America's many humanitarian programs in the country. Pakistan's cooperation is considered key to stabilising Afghanistan. Munter's comments came as Pakistan's spy chief visited the US, where he was to meet with the head of the CIA.

(Source: <http://www.dawn.com/2011/04/11/us-changing-its-role-in-afghanistan-munter.html>)

### **Pakistan, Turkey vow support for Afghan dialogue**

*Daily Times, April 14, 2011.*

Turkey and Pakistan voiced support for initiatives to stabilise conflict-torn Afghanistan, including efforts for dialogue with the Taliban. Presidents Abdullah Gul of Turkey and Asif Ali Zardari of Pakistan made the pledges in response to a question on whether Ankara had agreed to host a representation office for the Taliban and whether Islamabad would be ready to help any dialogue process. "2011 is a very critical year for Afghanistan... as the foreign troops will begin to withdraw... We are using all our capabilities to secure Afghanistan's unity and integrity," Gul told a joint press conference.

(Source: [http://dailytimes.com.pk/default.asp?page=2011\04\14\story\\_14-4-2011\\_pg7\\_7](http://dailytimes.com.pk/default.asp?page=2011\04\14\story_14-4-2011_pg7_7))

### **Mourning Holbrooke, Clinton defends Taliban talks**

*Dawn April 15, 2011.*

US Secretary of State Hillary Clinton on Friday voiced understanding for talks with the Taliban as she mourned late diplomat Richard Holbrooke, an avid proponent of reconciliation in Afghanistan. At a memorial service, Clinton credited

## Bangladesh

Holbrooke – who died unexpectedly at the age of 69 in December – with setting the troubled US relationships with Pakistan and Afghanistan on the right track as special envoy to the countries.”Those who found negotiations with the Taliban distasteful got a very powerful response from Richard – diplomacy would be easy if we only had to talk to our friends,” Clinton said at the American Academy in Berlin, which was co-founded by Holbrooke, a former ambassador to Germany.

(Source: <http://www.dawn.com/2011/04/15/mourning-holbrooke-clinton-defends-taliban-talks.html>)

### Work begins on Bangladesh rail link

*DVB, April 4, 2011.*

Construction of a railway linking southern Bangladesh to neighbouring Arakan state in Burma has started as part of Dhaka’s goal for better connectivity with China. Bangladeshi Prime Minister Sheikh Hasina officially opened the construction project yesterday in the coastal town of Cox’s Bazaar. The \$US255 million transport link is part of a broader initiative that Bangladesh hopes will connect its second city and major port, Chittagong, with China – another plank in a web of infrastructure that aims to increase connectivity in the region. Both Bangladesh and Burma have seemingly gravitated towards China, with billions of dollars offered for such infrastructure projects and the possibility that they could tap into expected demand for out-sourced labour in industries such as garments.

(Source: <http://www.dvb.no/news/work-begins-on-bangladesh-rail-link/15146>)

### Hasina to check up on liquidity, remittance flow

*Daily Star, April 5, 2011.*

Prime Minister Sheikh Hasina yesterday directed the finance ministry and Bangladesh Bank (BB) to submit a report on the country’s overall economic situation, incorporating the actual status of bank liquidity and inward remittance. She made the directive while presiding over the weekly cabinet meeting, which had a lengthy discussion on the unrest in the Middle East countries and the adverse impacts it might put on Bangladesh and its economy. “She asked for a full report with all the facts and findings to know the current economic situation and assess its future state,” a senior minister told The Daily Star after the meeting held at the cabinet division of the secretariat.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=180476>)

### Remittance hits \$1.09b in March

*Daily Star, April 5, 2011.*

The country’s remittance inflow reached a record \$1.09 billion in a single month amid the Middle East crisis, but overall remittance growth still remains low. A Bangladesh Bank official said the rise in remittance in March was due to return of many expatriates from the Middle East, while many others have been remitting money home instead of keeping the funds there, due to a general sense of insecurity. Last month’s inflow was the second record of crossing the billion dollar mark in

monthly remittance. In November 2009 it crossed that mark for the first time with remittance of \$1.05 billion.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=180478>)

### **Islamic activists go on rampage to block women's rights policies in Bangladesh**

*Asia One, April 6, 2011.*

The general strike enforced yesterday (April 4) by Islamic activists ended through violence in the Bangladeshi capital of Dhaka and other cities leaving over 250 people, including 16 policemen, injured and 200 detained. Islamic Ain Bastabayan Sangstha, a group linked to a faction of Islami Oikya Jote (IOJ) and led by Fazlul Huq Aminee, called the dawn-to-dusk nationwide strike. The group is campaigning against the government's newly-announced National Women Policy. Aminee and his supporters insist that the policy has provisions that go against the principles of the Koran. The government denies the allegation saying the policy reflects the constitutional provision of ensuring equal rights to women and ending all disparity against them.

