

# THE WEEK IN REVIEW

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## 1. COUNTRY REVIEW

### A. SOUTH ASIA

#### PAKISTAN

- **President Zardari visits China; Pakistan and china sign 11 pacts; Economic crisis prevails; Around 100 militants killed across the country**

President Zardari was on an official visit to China during the week in which he held 'formal talks' with his Chinese counterpart Hu Jintao in Beijing on October 16.<sup>1</sup> Earlier Pakistan and China signed as many as 11 pacts which included MoUs and several initiatives for cooperation in the sectors of trade, energy, agriculture, telecommunication and space. These agreements were inked at the Great Hall in Beijing on October 15 in the presence of both the leaders.<sup>2</sup>

Pakistan is facing economic crisis due to a sharp decline in the foreign exchange reserves as noted by the Financial Advisor to the Prime Minister, Shaukat Tareen in a press conference in Islamabad on October 18. He further stated that if the dollar requirements are not fulfilled by international financial institutions within 30 days, Pakistan would have to approach International Monetary Fund (IMF) to redress the problem.<sup>3</sup>

Meanwhile, the joint session of the parliament which was summoned on October 15 to provide briefing to the members of parliament about the ongoing 'war on terror' had to be adjourned for a day due to death of PML-Q leader Nasrullah Khan.<sup>4</sup>

In other developments, fighting against the militants continues and the security forces claimed having killed at least 60 militants in Swat on October 17.<sup>5</sup> In Bajaur Agency, 14 Taliban militants were reported killed on October 14.<sup>6</sup> On the other hand, 27 militants were also killed in air strikes conducted in Kohat on October 12.<sup>7</sup> Amidst these developments, President Zardari while addressing a high level meeting in Islamabad on October 18 was reported to have noted that that the government will only initiate talks with militant who give up arms completely.<sup>8</sup>

<sup>1</sup> "President Zardari, Chinese premier hold formal talks: China vows to bail out Pakistan," *Daily Times*, October 17, 2008 at [http://www.dailytimes.com.pk/default.asp?page=2008\10\17\story\\_17-10-2008\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2008\10\17\story_17-10-2008_pg1_1)

<sup>2</sup> "Pakistan, China sign 11 pacts," *Daily Times*, October 16, 2008 at [http://www.dailytimes.com.pk/default.asp?page=2008\10\16\story\\_16-10-2008\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2008\10\16\story_16-10-2008_pg1_1)

<sup>3</sup> Khalid Mustafa, "Tareen keeps IMF option open," *The News*, October 19, 2008 at [http://thenews.jang.com.pk/arc\\_default.asp](http://thenews.jang.com.pk/arc_default.asp)

<sup>4</sup> Ahmed Hassan, "Joint session adjourned after death of MNA," *Dawn*, October 14, 2008 at <http://www.dawn.com/2008/10/14/top2.htm>

<sup>5</sup> Musa Khankhel, "60 militants killed in Swat operation," *The News*, October 18, 2008 at [http://thenews.jang.com.pk/arc\\_default.asp](http://thenews.jang.com.pk/arc_default.asp)

<sup>6</sup> "14 Taliban killed in Bajaur," *Daily Times*, October 15, 2008 at [http://www.dailytimes.com.pk/default.asp?page=2008\10\15\story\\_15-10-2008\\_pg1\\_5](http://www.dailytimes.com.pk/default.asp?page=2008\10\15\story_15-10-2008_pg1_5)

<sup>7</sup> Abdul Sami Paracha, "Air strike kills 27 in Orakzai," *Dawn*, October 13, 2008 at <http://www.dawn.com/2008/10/13/top2.htm>

<sup>8</sup> Asim Yasin, "Talks only with militants who lay down arms: Zardari," *The News*, October 19, 2008 at [http://thenews.jang.com.pk/arc\\_default.asp](http://thenews.jang.com.pk/arc_default.asp)

## BANGLADESH

- **AL sticks to associates, ignores RPO changes; Election under emergency can't be fair, says Delwar; Party Registration: BNP, Jamaat seek one week more, No registration before deal with govt, says BNP; Polls under emergency won't be credible; says US envoy**

On the domestic political front Awami League (AL) finalised draft proposals for amending the party constitution to get registered with the Election Commission (EC) but kept the provisions for associate organisations and foreign chapters. The provisions of keeping these bodies contradict the registration laws laid down in the revised Representation of the People Order (RPO).<sup>9</sup> Meanwhile, Bangladesh Nationalist Party (BNP) and Jamaat-e-Islami have asked the EC to extend the time limit for registration by a week. They said that they want to sit with the caretaker government before applying to get registered.<sup>10</sup> On the other hand the EC extended the final date for registration by a week, till October 20.<sup>11</sup>

The AL submitted application for registration with the EC on October 15 with a renewed call on EC to withdraw its authority to cancel candidatures in parliamentary polls on grounds of violation of electoral laws.<sup>12</sup> On October 16, AL Presidium Member Matia Chowdhury said categorically that the state of emergency would definitely impede holding the parliamentary election in a free, fair and credible manner as there could be attempts to manipulate the polls results, the *Daily Star* reported.<sup>13</sup>

On the other hand, the BNP secretary general Khandaker Delwar Hossain has said that the BNP would not take any decision about registration with the EC and its participation in the upcoming polls until they reach a consensus with the government in the next round of talks.<sup>14</sup> He also asserted that election under the state of emergency cannot be free and fair.<sup>15</sup> Even the AL presidium member Tofail Ahmed warned that there would be a mass movement in the country if the parliamentary election is delayed.<sup>16</sup>

<sup>9</sup> "AL sticks to associates, ignores RPO changes: *Finalises proposals to amend party constitution for EC registration*", *The Daily Star*, October 13, 2008 at <http://www.thedailystar.net/story.php?nid=58495>

