

THE WEEK IN REVIEW

December 13-26, 12(2), 2010

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I. COUNTRY REVIEW

A. EAST ASIA

CHINA

(DECEMBER 13-26, 2010)

- **China and Australia held 13th Sino-Australian defence strategic consultation; Jordanian General visits China; Ma Xiaotian describes Bangladesh as a 'neighbor' of China; Mongolia and China will deepen defence cooperation; Singapore and China are satisfied with the pace and state of defence cooperation; Afghanistan looks for military ties with China; Israeli admiral Eliezer Marom and Chinese Defence reiterate the bilateral military cooperation; General Ma Xiaotian visits Cuba; Chinese naval formation pays wraps up the good-will visit to Bahrain; The PLA organizes a seminar on terrorism for the officers from the SCO countries; The eleventh peacekeeping contingent of the PLA headed for Liberia; A two-day seminar on two-years of China's taskforces in the Gulf of Aden held; New technologies enhance its battlefield medical aid capabilities; The PLA improves its logistics tremendously; A project on image-making passes evaluation**

China and Australia held 13th Sino-Australian defence strategic consultation on December 16-17 at Nantong in East China's Jiangsu Province. Member of the Central Military Commission (CMC) and Chief of General Staff of the Chinese People's Liberation Army (PLA) Chen Bingde, Chief of the Australian Defense, Force Angus Houston, and Secretary of Defense of Australia Dr Ian Watt, jointly chaired the strategic consultation. Started in 1997, this consultation mechanism is claimed to be one of the defense dialogue mechanisms between the Chinese military and foreign militaries with the highest rank, longest duration and smoothest progress. Reports noted that the two sides exchanged views on international and regional security issues, relations between China and Australia and also their two militaries, national defense and army building, as well as other issues of common concern.¹

Chief of Staff for Strategic Planning of the Jordanian Armed Forces, Brig. Gen. Atef Al Tal visited China last week. During his visit, he met with Deputy Chief of General Staff of the Chinese People's Liberation Army (PLA), Ma Xiaotian on 23 December. The Jordanian general visited China to attend the first meeting of the

¹ "13th Sino- Australian defense strategic consultation held", *PLA Daily* (Online), 20 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/20/content_4356133.htm

China-Jordan Defense Cooperation Committee of the defense ministries of the two nations.² On the same day, Ma Xiaotian also met with the visiting Chief of General Staff of Bangladesh Army Manuel in Beijing. Interestingly, Ma Xiaotian described Bangladesh as a friendly 'neighbor' of China. On this occasion, he assured Bangladeshi General that the Chinese military was willing to strengthen the friendly cooperation between the two militaries, continue to support the modernization drive of the Bangladesh military and make joint efforts to boost the development of the relations between the two countries. On his part, Manuel expressed his gratitude to the Chinese government and the military for their long-time support and help to Bangladesh.³

The Chief of General Staff of the Mongolian Armed Forces, Tserendejid Byambajav met with the member of the Central Military Commission and Chief of General Staff of the Chinese People's Liberation Army, Chen Bingde, in Beijing on 22 December. On this occasion, Byambajav said that the Mongolian side was willing to further strengthen the high-level contacts with the Chinese side and expand the cooperation in personnel training and joint training.⁴

The State councilor and Defense Minister of the People's Republic of China, Liang Guanglie met with the visiting chief of Singaporean Navy, Rear Admiral Chew Men Leong in Beijing on 21 December. Later on the same day, the visiting admiral also met with the member of the Central Military Commission and commander of the Navy of the Chinese People's Liberation Army, Wu Shengli. The two sides appreciated the pace and state of defence cooperation between China and Singapore.⁵

Deputy defense minister of Afghanistan, Mohebullah Moheb paid an official visit to China last week. There he met with Sun Jianguo, Deputy Chief of General Staff of the Chinese People's Liberation Army on 17 December. During the meeting, Moheb said that the Afghan government and military were grateful to China for its support and the Afghan National Army was willing to strengthen the friendly ties with the Chinese People's Liberation Army.⁶

Recently, Israeli Navy's admiral Eliezer Marom visited China. He met with Chinese Defence Minister Liang Guanglie on 13 December. On this occasion, Liang remarked that Sino-Israeli ties had developed smoothly since the

² "Ma Xiaotian meets Jordanian guests", *PLA Daily* (Online), 24 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/24/content_4358308.htm.

³ "Ma Xiaotian meets Bangladesh guests", *PLA Daily* (Online), 24 December 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/24/content_4358309.htm.

⁴ "Chen Bingde holds talks with Mongolian counterpart", *PLA Daily* (Online), 23 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/23/content_4357885.htm.

