

THE WEEK IN REVIEW

June 29-July 5, 7(1), 2009

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1. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **Operation 'Khanjar' launched in Helmand province; Russia allows for US troops and equipment to fly over its territory; UN Security Council extends mandate of UNAMA for another year**

A major offensive codenamed Operation 'Khanjar' (Strike of the Sword) was launched on July 2 in Helmand province of Southern Afghanistan involving about 4,000 US troops and 650 Afghan soldiers, with support from NATO planes.¹ The operation in a stronghold of the Taliban is being seen as the first major military operation (and the biggest American military action since the Fallujah operation in Iraq in 2004) under President Obama's revamped strategy to stabilize the country. Reports suggested that the goal of the operation was to clear insurgents from the violence-prone and opium-infested Helmand River Valley before the Afghan Presidential elections on August 20. US Marine Corps Brig. Gen. Larry Nicholson stressed that coalition forces "will stay, and ... will hold, build and work toward transition of all security responsibilities to Afghan forces."²

Meanwhile, reports noted that the Russian government had agreed to allow American troops and weapons bound for Afghanistan fly over its territory. Given the problems being encountered in supplying US forces through Pakistan, the decision is expected to provide an important new corridor for US forces.³

In other developments, the UN Security Council has extended the mandate of the United Nations Assistance Mission in Afghanistan (UNAMA) for another year.⁴

PAKISTAN

- **Taliban faction withdraws from North Waziristan peace deal; At least 30 Pak soldiers killed in an ambush in North Waziristan; US drone attack kills eight in S. Waziristan; 41 security personnel killed as military helicopter crashes; Pak seals its South Waziristan border with Afghanistan, renews call for fencing of the Afghan border; UN officials urge more aid to prevent outbreak of diseases in IDP camps; UN commission begins Benazir murder probe**

¹ "US opens 'major Afghan offensive'," *BBC News*, July 2, 2009, at http://news.bbc.co.uk/2/hi/south_asia/8129789.stm

² "Major military operation under way in Afghanistan," *ABC News*, July 1, 2009, at <http://abcnews.go.com/Politics/wireStory?id=7982024>

³ "Russia to Open Airspace to U.S. for Afghan War," *The New York Times*, July 3, 2009, at <http://www.nytimes.com/2009/07/04/world/europe/04russia.html?ref=global-home>

⁴ "UNSC extends UN mission's mandate in Afghanistan," *Xinhua*, June 29, 2009, at http://news.xinhuanet.com/english/2009-06/29/content_11621970.htm

Reports noted that the Taliban faction led by Hafiz Gul Bahadur in the Northwestern tribal region has withdrawn itself from a February 2008 peace deal with the Pakistan authorities to protest against continuing strikes by American drones. This raised the possibility that Pakistani forces may face more fronts in the war against the Taliban. In fact, a Pakistani military convoy was ambushed near Miramshah, the capital of North Waziristan, a day before the group announced its decision, resulting in the death of at least 30 soldiers.⁵

The US meanwhile resumed secret military surveillance drone flights over Pakistan's tribal areas to provide support to Pakistani commanders in their ongoing operations.⁶ A US drone attack on July 3 also killed eight people in Serwekai area of South Waziristan. In a tragic incident, 41 security personnel on board a Pakistani military transport helicopter were killed when it crashed in Chapri Ferozkhel area on the border of Khyber and Orakzai tribal regions on July 3 due to a technical fault.⁷

Reports noted that Pakistan has sealed its South Waziristan border with Afghanistan and imposed curfew in the area to prevent Afghan militants from infiltrating into its territory. This was in the wake of a new offensive by US forces against the Taliban on the other side of the border.⁸ Pakistan Prime Minister Yousuf Raza Gilani on his part, during a meeting with visiting US Secretary for Homeland Security Janet Napolitano during the week, made renewed calls for fencing of the country's border with Afghanistan to effectively prevent militants and drug traffickers from entering its territory. The Afghan government has however been opposing the erection of a fence at the border between the two countries.⁹

