

# THE WEEK IN REVIEW

Dec 7-13, 12(2), 2009

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## 1. COUNTRY REVIEW

### A. SOUTH ASIA

#### AFGHANISTAN

(NOVEMBER 30-DECEMBER 13)

- **Obama orders 30,000 more troops; MacChrystal terms troop surge as 'the end of the beginning' of the eight-year-old war; UN, India, EU, Japan welcome Obama's new strategy; Eikenberry: US at a critical juncture in its involvement in Afghanistan; Taliban: New strategy will face "fiasco" as the previous attempts; US House of representatives approves \$2.6 b aid to Afghanistan; Germany to compensate Kunduz air raid victims; 30 militants killed in NATO-led strike in Kunar**

President Obama ordered an additional 30,000 troops to be deployed to Afghanistan, ending speculations about the administration's move on the request by Gen. McChrystal. The troops would be in addition to the 68,000 US troops already deployed.<sup>1</sup> Afghan President Hamid Karzai was also briefed ahead of the announcement during a speech at West Point. Mr. Obama also stated that American forces would begin returning home after 18 months and added that Americans had "no interest in occupying your country." He asserted that the Karzai Administration could no longer expect a "blank check" from the US and urged it to act fast in not only providing good governance but also building up security forces capable of taking over once the US forces left.<sup>2</sup>

Gen. MacChrystal stated that the troop surge was "the end of the beginning" of the eight-year-old war and urged US troops to intensify their efforts in the difficult months ahead.<sup>3</sup> The additional troops would be moved into the volatile south of the country to help prevent insurgent activities.

UN Secretary General Ban Ki-moon, India, EU, Japan among others welcomed the new American approach.<sup>4</sup> India's Ministry of External Affairs (MEA) stated that it was "essential that the international community shows unwavering commitment in resolutely opposing, resisting and overcoming terrorism and those who nurture, sustain and give sanctuary to terrorists and extremist elements."<sup>5</sup>

US ambassador to Afghanistan Karl Eikenberry, testifying along with Gen. McChrystal before the House Armed Services Committee stated that the US was at a critical juncture in its involvement in the country. Eikenberry stated that

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<sup>1</sup> 'Obama orders troop surge in Afghanistan', *Pajhwok Afghan News*, November 30, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85541>

<sup>2</sup> 'Obama: No interest in occupying Afghanistan', *Pajhwok Afghan News*, December 2, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85595>

<sup>3</sup> 'It's the end of the beginning, believes McChrystal', *Pajhwok Afghan News*, December 2, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85619>

<sup>4</sup> 'Ban welcomes Obamas new Afghan-Pak policy', *Pajhwok Afghan News*, December 3, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85678>

<sup>5</sup> 'India welcomes President Obama's revised AfPak policy', *The Hindu*, December 4, 2009 at <http://www.thehindu.com/2009/12/04/stories/2009120456930100.htm>

President Obama's new strategy was the "best" path to stabilise Afghanistan and ensure that al-Qaeda and other terrorist groups did not regain a foothold to plan new attacks against Washington and its allies.<sup>6</sup>

The Taliban on its part asserted that the new US strategy "will fail ... and will face fiasco."<sup>7</sup> 25 NATO allies meanwhile promised to send 7,000 more troops. NATO Secretary-General Anders Fogh Rasmussen stated that the development was "solidarity in action ..."<sup>8</sup>

The US House of Representatives approved nearly \$2.6 billion in financial assistance to Afghanistan as part of a massive \$1.1 trillion 2010 appropriations bill.<sup>9</sup>

Germany promised compensation for relatives of more than 140 Afghan civilians killed in a controversial Kunduz air strike on oil truck tankers. German defence minister, after visiting the scene of the September 4 air raid, made this announcement on December 12.<sup>10</sup>

In other developments, NATO-led troops killed 36 militants and destroyed a key Taliban stronghold consisting of bunkers and defensive positions in the eastern province of Kunar, bordering Pakistan's volatile tribal region of Bajaur.<sup>11</sup>

## PAKISTAN

- **Suicide blasts in Lahore, Peshawar, Multan kill scores of people and security personnel; Obama: Afghanistan-Pakistan border is the epicenter of terrorists groups targeting West and US; Key al Qaeda commander killed in US drone attack in North Waziristan; PM Gilani urges exiled Baloch rebels to initiate a dialogue process; India asks Russia to impress upon Pakistan to curb terrorist activities**

