

THE WEEK IN REVIEW

February 25 –March 02, 2(5), 2008

CONTENTS

- **COUNTRY REVIEW..... 3**
- **NUCLEAR REVIEW.....6**
- **ENERGY SECURITY REVIEW8**
- **INTERNAL SECURITY REVIEW9**

EDITOR: M. AMARJEET SINGH

REVIEW ADVISOR: S. KALYANARAMAN

CONTRIBUTORS

MEDHA BISHT – Nepal, Sri Lanka

JAGANNATH PANDA – China, Japan

M. AMARJEET SINGH – Internal Security Review

ARUN VISHWANATHAN – Nuclear Review (INDIAN PUGWASH SOCIETY)

GUNJAN SINGH – Bangladesh, Myanmar

PRIYADARSHINI SINGH – Energy Security Review

PRIYANKA SINGH – Pakistan



**INSTITUTE FOR DEFENCE STUDIES AND ANALYSES,
1, DEVELOPMENT ENCLAVE, RAO TULA RAM MARG, NEW DELHI – 110010**

IN THE CURRENT ISSUE*

SECTIONS	HIGHLIGHTS	Page
1. COUNTRY REVIEW		3-5
China	First session of the 11 th National Committee of the Chinese People's Political Consultative Conference begins; China and the US sign agreement to set up military hotline link	
Japan	Chief Cabinet Secretary hopes to work with Medvedev; South Korean President calls for closer ties with Japan	
SOUTH ASIA		
Pakistan	Official election results notified; PPP undecided on Fahim's candidature	
Nepal	Government and United Democratic Madhesi Front sign eight-point agreement	
Sri Lanka	LTTE is at its 'lowest ebb', says <i>Jane's Intelligence Review</i>	
2. NUCLEAR REVIEW		6-7
India	India tests nuclear-capable missile; India must take a 'courageous decision' to endorse the deal says Nicholas Burns; India-IAEA safeguards negotiations going forward 'step by step' says Anil Kakodkar	
North Korea	Hill meets Wu Dawei to discuss North Korean denuclearisation process; Condoleezza Rice discusses North Korean issue with Chinese President Hu Jintao	
Iran	Russia to support UN Security Council resolution unless Iran suspends uranium enrichment	
3. ENERGY SECURITY REVIEW		8-9
Exploration and production	ONGC announces four new oil and gas discoveries	
China-Iran deal	China-Iran deal on gas field development delayed	
Brazil-Argentina gas crisis	Brazil-Argentina gas crisis widens	
Russia-Serbia Agreement	Russia-Serbia Agreement on South Stream Pipeline	
4. INTERNAL SECURITY REVIEW		9-10
North Eastern States	Manipur: RPF rejects talks offer; No talks with ULFA on sovereignty, says Madhukar Gupta	
Maoists Insurgency	Eight Maoists killed in Maharashtra	
Other Development	Terrorism un-Islamic, says Muslim groups; Kerala bans <i>People's March</i> magazine	

1. COUNTRY REVIEW

CHINA

- *First session of the 11th National Committee of the Chinese People's Political Consultative Conference begins; China and the US sign agreement to set up military hotline communication link*

Xinhua has reported that the first session of the 11th National Committee of the Chinese People's Political Consultative Conference (CPPCC) started in Beijing on March 3. Some 2,195 CPPCC National Committee members attended the opening session. This annual event would cover many important national issues like: income distribution, price hikes, medical and health care, clean government and anti-corruption campaign, various developmental plans delivered by the Chinese Premier Wen Jiabao and restructuring of central departments under the state council, etc. Founded in 1949, the CPPCC is supposed to be an open forum for discussion across society.¹

On the military front, last week saw an agreement between the Chinese defense ministry and the US defense department for setting up a hotline communication link. This agreement was aimed at establishing effective communication between Chinese and US military officials in various emergency situations. It is also reported that the two sides have signed an agreement on launching military archive cooperation to find US military personnel missing during the Korean War.²