UN officials meanwhile on July 2 warned against an outbreak of water-borne diseases among internally displaced people (IDP) if humanitarian agencies did not receive adequate funding from the international community. The officials reiterated their appeal for funding to help the largest internally displaced population since the Rwanda crisis of 1994. Sources indicated that the UN had received only \$193 million in response to a \$543 million aid appeal for about two million IDPs.¹⁰

⁵ "An Accord in Pakistan Is Scrapped by Militants," *The New York Times*, June 30, 2009, at <http://www.nytimes.com/2009/07/01/world/asia/01pstan.html?scp=4&sq=pakistan&st=cse>

⁶ "U.S. Resumes Surveillance Flights Over Pakistan," *The New York Times*, June 29, 2009, at <http://www.nytimes.com/2009/06/30/world/asia/30drone.html?scp=5&sq=pakistan&st=cse>

⁷ "Helicopter crash kills 41 security personnel," *Dawn*, July 4, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/helicopter-crash-kills-41-security-personnel-479>

⁸ "Pakistan seals border with Afghanistan, clamps curfew," *The Hindu*, July 4, 2009, at <http://www.hindu.com/thehindu/holnus/000200907040342.htm>

⁹ "Pakistan repeats call for fencing Afghan border," *Dawn*, July 3, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/09-pakistan-repeats-call-for-fencing-afghan-border-szh--07>

¹⁰ "UN warns of disease outbreak in IDP camps," *Dawn*, July 3, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/un-warns-of-disease-outbreak-in-idp-camps-379>

In other developments, a UN Commission made up of three members has formally begun inquiry into the assassination of former Pakistan Prime Minister Benazir Bhutto. The commission is being led by Chile's UN Ambassador Heraldo Munoz, who also heads the UN Peace-Building Commission.¹¹

B. EAST AND SOUTHEAST ASIA

CHINA

- **Humanitarian medical rescue exercise conducted jointly with Gabon; China increases military cooperation with other countries, especially in the ASEAN region; China to intensify patrolling in South China Sea: Sri Lankan Foreign Minister rejects rumours of an arms deal with China**

A humanitarian medical rescue exercise 'Peace Angel 2009' conducted jointly by China and Gabon concluded successfully on June 28. Maj. Gen. Zhang Yanling, Director of the Health Department of the General Logistics Department of the PLA stated that the exercise, the first of its kind between the two countries, had opened new fields for Sino-Gabonese cooperation. It is also expected to pave the way for enhanced cooperation between China and other countries in the African continent.¹²

Reports noted that China has increased the number of military cooperation and exchange programmes with other countries, especially with those of the ASEAN members. These programmes are meant to provide better understanding of the command and control procedures of their counterparts, and create high-levels of mutual trust as well.¹³

Meanwhile, at the launch of China's largest fishery patrol ship, China Yuzheng 311, in Sanya, Hainan province, an official stated that China intends to intensify patrols in the South China Sea to protect its fishermen, due to a rising tide of disputes with neighboring countries in this maritime region.¹⁴

In other developments, the visiting Sri Lankan Foreign Minister Rohitha Bogollagama refuted the 'rumours' that Sri Lanka and China had concluded an arms deal during the country's recently concluded civil war.¹⁵

¹¹ "UN begins Benazir murder probe," *Dawn*, July 2, 2009, at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/un-begins-benazir-murder-probe-279>

¹² "Peace Angel 2009' Wraps Up," *PLA Daily*, June 29, 2009, at http://english.chinamil.com.cn/site2/news-channels/2009-06/29/content_1817105.htm

¹³ "Sino-foreign Military Exchange and Co-op Boosts Regional Stability," *PLA Daily*, June 30, 2009, at http://english.chinamil.com.cn/site2/news-channels/2009-06/30/content_1818628.htm

¹⁴ "China Charts Course toward Secure South China Sea," *People's Daily*, July 1, 2009, at <http://english.people.com.cn/90001/90776/90786/6690696.html>