(Source: <http://news.asiaone.com/News/Latest%2BNews/Asia/Story/A1Story20110406-272022.html>)

### **UN to consider peacekeeping training school in Bangladesh**

*Daily Star, April 7, 2011.*

UN police chief Ann-Marie Orlor on Thursday said her organisation will consider a Bangladesh government's proposal for setting up a regional UN Peacekeeping Training School in the country. "The school will provide necessary training to the members of United Nations Police (UNPOL) and Formed Police Unit (FPU) from home and abroad," Marie said this during a courtesy call on State Minister for Home Shamsul Haque Tuku at his ministry office. After the meeting, Tuku told reporters that though Bangladesh is one of the top ranked nations among all UN peacekeepers contributing country, the number of officer level policemen is very few in it. The minister proposed the UN police chief for recruiting deputy inspector general (DIG) and additional deputy inspector general (ADIG) level police officers for the mission.

(Source: [http://www.thedailystar.net/newDesign/latest\\_news.php?nid=29252](http://www.thedailystar.net/newDesign/latest_news.php?nid=29252))

### **Amini versions skewed**

*Daily Star, April 11, 2011.*

Fazlul Huq Amini, chief of Islami Ain Bastabayan Committee, has given skewed arguments and misinterpreted the holy Quran to drive people against the women development policy for political gains, said Islamic scholars and academics. They said Amini, also chief of a faction of Islamic Oikya Jote, had portrayed women as inferior whereas Islam bestows more honour and rights on women than men. The Daily Star contacted Islamic scholars Maulana Abdullah Al-Maruf, Maulana Ziaul Hasan of Islamic Foundation, Misbahur Rahman, Prof Md Abdul Mabud, chairman

of Arabic Department of Dhaka University (DU) and Prof ANM Rais Uddin of Islamic Studies Department, DU for their opinion on Amini's claim about the women policy.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=181276>)

### **Dhaka rivers to get thinner**

*Daily Star, April 12, 2011.*

The rivers of Dhaka will shrink further as the district administrations have demarcated those excluding the foreshores, in deviation from a High Court judgment. This will make way for permanent private ownership of the foreshores, and encourage river grabbers to encroach upon those foreshores, said officials of Bangladesh Inland Water Transport Authority (BIWTA). "Rivers without foreshores will be reduced to large-size drains," said a top official of Dhaka River Port, requesting anonymity.

(Source: <http://www.thedailystar.net/story.php?nid=181407>)

### **JS body to open national dialogue**

*Daily Star, April 14, 2011.*

The parliamentary special committee on constitutional amendment will hold a dialogue with political parties and legal experts on prospective changes to the republic's charter. The decision came at a meeting with Prime Minister Sheikh Hasina at the Gono Bhaban last night. Talking to The Daily Star after the meeting, a member of the committee said, "We will soon decide on the mode of the talks and prepare a list of those to be invited." Leader of the House Sheikh Hasina, Leader of the Opposition Khaleda Zia, senior leaders of other political parties and constitution experts will be among the invitees. The decision to hold the national dialogue was taken in response to demands from different corners for consensus on constitutional amendments, added the member who requested not to be named, as he was not authorised to speak on the matter.

(Source: <http://www.thedailystar.net/story.php?nid=181606>)

### **EU biggest dev partner**

*Daily Star, April 14, 2011.*

Foreign Minister Dipu Moni yesterday said Bangladesh highly values her relation with European Union (EU) for being its biggest development partner, destination for its exports and source of foreign direct investments (FDI) in Bangladesh. She told this when William Hana, EU ambassador and head of Delegation in Dhaka, paid his first call on her at the foreign ministry yesterday. Dipu Moni briefed the envoy about recent achievements made by the government in the field of women's emancipation, poverty eradication and especially mentioned about the strong measures taken to fight corruption. She also asked for EU support in building social safety nets, especially in health and education sector.

(Source: <http://www.thedailystar.net/story.php?nid=181709>)

## Bhutan

### **SJVN to submit reports on two Bhutan projs this year**

*MSN, April 3, 2011.*

State-run SJVN plans to submit detailed reports on the 650 MW Kolongchu and the 600 MW Wangchu power projects in Bhutan to the neighbouring country's government this year."The Detailed Project Reports (DPRs) for Kolongchu project is expected to be ready by June while that for Wangchu by December," Satluj Jal Vidyut Nigam Ltd (SJVNL) Chairman and Managing Director R P Singh told PTI. The company would submit the DPRs to the Bhutanese government. According to him, the company would also diversify into power transmission with the 900 MW Arun-III hydroelectric power project in Nepal. The project would be executed on Build, Operate and Transfer (BOT) basis. However, further details of the project were not disclosed.

(Source: <http://news.in.msn.com/business/article.aspx?cp-documentid=5098243>)

### **Two jawans killed in Kokrajhar**

*Telegraph India, April 5, 2011.*

Two jawans of Sashastra Seema Bal (SSB) were killed and another two injured when unidentified gunmen, suspected to be from the anti-talks faction of National Democratic Front of Boroland (NDFB), attacked them between the Lalbita and Pepsu areas bordering Bhutan in Kokrajhar district today. Another jawan is said to be missing. A preliminary report by the police said a joint team, comprising army and SSB personnel, was on its way towards Pepsu in two vehicles when it came under attack at around 9.30 this morning. The 31Bn SSB has a camp at Lalbita, bordering Bhutan.