<sup>10</sup> "Party Registration: BNP, Jamaat seek one week more", *The Daily Star*, October 13, 2008 at <http://www.thedailystar.net/story.php?nid=58497>

<sup>11</sup> "Parties given 5 more days for registration: EC in for another trouble as parties revising constitutions by not fully complying with RPO changes", *The Daily Star*, October 14, 2008 at <http://www.thedailystar.net/story.php?nid=58622>

<sup>12</sup> "AL, JP submit registration forms today", *The Daily Star*, October 15, 2008 <http://www.thedailystar.net/story.php?nid=58793>

<sup>13</sup> "*Talking polls, beyond: Emergency to impede free polls: Matia Chy*", *The Daily Star*, October 16, 2008 at <http://www.thedailystar.net/story.php?nid=58927>

<sup>14</sup> "No registration before deal with govt: *Says BNP*", *The Daily Star*, October 16, 2008 at <http://www.thedailystar.net/story.php?nid=58943>

<sup>15</sup> "Election under emergency can't be fair: *Says Delwar*", *The Daily Star*, October 18, 2008 at <http://www.thedailystar.net/story.php?nid=59248>

<sup>16</sup> "Tough agitation if polls delayed: *Says Tofail*", *The Daily Star*, October 19, 2008 at <http://www.thedailystar.net/story.php?nid=59374>

The caretaker government has reportedly handed AL and BNP lists of some political leaders convicted or accused of graft, and asked the parties not to pick them as candidates for the December 18 polls. Meanwhile, the leaders of Jamaat-e-Islami said they too have heard about the “blacklists”, but have not yet received any. While, there are unconfirmed reports which claim that the Jatiya Party (JP) has been asked to go to the polls without its Chairman HM Ershad, the *Daily Star* reported.<sup>17</sup> The EC on the other hand has decided to ask AL to correct its provisional constitution that ignored the registration laws.<sup>18</sup>

In another important development, the US ambassador to Bangladesh James F Moriarty said that he hoped that the political parties and the government will reach a compromise over the state of emergency to make the upcoming general election credible.<sup>19</sup> Meanwhile Chief Adviser (CA) Fakhruddin Ahmed told British Minister of State for Asia, Africa and the United Nations Lord Malloch Brown on October 15 that his caretaker government hopes that all the political parties will participate in December 18 general elections and a new government will take over after the polls.<sup>20</sup> On the other hand, the UN Secretary General Ban Ki-moon is scheduled to arrive in Dhaka on November 1 or 2 to observe first-hand the situation in the build-up to the December 18 national election.<sup>21</sup>

## BHUTAN

- **Survey ranked education ministry the poorest service provider; Maoists plans for waging people’s war**

The Anti-Corruption Commission (ACC) in Bhutan has ranked the education ministry as the poorest service deliverer. Agriculture and health are rated as the second and third worst service deliverers in Bhutan.<sup>22</sup> According to the survey around 34 per cent of the participants have ranked the education ministry as poorest in terms of service delivery, and 23 per cent ranked health ministry as inefficient.

With forestry given a priority focus in the Tenth Five Year plan, community forest is expected to pay rich dividend to the rural economy of Bhutan. At present, 103 community forests are spread across 20 districts, and it is being estimated that through commercialisation of timber and non-wood products such as lemon grass, cane, bamboo

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<sup>17</sup> “Nothing on record: Govt 'hands' AL, BNP list of poll 'ineligibles'; Jamaat hears of blacklist; JP yet to get it”, *The Daily Star*, October 17, 2008, at <http://www.thedailystar.net/story.php?nid=59068>

<sup>18</sup> “RPO Criteria for Registration: EC to ask AL to right its constitution, *JP already told to correct 2 interim provisions*”, *The Daily Star*, October 17, 2008, at <http://www.thedailystar.net/story.php?nid=59075>

<sup>19</sup> “Polls under emergency won't be credible: Says US envoy”, *The Daily Star*, October 14, 2008, at <http://www.thedailystar.net/story.php?nid=58678>

<sup>20</sup> “All parties to take part in polls: CA expresses hopes to British minister Brown”, *The Daily Star*, October 16, 2008 at <http://www.thedailystar.net/story.php?nid=58922>

<sup>21</sup> “UN chief to observe poll preparation, meet CA”, *The Daily Star*, October 18, 2008, at <http://www.thedailystar.net/story.php?nid=59216>

<sup>22</sup> “Corruption Perception Survey published”, *Kuensel Online*, 13 October, 2008, at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=11301>

and mushrooms, forests could help in alleviating poverty specially as 69 per cent of the Bhutanese population was in the rural areas.<sup>23</sup>

Elsewhere, the Bhutan Communist Party (Marxist-Leninist-Maoist) has announced its plans for waging people's war. Against the international resettlement programme, BCP (M-L-M) has called the democratic efforts in Bhutan, a farce and has claimed that if the Maoist government in Nepal does not stop resettlement programmes in the coming months, there bloodshed would be unleashed<sup>24</sup>.

## MALDIVES

- **Gayoom: Mid-term election would be 'crime'; Independent Anti-Corruption Commission established**

While the Adhaalat party has accused President Gayoom of buying votes<sup>25</sup>, the Commonwealth and the America government have termed the Maldivian elections free and fair<sup>26</sup>. Meanwhile, Hassan Saeed is all set to form a political party called Maldives National Party (MNP), and it would back Nasheed's MDP. Parliamentary elections in 2009, is the main agenda of the proposed MNP<sup>27</sup>. Connected to this development was the announcement of Mohammad Nasheed of MDP for mid term elections.<sup>28</sup> But, President Maumoon Abdul Gayoom has termed any plans towards mid-term election would as criminal. Gayoom has claimed that there is no specific provision in the constitution for mid-term elections, and elections should only be held within 60 days if both president and vice president resign.<sup>29</sup>

Meanwhile, an Anti Corruption Commission has been established in Maldives. The members of the Commission are Abdul Raheem Abdul Rahman, Abdulla Adam, Abdulla Hilmy, Hassan Luthfy, and Ali Rasheed, who were appointed by the president after being approved by the parliament<sup>30</sup>. The commission was established under the Anti-Corruption Act, passed by Parliament in September with 33 out 35 members in favour.