¹⁵ "Rumors on Ties with Sri Lanka Dismissed," *China Daily*, July 4, 2009, at http://www.chinadaily.com.cn/china/2009-07/04/content_8378252.htm

JAPAN

- **Japanese Parliament asserts Russian-administered islands off Hokkaido are an 'integral part' of Japan; New automatic air warning and defense control system initiated; Tokyo protests North Korea's missile launch; Maritime mission in the Indian Ocean extended by another 6 months; Ex-government official acknowledges the existence of a secret agreement with the US that allowed US nuclear weapons on Japanese territory**

The Japanese Parliament amended a law emphasizing the country's political authority over disputed islands off Hokkaido by including the provisions that the Russian-administered islands were an 'integral part' of Japanese territory. Analysts believed that the move will pose a new hurdle for the settlement of the dispute maritime dispute regarding the region with Russia.¹⁶

Reports noted that a new \$935 million project - the Japan Aerospace Defense Ground Environment (JADGE), has been initiated to improve the country's automatic air warning and defense control system. The system is expected to replace the Base Air Defense Ground Environment (BADGE).¹⁷

Japan's ASDF Chief of Staff Gen. Kenichiro Hokazono told reporters that Japan had asked the US to provide more information on the F-22 fighter jets as it hopes to acquire the advanced jet despite a US ban against its export. Additional information on the F-35 alternative fighter was also being sought in case the F-22 remains unavailable.¹⁸

Tokyo lodged a strong protest against North Korea over its launching of multiple ballistic missiles into the Sea of Japan. Reports noted that the country will seek to coordinate with countries such as the US and South Korea in urging other members of the UN to robustly implement UNSC resolutions against Pyongyang as the latest actions were in stark violation of those resolutions.¹⁹

The Japanese Cabinet meanwhile endorsed a revision to a bill extending its refueling mission in the Indian Ocean by another 6 months to help the US-led operation near Afghanistan. The provisions of the law were set to expire on July 15. The mission involves refueling of foreign vessels involved in anti-terror operations by the Maritime Self-Defense Force (MSDF).²⁰

¹⁶ "Japan's new move creates hurdle to settle northern territory row with Russia," *Xinhua*, July 4, 2009, at http://news.xinhuanet.com/english/2009-07/04/content_11652658.htm

¹⁷ "Japan upgrades missile-detection system," *UPI*, July 2, 2009, at http://www.upi.com/Security_Industry/2009/07/02/Japan-upgrades-missile-detection-system/UPI-40011246554893/

¹⁸ "Japan, still enthralled by F-22, presses U.S. for info," *Associated Press*, July 3, 2009, at http://www.breitbart.com/article.php?id=D996UTIO0&show_article=1

¹⁹ "Japan lodges protest against N. Korea over missile launches," *Associated Press*, July 4, 2009, at http://www.breitbart.com/article.php?id=D997ELUO0&show_article=1

²⁰ "Japan extends refueling mission in Indian Ocean for 6 months," *Xinhua*, July 3, 2009, at http://news.xinhuanet.com/english/2009-07/03/content_11645770.htm

A Japanese military spokesperson confirmed that Japan was considering deploying troops on Yonaguni Island in the East China Sea near a group of islets claimed by Tokyo, Beijing and Taipei. Yonaguni is located 120 kilometres east of Taiwan and 170 kilometres south of the uninhabited islands known as the Senkaku in Japanese and Diaoyu in Chinese.²¹

In other developments, Ryohei Murata, 79, who was an administrative vice foreign minister from 1987-1989, acknowledged that a secret agreement existed with the United States that allowed US nuclear weapons on Japanese territory, despite a denial by government sources.²²

SOUTHEAST ASIA

- **UN Chief visits Myanmar, denied audience with Suu Kyi; KNU activists arrested after bombs explode in Thai-Burma border; Australia, Malaysia to strengthen bilateral ties; China to develop 'Dragon 600,' the world's largest amphibious aircraft; Delhi Police allege that a banned Manipuri outfit was running training camps in Bangladesh and Myanmar**