(Source: [http://www.telegraphindia.com/1110405/jsp/northeast/story\\_13808753.jsp](http://www.telegraphindia.com/1110405/jsp/northeast/story_13808753.jsp))

### **Areas of cooperation indicated**

*Kuensel, April 5, 2011.*

A 24-member business delegation from France, which was in the capital for the past two days, expressed interest to partner with Bhutan in areas like public transport, hydropower and financial services. Responding to a query regarding proper city planning and the importance of public transport, the French ambassador in India, Jerome Bonnafont, who led the delegation, said that parts of the city at present need to be identified for a transportation system to avoid congestion in the future. He cited examples in India, where they are now using extra resources to rebuild the transportation system. Proper transportation will complement economic development as the transport of goods and people become easier and faster.

(Source: <http://www.kuenselonline.com/2010/modules.php?name=News&file=article&sid=18898>)

### **Bhutan and the Maldives: Dissimilar yet so alike**

*Kuensel, April 5, 2011.*

Relaying the discussion during the meetings with President Mohamad Nasheed during the 16th SAARC summit last year, Lyonchhoen said they were able to

identify a number of areas on the bilateral front to enhance and initiate consultations and cooperation. "These include exchange of visits among our policy makers and officials, in the areas of education, health, tourism, housing, environment and governance among others," he said.

(Source: <http://www.kuenselonline.com/2010/modules.php?name=News&file=article&sid=18917>)

### **Bhutanese refugee issue concerns Prez**

*The Himalayan Times, April 6, 2011.*

Expressing concern about the prolonged Bhutanese refugee crisis, President Dr Ram Baran Yadav drew the government's attention to the need to take the issue forward in favour of repatriation. The Office of the President wrote to the Foreign Ministry to this effect after the president met refugee representatives, including Bhutanese Refugee Repatriation Committee Coordinator Bhampa Rai. Rai had pleaded for peaceful repatriation to their motherland, Bhutan, with President Yadav, a source said.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Bhutanese+refugee+issue+concerns+Prez&NewsID=282824>)

### **Tight vigil on Bhutan border**

*The Telegraph, April 6, 2011.*

Security has been tightened in the Bodo belt, especially in areas bordering Bhutan, following the militant attack on security forces in the Lalvita area in Kokrajhar district on Monday. The move comes at a time when there are apprehensions of violence in the second phase of polling after the incidents of attacks on security personnel in Kokrajhar district.

(Source: [http://www.telegraphindia.com/1110406/jsp/northeast/story\\_13813968.jsp](http://www.telegraphindia.com/1110406/jsp/northeast/story_13813968.jsp))

### **May 24 is poll day**

*The Kuensel, April 7, 2011.*

Bhutan's transition to democracy will turn whole by the end of next month, when elected local leaders will be in place, following the first ever local government election. In what appeared to be another historic moment in the country's democratic process, the election commission, in presence of parliament members, election officials and media personnel, among others, announced May 24 as the poll day. On the day, which will also be a public holiday, elections to the gewog tshogdes of the 205 gewogs, dzongkhag thromde thuemi for the 16 dzongkhag tshogdu and thromde tshogde for the five vacant tshogpa demkhongs will be held.

(Source: <http://www.kuenselonline.com/2010/modules.php?name=News&file=article&sid=18971>)

### **External debt is to increase**

*SANA News, April 7, 2011.*

Bhutan's external debt is likely to increase sharply over the years, breaching several

debt threshold indicators for low income countries, according to a World Bank analysis report. Bhutan's total debt burden, which is presently 63 percent of gross domestic product, is expected to reach 75 percent by 2014. High spending pressures to meet tenth plan objectives, combined with the possible shortfall of aid based financing and wage increases will lead to further debt build up, states the report. Although Bhutan falls under a moderate risk of distress, it has breached some indicative debt threshold entering into a highly debt distressed situation. This is however to be overcome by hydropower earnings.

(Source: <http://www.sananews.net/english/2011/04/07/external-debt-is-to-increase/>)

### **Encroachers rule in Chirang**

*Times of India, April 9, 2011.*

With the state's security agencies busy carrying out their poll duty, hundreds of forest encroachers from Jharkhand and Nepal have sneaked into the Bodo heartland and are virtually having a free run inside the thick jungles of Chirang Elephant Reserve one of the most vibrant bio-diversity hotspots in the country. What alarms this hotbed of Bodo militancy even more is that some of the forest encroachers are suspected Maoists. According to sources in the district administration, the illegal settlements in the northern part of the reserve forest, situated along the Indo-Bhutanese border, had already become a safe haven for the Bodo and Adivasi militants. "Now, the Maoists are the latest addition. Most Adivasi encroachers from Jharkhand have even bagged voting rights. The Nepali settlers are, however, yet to get the right," said a source.

(Source: [http://articles.timesofindia.indiatimes.com/2011-04-09/guwahati/29400570\\_1\\_encroachers-forest-dwellers-forest-department](http://articles.timesofindia.indiatimes.com/2011-04-09/guwahati/29400570_1_encroachers-forest-dwellers-forest-department))

### **User fee for transit facilities, not transit fee suggested**

*The Financial Express, April 11, 2011.*

The core committee in its report on transit has recommended for imposition of a 'user fee' on use of transit facilities by the neighbouring countries of India, Nepal and Bhutan. It suggested that the government should not impose any transit fee for only geographical advantages unless the country (Bangladesh) provides any services involving cost or expenses for the routes, the report said.