⁵ "Liang Guanglie and Wu Shengli meet Singaporean Navy chief respectively", *PLA Daily* (Online), 22 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/22/content_4357347.htm.

⁶ "Sun Jianguo meets Afghan military delegation", *PLA Daily* (Online), 20 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/20/content_4356135.htm.

establishment of diplomatic relations in 1992. The two sides stressed that China and Israel should boost their bilateral relationship as well as inter-military links.⁷

Meanwhile, Deputy Chief of the General Staff of the Chinese People's Liberation Army General Ma Xiaotian reached Cuba on 13 December for a goodwill visit at the invitation of Cuba's Revolutionary Armed Forces Ministry⁸ where he met with Cuban leader Raul Castro on 16 December. On this occasion, Ma said that China-Cuba traditional friendship has grown increasingly stronger since the establishment of diplomatic ties between the two countries in 1960.⁹

Reports noted that the visiting Chinese naval ship formation consisting of the "Kunlunshan" warship and the "Weishanhu" warship concluded its good-will visit and left Salman Port of Al Manamah, capital city of Bahrain, wrapping up its five-day-long good-will visit to Bahrain on 13 December.¹⁰

According to reports, nearly 20 high-ranking officers and officials from the defense ministries of the member states of the Shanghai Cooperation Organization (SCO) attended the seminar on anti-terror experience which was held at the College of Defense Studies of the National Defense University (NDU) of the Chinese People's Liberation Army (PLA) in Beijing on 13 December. During this 7-day seminar, the representatives discussed role of the military in anti-terror actions, experience in participating joint anti-terror military exercises and prospect for future international anti-terror situation.¹¹

A 275-strong batch of Chinese troops left Beijing on 16 December left for Liberia to join the United Nations-mandated peacekeeping mission. Another batch of 283 Chinese peacekeeping troops will leave later in this month. The total 558 troop keepers will assume an 8-month-long mission in Liberia as the 11th contingent of Chinese peacekeeping troops to Liberia.¹²

Reports noted that a two-day seminar on two years' naval escort operation in the Gulf of Aden and the waters off the Somali coast was held in Beijing on 20 and 21 December. It was organized by the Navy of the Chinese People's Liberation Army (PLA). The seminar highlighted the main achievements and experience in escort practice, analyzed the complicated situation in the region, the challenges and explored ways how to promote the reform and innovation of the escort. It

⁷ "China pledges to enhance bilateral ties, military links with Israel", *PLA Daily* (Online), 14 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/14/content_4352582.htm.

⁸ "Senior Chinese military official arrives in Cuba for visit", *PLA Daily* (Online), 15 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/15/content_4353295.htm.

⁹ "Cuban leader meets senior Chinese military official", *PLA Daily* (Online), 18 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/18/content_4355290.htm.

¹⁰ "Chinese naval ship formation concludes visit to Bahrain", *PLA Daily* (Online), 14 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/14/content_4352970.htm.

¹¹ "Seminar on anti-terror experience held in Beijing", *PLA Daily* (Online), 14 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/14/content_4352971.htm.

¹² "275 Chinese peacekeeping troops leave for Liberia", *PLA Daily* (Online), 17 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/17/content_4354695.htm.

was noted that since the start of the escort mission in 2008, the PLA Navy has successively organized and commanded 18 warships, 14 helicopters and nearly 500 persons/times of special operation members in 7 batches to carry out escort operations. The Chinese naval escort has successfully escorted 3,097 merchant ships, received and escorted 7 hijacked merchant ships released by the pirates and 1 merchant ship attacked by the pirates, rescued 30 merchant ships attacked by the pirates in 21 times.¹³

Another report noted that the use of the second generation of the PLA “electronic injury tag system” and “field individual search and rescue system” have greatly enhanced the efficiency of battlefield medical aid. It is learnt that these systems can be used in gathering, processing, storing and transmitting such information as individual data, injury conditions and rescue measures of the wounded, including 56 sub-items such as blood type, contraindication of drugs and case history. With these systems, the battlefield medical aid information can be shared by the four-level rescue system at remote medical unit, company and battalion, regiment and division levels, and the medical rescue bodies can have a good command of the basic information of the wounded in several seconds and rapidly work out the rescue plan.¹⁴

The Navy of the Chinese People’s Liberation Army (PLA) organized the inaugural meeting to set reform programme of the PLA on equipment procurement system and military representative system preparation in motion on 17 December in Beijing. The Central Military Commission (CMC) had authorized the Navy to carry out this pilot reform programme in March 2010. This pilot reform programme will include establishment of new equipment procurement center, equipment bidding center and equipment contract supervision department; it will cover price appraisal, contract negotiation and signing in equipment procurement, the bidding of equipment procurement and the supervision of equipment quality. The programmes will ensure the optimization and reorganization of the military representatives stationing in military industry enterprises, the establishment of independent support system for military representative system (the military representative system will no longer rely on the factories and institutes for support) and the implementation of vocational qualification training, appraisal, registration and management for the military representatives engaged in scientific research and procurement of weapons and equipment.¹⁵

¹³ “Seminar on escort operation in Gulf of Aden held”, *PLA Daily* (Online), 22 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/22/content_4357349.htm

¹⁴ ““Electronic injury tag system” ensures precise battlefield medical aid”, *PLA Daily* (Online), 21 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/21/content_4356762.htm.