Twin bomb blasts in Lahore near a busy market place on December 7 killed 30 and injured over 100 people. On the same day, another suicide attack in Peshawar killed nine people outside the session's court.<sup>12</sup> On December 8,

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<sup>6</sup> 'US Afghan mission at critical juncture: Eikenberry', *Pajhwok Afghan News*, December 8, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85966>

<sup>7</sup> 'Obama's strategy to face fiasco: Taliban', *Pajhwok Afghan News*, December 3, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85664>

<sup>8</sup> 'NATO offers 7, 000 more troops for Afghan war', *Pajhwok Afghan News*, December 4, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85737>

<sup>9</sup> 'US House OKs \$2.6b aid to Afghanistan', *Pajhwok Afghan News*, December 11, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=86111>

<sup>10</sup> 'Berlin to compensate air raid victims', *Pajhwok Afghan News*, December 12, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=86141>

<sup>11</sup> '36 killed as NATO strikes militant stronghold in Kunar', *Pajhwok Afghan News*, December 7, 2009 at <http://www.pajhwok.com/viewstory.asp?lng=eng&id=85860>

<sup>12</sup> 'Terror spate continues: Bomb blasts kill 38 in Lahore market, 9 in Peshawar', *Daily Times*, December 8, 2009 at [http://www.dailytimes.com.pk/default.asp?page=2009\12\08\story\\_8-12-2009\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2009\12\08\story_8-12-2009_pg1_1)

suicide bombers killed at least 12 security personnel in Multan outside a government building which housed an ISI office.<sup>13</sup>

President Obama meanwhile urged Pakistan to increase its level of cooperation in order to fight the al Qaeda more effectively. Obama added that the border region between Pakistan and Afghanistan is the “epicenter of the violent extremism directed against the West and the US.”<sup>14</sup>

In continuing US military operations, an important al Qaeda commander, Abu Yahya al-Libbi was reportedly killed in a drone attack in North Waziristan on December 11.<sup>15</sup>

PM Gilani, addressing a joint meeting of the Parliament on December 9, urged exiled Baloch leaders to initiate a dialogue process with the government. He added that the issue of provincial autonomy was being considered by the Parliamentary Committee on Constitutional Reforms.<sup>16</sup>

In other developments, PM Dr. Manmohan Singh urged Russia to impress upon Pakistan to curb terrorist activities directed against India from its soil.<sup>17</sup>

## BHUTAN

- **At Copenhagen, Bhutan urges that the issue of climate change be linked to the concept of Gross National Happiness; Electricity from the 650 MW Amochu hydro-electric plant to be fed into West Bengal’s grid after completion; Bhutan’s outstanding debt stands at Nu 3.8 billion (\$114 million); UNHCR: 25,000 refugees resettled under the Third Country Resettlement Programme**

At the Copenhagen climate conference, Bhutan urged that the issue of climate change be linked to the concept of Gross National Happiness (GNH). Deputy Minister of the National Environment Commission, Dasho Nado Rinchhen stated that such a linkage will act as a barrier against excessive materialism.<sup>18</sup> Bhutan has meanwhile signed a declaration to guided by a strong sense of “conservation ethics.” It promises to ensure that the country remains a carbon neutral environment as well as emphasizes Bhutan’s status as a net sink for greenhouse gases (GHG).<sup>19</sup>

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<sup>13</sup> ‘12 killed as Taliban target ISI in Multan’, *Daily Times*, December 9, 2009 at [http://www.dailytimes.com.pk/default.asp?page=2009\12\09\story\\_9-12-2009\\_pg1\\_1](http://www.dailytimes.com.pk/default.asp?page=2009\12\09\story_9-12-2009_pg1_1)

<sup>14</sup> ‘Pakistan must help US against Qaeda: Obama’, *Daily Times*, December 13, 2009 at [http://www.dailytimes.com.pk/default.asp?page=2009\12\13\story\\_13-12-2009\\_pg1\\_2](http://www.dailytimes.com.pk/default.asp?page=2009\12\13\story_13-12-2009_pg1_2)