Before the crucial Presidential election in Taiwan, the Democratic Progressive Party (DPP) presidential candidate Frank Hsieh has said that his economic policy is in favour of "opening-up cross-strait trade" but not at the cost of national interest. Criticising the Chinese Nationalist Party's (KMT) move to push the 'cross-strait common market', Frank Hsieh said that the KMT do not have any right to push this kind of policy without the consent of the people of Taiwan.³

JAPAN

- *Chief Cabinet Secretary hopes to work with Medvedev to solve territorial dispute; South Korean President Lee Myung-Bak calls for closer ties with Japan*

Chief Cabinet Secretary of the Japanese government has expressed optimism that a possible solution will emerge to resolve the long-standing territorial dispute with Russia under the new hopeful Russian President Dmitry Medvedev. Dispute over a few islands - Kunashiri, Etorofu, Shikotan and the Habomai islet groups - has prevented the two countries from concluding a postwar peace treaty for a long time.⁴

¹ "Annual session of China's top advisory body to open Monday, lasting 11 days," *PLA Daily* (online), March 3, 2008, at <http://english.pladaily.com.cn/>

² "China, U.S. sign agreement on setting up military hotline," *People's Daily* (online), March 1, 2008, at <http://english.people.com.cn/90001/90776/90883/6363980.html>

³ "Presidential election 2008: 19 days to go: Hsieh touts 'Taiwan first' trade policy," *Taipei Times* (online), March 3, 2008, at <http://www.taipetimes.com/News/taiwan/archives/2008/03/03/2003403783>

⁴ "Japan hopes to work with Medvedev to solve territorial dispute," *Japan Today* (online), March 3, 2008, at <http://www.japantoday.com/jp/news/429877>

While marking the 89th anniversary of the 1919 popular uprising against Japanese colonial rule over the Korean peninsula, the South Korean President Lee Myung-Bak said that “South Korea and Japan should also try to foster a future-oriented relationship with a pragmatic attitude.” Reiterating that both Japan and South Korea face similar challenges today, Lee noted that ‘pragmatism’ should be the dominant theme in all fields ranging from politics to economics and security to diplomacy.⁵

SOUTH ASIA

PAKISTAN

- ***Official election results notified; PPP undecided on Fahim’s candidature***

The Election Commission of Pakistan on March 2 officially notified the results of the February 18 polls.⁶ According to the ‘*Party-Wise Total Vote Bank*’ compiled by the Election Commission of Pakistan, the Pakistan Peoples Party (PPP) secured about 15 million votes in the National Assembly seats; the Pakistan Muslim League Quaid-e-Azam (PML-Q) stood second with around eight million votes; the Pakistan Muslim League Nawaz (PML-N) came third with around 6.8 million votes.⁷

Meanwhile, the PPP, the PML-N and the Awami National Party (ANP) together claimed to have the support of 171 newly elected Members of National Assembly (MNAs) to form a coalition government.⁸ It has also emerged that the PPP leadership is still undecided about its prime ministerial candidate. More names for the post have been proposed by representatives from various provinces.⁹

NEPAL

- ***Government and United Democratic Madhesi Front sign eight-point agreement; UMDF withdraws sixteen days long strike***

The United Democratic Madhesi Front (UMDF) and the Government of Nepal have arrived at an eight-point agreement following decisive talks at Baluwatar on February 28. UMDF called off its sixteen-day agitation following the agreement. The eight-points of the agreement are: (1) Madhes and other federal states would be recognised as autonomous regions; (2) Implementation of the constitutional provision regarding equal representation of all marginalised groups in all sectors of the governance; (3) Proportional recruitment of the Madhesi and other marginalised people in the Nepal Army; (4) Giving martyrdom status to all Madhesis killed in the course of the Madhes

⁵ “S Korean president calls for closer ties with Japan,” *Japan Today* (online), March 1, 2008, at <http://www.japantoday.com/jp/news/429774>

⁶ “Official election results notified: Way cleared for calling assembly session,” *Dawn*, March 2, 2008, at <http://www.dawn.com/2008/03/02/top1.htm>

⁷ “PPP, PML-Q get most votes,” *Daily Times*, February 26, 2008, at http://www.dailytimes.com.pk/default.asp?page=2008\02\26\story_26-2-2008_pg1_3