UN Chief Ban Ki-moon, during a two-day visit to Myanmar, urged the military authorities to release all political prisoners, including detained opposition leader Aung San Suu Kyi.²³ However, the junta rejected Mr. Ban's request to meet with Suu Kyi, for which the UN Chief expressed his 'deep disappointment.'²⁴

Two bombs exploded in Three Pagodas Pass, a township situated in Thai-Burma border region, on June 29. Suspected Karen National Union (KNU) activists were arrested in connection with the incident.²⁵

Ahead of the visit to Malaysia on July 6 of Australian Prime Minister Kevin Rudd, Foreign Minister Stephen Smith stated that Canberra was interested to strengthen its bilateral ties with Malaysia further. Both countries are expected to discuss issues relating to curbing people smuggling, the impact of global recession on the region and Australia's new campaign for a new Asia Pacific community.²⁶

Reports meanwhile noted that China had approved the development and production of 'Dragon 600' - the world's largest amphibious aircraft. Apart from

²¹ "Japan may deploy troops near disputed islands," *Associate Foreign Press*, July 2, 2009, at http://news.yahoo.com/s/afp/20090702/wl_asia_afp/japanchinataiwanmilitaryislands_20090702060642

²² "Editorial: Secret deal on nukes," *Asahi Shimbun*, July 1, 2009, at <http://www.asahi.com/english/Herald-asahi/TKY200907010092.html>

²³ "UN Chief: Release Suu Kyi," *Bangkok Post*, June 30, 2009, at <http://www.bangkokpost.com/breakingnews/147542/un-chief-urges-burma-to-release-suu-kyi>

²⁴ "Myanmar denies UN Chief's request to see Suu Kyi," *The Jakarta Post*, July 4, 2009, at <http://www.thejakartapost.com/news/2009/07/04/myanmar-denies-un-chief039s-request-see-suu-kyi.html>

²⁵ "Two bombs explode on Thai-Burma border town," *Burma News International*, June 30, 2009, at <http://www.bnionline.net/news/imna/6587-two-bombs-explode-on-thai-burma-border-town.html>

²⁶ "Australia moving to enhance ties with Malaysia," *Bernama.com*, July 5, 2009, at http://www.bernama.com/bernama/v5/news_lite.php?id=423025

utilizing it in emergency rescue operations, the aircraft is also expected to boost Chinese surveillance capabilities in the South China Sea.²⁷

In other developments, Delhi Police officials alleged that Kanglei Yawol Kanna Lup (KYKL), a banned Manipuri outfit, was running three training camps abroad, including two in Bangladesh and one in Myanmar.²⁸

C. WEST ASIA

IRAN

- **Guardian Council confirms Ahmadinejad as winner after recount; Opposition declares new government as “illegitimate”; EU: Decision to detain British Embassy staff “not acceptable”**

Iran’s Guardian Council Secretary Ayatollah Ahmad Janati confirmed the validity of the June 12 presidential election after a recount of ten percent of the votes across the country. The recount was held in order to clear up ambiguities over the election results, which had been disputed by defeated presidential candidates Mir-Hossein Mousavi and Mahdi Karroubi.²⁹

Meanwhile, defeated presidential candidate Mir Hossein Mousavi stated that he considered the new government of President Ahmadinejad as “illegitimate.” Mousavi also called on the authorities to release detained “children of the revolution” – a reference to leading reformists arrested since the disputed poll. He also called for a lifting of the ban on some moderate newspapers and websites.³⁰

The EU on its part stated that Iran’s decision to put detained British Embassy staff on trial was “not acceptable.” The 27-nation bloc is considering a British request to recall EU ambassadors from Tehran to protest the detentions of local embassy staff. Sweden currently holds the EU presidency.³¹