<sup>15</sup> Mushtaq Yusufzai, ‘Top al-Qaeda man killed in NWA drone hit: report’, *The News*, December 12, 2009 at [http://www.thenews.com.pk/arc\\_default.asp](http://www.thenews.com.pk/arc_default.asp)

<sup>16</sup> Asim Yasin & Muhammad Anis, ‘Gilani invites self-exiled Baloch leaders for talks’, *The News*, December 10, 2009 at [http://www.thenews.com.pk/top\\_story\\_detail.asp?Id=25996](http://www.thenews.com.pk/top_story_detail.asp?Id=25996)

<sup>17</sup> Jawed Naqvi, ‘Action against terrorism: India asks Russia to influence Pakistan’s policy’, *Dawn*, December 7, 2009 at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/action-against-terrorism-india-asks-russia-to-influence-pakistans-policy-729>

<sup>18</sup> ‘GNH solution to climate change’, *The Kuensel*, December 14, 2009 at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=14218>

<sup>19</sup> ‘Bhutan pledged to carbon neutrality’, *The Kuensel*, December 12, 2009 at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=14207>

The Chairman of West Bengal State Electricity Distribution Company Limited announced that electricity generated at the 650 MW Amochu hydro-electric plant would be fed into the state's grid.<sup>20</sup> Tata Power Company has started construction of the hydel power project. Meanwhile, the first unit of the 114 MW Dagachhu hydropower project is expected to be commissioned in 2013.<sup>21</sup>

Reports noted that Bhutan currently has an outstanding debt of Nu 3.8 billion (\$114 million), which is excluding the Rs. 5 billion (\$150 million) borrowed from India in 2009.<sup>22</sup>

In other developments, the UN High Commissioner for Refugees (UNHCR), Nepal announced that 25,000 refugees from Bhutan have been resettled under the Third Country Resettlement Programme. The US had so far accepted the largest number of refugees (22,060) followed by Australia (1006), Canada (892), Norway (316), Denmark (305), New Zealand (299) and the Netherlands (122).<sup>23</sup>

## B. EAST ASIA

### CHINA

- **PLA Navy Fleet, returning from escort duties in the Gulf of Aden, pays a good-will visit to Malaysia; PLAN vessels on goodwill tour of South America as well; China to produce new generation MBT, to replace Type-99 MBT; A ground-air joint intelligence-reconnaissance exercise under information-based conditions held**

The guided-missile frigate of PLA Navy 'Xuzhou' arrived at Port Kelang, Malaysia on its way back home after completing its task of escorting Chinese ships in the Gulf of Aden and in the waters off the Somali coast.<sup>24</sup> A Chinese naval fleet also reached Guayaquil, the largest city in Ecuador from Peru on a four-day goodwill visit. The two-vessel fleet consisted of missile destroyer Shijiazhuang and supply ship Hongzehu.<sup>25</sup>

Reports noted that China would produce the next generation of main battle tank (MBT) which would be able to launch all-dimensional attacks and engage in all-directional self-protection with a minimum tank crew. The most

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<sup>20</sup> 'Bhutan hydel plant to meet Bengal demand', *The Telegraph*, December 13, 2009 at [http://www.telegraphindia.com/1091214/jsp/business/story\\_11860375.jsp](http://www.telegraphindia.com/1091214/jsp/business/story_11860375.jsp)

<sup>21</sup> 'Tata Power to commission first unit of Dagachhu in 2013,' DNA, December 13, 2009, at [http://www.dnaindia.com/money/report\\_tata-power-to-commission-first-unit-of-dagachhu-in-2013\\_1323287](http://www.dnaindia.com/money/report_tata-power-to-commission-first-unit-of-dagachhu-in-2013_1323287)

<sup>22</sup> 'Is Bhutan's debt sustainable?' *The Kuensel*, December 15, 2009 at <http://business.asiaone.com/Business/News/Story/A1Story20091215-185924.html>

<sup>23</sup> 'At least 25,000 Bhutan refugees resettled in West - UNHCR', Reuters, December 9, 2009 at <http://in.reuters.com/article/southAsiaNews/idINIndia-44596920091209?pageNumber=2&virtualBrandChannel=0&sp=true>

<sup>24</sup> 'Xuzhou' Guided-missile Frigate Visits Malaysia', *PLA Daily*, December 7, 2009 at [http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/07/content\\_4091431.htm](http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/07/content_4091431.htm)