⁸ “PPP, PML-N, ANP muster up 171 MNAs-elect: For now or forever?,” *Daily Times*, February 28, 2008, at http://www.dailytimes.com.pk/default.asp?page=2008\02\28\story_28-2-2008_pg1_1

⁹ “Race on as Fahim’s star sinks,” *Dawn*, March 1, 2008, at <http://www.dawn.com/2008/03/01/top3.htm>

agitation; (5) State-funded medical treatment and compensation for the injured in Madhes agitation; (6) Inviting other armed outfits of the Terai to the negotiation table; (7) Implementing the 23-point agreement reached with the Madhesi Janaadhikar Forum (MJF) as soon as possible; and (8) Amendment of Constituent Assembly election Act to replace the provision of 20 per cent for the Madhesis and other groups with 30 per cent.¹⁰ European Union, United Nations, India and the United States have welcomed the development.

SRI LANKA

- ***LTTE is at its lowest ebb, says Jane's Intelligence Review***

Jane's Intelligence Review in its latest report has stated that the LTTE is at its lowest ebb; and that unless a new political or military variable enters the equation, the Tigers are doomed to decline. It further noted that some recent attacks by the LTTE are unlikely to reverse the perilous position of the outfit.¹¹

Daily News has reported that the "Mega Star show" organised in London by the Tamil Youth Organisation (TYO), a front organisation of the LTTE, has failed to raise funds which was earlier estimated at around one million pounds. Reasons for the failure of the show is said to be the publicity unleashed by the Indian media, which had reported it to be a "show of a banned organization."¹²

Meanwhile, on February 26, opposition leader Ranil Wickremesinghe extended the United National Party's (UNP) fullest cooperation to implement the 13th Amendment to the Constitution which has been proposed by the APRC proposals.¹³ On the other hand, the Janatha Vimukhti Perumuna opposed the devolution move, and accused India of leading a campaign for "international intervention in the name of responsibility to protect."¹⁴

¹⁰ "Govt-UMDF Ink 8-pt Pact, Tarai Strike Called Off," *Himalayan Times*, February 28, 2008, at <http://www.thehimalayantimes.com/fullstory.asp?filename=6a1Va0qgo2am8&folder=aHaoamW&Name=Home&dtSiteDate=20080228>

¹¹ "LTTE decline inevitable -Jane's," *Daily News*, February 27, 2008, at <http://www.dailynews.lk/2008/02/27/sec01.asp>

¹² "Another LTTE attempt to raise funds in London," *Daily News*, February 26, 2008, at <http://www.dailynews.lk/2008/02/26/sec01.asp>

¹³ "UNP's fullest support for 13th Amendment," *Daily News*, February 27, 2008, at <http://www.dailynews.lk/2008/02/27/pol01.asp>

¹⁴ "JVP to oppose devolution move," *The Hindu*, February 29, 2008, at <http://www.hindu.com/2008/02/29/stories/2008022959912000.htm>

2. NUCLEAR REVIEW

INDIA

- ***India tests nuclear-capable missile from underwater platform; The clock on the nuclear deal is ticking, says US Secretary of Defence Gates; India must take a 'courageous decision' to endorse the deal, says Nicholas Burns; India will work on the deal according to its own timetable, responds Foreign Secretary Menon***

India tested a nuclear-capable missile on February 26, 2008 from an underwater platform. The missile has been designed to be launched from a submarine with a range of about 700 kilometres. The missile was test fired from an underwater platform immersed in the Bay of Bengal. India is also building a nuclear submarine, which is expected to start sea trials next year. Submarine launched ballistic missiles would complete India's nuclear triad comprising of air, land and sea based deterrent capability.¹⁵

In other news, US Secretary of Defence, Robert Gates during his recent visit to New Delhi, stressed on the need to conclude the Indo-US civilian nuclear agreement. Secretary Gates said, "the clock is ticking." Acknowledging the presence of domestic political obstacles to the deal, he said that the US legislative calendar imposes time constraints if the agreement is to win approval of the US Congress by the end of the year.¹⁶