IRAQ

- **Celebrations in Iraq as US troops pull out of cities; PM al-Maliki: National united government has succeeded in putting down the sectarian war; 33 killed in car bombing in Kirkuk**

²⁷ “China’s ‘Dragon 600’ plane will boost surveillance”, *Radio Australia*, June 29, 2009, at <http://www.radioaustralia.net.au/connectasia/stories/200906/s2611227.htm>

²⁸ “KYKL has three camps in B’desh, Burma”, *Indo-Burma News*, June 29, 2009, at <http://www.indoburmanews.net/archives-1/2009/june-2009/kykl-has-three-camps-in-b2019desh-burma>

²⁹ “Guardian Council confirms presidential,” *Tehran Times*, June 30, 2009, at http://www.tehrantimes.com/index_View.asp?code=197949

³⁰ “Iran’s Mousavi says new government ‘illegitimate’,” *Khaleej Times*, July 1, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2009/July/middleeast_July_19.xml§ion=middleeast

³¹ “Embassy staff trials in Iran ‘not acceptable’: EU,” *Khaleej Times*, July 3, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2009/July/middleeast_July_76.xml§ion=middleeast

Iraq declared a public holiday to celebrate the official withdrawal of American troops from the country's cities and towns on June 30. The American military meanwhile announced the death of four soldiers in combat operations in Baghdad, a reminder of the continuing vulnerability of soldiers even as they wrap up operations in the field. PM al-Maliki on his part, speaking at an event inside the Green Zone, stressed that the "national united government succeeded in putting down the sectarian war that was threatening the unity and the sovereignty of Iraq."³²

US President Obama hailed the US withdrawal as an "important milestone" but warned of difficult days ahead. Authorities meanwhile stated that the recent bombing in Kirkuk resulted in the death of 33 people. Maliki had earlier warned that insurgent groups and militias were likely to step up attacks in a bid to undermine confidence in Iraq's own security forces.³³

II. MISSILES, SPACE AND DEFENCE REVIEW

MISSILES AND SPACE

▪ **Tessy Thomas to head Agni-V project**

Tessy Thomas, an engineer with the DRDO will head the 5,000 km range Agni-V ballistic missile project, the first test of which will be conducted during the course of the next year. She was also closely associated with the 3,500 km medium-range ballistic missile (MRBM) and the advanced version of the 2,500 km Agni-II missile. Avinash Chander, project director for all Agni missile projects praised Ms. Thomas as "one of the key members of the entire Agni programme ... one of the most dedicated scientists in our team. She finds solutions to problems."³⁴ Thomas is an expert in solid propellant technology which forms the propulsion system of all the Agni missiles.

The Union government has on its part allocated Rs. 2,500 crore for the Agni-V project, which is likely to incorporate new technologies such as ring laser gyroscopes and accelerators for guidance and navigation. The rocket will also be a canister-fired system giving it the operational flexibility to be launched from any part of Indian Territory.

▪ **Another round of missile tests from North Korea**

North Korea conducted seven missile tests in defiance of UN resolutions on July 1. These were medium-range missiles belonging to the Nodong-family of missiles and not long-range intercontinental ballistic missiles as some analysts had expected. While Washington took precautions to counter a potential threat

³² Alissa J. Rubin, "US Pullout From Iraqi Cities Marked by Holiday," *New York Times*, July 1, 2009, at http://www.nytimes.com/2009/07/01/world/middleeast/01iraq.html?_r=1&hp

³³ "Blast kills 33 as Iraq takes charge of security," *Tehran Times*, June 30, 2009, at http://www.tehrantimes.com/index_View.asp?code=198147

³⁴ "Missile Woman to Handle Ambitious Agni-V project," *Times of India*, July 1, 2009, at <http://timesofindia.indiatimes.com/India/Missile-woman-to-helm-Agni-V/articleshow/4721682.cms>

by deploying an anti-missile system in Hawaii, South Korea condemned the tests as “provocative act that clearly violates UN Security Council resolutions 1695, 1718 and 1874 that bar North Korea’s every activity related to missiles.” Pyongyang has meanwhile warned international shipping to stay away from its eastern coast until July 10, indicating the possibility of more tests.³⁵