<sup>25</sup> 'Chinese Navy Fleet Arrives in Ecuador for Goodwill Visit', *PLA Daily*, December 12, 2009 at [http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/12/content\\_4094289.htm](http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/12/content_4094289.htm)

advanced tank in active service in the PLA is currently the type-99 MBT, which has three crew members after a feeding man is eliminated.<sup>26</sup>

A ground-air joint intelligence-reconnaissance exercise under information-based conditions began on December 1 involving 20 reconnaissance elements from a motorized infantry division and an air force aviation division of the Shenyang Military Area Command.<sup>27</sup>

In other developments, the visiting Chief of General Staff of the Armed Forces of the Philippines (AFP) Victor Ibrado met with Defense Minister Liang Guanglie and his Chinese counterpart Chen Bingde. Both sides vowed to maintain and increase effective cooperation across a broad range of areas.<sup>28</sup> PLA Deputy Chief of General Staff Ge Zhenfeng also visited Jordan and met with his Jordanian counterpart.<sup>29</sup>

## SOUTHEAST ASIA

- **75 school children abducted in Mindanao province; MILF militants freed by Islamic militants during a raid on a jail; Fourth annual bilateral consultation meeting between Malaysia and Thailand takes place; Bali Democracy Forum, co-chaired by Indonesia and Japan held; 442 members of parliament from 29 countries urge UNSC to set up commission of inquiry to investigate 'Crimes against Humanity' and 'War Crimes' by Myanmar authorities**

Fifteen members of the Manobo tribe raided an elementary school in Agusan del Sur province in Mindanao province in Philippines on December 10 and abducted 75 people. The group wanted a long list of grievances to be solved in return for releasing the hostages. 17 students and later 10 more along with the school principal were freed but 45 still remained in captivity.<sup>30</sup> In a similar incident on December 13, about thirty suspected Islamic militants attacked a jail in Isabela city of southern Philippines and freed more than thirty inmates, including suspected members of the Moro Islamic Liberation Front.<sup>31</sup>

Malaysian PM Najib Razak visited Thailand from December 7 for the fourth annual bilateral consultation meeting. This was Najib's first visit to Thailand since he took office in April this year. Najib and his Thai counterpart

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<sup>26</sup> 'Next Generation of Chinese Tanks will Possess All-dimensional Attack Capability', *PLA Daily*, December 8, 2009 at [http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/08/content\\_4092001.htm](http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/08/content_4092001.htm)

<sup>27</sup> '20 Intelligence-reconnaissance Elements Exercise in Changbai Mountain', *PLA Daily*, December 7, 2009 at [http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/07/content\\_4091435.htm](http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/07/content_4091435.htm)

<sup>28</sup> 'China, Philippines Pledge to Promote Military Ties', *PLA Daily*, December 12, 2009 at [http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/09/content\\_4092185.htm](http://eng.chinamil.com.cn/news-channels/today-headlines/2009-12/09/content_4092185.htm)

<sup>29</sup> 'Chairman of Joint Chiefs of Staff of Jordan Meets Ge Zhenfeng', *PLA Daily*, December 10, 2009 at [http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/10/content\\_4093331.htm](http://eng.chinamil.com.cn/news-channels/china-military-news/2009-12/10/content_4093331.htm)

<sup>30</sup> 'Gunmen abduct dozens in Philippines', *The Bangkok Post*, December 11, 2009 at <http://www.bangkokpost.com/breakingnews/162331/gunmen-abduct-dozens-in-philippines>

<sup>31</sup> 'Militants attack Philippines jail, 31 inmates freed', *The Jakarta Post*, December 13, 2009 at <http://www.thejakartapost.com/news/2009/12/13/militants-attack-philippine-jail-31-inmates-freed.html>

Abhisit Vejjajiva discussed measures to bring to an end continuing violence at their border regions in the far South that has claimed more than 3,500 lives during the last six years.<sup>32</sup> The second bridge over the Golok River in Narathiwat province was also renamed as the Friendship Bridge in the presence of both the PM's. The bridge links Narathiwat province in Thailand with Malaysia's Kelantan state.<sup>33</sup>

Malaysia also expressed its willingness to offer support to the Thai government to set up Islamic Banks in the three volatile provinces of Patani, Narathiwat and Yala to ensure economic development of Muslims who are in majority in that area.<sup>34</sup>