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<sup>23</sup> "Community forests: a boon for rural economy", *Bhutan Observer*, 17 October 2008, at: <http://www.bhutanobserver.bt/2008/bhutan-news/10/community-forests-a-boon-for-rural-economy.html>

<sup>24</sup> "Maoists among Bhutan's Nepali refugees ready for war", *Afpa News*, 17 October 2008, at <http://www.apfanews.com/news/?id=31313937>

<sup>25</sup> "Hulhudhoo Residents Say Cash Was Paid For Gayoom Votes", *Minivian News*, 13 October 2008 , At:[http://www.minivannews.com/news\\_detail.php?id=5163](http://www.minivannews.com/news_detail.php?id=5163)

<sup>26</sup> "Thasmeen Claims Commonwealth Said Election Free And Fair", *Minivian News*, 13 October 2008 , At: [http://www.minivannews.com/news\\_detail.php?id=5165](http://www.minivannews.com/news_detail.php?id=5165)

<sup>27</sup> "Hassan Saeed Applies to form a party", *Minivian News*, 13 October, 2008, At: [http://www.minivannews.com/news\\_detail.php?id=5156](http://www.minivannews.com/news_detail.php?id=5156)

<sup>28</sup> "Anni On Mid-Term Elections", *Minivian News*, 18 October 2008, At: [http://www.minivannews.com/news\\_detail.php?id=5199](http://www.minivannews.com/news_detail.php?id=5199)

<sup>29</sup> "Gayoom: Midterm Election Would Be Crime", *Minivian News*, 17 October 2008, At: [http://www.minivannews.com/news\\_detail.php?id=5192](http://www.minivannews.com/news_detail.php?id=5192)

<sup>30</sup> "Independent Anti-Corruption Commission Established", *Minivian News*, 19 October 2008, At: [http://www.minivannews.com/news\\_detail.php?id=5208](http://www.minivannews.com/news_detail.php?id=5208)

## B. EAST AND SOUTHEAST ASIA

### MYANMAR

- **Junta signals new hydropower deals for neighbours**

Two companies from Singapore and Thailand have reportedly signed a new deal to receive electricity from the Taninthayi hydropower project in southern Myanmar. The state-run newspaper, *The New Light of Myanmar*, reported on October 12 that Myanmar's Ministry of Electric Power No 1 signed an agreement with Singapore's Windfall Energy Services Limited, and Thailand's Italian-Thai Development Public Co regarding the Taninthayi hydropower project on the Taninthayi River in southern Myanmar. The project is expected to produce 600 megawatts of electricity. China and Thailand are the largest investors in Myanmar's hydropower projects. Since 2004, Chinese companies have signed at least five hydropower contracts with the junta. Thailand invested at least US \$6 billion in projects in 2007, mainly along the Salween River in eastern Myanmar. Thailand's investment in hydropower projects in Myanmar was about half of Myanmar's foreign direct investment of US \$ 14.736 billion for 2007. Apart from investments in hydropower, Thailand is also the largest importer of Myanmar's nature gas - annual cost of natural gas imported by Thailand is at least US \$2.5 billion. Analysts say Thailand receives about 20 per cent of its energy needs from Myanmar.<sup>31</sup>

Meanwhile, more than 100 youth members of the National League for Democracy (NLD) have tendered their resignation from the party on October 16, protesting that they weren't allowed to participate in decision-making. The mass resignations followed a statement on October 15 by NLD Chairman Aung Shwe announcing the appointment of six new youth advisors and assigning ten others to lead youth activities. Nay Chi Win, one of those who resigned, complained that the appointments had been made by Aung Shwe without consulting other members of the NLD central executive committee or youth members.<sup>32</sup>

### CHINA

- **China lays framework for Q4 national economic development; CPC issues a landmark policy document for rural reform and development; Chinese premier vows to strengthen ties with Pakistan**

As per the report of the State Council, China will adopt a flexible and prudent macro-control policy to keep the economic development stable. According to the State Council meeting presided by the Chinese Premier Wen Jiabao, related financial, credit and foreign trade measures will be carried out in the near future in response to the slow in China's economic growth and continued fluctuation in the domestic capital market.<sup>33</sup> In the meantime, in an important document by the Communist Party of China (CPC), the Central Committee of the party has issued a landmark policy document to further the rural reform and development. As per this plan, the farmers in

<sup>31</sup> "Junta Signals New Hydropower Deals for Neighbors", *Irrawaddy*, October 14, 2008, at [http://irrawaddy.org/article.php?art\\_id=14433](http://irrawaddy.org/article.php?art_id=14433)

<sup>32</sup> "More Than 100 NLD Youth Members Resign", *Irrawaddy*, October 17, 2008, at [http://irrawaddy.org/article.php?art\\_id=14459](http://irrawaddy.org/article.php?art_id=14459)

<sup>33</sup> "China lays framework for Q4 national economic development", *People's Daily* (online), October 20, 2008, at <http://english.peopledaily.com.cn/90001/90776/90884/6517555.html>

China will be allowed to “lease their contracted farmland or transfer their land use right” to boost the scale of operation for farm production and provide funds for them for new business.<sup>34</sup>

*Xinhua* reports that both China and Pakistan has expressed their desire to expand their bilateral ties. Chinese Premier Wen Jiabao met last week the visiting Pakistani President Asif Ali Zardari in Beijing and shared common interests. The Chinese Premier pledged to help Pakistan overcome its economic problems by offering assistance. However, Wen Jiabao didn’t specify what kind of assistance China would be giving to Pakistan. On the other hand, Zardari expressed to deepen the Sino-Pakistan friendship to the extent of “deeper than sea”.<sup>35</sup>