This week also saw similar statements being made by the outgoing top US official dealing with the Indo-US nuclear deal. Ambassador Nicholas Burns said "it will be impossible to complete this year unless India quickly makes a "courageous decision" to endorse it."¹⁷

Reacting to the above statements from US officials, the Indian Foreign Secretary, Shivshankar Menon said that India did not see a deadline for concluding the civilian nuclear deal with the United States based on the US political calendar. Mr. Menon said that India would follow its own timeframe to implement the deal.¹⁸

In other news, Dr. Anil Kakodkar, Secretary, Department of Atomic Energy (DAE) talking to reporters on the India-IAEA safeguards agreement said, "given the complex technical details involved in the issue, the discussions with the International Atomic Energy Agency (IAEA) were being taken forward step-by-step."¹⁹

NORTH KOREA

- ***Christopher Hill meets Wu Dawei to discuss ideas to jump start the North Korean denuclearisation process; Condoleezza Rice discusses North Korean issue with Chinese President Hu Jintao***

¹⁵ "India tests nuclear-capable missile from underwater," *International Herald Tribune*, February 26, 2008, at <http://www.iht.com/bin/printfriendly.php?id=10414316>

¹⁶ Ken Fireman, "Gates Warns Indians That 'Clock Is Ticking' on Nuclear Accord," *Bloomberg*, February 27, 2008, at <http://www.bloomberg.com/apps/news?pid=20601091&sid=aodJ0vWVBCAQ&refer=india>

¹⁷ William C. Mann, "US Negotiator Urges India Nuke Approval," *Washington Post*, February 28, 2008, at http://www.washingtonpost.com/wp-dyn/content/article/2008/02/28/AR2008022803s114_pf.html

¹⁸ "India shrugs off US nuclear accord warning," *AFP*, February 29, 2008, at <http://afp.google.com/article/ALeqM5jNNBUu8SWGEJnvtY9gtS8BwU8SCA>

¹⁹ "Talks with IAEA going on 'step by step': Kakodkar," *The Hindu*, February 28, 2008, at <http://www.hindu.com/2008/02/28/stories/2008022854321200.htm>

Ambassador Christopher Hill, the top US nuclear envoy to the North Korean denuclearisation process, spent an extra day in Beijing to discuss ideas to jump-start the stalled North Korea denuclearisation process. Earlier, US Secretary of State Condoleezza Rice had discussions with the Chinese President Hu Jintao about the stalled North Korean denuclearisation programme. It has been reported that Ambassador Hill met his Chinese counterpart Wu Dawei about the problems in the negotiations and the way to “create favourable conditions for the talks to enter into the next stage.”²⁰

Reports indicated that Ambassador Hill might visit Beijing over the weekend to meet his North Korean counterpart for talks on ending Pyongyang’s nuclear programme. Speaking to reporters in Bangkok, Ambassador Hill stated, “I think we will have an announcement on that at some point. We had some very good discussions with the Chinese. There is an idea we might try to arrange something this weekend.”²¹

IRAN

- ***Russia to support UN Security Council resolution unless Iran suspends uranium enrichment; Vote on sanctions resolution delayed by couple of days to achieve unanimity***

Russian envoy to the United Nations, Vitaly Churkin, said that unless Iran suspends its uranium enrichment within the next couple of days, Russia would support the new round of UNSC resolution which is slated to come up for discussions at the Security Council.²²

In other reports, France and Britain have delayed a UN Security Council vote on the third round of sanctions against Iran over its nuclear programme. A vote was scheduled for February 28, 2008 which was pushed back to March 3, 2008. The draft resolution has the support of the five permanent members of the council and six non-permanent members. South Africa, Vietnam, Libya and Indonesia are the four non-permanent members who do not currently support the resolution. Britain and France hope that delaying the voting by a couple of days would provide enough time to iron out the differences and achieve a unanimous resolution as in the cases of the two earlier Security Council resolutions on Iran.²³

²⁰ “US nuclear envoy leaves Beijing after extra day of NKorea talks,” *International Herald Tribune*, February 28, 2008, at <http://www.iht.com/bin/printfriendly.php?id=10515208>