(Source: [http://www.thefinancialexpress-bd.com/more.php?news\\_id=132208&date=2011-04-11](http://www.thefinancialexpress-bd.com/more.php?news_id=132208&date=2011-04-11))

### **Nepal to ask Bhutan to repatriate thousands of refugees**

*Monster & Critics, April 11, 2011.*

Nepal plans to hold new talks with Bhutan government on the repatriation of tens of thousands of refugees, media reports said Monday. Prime Minister Jhulanath Khanal is to meet with his Bhutanese counterpart Jigme Y Thinley in mid-April, when he visits Kathmandu in his capacity as chairman of the South Asian Association for Regional Co-operation, the Kathmandu Post reported.

(Source: [http://www.monstersandcritics.com/news/southasia/news/article\\_1632078.php/Nepal-to-ask-Bhutan-to-repatriate-thousands-of-refugees](http://www.monstersandcritics.com/news/southasia/news/article_1632078.php/Nepal-to-ask-Bhutan-to-repatriate-thousands-of-refugees))

### **Religious conversion worst form of 'intolerance,' Bhutan PM says**

*Christian Today, April 11, 2011.*

In the Kingdom of Bhutan, where Christianity is still awaiting legal recognition, Christians have the right to proclaim their faith but must not use coercion or claim religious superiority to seek conversions, the country's prime minister told Compass in an exclusive interview. "I view conversions very negatively, because conversion is the worst form of intolerance," Jigmi Yoser Thinley said in his office in the capital of the predominantly Buddhist nation.

(Source: <http://au.christiantoday.com/article/religious-conversion-worst-form-of-intolerance-bhutan-pm-says/10780.htm>)

### **Thinley to focus on cooperation**

*The Himalayan Times, April 14, 2011.*

Bhutanese Prime Minister Lyonchhen Jigmi Y Thinley, in his capacity as SAARC chair, arrived here in Kathmandu for consultation on the mid-term review of progress made by the Bhutan Declaration since the 16th SAARC summit. Talking to this daily, Nepal Director Niranjana Man Singh Basnet at SAARC Secretariat said the consultation visit was for a mid-term review of the Bhutan declaration. Besides, Thinley will discuss regional agendas like climate change and its impact on member countries.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Thinley+to+focus+on+cooperation+&NewsID=284015>)

### **Nepal, Bhutan agree to resume negotiations on refugees**

*IBN Live, April 15, 2011.*

Nepal and Bhutan today agreed to kick-start the stalled negotiations for the repatriation of Bhutanese refugees languishing in camps in eastern Nepal for two decades. Bhutanese Prime Minister Jigme Y. Thinley, who is on an official visit here, today met his Nepalese counterpart Jhala Nath Khanal and discussed ways to boost bilateral and regional cooperation. During the meeting, the two leaders agreed to resume negotiations on the repatriation of Bhutanese refugees. "Both Nepal and Bhutan have agreed to resume talks," according to Milan Tuladhar, Foreign Affairs adviser to Prime Minister Khanal. "The date will be decided through diplomatic channels," he added. They also discussed bilateral cooperation and issues relating to South Asian Association for Regional Cooperation (SAARC), he said. The refugees, who are of ethnic Nepalese origin, left Bhutan in the early 1990s amid allegations of persecution by the state on issues of national dress and language. Even as the refugees claim to be Bhutanese citizens, the government in Thimphu describe them as illegal immigrants.

(Source: <http://ibnlive.in.com/generalnewsfeed/news/nepal-bhutan-agree-to-resume-negotiations-on-refugees/649965.html>)

### **Bhutan PM Thinley meets Nepali counterpart**

*The Himalayan Times April 15, 2011.*

Bhutanese Prime Minister Lyonchhen Jigmi Y Thinley met his Nepali counterpart

Jhalanath Khanal at the latter's in Singha Durbar in the capital on Friday. During the meeting, the two prime ministers are said to have discussed issues including the SAARC activities and repatriation of the Bhutanese refugees, and aspects related with Nepal-Bhutan ties. The two are also said to have agreed resuming talks between Nepal and Bhutan on resolving the long-standing refugee issue.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Bhutan+PM+Thinley+meets+Nepali+counterpart&NewsID=284072&a=3>)

### **Nepal and Bhutan to resume talks on repatriation of refugees**

*Monster & Critics, April 15, 2011.*

Nepal and Bhutan plan to resume talks on the repatriation of Bhutanese refugees, which have been stalled for eight years, the two countries said Friday. Visiting Bhutanese Premier Jigme Y Thinley told local media after a meeting with Prime Minister Jhalanath Khanal that Bhutan was willing to restart the discussions. The countries' relations have been strained over the refugee issue.

