

THE WEEK IN REVIEW

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1. COUNTRY REVIEW

A. EAST ASIA

CHINA

- **Chinese military delegation led by Deputy Chief of PLA General Staff meets Mr. Antony; China gives \$700,000 for UN peacekeeping missions; Fourth Chinese naval task force returns from the Gulf of Aden; PLA conducts exercise to better handle medical emergencies; PLA conducts exercise to enhance long-distance mobility**

A Chinese military delegation led by Ge Zhenfeng, Deputy Chief of PLA General Staff visited India during the week and met with Defence Minister A.K. Antony. Mr. Antony told the delegation that it was essential that both countries develop friendly and cooperative relations in the interests of regional and world peace, stability and mutual development.¹

China's Deputy Permanent Representative at the UN handed over \$700,000 to UN Under Secretary General Alain Le Roy in support of UN peacekeeping missions.²

The guided-missile frigates 'Zhoushan' and 'Xuzhou' set sail for home from the eastern part of the Gulf of Aden after completing their duties on November 29.³ The vessels were part of the fourth Chinese naval escort taskforce conducting escort missions protecting Chinese and foreign merchant ships.⁴

In other developments, reports noted that the PLA conducted an exercise to fine tune measures designed to better handle health emergencies like outbreak of Type A/H1N1 influenza on December 2.⁵ PLA Armoured troops also recently successfully carried out a "long-distance heavy equipment projection" exercise intended to enhance rapid maneuver support capability.⁶

SOUTHEAST ASIA

- **Security forces detain former governor of the southern Philippines province of Maguindanao in connection with the November 23 massacre; Chinese Defence Minister Liang Guanglie calls on Thai PM Vejjajiva; Cambodian PM Hun Sen: Relations with Thailand will not**

¹ 'Indian Defense Minister Meets with Chinese Military Delegation', *PLA Daily*, December 5, 2009, at http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/05/content_4090279.htm

² 'China Donates \$700,000 to UN Peacekeeping Missions', *PLA Daily*, December 3, 2009, at http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/03/content_4089020.htm

³ 'Third Chinese Naval escort Taskforce Set Sail for Home', *PLA Daily*, November 30, 2009, at http://eng.chinamil.com.cn/news-channels/china-military-news/2009-11/30/content_4087489.htm

⁴ 'Fourth Chinese Naval Escort Taskforce Accomplishes First Escort Mission', *PLA Daily*, November 30, 2009, at http://eng.chinamil.com.cn/news-channels/china-military-news/2009-11/30/content_4087547.htm

⁵ 'A/H1N1 Emergency Handling Exercise Held', *PLA Daily*, December 4, 2009, at http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/04/content_4090000.htm

⁶ 'PLA Makes Breakthrough in Long-distance Projection of Heavy Equipment', *PLA Daily*, December 1, 2009, at http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/01/content_4088142.htm

improve till Vejjajiva is in office; India-Myanmar bilateral trade to reach \$1 billion in 2009-10

Philippines security forces detained a former governor of the southern province of Maguindanao, along with three of his sons, in relation to the worst case of political violence in the country on November 23 in which 57 people were massacred. President Arroyo imposed martial law on December 5 in the province.⁷

Over a thousand Indonesian troops returned after completing a one-year UN peacekeeping mission in Lebanon. Minister for Political, Legal and Security Affairs, Djoko Santosa expressed his gratitude for the dedication and professionalism of the troops in carrying out their mission. Indonesia was one of the twenty countries contributing troops to the UN peacekeeping mission in Lebanon.⁸

The visiting Chinese Defence Minister Liang Guanglie called on Thai Prime Minister Abhisit Vejjajiva during the week. Guanglie stated that China was willing to work jointly with Thailand to deal with global as well as regional challenges. He also pointed out that both countries would be celebrating the 35th anniversary of establishment of diplomatic ties in 2010. Mr. Vejjajiva on his part expressed the hope that both countries would jointly take measures to ensure maritime security.⁹