The Chinese media reports that the dates for the next-round of six-party talks regarding the Korean Peninsula nuclear issue is yet to be decided. *Xinhua* reports that the Foreign Ministry spokesman Qin Gang has said that China is in touch with the other five parties to come up with a date for the next Heads of Delegation meeting. In July 10-12 this year, the earlier meeting of the Heads of the six-party talks was held in Beijing involving China, the DPRK, Japan, the ROK, Russia and the United States.<sup>36</sup>

According to a senior Mainland Affairs Council official, the forthcoming negotiation between the Taiwanese and Chinese agencies will not cover the political issues. This coming meeting between the Strait Exchange Foundation (SEF) and the Association for Relations across the Taiwan Strait (ARATS) will cover the economic issues mainly. Among them, cargo charter flights, direct sea links, aviation routes, postal cooperation and food safety are some of the key issues. These remarks were made by MAC Cice-Chairman Fu Don-cheng during a forum organized by the Ming Chuan University.<sup>37</sup>

### C. WEST ASIA

#### IRAN

- **Russia: Sanctions against Iran counterproductive; Ali Larijani: UN resolution as the outdated tactics of carrot and stick**

Russian Foreign Minister Sergei Lavrov said unilateral sanctions against Iran would be ‘counterproductive’ in efforts to force Tehran to suspend its nuclear fuel work. He also added that Russia is of the view that the politics of adopting unilateral and anti-Iranian sanctions espoused by some countries is counterproductive.’ He articulated his view when he met with Howard Berman, chairman of the foreign affairs committee in the US House of Representatives. The US and its European allies had pushed for new, tougher sanctions against Iran but ran into resistance from Russia. The UN Security Council has already slapped three rounds of sanctions on Iran for refusing to suspend uranium enrichment.<sup>38</sup>

<sup>34</sup> “China extends rural reform and development in new Party document”, *People’s Daily* (online), October 20, 2008, at <http://english.peopledaily.com.cn/90001/90776/90785/6517482.html>

<sup>35</sup> “Chinese premier vows to strengthen ties with Pakistan”, *People’s Daily* (online), October 16, 2008, at <http://english.people.com.cn/90001/90776/90883/6516443.html>

<sup>36</sup> “Chinese FM: Six-Party talks being coordinated”, *People’s Daily* (online), October 16, 2008, at <http://english.people.com.cn/90001/90776/90883/6516473.html>

<sup>37</sup> “Cross-strait talks to focus on economy: MAC official”, *Taipei Times* (online), October 20, 2008, at <http://www.taipeitimes.com/News/taiwan/archives/2008/10/20/2003426412>

<sup>38</sup> “Iran sanctions ‘counterproductive’: Russia,” *Tehran Times*, October 16, 2008, at [http://www.tehrantimes.com/index\\_View.asp?code=180148](http://www.tehrantimes.com/index_View.asp?code=180148)

Ali Larijani, Iran's parliamentary speaker and former chief negotiator stated that Iran wants to continue talks on its nuclear program, if Western countries are willing to return to the negotiating table. He said the country is prepared to negotiate but cannot accept 'conditions that were impossible to achieve.' The US, Britain and France want it to halt its uranium enrichment program before allowing talks to resume. A UN Security Council resolution last month reaffirmed previous sanctions but stopped short of imposing new ones because of resistance from China and Russia. He described the latest UN resolution as 'the outdated tactics of carrot and stick, and it doesn't produce a result.' His remarks came as Iran announced that 700 Russian-trained engineers are about to begin work at its first nuclear power plant, in the southern port of Bushehr.<sup>39</sup>

Meanwhile, Iran and India agreed to sign a memorandum of understanding (MoU) on housing development. Iran's Housing Minister Mohammad Saeedikia was in New Delhi to chair the second meeting of the Bureau of the Asia-Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) held on October 13, 2008. He said 'we discussed ways of constructing one million houses per year in India and Iran.' He also expressed hope that the meeting will pave the way for cooperation with other countries.<sup>40</sup>

## IRAQ

- **Key al-Qaeda leader killed; Iraq inches closer to security pact with US; Ayatollah Ali Sistani sets conditions for concluding SOFA**

According to the US military sources, the Iraq's key al-Qaeda leader Abu Qaswarah @ Abu Sara has been killed during an operation in the northern city of Mosul on October 5. The slain militant had close ties with senior al-Qaeda leaders in Afghanistan and Pakistan. The US forces have mounted many attacks this year against suspected al-Qaeda members in Mosul, which they describe as one of the group's last strongholds in Iraq.<sup>41</sup>

Iraqi government spokesman announced that Iraqi negotiators are reviewing a revised draft of a long-delayed security agreement to govern the conduct of American forces in Iraq. The announcement that there is a new draft, while far from final, indicates that the Iraqis are inching closer to final approval. The spokesman, Ali al-Dabbagh, said the draft includes a previously discussed timeline for the withdrawal of American combat troops, with the troops moving out of Iraq's cities and towns by the middle of next summer and leaving the country in 2011. The Iraqis did not provide details about the language of the draft, and it is unclear whether it says the pullout would be based on conditions on the ground. The draft also includes provisions on another knotty issue — whether American soldiers would have immunity from Iraqi law. Senior Iraqi officials said the draft language would give Americans immunity from Iraqi law when they were on military operations but would not apply if they were off duty. The American government does not view the draft as a final product because it remains subject to approval by three political

<sup>39</sup> "Larijani says Iran wants nuclear talks to continue," *Tehran Times*, October 16, 2008 at [http://www.tehrantimes.com/index\\_View.asp?code=180142](http://www.tehrantimes.com/index_View.asp?code=180142)

<sup>40</sup> "Housing MoU With India," *Iran Daily*, October 16, at <http://www.iran-daily.com/1387/3246/html/economy.htm#s338358>