²¹ “US’s Hill says may go to China For N.Korea Talks,” *New York Times*, February 29, 2008, at <http://www.nytimes.com/reuters/world/international-korea-north-usa.html?sq=nuclear&st=nyt&scp=1&pagewanted=print>

²² “Russia tells Iran to halt enrichment or face sanctions,” *International Herald Tribune*, February 27, 2008, at <http://www.iht.com/bin/printfriendly.php?id=10491707>

²³ “UN Security Council vote on Iran sanctions delayed again,” *Times of India*, March 1, 2008, at <http://timesofindia.indiatimes.com/articleshow/msid-2828564,prtpage-1.cms>

3. ENERGY SECURITY REVIEW

EXPLORATION AND PRODUCTION

- *ONGC announces four new oil and gas discoveries*

Oil and Natural Gas Corporation (ONGC) of India has announced four new oil and gas discoveries. The three on-land and one offshore discoveries were made in the North Eastern States of Assam and western offshore region respectively.²⁴

CHINA-IRAN DEAL DELAYED

- *China-Iran deal on gas field development delayed*

According to an Iranian official, the contract to develop Iran's northern Pars gas field to be signed with the China National Offshore Oil Corp (CNOOC) has been postponed to the "near future". The signing has been delayed earlier as well, since the deal was first announced in 2006. Explaining the latest delay, the spokesperson for the Pars Oil and Gas Company said that the signing was postponed due to the inability of Oil Minister Gholam Hossein Nozari to attend the same. The \$16 billion deal is the second major gas deal between China and Iran. Late last year China's Sinopec group signed a deal to develop Iran's Yadavaran oil field.²⁵

BRAZIL-ARGENTINA GAS CRISIS

- *Brazil-Argentina gas crisis widened*

Brazil's relationship with Argentina is the latest casualty of high energy demand and lagging supply. Brazil and Argentina have gas supply contracts with Bolivia, which has the region's largest gas reserves. In a bid to secure gas supplies to cater to its surging demand, Brazil has refused to part with any gas supply shipments to Argentina. Bolivia, which has struggled to keep its contractual obligations with the two countries, has also been facing a rise in internal demand and therefore is not in a position to meet the increased Argentinean requirement. Leaders of the three countries met in Buenos Aires over the weekend (February 23-24, 2008) to discuss the issue but without any success. Though Brazil has offered to supply Argentina with some electricity as it did last June-July, the politically sensitive domestic situation within Brazil makes it difficult for the Lula government to do any thing more. Argentina has no leverage with Bolivia even though it pays more for its gas imports, since the Brazilian contract is larger than that of Argentina and Petrobras is strategically more important.²⁶

RUSSIA-SERBIA AGREEMENT ON SOUTH STREAM PIPELINE

- *Russia-Serbia sign agreement to develop the South Stream pipeline*

²⁴ "India's ONGC says makes 4 oil, gas discoveries," *Reuters*, February 25, 2008, at www.reuters.com/article/rbssEnergyNews/idUSDEL25935820080225

²⁵ Hashem Kalantari and James Jukwey "Iran and China Gas deal signing delayed," *Reuters*, February 27, 2008, at www.reuters.com/article/rbssEnergyNews/idUSBLA73270420080227

²⁶ Alexei Barrionuevo, "In Argentina, no assistance from region on gas needs," *International Herald Tribune*, February 25 2008 at www.iht.com/articles/2008/02/25/america/25argentina.php

Russia's Gazprom and Serbia's Sasa Ilic signed an agreement on February 25, to develop the Serbian stretch of the South Stream pipeline by forming a joint company. The details of the pipeline will be hammered out over the next eighteen months. Gazprom spokesmen said that three months will be allocated for the creation of the company, another eighteen months for the feasibility study and construction would start 24 months after the feasibility study. The South Stream pipeline - a 10 billion *Euro* project led by Gazprom and Italy's Eni is designed to carry Siberian Gas to Western Europe.²⁷

4. INTERNAL SECURITY REVIEW

NORTH-EASTERN INSURGENCY

- *Manipur: RPF rejects talks offer; No talks with ULFA on sovereignty, says Madhukar Gupta*