Cambodian Prime Minister Hun Sen stated that his country's relations with Thailand will not improve until Thai Prime Minister Vejjajiva and Foreign Minister Kasit Piromya were in office. Thai government spokesperson however reiterated that Thailand still prefers to settle bilateral differences with Cambodia through peaceful means.¹⁰

Myanmar's Ambassador to India U Kyi Thein stated that bilateral trade between India and Myanmar is likely to reach \$1 billion in 2009-2010, an increase of over \$50 million from the \$951 billion witnessed during 2008-09. Thein added that the proposed tri-nation gas pipeline project involving India, Myanmar and Bangladesh was expected to be completed within the next 2-3 years.¹¹

⁷ 'Philippines arrests clan chief, declares emergency', *The Jakarta Post*, December 5, 2009, at <http://www.thejakartapost.com/news/2009/12/05/philippines-arrests-clan-chief-declares-emergency.html>

⁸ 'Indonesian peacekeepers return from Lebanon', *The Jakarta Post*, December 2, 2009, at <http://www.thejakartapost.com/news/2009/12/02/indonesian-peacekeepers-return-lebanon.html>

⁹ 'PM meets Chinese defence minister', *Bangkok Post*, December 2, 2009, at <http://www.bangkokpost.com/breakingnews/161698/pm-welcomes-chinese-defence-minister>

¹⁰ 'Abhisit brushes off Hun Sen comments', *Bangkok Post*, December 1, 2009, at <http://www.bangkokpost.com/breakingnews/161588/govt-counters-hun-sen-criticism>

¹¹ 'India-Myanmar trade set to touch \$1 billion', *Indo-Burma News*, December 2, 2009, at <http://www.indoburmanews.net/archives-1/2009/november-2009/india-myanmar-gas-pipeline-may-take-shape-in-2-3-yrs/>

B. WEST ASIA

IRAN

- **IAEA votes 25-3 censuring Iran; Russia, China, India among other countries support the move; Iran vows to build 20 more nuclear reactors; Iranian authorities ban foreign media from covering December 7 rally**

The IAEA voted 25-3 censuring Iran over continued intransigence regarding its nuclear programme. Russia, China and India were among nations which supported the IAEA resolution. Seven nations abstained. President Ahmadinejad however announced that Tehran will build 10 more nuclear power reactors and asserted that sanctions will not have any effect on Iran. Russia meanwhile strongly warned Iran that it will be a part of any new consensus on stricter sanctions against Tehran if it expanded its nuclear activity.¹²

Reports noted that Iranian authorities have banned foreign media from covering the December 7 rally which is held annually to mark the death of three students killed in 1953 while staging an anti-American protest. This was on account of fear that opposition parties could utilize the occasion to stage renewed mass protests, which have been continuing since the disputed June elections.¹³

IRAQ

- **Oil companies upbeat about prospects in Iraq**

Reports noted that major oil companies were upbeat about the prospects of taking part in exploration and production activities in Iraq, despite limited number of oil fields open for foreign participation. Iraqi oil output is expected to rise 7 million barrels a day within six years from the current levels of 2.5 million barrels a day, which would catapult the country to the fourth biggest producer in the world.¹⁴

II. DEFENCE, NUCLEAR AND SPACE REVIEW

DEFENCE

NATIONAL

- **M&M and BAE Systems set up joint venture**

India's Mahindra and Mahindra (M&M) and UK's BAE systems signed an agreement on November 30 to set up a joint venture (JV) with an initial investment of \$21.25 million. The JV has already been approved by the Department of Foreign Investment Promotion Board earlier in the year. M&M

¹² 'Russia shifts stance on Iran, Ahmadinejad defiant', *Khaleej Times*, December 2, 2009, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2009/December/middleeast_December15.xml§ion=middleeast

¹³ 'Iran bans foreign media for rally', *BBC News*, December 6, 2009, at http://news.bbc.co.uk/2/hi/middle_east/8397767.stm

¹⁴ Timothy Williams, 'Oil Companies Look to the Future in Iraq', *New York Times*, December 1, 2009, at <http://www.nytimes.com/2009/12/01/world/middleeast/01iraqoil.html?ref=todaypaper&pagewanted=print>

has a 74 per cent stake in the JV, which will operate out of a facility in Faridabad, Delhi.