DEFENCE NATIONAL

▪ **Russia to supply India three Krivak IV class frigates by 2012**

Reports noted that Russia has reiterated its commitment to supply three Project 11356 Krivak-IV class guided missile frigates to the Indian Navy by 2012. The contract for the new frigates, worth \$1.6 billion, was signed in July 2006. The ships will be armed with eight BrahMos supersonic anti-ship cruise missile system, unlike the earlier frigates armed with Club-N/3M54TE missile system. The new frigates are also capable of covering bigger areas, hunting down and destroying large surface ships and submarines and can cover 30 knots with 4,000 metric tones of deadweight.³⁶

▪ **US offers 12 surveillance helicopters to India**

Reports noted that the US has offered to lease 12 surveillance helicopters, made by Sikorsky and Augusta Westland, in order to help maintain effective coastline surveillance. Coastline security has assumed priority in the aftermath of the terrorist strikes in Mumbai in November 2008.³⁷

INTERNATIONAL

▪ **Australia releases five year procurement plans**

The Australian government, under its Defence Capability Plan (DCP) has released its next five years’ procurement plan, outlining 110 procurement projects worth more than AUD 60 billion (US\$ 48 billion). The DCP contains detailed proposals of capital equipment that are planned to be procured during 2009-2013. Major projects of the DCP include the five-phase acquisition of three squadrons of Joint Strike Fighters (100 aircraft); a three-phase acquisition of 12 submarines; the acquisition of at least 24 naval combat helicopters; replacements for the existing Armidale patrol boats, mine-hunters and hydrographic survey fleet; and the acquisition of a maritime patrol aircraft to replace the AP-3C Orion.³⁸

³⁵ “Seven N. Korea missile tests defy the West”, *The Washington Times*, 5 July, 2009, <http://washingtontimes.com/news/2009/jul/05/seven-fourth-of-july-missile-tests-defies-west/>

³⁶ “India to Receive Three Russian Krivak IV Class Frigates by 2012,” June 29, 2009, at <http://www.india-defence.com/reports-4473>

³⁷ “United States Offers India to Lease 12 Surveillance Helicopters,” June 29, 2009, at <http://www.india-defence.com/reports/4474>

³⁸ “Australia outlines five-year procurement plan,” July 2, 2009, at http://www.janes.com/news/defence/jdi/jdi090702_2_n.shtml

- **Russia to cut two frigate programmes**

Sources indicated that the Russian Federation Navy (RFN) has given up plans to acquire two incomplete frigates - the Neustrashimy-class (Project 1154) frigate *Tuman* and the Grom-class (Project 1244.1) frigate *Borodino*. Financial difficulties were reported to be behind the decision.³⁹

- **Lockheed Martin gets \$16.5 million contract for Paveway-II E-LGTR**

Lockheed Martin has bagged a \$16.5 million award from the US Navy to deliver Paveway-II Enhanced Laser Guided Training Rounds (E-LGTR). The E-LGTR system is fully compatible with F-16, FA-18, AV-8 and multiple international platforms.⁴⁰

III. ENERGY SECURITY REVIEW

- **Russia's State Duma approves Russia-China oil cooperation agreement**

Russia's State Duma, the lower house of parliament, approved a Russia-China intergovernmental agreement on oil cooperation on July 3. The agreement, which envisions long-term Russian oil supplies to China, was signed by Russian Deputy Prime Minister Igor Sechin and Chinese Vice-Premier Wang Qishan in April.