(Source: [http://www.monstersandcritics.com/news/southasia/news/article\\_1633168.php/Nepal-and-Bhutan-to-resume-talks-on-repatriation-of-refugees](http://www.monstersandcritics.com/news/southasia/news/article_1633168.php/Nepal-and-Bhutan-to-resume-talks-on-repatriation-of-refugees))

## **Maldives**

### **Bhutan's Prime Minister visits Maldives, holds talks with Maldivian President**

*Haveeru, April 1, 2011.*

Prime Minister of Bhutan Lyonchhen Jigmi Y. Thinley, as the Chairman of the South Asian Association for Regional Cooperation (SAARC), has arrived in the Maldives today. Later on, President Mohamed Nasheed greeted Prime Minister Thinley at the Official Jetty, and accompanied the visiting Prime Minister to the saluting dais where national anthems of the Maldives and Bhutan were played. At the meeting, President Nasheed and Prime Minister Thinley discussed the close relations that exist between the Maldives and Bhutan.

(Source: <http://www.haveeru.com.mv/english/details/35666>)

### **Nasheed stresses security of Maldives' tourism industry**

*Asia Tribune, April 6, 2011.*

President Mohamed Nasheed urged the need to protect the country's tourism sector after a recent series of intrusions and robberies in some resorts posed a threat to the industry. "The government cannot do anything without protecting the country's most sustainable and the strongest source of income," the president told a seminar on the Security of Tourism Industry yesterday organised by the Ministry of Tourism Arts and Culture. According to the president "this did not solve the root cause of the problem that was also the cause of other social problems" such as gang violence, unemployment and lack of education.

(Source: <http://www.asiantribune.com/news/2011/04/05/nasheed-stresses-security-maldives-tourism-industry>)

## Nepal

### **Nepal-US deal to favour garment exports**

*Fibre News, April 2, 2011.*

Nepal is all set to sign the Trade and Investment Framework Agreement (TIFA) with the United States in a months time. This pact is anticipated to provide favourable entry to goods exported to the US from Nepal. Though the framework of the deal had been finalised early last year, there was a delay in signing the agreement for various reasons. Informing about the pact, he said, "The Trade and Investment Framework Agreement (TIFA) is about creating a bilateral mechanism for issues like trade, investment, intellectual property rights and several other issues.

"These are the areas where bilateral mechanism is established and dealt on, to increase cooperation. TIFA aims at creating a joint mechanism in the form of a trade and commerce council and promote investment and trade relations in the process".

(Source: [http://www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news\\_id=97397](http://www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news_id=97397))

### **Chinese envoy Guohong meets Nembang**

*Himalayan Times, April 5, 2011.*

Chinese Ambassador to Nepal Que Guohong had courtesy meet with Constituent Assembly Chairman Subash Nembang at the latter's office at Singhadarbar in the Capital on Monday. The duo held discussion over historical relationship between the two countries, China and Nepal, and China's contribution to Nepal in the past and to the future, according to Legislature-Parliament Secretariat. On the occasion, envoy Guohong wished for the success of peace process and statute writing in Nepal. Chinese envoy Guohong had courtesy meet before he departs to his country completing his tenure.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Chinese+envoy+Guohong+meets+Nembang&NewsID=282595>)

### **Nepal slams Maoists**

*Himalayan Times, April 5, 2011.*

CPN-UML senior leader Madhav Kumar Nepal has accused the UCPN-Maoist of running a business of sorts in the name of its combatants. Speaking at a programme of Lokatantrik Madhesi Organisation here today, Nepal argued that the 19,000 combatants have been receiving only half of Rs 160 million monthly allocation meant for them. Further, he said the Maoist party's push for supplementary budget showed it was trying to indulge in corruption. Nepal also appealed to the UCPN-Maoist to turn itself into a civilian party forsaking the politics of coercion and intimidation.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Nepal+slams+Maoists&NewsID=282684>)

### **Govt of national consensus essential**

*My Republica, April 5, 2011.*

Senior leader of CPN-UML, Madhav Kumar Nepal has said a government of national consensus was inevitable in order to conclude the peace and constitution making process. Speaking at a press conference organized at Dhangadi on Sunday, he said the parties should concentrate on completing the constitution on time rather than mulling on extending the term of the constituent assembly. "It would be insignificant to extend the term of the CA if the constitution was not promulgated on time", he said. The former Prime Minister also said that the peace process cannot conclude as long as the UCPN (Maoist) continue to hold arms and army.

(Source: [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=29889](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=29889))

### **MJFN chief harps on unity for timely statute, peace**

*The Himalayan Times, April 6, 2011.*

Upendra Yadav, chairman of the Madhesi Janaadikar Forum (MJF) Nepal said that the tasks of taking the peace process to its logical conclusion and drafting the constitution could be accomplished within the stipulated time provided that unity among democratic, communist and Madhes based parties is achieved. Speaking at an interaction programme in Siraha this morning Yadav claimed that the new constitution could be drafted within May 28 if the two major issues of system of governance and state restructuring is resolved, as almost all contentious issues in the constitution drafting process have already been solved.