<sup>41</sup> "Key Iraq al-Qaeda leader killed," *BBC News*, October 15, 2008, at [http://news.bbc.co.uk/2/hi/middle\\_east/7671684.stm](http://news.bbc.co.uk/2/hi/middle_east/7671684.stm)

bodies: the Political Council for National Security, the cabinet and the Parliament. The neighboring countries, especially countries like Syria and Iran that have limited or no diplomatic relations with the US, view the American troop presence as interference in the region.<sup>42</sup>

In another development, Javad Taleb, advisor of former Iraqi Premier Ebrahim Jafari, told that Grand Ayatollah Ali Sistani, the source of emulation of Iraq's majority Shiite community has set one of the main conditions for concluding a security deal accord between Iraq and the US. He has called for revoking the clause that grants judicial immunity to US forces and demanded American forces who commit crimes in Iraq be tried in Iraqi courts. He added in the meeting between Iraqi Prime Minister Nuri al-Maliki and Ayatollah Sistani, the boundaries acceptable to the top religious authority and the Iraqi nation in relation to the controversial Status of Forces Agreement (SOFA) were determined. In the meeting three main prerequisites were set as Iraq's red lines. One was revoking the issue of capitulation. The other sets 2011 as the final and nonnegotiable deadline for the withdrawal of US troops from Iraq, and finally, non-interference of Americans in Iraq's internal affairs.<sup>43</sup>

## II. INTERNAL SECURITY REVIEW

### JAMMU AND KASHMIR

- **EC announces 7-phase Assembly poll in J&K**

The Election Commission on October 19 announced an unprecedented seven-phase Assembly polls in Jammu and Kashmir beginning November 17. Announcing the poll schedule, Chief Election Commissioner N Gopalswami said the exercise was being undertaken at a "risk" in view of the stand of certain political parties and outfits. The seven-phase elections will be held on November 17, 23, 30 and December seven, 13, 17 and 24. The counting of votes would take place on December 28 and the election process for the 87-member Assembly has to be completed by December 31 this year, Gopalswami said. Both Congress and BJP welcomed the announcement while the regional parties like National Conference were guarded in their response. In an apparent reference to a likely poll boycott call to be given by separatists including Hurriyat Conference, the Chief Election Commissioner said "... I don't think anybody can enforce a boycott. They can call a boycott but they cannot enforce a boycott." Reacting to the Election Commission decision, the National Conference Chief Omar Abdullah gave a cautious reaction saying fear was that the polls may see a less turnout but nevertheless the state will see an elected Government. The State, which has 65,38,111 electors, is currently under the Governor's rule. The State Assembly was dissolved following political instability after the People's Democratic Party (PDP) withdrew its support to the Congress-led Government in the wake of Amarnath land row. The span of Governor's rule was to end on January 10, next year. The Centre has assured the Commission that

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<sup>42</sup> ALISSA J. RUBIN and STEVEN LEE MYERS, "Iraq Inches Closer to Security Pact With U.S.," *New York Times*, October 15, 2008, at

[http://www.nytimes.com/2008/10/16/world/middleeast/16iraq.html?\\_r=1&hp&oref=slogin](http://www.nytimes.com/2008/10/16/world/middleeast/16iraq.html?_r=1&hp&oref=slogin)

<sup>43</sup> "Sistani Sets Conditions For SOFA," *Iran Daily*, October 16, 2008, at <http://www.iran-daily.com/1387/3246/html/economy.htm#s338433>

adequate number of contingents of Central police forces would be made available to ensure the safety, security and free movement of electors, candidates, leaders of political parties, polling personnel and guarding of polling materials and polling stations, he said.<sup>44</sup>

- **Hurriyat, JKLF announce poll boycott**

The Hurriyat Conference and other separatist outfits on October 19 said they will boycott the assembly elections in Jammu and Kashmir which they termed as a "futile exercise". Syed Ali Shah Geelani, chairman Hurriyat Conference (G), told a local news agency KNS that elections are not an alternative to the struggle for right of self determination. He added that Kashmir issue is disputed and government of India will have to accept the disputed nature of the issue. Geelani alleged that mainstream parties were damaging the interests of the people by contesting elections and that people must reject them firmly. In his reaction Mirwaiz Umar Farooq, chairman Harriyat Conference (M) asked the people to remain prepared for the election boycott. "Government of India is wasting time by announcing polls, which have no link with Kashmir issue. These elections cannot affect the disputed nature of Kashmir issue. If polls were a solution, then the Kashmir issue would have been solved by now since a number of elections were held since 1947," he said. He said the issue can be resolved only through a composite dialogue process between India and Pakistan in which Kashmiri leadership should be involved. The Jammu and Kashmir Liberation Front (JKLF) chairman Mohammad Yasin Malik said Kashmiri people would not allow any power to play with their future as three generations have got affected by the Kashmir issue. "To vote or not to vote is a democratic right. But three generations have laid down their lives for the Kashmir issue, with which the destiny and future of the people particularly the younger generations is associated with it," he said. Malik further stated that polls are not a solution of Kashmir issue and JKLF will effectively run the poll boycott campaign.<sup>45</sup>

## NORTH EAST INSURGENCY

- **HuJI militants killed in Assam**

Two suspected Harkat-ul Jihadi Islami (HuJI) militants were killed in an encounter at Krishnai in Assam's Goalpara district on October 16. One 7.65mm pistol, one IED weighing 8 kilograms, detonators and a Chinese grenade were recovered from the site of the encounter.<sup>46</sup>

## MAOIST INSURGENCY

- **High-level meeting on security scheme for Naxal-hit states**

On October 14, the Union Ministry of Home Affairs (MHA) convened a high-level meeting for implementation of first phase of the INR Five billion special scheme which aims to enhance infrastructure for security forces in Nasal-hit states. The meeting, chaired by Special Secretary in the Home Ministry Vinay Kumar and attended by top police and