Initially employing about 100 employees, the JV is expected to manufacture the Axe high mobility vehicle, bulletproof Scorpios, Boleros, Rakshak, Rapid Intervention Vehicles and Marksman light armoured vehicles. It will also manufacture the Mine Protected Vehicle India (MPVI), the developmental process of which has been completed as well as artillery equipment like the M777 light weight howitzer and the FH77B howitzer.¹⁵

- **Gorshkov scheduled for induction in 2012**

Defence Minister A.K. Antony informed the Lok Sabha that the aircraft carrier Admiral Gorshkov will be inducted in December 2012.¹⁶ The carrier was earlier expected to be inducted in 2008, after India and Russia had signed a contract worth \$974 million in 2004, following an inter-governmental agreement in 2000. The project has since been beset by delays and cost escalations.¹⁷

- **SU-30MKI crashes near Pokhran**

One of the most advanced fighters of the IAF, a SU-30 MKI on a routine training sortie crashed near Pokhran on November 30. Following the crash, the IAF grounded the entire fleet. The IAF has about 90 SU-30MKI currently and is in the process of acquiring 230 such aircraft, of which 140 are to be manufactured/assembled by Hindustan Aeronautics Ltd (HAL). The fighter which crashed in Pokhran was reportedly supplied by the HAL.¹⁸

- **FIPB rejects EADS-L&T joint venture**

The Foreign Investment Promotion Board has rejected a proposal from the Franco-German aerospace and defence group, EADS and India's Larsen and Toubro's (L&T) to set up a joint venture intended to manufacture electronic warfare system, avionics and radars. Reports indicated that the proposed JV could exceed the maximum FDI limit allowed in the defence production sector. Currently, 26 per cent FDI was allowed, subject to prior approval and licensing.¹⁹

¹⁵ Mahindra Defence Systems and BAE Systems, 'Mahindra and BAE Systems sign Joint Venture agreement', *Press Release*, November 30, 2009, at <http://www.mahindra.com/Admin/tmpupload/Mahindra%20and%20BAE%20Systems%20sign%20Joint%20Venture%20agreement.doc>

¹⁶ Government of India, Ministry of Defence, 'Induction of Admiral Gorshkov', *Press Release*, November 30, 2009

¹⁷ Government of India, Ministry of Defence, *Press Releases*, 'Induction of Admiral Gorshkov', November 30, 2009; 'Cost and delivery schedule of Admiral Gorshkov', March 12, 2008; 'Cost Escalation of Aircraft-Carrier', October 22, 2008.

¹⁸ Government of India, Ministry of Defence, 'SU-30 MK I aircraft crash', *Press Release*, November 30, 2009; Manu Pubby, 'HAL probe on, Sukhoi grounded', *The Indian Express*, December 3, 2009

¹⁹ Government of India, Ministry of Finance, '17 FDI proposals approved', *Press Release*, December 1, 2009; Alexandra Stevenson, 'Delhi blocks EADS proposed joint venture', *Financial Times*, December 3, 2009, at <http://www.ft.com/cms/s/0/34f2a840-df7b-11de-98ca-00144feab49a,s01=1.html>

- **Antony: India taking steps to indigenize MBT power pack and Tejas engine**

Defence Minister A.K. Antony informed the Rajya Sabha that MBT Arjun's power-pack comprising of engine and transmission was imported from Germany while the armament system was indigenously developed. The engine of the Tejas aircraft was also fully imported from the US, which also supplies, along with Israel, France, Italy and the UK, 30 per cent of the aircraft's avionics.

Mr. Antony noted that India was taking steps to involve international players to support the further development of indigenous Kaveri engine developed by DRDO for Tejas and the indigenous power-pack for Arjun.²⁰

- **Antony: Delay in Scorpene delivery due to "some teething problems"**

Defence Minister A.K. Antony told the Rajya Sabha that there could be a delay in the delivery of Scorpene submarines to the Navy, due to "some teething problems, time taken in absorption of technology and delays in augmentation of industrial infrastructure and procurement of Mazagon Dock Ltd (MDL) purchased materials."