At the sidelines of the two-day Bali Democracy Forum which opened on December 10, Indonesian President Susilo Yudhoyono met with Japanese PM Yukio Hatoyama and held talks on various areas of bilateral cooperation. Japan and Indonesia are the two co-chairs of the Forum. Japan agreed to provide economic stimulus funding to Indonesia as well as assist in the construction of several bridges in Indonesia.<sup>35</sup>

On the occasion of the International Human rights Day on December 10, 442 members of parliament from 29 countries urged the UN Security Council to set up a commission of inquiry to investigate 'Crimes against Humanity' and 'War Crimes' by the Myanmar military junta. They also urged the UN Council to impose a global arms embargo against the junta.<sup>36</sup>

## B. WEST ASIA

### IRAN

- **UK, US, France at UN: New sanctions if Iran fails to reassure world about its nuclear programme; Mottaki: Iran ready to exchange the bulk of its stockpile of enriched uranium, according to "its own mechanisms and timetable"; Instances of defacement of posters of religious leaders heightens domestic tensions**

Britain's UN Ambassador Mark Grant stated that new UN sanctions would be imposed on Iran if it failed to reassure the world community about the peaceful nature of its nuclear program. France's UN Ambassador also echoed the same sentiment. US Ambassador Susan Rice on her part stressed that the international

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<sup>32</sup> 'Malaysian PM visits Thailand', *The Bangkok Post*, December 7, 2009 at <http://www.bangkokpost.com/breakingnews/161975/malasian-pm-visits-thailand>

<sup>33</sup> 'Abhisit meets Malaysian PM', *The Bangkok Post*, December 8, 2009 at <http://www.bangkokpost.com/breakingnews/162058/pm-meets-malaysian-counterpart>

<sup>34</sup> 'Malaysians willing to help Thailand set up Islamic Bank', *Bernam.com*, December 12, 2009 at [http://www.bernama.com/bernama/v5/news\\_lite.php?id=461776](http://www.bernama.com/bernama/v5/news_lite.php?id=461776)

<sup>35</sup> 'Yudhoyono meets Japan PM', *The Jakarta Post*, December 10, 2009 at <http://www.thejakartapost.com/news/2009/12/10/yudhoyono-meets-japan-pm.html>

<sup>36</sup> 'UNSC urged to investigate junta's 'Crime against humanity'', *Burma News International*, December 10, 2009 at <http://www.bnionline.net/news/kng/7547-UNSC-urged-to-investigate-juntas-crime-against-humanity.html>

community stood “firm in its conviction that Iran must comply with its international obligations.” The three envoys were talking to reporters after the tabling of a report of a UNSC panel monitoring implementation of a 2007 resolution imposing ban on arms exports. The panel presented details of two incidents in which vessels carrying arms-related materiel from Iran to Syria were intercepted.<sup>37</sup>

Iranian Foreign Minister Manochehr Mottaki meanwhile stated that Iran was ready to exchange the bulk of its stockpile of enriched uranium for nuclear fuel rods according to its own mechanisms and timetable. Iran had agreed in early October to send 1,200 kg of uranium abroad in exchange for fuel rods to power its research reactor. Reports indicate that Iran has about 1,500 kg of low-enriched uranium.<sup>38</sup>

Opposition groups accused Iranian authorities of indulging in “unconventional” actions to counter the reform movement, after reports brought out instances of defacement of pictures of religious leaders. A statement on the Kaleme website of opposition leader Mirhossein Mousavi urged supporters “to be fully alert and keep themselves updated about the latest developments.”<sup>39</sup>

## IRAQ

- **Multiple bomb attacks kill more than 100 in Baghdad; Gates calls on Talabani and al-Maliki**

Coordinated car bomb attacks in Baghdad killed over 100 people and wounded nearly 200, in the worst wave of violence in more than a month. The attacks marked the third time since August that government buildings were targeted with multiple blasts.<sup>40</sup>

US Defense Secretary Robert Gates visited Iraq and met with Iraqi officials amidst a wave of car bomb attacks. Gates conveyed his condolences to President Talabani and PM al-Maliki and offered all possible assistance. al-Maliki reportedly informed his guest that political feuds, coordination troubles between police and army and budget cuts due to falling oil prices have hurt efforts to expand security operations.<sup>41</sup>