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<sup>44</sup> "EC announces 7-phase Assembly poll in J&K", *Daily Excelsior*, October 20, 2008, at <http://www.dailyexcelsior.com/web1/08oct20/news.htm#1>

<sup>45</sup> "Hurriyat, JKLF announce poll boycott", *Kashmir Times*, October 20, 2008, at <http://kashmirtimes.com/news1.htm>

<sup>46</sup> "Huji rebels killed in Goalpara", *Telegraph*, October 17, 2008, at [http://telegraphindia.com/1081017/jsp/northeast/story\\_9978427.jsp](http://telegraphindia.com/1081017/jsp/northeast/story_9978427.jsp)

civil officials of eight worst Naxal-hit states, discussed on strategies to implement the scheme aiming to enhance security personnel's mobility and security of camping grounds besides building helipads at strategic locations. A senior MHA official said, "For the current fiscal, INR One billion have been earmarked, while INR Four billion would be spent in the remaining period of the 11th Plan". The scheme will be implemented in 13 districts of eight states.<sup>47</sup>

#### OTHER DEVELOPMENTS

- **National Integration Council: Fight terrorism and communal violence firmly**

While expressing concern at communal violence and terror attacks in various parts of the country, the National Integration Council (NIC) on October 13 resolved to preserve and protect at all costs the foundations of secularism, equality, justice and fraternity among all communities. After a day-long meeting in New Delhi, chaired by Prime Minister Dr. Manmohan Singh, the NIC adopted a six-point resolution which condemned all acts of violence, and covert and overt attempts to strike at the roots of the country's national integrity, solidarity and pluralism. It decided to deal with all forms of extremism, terrorism and violence firmly and in accordance with the rule of law. The 14th meeting of the NIC recognised that unity in diversity and communal harmony constituted the bedrock of India's nationhood and civilisational values.<sup>48</sup>

- **M.K. Narayanan: SIMI and Bajrang Dal are dangerous**

Terming the Students Islamic Movement of India (SIMI) and the Bajrang Dal dangerous, the National Security Adviser (NSA) M.K. Narayanan in an interview to NDTV said there was a need to effectively deal with such organisations "because then there are many copycat organisations ... several micro units of the same kind may come up." He claimed that "SIMI and Bajrang Dal are not two sides of the same coin, but both of them are dangerous." He said though the actions of Bajrang Dal are militant, "the problem around Bajrang Dal is that it really does not exist as an organisation." Narayanan suggested building up evidence to control such organisations.<sup>49</sup> Meanwhile, India raised the issues of Kabul Embassy bombing and ceasefire violations by Pakistan at the two-day meeting between the National Security Advisors of the two countries in New Delhi on October 13. The two NSAs also discussed ways to prevent terrorist attacks and examine ways to stop any violation of the ceasefire between the two countries. The talks are the first-ever official-level discussions between the NSAs of the two countries.<sup>50</sup>

Elsewhere, the Supreme Court on October 13 extended till further orders the ban on the SIMI. The Union Government has come in appeal against the Delhi High Court judgment dated August 5, 2008, lifting ban on SIMI on the grounds that the evidence produced by

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<sup>47</sup> "High-level meeting held in New Delhi on security scheme for states affected by left-wing extremism", South Asia Terrorism Portal, October 15, 2008, at [http://satp.org/satporgtp/detailed\\_news3.asp?date3=2008%2F10%2F15#18](http://satp.org/satporgtp/detailed_news3.asp?date3=2008%2F10%2F15#18)

<sup>48</sup> "Fight terrorism & communal violence firmly, says NIC", *Hindu*, October 14, 2008, at <http://www.hindu.com/2008/10/14/stories/2008101460670100.htm>

<sup>49</sup> "SIMI, Bajrang Dal dangerous, says Narayanan", *Hindu*, October 13, 2008, at <http://www.hindu.com/2008/10/13/stories/2008101356501200.htm>

<sup>50</sup> "NSAs meet: India raises cease-fire violations", *Daily Excelsior*, October 14, 2008, at <http://www.dailyexcelsior.com/web1/08oct14/news1.htm#2>

the government was not adequate to justify it under the prevention of unlawful activities act. The government has extended the ban for another two years wide notification dated February seven, 2008. Meanwhile, according to Gujarat DCP P C Pandey, SIMI was operating under the new name of Indian Mujahedin which has been the main suspect in recent Ahmedabad and Delhi bomb blasts.<sup>51</sup> While, Orissa Chief Minister Naveen Patnaik on October 14 sought to describe Bajrang Dal and VHP as fundamentalist organisations.<sup>52</sup>

### III. ENERGY SECURITY REVIEW

- **Exploration by Vietnamese firm in Myanmar**

Two Vietnamese companies have signed a production sharing contract with Myanmar Oil and Gas Enterprise (MOGE). Under the terms of the contract, Petrovietnam Exploration Production Corporation Ltd, Vietsovpetro and Eden Group Co Ltd of Myanmar will search for oil and gas at M-2 block off the coast of Mottama, south Myanmar. The contract, inked on October 5, also marks the first Vietnamese companies to participate in oil exploration in Myanmar<sup>53</sup>. Virtually all the gas so far discovered in Myanmar's offshore waters is sold abroad, and industry observers said any gas found by PetroVietnam will likely find an eager buyer in Thailand, which depends heavily on the fuel for its electricity generation<sup>54</sup>.