As per the initial schedule, a total of 6 submarines were to be inducted by December 2017, beginning from December 2012, to be followed by one submarine each year thereafter. The Scorpene project was sanctioned in October 2005 with an estimated budget of Rs. 18,798 crore, under a technology transfer agreement with the French company Armaris.²¹

- **Navy gets first batch of Mig 29 K fighters**

The first batch of four Mig-29 K fighters reached India in knocked-down form onboard an AN-132 cargo aircraft. The fighters, two of which are single-seater aircrafts and two twin-seater trainers, are to be based in Goa and will operate from shore until the Gorshkov carrier is inducted in December 2012. India has already ordered 16 Mig-29 Ks and is believed to be interested in procuring an additional 29 fighters of the same class.²²

NUCLEAR ISSUES

- **Obama expresses concerns about Pak nuclear weapons; MoS Chavan: Government to review processes and procedures at nuclear power stations**

US President Obama expressed concerns about the security of Pakistani nuclear assets falling into the hands of terrorist outfits like al-Qaeda and other extremists

²⁰ Government of India, Ministry of Defence, 'Indigenous technology for Arjun tank and Tejas Aircraft', *Press Release*, December 2, 2009

²¹ Government of India, Ministry of Defence, Press Release, 'Delay in building Scorpene range submarines at MDL', December 2, 2009; 'Manufacturing of submarines', November 25, 2009.

²² 'Navy's new MiG 29 K fighter arrive', *The Indian Express*, December 5, 2009.

groups seeking nuclear weapons.²³ Meanwhile, India's Minister of State for External Affairs Shashi Tharoor however stated that India was not worried about the safety of Pakistani nuclear weapons "as those who are very close to Pakistan seem to be convinced that there is nothing to be worried about."²⁴

Minister of State in the PMO Prithviraj Chavan informed Parliament that the government has decided to review the processes and procedures at all nuclear power stations following the "deliberate" contamination of drinking water at the Kaiga Atomic Power Station (KAPS). 92 employees suffered radiation effects as a result of that incident."²⁵

SPACE ISSUES

- **ISRO to launch GSLV-III in January 2010**

Reports noted that preparations by the ISRO to launch its next generation space launch vehicle, the Geosynchronous Launch Vehicle III (GSLV-III) in January 2010 were continuing apace.²⁶ The three-stage vehicle powered by a 200-tonne solid propellant will be the third largest rocket in the world. A diameter of 3.2 metres also makes the GSLV III the second largest in the world. The US Space Shuttle's rocket booster has a diameter of 3.6 and the European Ariane rocket has a diameter of 3.05 metres. The fuel burn time for GSLV Mark III will be 103 seconds, compared with 130 seconds for Ariane and 123 seconds for US Space Shuttle.

More powerful than the Polar Satellite Launch Vehicle (PSLV), the GSLV can place 2.5 tonne payloads in a Geo Transfer Orbit (GTO). The rocket has a launch weight of 630 tonnes and the first and second stages will be propelled by solid propellants, whereas the third stage will be boosted by a combination of liquid oxygen and liquid hydrogen.

²³ 'Obama Warns of Pakistani Nukes Falling Into Terror Hands', *Indian Express*, December 2, 2009, at <http://www.indianexpress.com/news/obama-warns-of-pak-nukes-falling-into-terror-hands/548889/>

²⁴ 'Tharoor: Not worried about Pak N-safety', *Times of India*, December 7, 2009, at <http://lite.epaper.timesofindia.com/getpage.aspx?pageid=10&pagesize=&edid=&edlabel=CAP&mydateHid=07-12-2009&pubname=&edname=&publabel=TOI>

²⁵ 'Nuclear Plant Processes Under Review After Kaiga Incident', *Times of India*, December 3, 2009, at <http://www.samaylive.com/news/nplant-processes-under-review-after-kaiga-incident/669732.html>

²⁶ 'India to test world's third largest solid rocket booster', *MSN News*, 7 December, 2009, <http://news.in.msn.com/national/article.aspx?cp-documentid=3474040>