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<sup>37</sup> ‘Western envoys threaten Iran with UN sanctions’, *Khaleej Times*, December 11, 2009 at [http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast\\_December219.xml&section=middleeast](http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast_December219.xml&section=middleeast)

<sup>38</sup> ‘Iran agrees to nuclear fuel swap, with caveats’, *Khaleej Times*, December 12, 2009 at [http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast\\_t\\_December251.xml&section=middleeast](http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast_t_December251.xml&section=middleeast)

<sup>39</sup> ‘Iran opposition warns of action against reformers’, *Khaleej Times*, December 13, 2009 at [http://www.khaleejtimes.com/DisplayArticle08.aspx?xfile=data/middleeast/2009/December/middleeast\\_t\\_December267.xml&section=middleeast](http://www.khaleejtimes.com/DisplayArticle08.aspx?xfile=data/middleeast/2009/December/middleeast_t_December267.xml&section=middleeast)

<sup>40</sup> ‘Coordinated blasts hit Baghdad, 103 killed’, *Khaleej Times*, December 8, 2009 at [http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast\\_t\\_December143.xml&section=middleeast](http://www.khaleejtimes.com/DisplayArticle09.aspx?xfile=data/middleeast/2009/December/middleeast_t_December143.xml&section=middleeast)

<sup>41</sup> US Defense Secretary Gates arrives in Iraq’, *Khaleej Times*, December 11, 2009 at [http://www.khaleejtimes.com/DisplayArticle08.aspx?xfile=data/middleeast/2009/December/middleeast\\_t\\_December221.xml&section=middleeast](http://www.khaleejtimes.com/DisplayArticle08.aspx?xfile=data/middleeast/2009/December/middleeast_t_December221.xml&section=middleeast)

## II. DEFENCE REVIEW

### DEFENCE NATIONAL

- **Boeing places offset orders over \$600 million with Indian companies related to P-8I deal**

The head of Boeing Integrated Defense Systems India stated that his company has “started to place contracts worth over \$600 million with Indian companies,” as part of offset obligations accruing from the P-8I contract. The contract, valued at \$2.1 billion, was signed in January 2009, under the terms of which Boeing will supply 8 long-range maritime reconnaissance and anti-submarine warfare aircrafts to the Indian Navy by 2015. The first plane is expected to be delivered within 48 months from the date of contract signing. The contact involves 30 per cent offsets. Among the Indian companies who have been awarded contracts include Electronics Corporation of India (ECL), Hindustan Aeronautics Ltd (HAL) and Bharat Electronics Ltd (BEL).<sup>42</sup>

- **France facing stiff competition from Israel for IAF Mirage up-gradation**

Reports noted that Israel has shown keen interest in the up-gradation of IAF’s Mirage fighters and has offered a price which was 40 per cent less than that of France. An Israeli delegation led by Gen. Gabi Ashkenazi, Israel’s defence services chief made presentations to Indian officials including Air Chief Marshal P.V. Naik during a recent visit to India.

While an Israel Aerospace Industries-led upgrade could cost Rs. 96 crore per plane, an upgrade by France’s Dassault Aviation and Thales would cost Rs. 152 crore. France is expected to re-consider its offer on account of the stiff competition from Israel.<sup>43</sup>

- **Eurojet and General Electric submit Tejas offset proposals**

European military engine consortium Eurojet and America’s General Electric (GE) submitted their offset proposals concerning the engine of the Light Combat Aircraft, Tejas. India’s Ministry of Defence (MoD) had issued a Request for Proposal (RFP) to these vendors for supply of 99 engines for the indigenous Tejas in July 2009. The contact is valued at \$750 million. For Tejas, Eurojet’s EJ200 engine is competing with GE’s F-414 engine. Both the companies have reportedly got the approval from their respective authorities to meet key requirements of India’s MoD.<sup>44</sup>

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<sup>42</sup> Bappa Majumdar, ‘Interview - Boeing orders \$600m from India defence companies’, *Reuters India*, December 7, 2009 at <http://in.reuters.com/article/topNews/idINIndia-44526720091207?sp=true>; ‘Boeing P-8I Selected as Indian Navy’s Long-Range Maritime Patrol Aircraft’, Boeing News Releases, January 6, 2009 at <http://www.boeing.co.in/NewsRoom.do>

<sup>43</sup> Sujan Dutta, ‘Mirage math: Israel better than France’, *The Telegraph*, December 11, 2009.