(Source: <http://thehimalayantimes.com/fullNews.php?headline=MJFN+chief+harps+on+unity+for+timely+statute%26sbquo%3B+peace&NewsID=282876&a=3>)

### **Nepal-India talks today**

*The Himalayan Times, April 6, 2011.*

High level officials from Nepal and India are to hold security talks in Pune, Maharashtra from tomorrow. A 15-member Nepali team led by Hari Kumar Shrestha, South Asia Division Chief of Foreign Ministry of Nepal reached Pune from New Delhi today. A senior official from Defence Ministry, DIG level officials from National Investigation Department, Nepal Police, Armed Police and six high level officials from Nepali Army including Brigadier General Mahesh Karki are taking part in the meeting. The Indian team is being led by Satish C Mehta, chief of Northern Division at the Ministry of External Affairs. High level officials of Indian police and Indian army are among the Indian delegates, according to Colonel Ashok Narsingh Rana, Military Attache, Embassy of Nepal.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Nepal-India+talks+today&NewsID=282826>)

### **GDP growth will fall below 5-year average: ADB**

*My Republica, April 7, 2011.*

Nepal's economic growth will fall below the five-year average of 4 percent and

## Pakistan

remain at 3.8 percent in 2010/11, said Asian Development Bank (ADB) projected on Wednesday. The growth projection is higher than 3.87 percent that the Central Bureau of Statistics estimated a couple of weeks ago. Like CBS, the leading multilateral donor attributed the slowed growth to protracted post-conflict transition. ADB, however, projected economy to improve modestly to 4 percent in 2011/12. The projection is based on assumption that the country will continue to enjoy normal weather conditions and tourism related activities will pick up due to Nepal Tourism Year 2011 campaign. Pakistan

(Source: [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=30017](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=30017))

### **Qaida in Pakistan grooming new leadership: Report**

*Times of India, April 4, 2011.*

Al-Qaida and affiliated militant groups based in Pakistan's restive tribal belt are grooming alternative leaders and splitting into small cells to confuse counter-terror agencies and to survive in the face of sudden fatalities, a media report said today. The groups, including the Haqqani network, have been following this pattern for some time and "unusual changes" are expected in months to come, The Express Tribune newspaper quoted intelligence officials in Islamabad and associates of the groups in South and North Waziristan Agencies as saying.

(Source: <http://timesofindia.indiatimes.com/world/pakistan/Qaida-in-Pakistan-grooming-new-leadership-Report/articleshow/7865793.cms>)

### **Suicide bomber strikes Pakistan bus terminal, kills 6**

*China Post, April 5, 2011.*

A suicide bomber struck a bus terminal in northwest Pakistan on Monday, killing up to six people in the sixth bomb attack in as many days to strike the nuclear-armed country, police said. The bomb exploded in the small town of Jandol in the district of Lower Dir, 200 kilometers (125 miles) from the capital Islamabad. Pakistani troops fought a major offensive to expunge the Taliban from the area nearly two years ago. "Six people have died," police official Islam Khan told AFP.

(Source: <http://www.chinapost.com.tw/asia/pakistan/2011/04/05/297444/Suicide-bomberhtm>)

### **David Cameron 'to seek fresh start' in Pakistan visit**

*BBC News, April 5, 2011.*

David Cameron has begun a visit to Pakistan in which he is expected to call for a fresh start in the UK's relationship with the country. Last year Mr Cameron caused anger in Pakistan when he said elements in the country should not be allowed to "promote the export of terror." Later, in an Islamabad speech, he is expected to say it is time to clear up the misunderstandings of the past. It is Mr Cameron's first visit to Pakistan since becoming prime minister.

(Source: <http://www.bbc.co.uk/news/uk-12967819>)

### **Small traders observing shutter down strike in Karachi**

*Dawn, April 5, 2011.*

Small traders of Karachi are observing a strike today against the growing threats of extortion being faced by them, DawnNews reported. Traders from Clifton, Defense, Tariq Road, Bahadrabad, Saddar and MA Jinnah road have shut down their stores in protest to these threats. Earlier the postponement of a strike called for today to protest against the 'bhatta mafia' caused estrangement between the Karachi Chamber of Commerce and Industry and the All Karachi Tajir Ittehad, which reaffirmed on Monday that it would stick to its original strike plan for April 5, accusing the KCCI of betraying its partners with lesser influence.

(Source: <http://www.dawn.com/2011/04/05/small-traders-observing-shutter-down-strike-in-karachi.html>)

### **Load shedding menacing Karachiites as mercury rises**

*Daily Times, April 5, 2011.*

With the temperature on rise, prolonged load shedding in Karachi has created immense problems for citizens. Almost eight to nine hours of load shedding a day is the beginning of a nightmare for Karachiites that will haunt them throughout the upcoming summer months. The government should look into the matter with a realistic approach, and besides seeing financial and economic aspects of the issue also consider that it is a serious human issue, concerning the basic rights of citizens. Utilities like water and electricity are declared as rights to life in many landmark court decisions. Citizens feel it is high time to revisit the decision of privatisation of the KESC, and correct wrongdoing where necessary in the larger interests of citizens and country, as the national economy directly depends of the economy of Karachi. Without electricity the economy of Karachi would soon crumble and so would the national economy.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2011\04\05\story\\_5-4-2011\\_pg12\\_1](http://www.dailytimes.com.pk/default.asp?page=2011\04\05\story_5-4-2011_pg12_1))