- **China's CNPC invests in oil refineries in Chad**

China's largest oil producer, China National Petroleum Corp (CNPC), agreed to invest in a joint venture oil refinery near the capital of Chad, state media reported on 6 October. A subsidiary of CNPC, the CNPC Service and Engineering Ltd, has signed an agreement with the central African country's government to jointly invest in a refinery company to the north of the capital N'Djamena, *Xinhua* news agency reported, quoting a company announcement. The CNPC subsidiary will take charge of the construction and will use Chinese design, manufacturing standards and equipment in the refinery, the report said. CNPC did not give financial details of the investment nor did it indicate when the project will start. Since its first cooperation on oil exploration with Sudan in 1996, China had invested in 27 major oil and natural gas projects in 14 African countries by the end of 2005 including Sudan, Algeria, Angola and Nigeria<sup>55</sup>.

- **Proposed gas pipeline to China to be delayed by Russia**

Russia will delay the construction of proposed gas pipeline to China due to competition from other gas sources in the Chinese market, the official *Xinhua* News Agency reported, citing Russian media. The Altai gas pipeline project, designed to ship 30 bln cubic meters

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<sup>51</sup> "SC extends ban on SIMI", *Daily Excelsior*, October 14, 2008, at <http://www.dailyexcelsior.com/web1/08oct14/news1.htm#3>

<sup>52</sup> "Naveen: Bajrang Dal fundamentalist outfit", *Hindu*, October 15, 2008, at <http://www.hindu.com/2008/10/15/stories/2008101556860100.htm>

<sup>53</sup> "Vietnamese firms to explore Myanmar's oil reserve", *ANTARA NEWS*, October 8, 2008, at <http://asianenergy.blogspot.com/2008/10/vietnamese-firms-to-explore-myanmars.html>

<sup>54</sup> "Vietnam joins hunt for Oil and Gas in Burma", *asiaenergy.blogspot.com*, 17 October, 2008 at <http://asianenergy.blogspot.com/2008/10/vietnam-joins-hunt-for-gas-and-oil-in.html>

<sup>55</sup> "China's CNPC invests in oil refinery in Chad", *AFP*, October 6, 2008, at <http://asianenergy.blogspot.com/2008/10/chinas-cnpc-invests-in-oil-refinery-in.html>

of natural gas per year from western Siberia to China, was excluded from Russia's recently released blueprint for gas industry development through 2030, the agency said. China and Russia signed a memorandum on Russian gas shipments to China in 2006, but they have been unable to reach an agreement on pricing and other matters since then. China initially hoped to begin receiving natural gas from Russia in 2011. The new blueprint says gas from the proposed Altai pipeline would be less competitive in the Chinese market than gas from Turkmenistan. Turkmenistan has already agreed to supply China with 30 bln cubic meters of gas per year. The central Asian nation's gas is much cheaper due to lower exploration costs and shorter pipeline distance, the Russian blueprint said<sup>56</sup>.

- **China discovers oil, gas well in Bohai Bay**

China National Offshore Oil Company Limited (CNOOC Ltd.) announced on 6 October that it had found a new oil and gas well in east China's Bohai Bay. The well, named Bozhong (BZ) 35-2-2 is located to the east of the Yellow River mouth. The well was drilled to a total depth of 3,235 meters. During the drill stem test, the well flowed at an average rate of 560 barrels of oil per day. The CNOOC Ltd. has made several oil and gas discoveries in the Bohai area this year, including wells named BZ 35-2, KL 3-2 and KL10-1. Listed in Hong Kong and New York, CNOOC Ltd. is the subsidiary of China National Offshore Oil Corp., the country's largest offshore oil producer. CNOOC produced 72.9 million barrels of crude oil and 112.5 billion cubic feet of natural gas in the first half of the year, up 7.1 percent and 12.8 percent from the same period last year, respectively<sup>57</sup>.

- **IAEA states that over 50 countries are considering nuclear power**

Over 50 countries alerted the IAEA that they were considering utilising nuclear power with Turkey and Vietnam actively preparing their atomic programmes, the head of the United Nations' atomic watchdog said. Addressing the 50th anniversary meeting of the Nuclear Energy Agency (NEA) of Organisation for Economic Cooperation and Development (OECD) in Paris, Mohamed ElBaradei said that a decade ago, nuclear power's popularity was in question. "When we talked about transferring nuclear technology to developing countries, we generally meant applications in medicine and industry, not nuclear power," the IAEA Director General said. But the tides have turned and "change is in the air," he said, with many of the agency's Member States mostly from the developing world expressing interest in nuclear power. He put the number of such countries to over 50. One dozen countries, including Turkey and Vietnam, are actively preparing nuclear programmes, while China is constructing six power reactors and Russia intends to build dozens of both large and small reactors by 2020. But, the IAEA chief cautioned that it is crucial to have realistic expectations of how quickly countries can

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<sup>56</sup> "Russia to delay construction of proposed gas pipeline to China", *XFN-Asia*, 8 October, 2008, at <http://asianenergy.blogspot.com/2008/10/russia-to-delay-construction-of.html>

<sup>57</sup> "China discovers oil and gas well in Bohai Bay", *Asian Energy*, 6 October, 2008, at <http://asianenergy.blogspot.com/2008/10/china-discovers-oil-gas-well-in-bohai.html>

have nuclear reactors online<sup>58</sup>. "It can take a minimum of 10 years just to put the basic infrastructure in place. This is not an area where you can cut corners."

- **China to invest in Pakistan's hydro project**

Sinohydro Corporation of China is all set to invest in 1,100 MW Kohala hydropower project. As per report top officials of the company came up with the offer on 9 October in a meeting with Mr Raja Pervez Ashraf federal minister for water and power. The minister said that government would facilitate foreign investors to invest in the water and power sector in Pakistan as there are great opportunities. He said that foreign investment in hydel power generation would help to meet the country's future power requirements at affordable prices. Mr Ashraf also informed the delegation that Pakistan is embarking on the construction of multipurpose dams which would meet power needs in the long term. Earlier, the Chinese company gave a detailed presentation to the minister on its ongoing projects and briefed him on the expertise in construction of hydropower projects. The firm expressed interest in investing millions of dollars in Pakistan by constructing 1,100 MW Kohala hydropower project. They also informed that the company is working on 156 hydropower projects in various countries of the world. The company is already constructing Gomal Zam dam, Khan Khawar hydropower project and Dubair Khawar hydropower project in Pakistan. Mr Pervez Ashraf said that the international consultants have been appointed for detailed engineering, designs and tender documents for the hydropower project, which is in its final stages. He expressed hope that the Chinese firm would take opportunity to participate in the international competitive bidding to be held for Kohala hydropower and various other water and power projects<sup>59</sup>.