The Revolutionary Peoples' Front (RPF), one of the major militant outfits in Manipur, reiterated that it would not sit for peace talks. On the occasion of its 29th raising day on February 24, its president Irengbam Chaoren noted: "The more than 30-year-long battle aims to win back the lost freedom of the Manipuris. India's army is killing the Manipuris. No Indian leader takes the issue of Manipur's freedom seriously. Under these circumstances, how can we enter into peace talks? ... The Constitution that failed to solve India's internal problems cannot end the conflict in Manipur."²⁸

Meanwhile, *Sentinel* quoting Madhukar Gupta, Secretary to the Ministry of Internal Affairs, reported that the Union Government is not ready to hold talks with the United Liberation Front of Asom (ULFA) on the issue of "sovereignty of Asom."²⁹

Telegraph quoting police sources reported that the Jewel Gorlosa-led Dima Haram Daogah (DHD) has been buying sophisticated arms from the Chiang Mai arms bazaar of Thailand. The arms are generally routed to the North-East via Myanmar and Bangladesh. The outfit is reportedly assisted by the NSCN-IM.³⁰

MAOIST INSURGENCY

- *As many as eight Maoists killed in Maharashtra*

²⁷ "Russia, Serbia sign a gas pipeline deal," *China View*, February 25, 2008, at http://news.xinhuanet.com/english/2008-02/25/content_7669074.htm

²⁸ "Manipur outfit shuns talks offer," *Telegraph*, February 25, 2008, at http://telegraphindia.com/1080225/jsp/northeast/story_8945015.jsp

²⁹ "No talks with ULFA on sovereignty: Centre," *Sentinel*, February 29, 2008, at http://sentinelassam.com/sentinel_en/main%20news.htm

³⁰ "Gorlosa buys arms from Thailand," *Telegraph*, February 26, 2008, at http://telegraphindia.com/1080226/jsp/northeast/story_8946845.jsp

Hindu reported that as many as eight Maoists were killed and five others wounded in a series of skirmishes with the Anti-Naxalite Operations Cell of the Maharashtra Police in Gadchiroli district during the past one week. One policeman was also killed.³¹

Meanwhile, in Andhra Pradesh, seven Maoists surrendered before DIG of Police Jitender on February 28.³²

INTERNAL SECURITY REVIEW - OTHER DEVELOPMENTS

- ***Terrorism un-Islamic, and against the Islamic principle of peace, says Muslim groups; People's March magazine banned in Kerala's Ernakulam district***

Denouncing terrorism, several Muslim groups in India adopted a declaration calling it un-Islamic and against the Islamic principle of peace. The declaration was adopted at the Anti-terrorism Conference organised by the Islamic Seminary Darul Uloom at Deoband in Uttar Pradesh on February 25. The conference, however, criticised attempts to malign Muslims and madrassas. "Islam is a religion of mercy for all humanity. Islam sternly condemns all kinds of oppression, violence and terrorism. It has regarded oppression, mischief, rioting and murder among severest sins and crimes," said the declaration.³³

Meanwhile, *Newindpress* has reported that *People's March* magazine, which is suspected to be the mouthpiece of the Communist Party of India – Maoist (CPI-Maoist), has been banned by the Ernakulam district administration in Kerala.³⁴

♦ S. Samuel C. Rajiv is on leave and this issue does not therefore cover Afghanistan and Iraq. Dr. M. Amarjeet Singh is standing in as Editor during Samuel Rajiv's absence.

³¹ "Naxalites killed," *Hindu*, February 26, 2008, at <http://www.hindu.com/2008/02/26/stories/2008022661000100.htm>

³² "Seven Maoists surrender," *Hindu*, February 29, 2008, at <http://www.hindu.com/2008/02/29/stories/2008022956650500.htm>

³³ "Terrorism un-Islamic, unacceptable: Muslim groups," *Indian Express*, February 26, 2008, at <http://www.expressindia.com/latest-news/Terrorism-unIslamic-unacceptable-Muslim-groups/276927/>

³⁴ "People's March' magazine banned by Ekm district administration," *Newindpress*, February 29, 2008, at <http://www.newindpress.com/NewsItems.asp?ID=IER20080228233814&Title=Kerala&rLink=0>