### **China interested in Pak hydel, renewable energy projects**

*Daily Times, April 6, 2011.*

China has expressed interest to invest in hydel and renewable energy power projects in Pakistan and join hands with Wapda for development of various large-scaled hydropower power projects, saying it is also interested in establishing a local manufacturing setup for wind power equipments in Pakistan. Head of the ten-member Chinese delegation, Chairman of the state-owned China Three Gorges Project Corporation (CTGPC), Cao Guangign expressed it during a meeting with the Federal Minister for Water and Power and Privatization, Syed Naveed Qamar on Tuesday.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2011\04\06\story\\_6-4-2011\\_pg5\\_7](http://www.dailytimes.com.pk/default.asp?page=2011\04\06\story_6-4-2011_pg5_7))

### **Cotton, wheat targets unlikely to be achieved**

*The Nation, April 6, 2011.*

The government will neither be able to achieve the cotton production target next year nor the procurement of wheat produce be possible this year. So a technocrat should head the provincial agriculture and food departments in the larger interest of agriculture sector as a generalist can only spoil the broth. The provision of subsidized agricultural inputs in the Indian Punjab had turned farming into a profitable profession while increase in the prices was discouraging farming community in Pakistani Punjab.

(Source: <http://nation.com.pk/pakistan-news-newspaper-daily-english-online/Business/06-Apr-2011/Cotton-wheat-targets-unlikely-to-be-achieved>)

### **China's Three Gorges Corp ready to invest \$15 bln in Pakistan energy sector**

*Reuters, Africa, April 7, 2011.*

The China Three Gorges Corp, China's largest hydropower developer, is ready to invest \$15 billion in Pakistan's troubled energy sector, which will add 10,000 MW to its grid in 10 years, a senior company official said on Thursday. "We have given the company's plan... that in the following 10 years we can invest \$15 billion for 10,000 MW power generation," Wang Shaofeng, vice-president, told Reuters in a phone interview from Islamabad.

(Source: <http://af.reuters.com/article/energyOilNews/idAFL3E7F70YZ20110407>)

### **MEA seeks report on China's LoC presence**

*Hindustan Times, April 7, 2011.*

The external affairs ministry on Wednesday sought a detailed report from the defence ministry on Chinese presence along the line of control (LoC) between India and Pakistan. This comes on the heels of concerns flagged by a top army official over Chinese troops being "actually stationed and present on the LoC". Foreign secretary Nirupama Rao said she had asked for a 'more detailed report' from the defence ministry on the issue. She, however, added that incidents of 'transgressions' were not a new phenomenon.

(Source: <http://www.hindustantimes.com/News-Feed/newdelhi/MEA-seeks-report-on-China-s-LoC-presence/Article1-682171.aspx>)

### **No one can keep MQM out of Punjab: Altaf**

*Daily Times, April 11, 2011.*

The MQM chief, Altaf Hussain, said on Sunday that although the country's establishment threw a spanner in his way in order to prevent him from making a landfall in Punjab, but now he had come to Punjab and none could stop him anymore. Addressing a well-disciplined public meeting of the MQM titled 'Istehkam-e-Pakistan Jalsa' that was held at the at Qaddafi Stadium on Sunday, he asked global powers to look at the strength of his public meeting in Punjab and see that

the people of Pakistan supported him. Around 10,000 people from across the country turned up at the meeting that was the first show of strength by Sindh-based Muttahida Qaumi Movement (MQM) in Punjab after a struggle spanning over almost five years. Altaf committed to the natives of Punjab that if his party came to power, it would change the political, social and economic culture of the country. MQM chief announced that his party would bring a revolution of young, educated people in the country and amend the constitution in favour of the labour class, women and minorities who, he said, were still deprived of their true, basic and fundamental rights. He made a commitment to the people of Kashmir that MQM would resolve the issue of Kashmir for good in line with their wishes, whenever it succeeded in forming a government.

(Source: [http://www.dailytimes.com.pk/default.asp?page=2011%5C04%5C11%5Cstory\\_11-4-2011\\_pg1\\_3](http://www.dailytimes.com.pk/default.asp?page=2011%5C04%5C11%5Cstory_11-4-2011_pg1_3))

### **Water crisis deepens as river flows decline**

*Dawn, April 11, 2011.*

The shortage of water has reached alarming proportions and during the ongoing Kharif season there could be a shortfall of up to 50 per cent. Sources in the Indus River System Authority (Irsa) told Dawn that because of the current rain, the temperature in Northern Areas was not rising, stopping the melting of snow and causing reduction in river flows. Reports of large amounts of water 'going missing' mysteriously was adding to the problem. Inflows at Mangla dam dropped from 28,000 cusecs to 25,000 cusecs on Sunday. Flows in the Kabul River also reduced to 13,000 cusecs while inflows at Tarbela came down to 21,000 cusecs. The sources said that about 12,000 cusecs of water had been reported missing between Besham to Tarbela each day while another 15,000 cusecs remained unaccounted for between Tarbela and Chashma Barrage, which means that more than 25,000 cusecs was being lost a day.

(Source: <http://www.dawn.com/2011/04/11/water-crisis-deepens-as-river-flows-decline.html>)

## **Sri Lanka**

### **Sri Lanka to construct new Colombo Port City at a cost of US\$ 300 million.**

*Colombo Page, April 3, 2011.*

Under a presidential directive, the Sri Lankan government is to reclaim between 300-400 acres of sea land between the Colombo South Port Development project and the Galle Face Green in order to build a Port City at a cost of US\$ 300 million. The proposed offshore city, to be divided into three segments- business, residential and leisure, will be developed into a modern city with high rises, hotels, residential apartments, shopping malls, and other space to cater to the public needs. The Ports and Highways Ministry says that of the 330 acres 200 acres of the City are to be either sold outright or given out on a long term lease to investors.