#### IV. US Election Review

- **The final Presidential debate concludes; Senator Obama maintains lead; Both candidates offer economic proposals to deal with crisis**

The countdown to the grand finale for the presidential race has begun with the third and the final debate being concluded on October 15. The candidates raised issues related to character and policy choices of their opponents in an emphatic manner. McCain is reported to have targeted Obama on taxes and expenditure. McCain reacted sharply to Obama while he was trying to attack the Republican economic policies and attempted to draw a parallel between President Bush and Senator McCain.<sup>60</sup> In fact earlier in the second presidential debate held on October 07, economic crisis was debated as the core issue and both candidates put forth their respective plans to overcome the financial turmoil.<sup>61</sup>

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<sup>58</sup> "IAEA states that over 50 countries are considering nuclear power", *PTI*, 17 October, 2008, at <http://asianenergy.blogspot.com/2008/10/iaea-states-that-over-50-countries-are.html>

<sup>59</sup> "Sinohydro to construct 1,100MW power project in Pakistan", *asiaenergy.blogspot.com*, 12 October, 2008 at <http://asianenergy.blogspot.com/2008/10/sinohydro-to-construct-1100mw-power.html>

<sup>60</sup> Jim Rutenberg, "Candidates Clash over Character and Policy," *New York Times*, October 16, 2008 at [http://www.nytimes.com/2008/10/16/us/politics/16debate.html?\\_r=1&nl=pol&oref=slogin&emc=pola1&pagewanted=print](http://www.nytimes.com/2008/10/16/us/politics/16debate.html?_r=1&nl=pol&oref=slogin&emc=pola1&pagewanted=print)

<sup>61</sup> Adam Nagourney, "Economic Woes Set Tone for Rivals in 2nd Debate," *New York Times*, October 08, 2008 at <http://www.nytimes.com/2008/10/08/us/politics/08debate.html?pagewanted=print>

Meanwhile, Senator McCain offered his economic proposals which embodied attractive plans for the elderly voters especially those who draw money from various pension and retirement plans. McCain proposed to exempt the major chunk of their income from taxes and this as reports noted would cost \$36 billion to the administration. McCain reportedly proposed to reduce taxes on long term capital gains.<sup>62</sup> In a related development, McCain claimed to steer his country out of the troubled situation by providing effective and able leadership.<sup>63</sup> The McCain campaign managed to collect a whopping \$ 10.6 billion in New York ‘fund raiser’ as reports noted.<sup>64</sup> Meanwhile, Senator Barack Obama was not far behind and put forward his set of proposals to redress the prevailing economic challenges. He proposed to encourage employers to create new jobs by giving them \$3,000 tax credit for every new job.<sup>65</sup>

Senator Barack Obama continues to lead the presidential race by almost 6.5 points as noted by a poll conducted in Virginia.<sup>66</sup> Meanwhile amidst widening apprehensions whether race will be an issue in the November elections, the Voice of America conducted a survey to determine whether the US was ready for a black president or otherwise. The results nonetheless indicated that race will be an issue during the final stage of voting.<sup>67</sup> It is relevant to note that Senator Obama lost the primaries in Ohio and West Virginia by considerable margin as these states have a majority of white voters.<sup>68</sup>

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<sup>62</sup> Elisabeth Bumiller, “McCain Unveils New Economic Proposals,” *New York Times*, October 15, 2008  
<http://www.nytimes.com/2008/10/15/us/politics/15mccain.html?nl=pol&emc=pola1&pagewanted=print>

<sup>63</sup> Elisabeth Bumiller, “Tempering Attacks, McCain Says He’s a Leader for Troubled Times,” *New York Times*, October 14, 2008 at  
<http://www.nytimes.com/2008/10/14/us/politics/14mccain.html?nl=pol&emc=pola1&pagewanted=print>

<sup>64</sup> Michael Luo, “McCain’s N.Y. Fund-Raiser Collects Record Amount,” *New York Times*, October 15, 2008 at  
<http://thecaucus.blogs.nytimes.com/2008/10/15/mccains-ny-fund-raiser-collects-record-amount/?nl=pol&emc=pola1>

<sup>65</sup> Jackie Calmes and Jeff Zeleny, “Obama Details Plan to Aid Victims of Fiscal Crisis,” *New York Times*, October 14, 2008 at  
<http://www.nytimes.com/2008/10/14/us/politics/14campaign.html?nl=pol&emc=pola1&pagewanted=print>

<sup>66</sup> Greg Reeson, “Virginia Presidential Polls Show Growing Lead for Barack Obama,” *Associated Content*, October 14, 2008, at  
[http://www.associatedcontent.com/pop\\_print.shtml?content\\_type=article&content\\_type\\_id=1109577](http://www.associatedcontent.com/pop_print.shtml?content_type=article&content_type_id=1109577)

<sup>67</sup> Chris Simkins, “US Voters Offer Opinions about Barack Obama, His Race, and Its Impact on the Upcoming Election,” *Voice of America*, *Voice of America*, October 14, 2008 at  
<http://www.voanews.com/english/Africa/2008-10-14-voa36.cfm>

<sup>68</sup> Patrick Healy, “Race Remains Campaign Issue, but Not a Clear One,” *New York Times*, October 13, 2008 at  
<http://www.nytimes.com/2008/10/13/us/politics/13race.html?nl=pol&emc=pola1&pagewanted=print>