<sup>44</sup> Praveena Sharma, ‘Tejas engine offset offers come in’, *DNA*, December 12, 2009, at [http://www.dnaindia.com/money/report\\_tejas-engine-offset-offers-come-in\\_1322774](http://www.dnaindia.com/money/report_tejas-engine-offset-offers-come-in_1322774)

- **Nuclear-capable Dhanush test-fired successfully**

The nuclear-capable ballistic missile 'Dhanush' with a range of 350 km and a payload of 500 kg was successfully fired from a naval ship, INS Subhadra off the Orissa coast on November 13. The missile, a naval version of Prithvi, is developed by the DRDO and can hit both sea and shore-based targets.<sup>45</sup>

#### INTERNATIONAL

- **Pakistan gets first AWACS aircraft**

Pakistan inducted the first of four Saab-2000 Airborne Early Warning & Control (AWACS) aircrafts on December 8. The system can reportedly detect high and medium altitude flying aircraft, as well as low-level flying objects over land and sea at extended ranges.<sup>46</sup>

### III. ENERGY SECURITY REVIEW

- **Chinese company wins Iraq oil contract**

Chinese state oil firm CNPC won the right to develop yet another lucrative Iraqi oilfield on December 11. A CNPC-led group of oil firms successfully bid to develop the Halfaya oilfield. The contract is the third big deal CNPC has secured in Iraq after the Ahdab and the super giant Rumaila field, secured in June 2009.

Analyst Raad Alkadiri, head of global risk at the Washington-based consultancy PFC Energy noted that cheap labour costs and a willingness to take more risks than their Western counterparts have given Chinese state energy firms an edge in garnering contracts.<sup>47</sup>

- **Nascent Ghana oil industry attracts oil majors**

China's largest offshore oil producer CNOOC Ltd. stated that the Ghanaian government had not allowed it to bid for Kosmos Energy LLC's assets in the African nation. The Ghanaian energy ministry asserted it had "absolute" approval rights over exploration contracts even as the US company Kosmos stated that it had signed a binding agreement to sell nearly 25 per cent of its stake in Ghanaian oil field, worth at least \$4 billion, to Exxon. Ghana's nascent petroleum industry has attracted a lot of attention from some of the world's top energy companies. Ghana expects to pump 500,000 barrels of oil a day by 2014.<sup>48</sup>

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<sup>45</sup> 'Dhanush blips out Agni failures,' *The Times of India*, December 13, 2009.

<sup>46</sup> Pakistan Air Force, 'PAF Receives its First Airborne Early Warning & Control Aircraft', December 8, 2009, at <http://www.paf.gov.pk/news/uploaded/saab.pdf>

<sup>47</sup> 'Chinese daring to win another chunk of Iraq oil', *Reuters*, December 12, 2009 at <http://www.reuters.com/article/idUSGEE5BA1DM20091211?type=marketsNews>

<sup>48</sup> 'China not allowed to bid for Ghana jubilee field', *Ghana Business News*, December 12, 2009 at <http://ghanabusinessnews.com/2009/11/14/china-not-allowed-to-bid-for-ghana-jubilee-field/>

- **11 nuclear power units operating below capacity due to lack of sufficient supplies of indigenous uranium**

The Minister in the Prime Minister's Office Pritviraj Chavan informed Rajya Sabha on December 9 that 11 of India's 17 nuclear power reactors were operating below optimum capacity due to a lack of sufficient supplies of indigenous uranium. Of the remaining six, three reactors use imported uranium and are operating at maximum capacity, while the remaining three are currently shut for long-term maintenance. Capacity utilization of nuclear power plants during April-November 2009 stood at 60 per cent, while nuclear power accounted for 2.9 per cent of the total 154 GW of power generated.<sup>49</sup>

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<sup>49</sup> 'India's 11 Nuclear Power Units Short of Uranium', *The Wall Street Journal*, December 9, 2009 at [http://online.wsj.com/article/SB126034438674983263.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB126034438674983263.html?mod=googlenews_wsj)