(Source: [http://www.colombopage.com/archive\\_11/Apr03\\_1301845545JR.php](http://www.colombopage.com/archive_11/Apr03_1301845545JR.php))

**Sri Lanka main opposition offers support to govt**

*MSN, April 3, 2011.*

The main opposition in Sri Lanka, the UNP has pledged conditional support to the Mahinda Rajapaksa government over the issue of raising wages for public servants, including armed forces personnel. "We are ready to give our fullest support to the government if the government increased the salaries of the public servants before June," opposition leader Ranil Wickremesinghe said. Wickremesinghe said in Passara that the salary increase should include government servants and armed forces, police and corporations as well. Wickremesinghe retained his leadership last month after a bruising battle with the challenger Sajith Premadasa who backed down later to become Wickremesinghe's deputy leader

(Source : <http://news.in.msn.com/international/article.aspx?cp-documentid=5098707>)

**Sri Lanka's main opposition to appoint National Organizer soon**

*Colombo Page, April 4, 2011.*

Sri Lanka's main opposition United National Party (UNP) has said the party's new National Organizer would be appointed within the next few days. UNP Spokesperson and parliamentarian Gayantha Karunatileka told the media today that the party would also appoint new organizers as well. According to Karunatileka, the party is currently functioning in line with the new constitution that was approved at the UNP convention last December.

(Source: [http://www.colombopage.com/archive\\_11/Apr04\\_1301922189JR.php](http://www.colombopage.com/archive_11/Apr04_1301922189JR.php))

**Sri Lanka revokes suspension of Indian power sets**

*Colombo Page, April 5, 2011.*

The Sri Lankan government has revoked the suspension imposed on the import of S-11 Diesel Multiple Units (DMUs) from India after the government's concerns were addressed, Indian media reported. Sri Lanka Minister of Transport Kumar Welgama suspended the import of 17 remaining DMUs out of an order for 20 units after defects were reported when the three units India delivered were launched on the rail tracks. In a letter written to the RITES Ltd, a company run by the Indian government that is supplying the DMUs to Sri Lanka Railways, the Sri Lankan Transport Secretary had said that the import of the 17 DMUs was being suspended until ongoing investigations into the quality of the locomotives was ascertained.

[http://www.colombopage.com/archive\\_11/Apr01\\_1301638575CH.php](http://www.colombopage.com/archive_11/Apr01_1301638575CH.php)

**Sri Lanka being persuaded to amend constitution: Sonia**

*Two Circles, April 6, 2011.*

Congress president Sonia Gandhi Tuesday said the Sri Lankan government was being persuaded to amend its constitution to provide a political solution to the Tamil issue in the island nation. "The Tamil issue is close to our hearts and significant progress has been made in the rehabilitation of the internally displaced Tamils in

the island nation. We are pressing Sri Lanka to make constitutional amendments to solve the problem," Gandhi said while addressing a huge election rally here. She said India has provided large sums of money for the rehabilitation of Tamils in Sri Lanka. Expressing pain at the killings of Indian fishermen by the Sri Lankan Navy, she said: "We have been assured (by the Sri Lankan government) that there will be no firing on our fishermen."

(Source: [http://twocircles.net/2011apr05/sri\\_lanka\\_being\\_persuaded\\_amend\\_constitution\\_sonia.html](http://twocircles.net/2011apr05/sri_lanka_being_persuaded_amend_constitution_sonia.html))

### **IMF agrees on 7th Sri Lankan tranche, warns on inflation**

*The News, April 6, 2011.*

The International Monetary Fund agreed the disbursement of the seventh tranche of a \$2.6 billion loan to Sri Lanka, saying its economic growth was strong while warning that excess liquidity could stoke inflation. Sri Lanka's government has forecast record 8.5 percent growth this year, while the IMF puts it at a more conservative 7 percent, in spite of increasing supply-side inflationary pressures on the island's \$50 billion economy. "We do not see a need for the central bank to adjust policy to supply shocks at this point," IMF Country Representative Koshy Mathai told a press conference on Tuesday.

(Source: <http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=40053&Cat=3&dt=4/6/2011>)

### **Sri Lankan economy recovered well to achieve economic growth prospects - ADB**

*Asian Tribune, April 7, 2011.*

Sri Lanka's economic outlook seems to be positive for healthy growth provided the fiscal consolidation process meets targets and the burgeoning inflation pressures are addressed. The medium term presents a need to greatly lift private investment, if the country is to reap the full rewards of the peace dividend, the Asian Development Bank (ADB) said in a report released. "We are hopeful and optimistic that Sri Lanka's economy would continue to grow rapidly and there is no major impediment to growth," ADB Sri Lanka's Lead Economist Narhari Rao told at a media conference in Colombo

(Source: <http://www.asiantribune.com/news/2011/04/07/sri-lankan-economy-recovered-well-achieve-economic-growth-prospects-adb>)