Another package of oil cooperation deals relating to pipeline construction, oil trade and loans that Russia and China inked in February also took effect after the signing of the intergovernmental pact. Both the countries will jointly build and operate a pipeline from the Siberian city of Skovorodino to China's northeastern city of Daqing. The pipeline will supply 15 million tons of crude to China within 20 years and is expected to go into operation in October 2010.⁴¹

- **Japanese diplomat Yukiya Amano is new IAEA chief**

Veteran Japanese diplomat Yukiya Amano was elected as the new director-general of the IAEA in a closely contested election. Mr. Amano was widely perceived as a candidate being supported by the developed world. India had initially supported Amano's rival for the post, South Africa's Abdul Samad Minty. Reports noted that Amano strongly supports nuclear disarmament and had also expressed his support to help build nuclear power infrastructure in developing countries.⁴²

³⁹ "IMDS 2009: Russia cuts two frigate programmes," July 3, 2009, at http://www.janes.com/news/defence/jni/jni090703_1_n.shtml

⁴⁰ "Lockheed Martin Receives USD16.5 Million for Paveway II Enhanced Laser Guided Training Rounds," June 29, 2009, at <http://www.india-defence.com/reports-4470>

⁴¹ "Russia's State Duma approves Russia-China oil co-op agreement", *Xinhua*, 4 July, 2009, at <http://asianenergy.blogspot.com/2009/07/russias-state-duma-approves-russia.html>

⁴² "Japanese diplomat Yukiya Amano is new IAEA chief", *Asia Energy*, 4 July, 2009, at <http://asianenergy.blogspot.com/2009/07/japanese-diplomat-yukiya-amano-is-new.html>

- **CNPC begins construction of Chad oil pipeline**

China National Petroleum Corp. (CNPC) has begun construction in Chad of a 300-km oil pipeline that will transport crude from Koudalwa field to the Djarmaya refinery, north of N'Djamena. President Idriss Deby Itno expressed the hope that oil resources can "contribute to economic development and the battle against poverty in our country." However, the cost and the capacity of the pipeline, slated to come online in 2013, were not disclosed.

CNPC's unit in Chad had made its first oil and gas discovery in April 2009 with an exploration well that had an output in excess of 1,000 tonnes of oil equivalent. CNPC stated that the discovery laid a foundation for the "smooth progress" of the joint venture refinery now being built, designed to produce around 700,000 tonnes per year (tpy) of gasoline and diesel, 20,000 tpy of kerosine, and 60,000 tpy of LPG. The facility is expected to become operational in 2011.⁴³

IV. INTERNAL SECURITY REVIEW

JAMMU AND KASHMIR

- **Centre backs state government's decision to pull out CRPF; Home Minister Chidambaram: Situation in J&K fragile; Centre explores phase-wise withdrawal of AFSPA in J&K**

The Central government on July 1 expressed its support for the decision of the J and K government to pull out the CRPF from north Kashmir and replace them with the state police. Talking to reporters in New Delhi, Union Home Minister P. Chidambaram also stated that the decision to repeal or withdraw the Armed Forces Special Powers Act (AFSPA) in the state as well as in the Northeast was under consideration. Reports noted that the central government will initially explore the possibility of phased withdrawal of the AFSPA in two districts of Kashmir (Srinagar and Budgam) and two in the Jammu region (Jammu and Kathua) where incidents of violence had shown a marked decline.⁴⁴

On the situation in J&K, Mr. Chidambaram admitted that the situation was "very fragile ... [a] slightest spark becomes conflagration. It is very unfortunate. We have to handle with great care."⁴⁵ CM Abdullah on his part asked the top officials of the state police and CRPF to formulate an effective plan to ensure smooth transition of duties to the state police. He also called for the

⁴³ "CNPC begins construction of Chad oil pipeline", *OGJ Oil Diplomatic Editor*, 2 July, 2009, at <http://asianenergy.blogspot.com/2009/07/cnpc-begins-construction-of-chad-oil.html>

⁴⁴ "Centre explores phase-wise withdrawal of AFSPA in J&K," *Daily Excelsior*, June 29, 2009, at <http://www.dailyexcelsior.com/web1/09june29/newsupdate.htm#2>

⁴⁵ "Centre backs CM's decision to pull out CRPF," *Daily Excelsior*, June 2, 2009, at <http://www.dailyexcelsior.com/web1/09july02/news.htm#1>

placement of magistrates in every district, and urged a magistrate to accompany the police in their missions.⁴⁶

MAOIST INSURGENCY

- **Security forces reclaim Dharampur and Kantapahari**

Security forces on July 1 reclaimed Dharampur, a Maoist bastion in West Bengal, which was out of bounds for the police for nearly eight months.⁴⁷ The security forces also reclaimed Kantapahari, 7 km from Lalgah and one of the strongholds of the Maoists.⁴⁸

Reports noted that countering the Maoists in Chhattisgarh and Jharkhand have resulted in more deaths of CRPF personnel in the first six months of 2009. 39 CRPF personnel lost their lives in these states, compared to only two in J&K and Northeast states between January-June of the current year. The CRPF however had a better success rate in J&K and Northeast, in terms of the number of insurgents killed. About 64 insurgents were killed in J&K and Northeast as compared to only 43 in the Maoists-affected states.⁴⁹

NORTHEAST DEVELOPMENTS

- **Centre-NDFB ceasefire extended**

The Union government extended the ceasefire with the National Democratic Front of Boroland (NDFB) for another six months. The earlier ceasefire agreement with the outfit expired on June 30.

Suspected insurgents gunned down five persons in an attack in Dimasa village in Assam's NC Hills district on July 1. The militants opened indiscriminate fire on residents of Semkhor killing the five on the spot and critically injuring the others.⁵⁰

OTHER DEVELOPMENTS

- **NIG and NCTC to be set up by the end of September**

The central government would set up a National Intelligence Grid (NIG) and National Counter-Terrorism Centre (NCTC) by the end of September of this year with a view to strengthening the intelligence-sharing and analyzing mechanism in the country. According to the Action Plan II released by Union Home Ministry, the establishment of NIG would be completed by September 30 as the Multi Agency Centre (MAC), which shares intelligence information with states

⁴⁶ "No blank cheque to security forces: Omar," *Daily Excelsior*, June 2, 2009, at <http://www.dailyexcelsior.com/web1/09july02/news.htm#2>

⁴⁷ "Security forces reclaim Dharampur," *Hindu*, June 2, 2009, at <http://www.hindu.com/2009/07/02/stories/2009070257940100.htm>

⁴⁸ "Security forces reclaim Kantapahari from Maoists," *Hindu*, June 30, 2009, at <http://www.hindu.com/2009/06/30/stories/2009063056101000.htm>

⁴⁹ "CRPF bled more in naxal infested areas than J&K and NE," *Daily Excelsior*, July 1, 2009, at <http://www.dailyexcelsior.com/web1/09july01/newsupdate.htm#4>

⁵⁰ "5 killed in suspected militant attack," *Hindu*, June 3, 2009, at <http://www.hindu.com/2009/07/03/stories/2009070350270100.htm>

and the security establishment, had already come into existence in the first phase. The Ministry has also fixed September 30 for obtaining necessary approvals for setting up of NCTC. NCTC aims at creating a National Network Security Architecture to address a host of problems that plague the internal security structure. Every state will have a subsidiary multi-agency centre that will be connected to the NCTC.⁵¹

Inaugurating the second National Security Guard (NSG) hub in Chennai, Home Minister P. Chidambaram stated that Special Forces of the Army will be utilized while setting up anti-terror hubs in Bangalore and Jodhpur. Mr. Chidambaram noted that establishing NSG hubs will increase the “flexibility and reach” of the outfit but it did not mean that “the terrorist threat had gone up in the country.”⁵²

⁵¹ “National Intelligence Grid by September-end,” *Daily Excelsior*, July 2, 2009, at <http://www.dailyexcelsior.com/web1/09july02/newsupdate.htm#2>

⁵² “Army’s special forces to be used for NSG hubs: PC,” *Daily Excelsior*, July 1, 2009, at <http://www.dailyexcelsior.com/web1/09july01/newsupdate.htm#2>