¹⁵ “PLA starts pilot reform on equipment procurement and military representative systems”, *PLA Daily* (Online), 20 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/20/content_4356137.htm.

Reports suggested that the Central Military Commission (CMC) and the PLA General headquarters/departments attached great importance to the logistics support work of the PLA frontier and coastal defense troops in the last five years. It has invested several billion Yuan in the construction of living facilities, greatly improving the comprehensive support conditions of the PLA frontier and coastal defense troops during this period. At present, 85% of PLA coastal defense companies have solved the difficulties in getting drinking water, medical care and power supply, taking shower and keeping warm. According to the data made available by the office of the National Frontier and Coastal Defense Committee, China has invested 3 billion Yuan accumulatively in facility construction including 6,840km of patrol road, 147 bridges, and 2,400-odd border management signs as well as piers, duty rooms and helipads, laying firm foundation for coastal defense.¹⁶

According to reports, the “Image Portraying and Achievement Evaluation in Military Operations Other Than War (MOOTW)” has passed evaluation recently. This is one of the first batches of programs specially financed by China Postdoctoral Science Foundation (CPSF). The Head of the program and postdoctoral researcher of the National Defense University of the Chinese People’s Liberation Army (PLA), Zhao Hewei informed that this program had mainly centered on studies on military image positioning, achievement model, index system and evaluation method in MOOTW and made a breakthrough exploration in image spreading mechanism and model construction of the state and the military. Cheng Manli, an expert of the Evaluation Committee of the CPSF and Deputy Dean of the School of Journalism and Communication under the Beijing University, informed that this program had targeted the cutting-edge issues both at home and abroad relating to the study on images of the state and military and explored the characteristics and laws of the spreading of military image in the full-media era, having strong practical operability.¹⁷

The conference on the standardization construction of the rear area quartermaster depots of the Chinese People’s Liberation Army (PLA) concluded on 21 December. The conference noted that the ability of the PLA quartermaster depots in emergency-handling support, sustainable support and aid support had been greatly enhanced in last few years. The media that covered the conference reported that the General Logistics Department and all major units of the PLA had prioritized the building of support bases in those years, increased investment in infrastructure building, newly built and rebuilt a number of automatic three-dimensional, multi-storied and platform depots, and improved

¹⁶ “Comprehensive support conditions of frontier and coastal defense troops improved”, *PLA Daily* (Online), 13 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/13/content_4352326.htm

¹⁷ “Image portraying and achievement evaluation in MOOTW passes appraisal”, *PLA Daily* (Online), 23 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/23/content_4357887.htm

auxiliary facilities for receiving and distributing, power supply and fire fighting. Resultantly, most depots have put an end to the history of “manual work” by officers and men in material receiving and distribution through the development of new-type conveyors and the upgrading of various loading/unloading and transport machinery. The new technologies as the LAN, automatic identification and security monitoring have been widely adopted and the information-based construction of the depot system has made headway.¹⁸

Reports suggested that the year-end assessment of the three services to test the training quality, combat capability, training effectiveness and training style of the PLA troops has been carried out recently. The actual-combat assessment included the actual-troop, actual-equipment and live-ammunition drills which covered all aspects ranging from land to air, from surface to underwater, from snowfield to Gobi desert, and from air to deep sea.¹⁹

In other developments, reports noted that China would launch the 7th Beidou navigation satellite at an opportune moment by the “Long March III A” carrier rocket from the Xichang Satellite Launch Center. This will be the last space launch made by China in 2010.²⁰

JAPAN

(DECEMBER 13-26, 2010)

- **Japan refuses to accept Russian proposal to make four disputed islands off Hokkaido a bilateral free-trade zone; Reports: Japan seeks to promote civil nuclear cooperation with Egypt and Saudi Arabia; Japan welcomes the establishment of new government in Iraq; Prime Minister Kan regrets UNSC's failure to issue statement condemning North Korea; Japan, China and South Korea to establish a permanent secretariat in 2011; Reports: Tokyo should refocus its defense strategy on the rise of China and not on the cold war threat of Russia; Japan will suspend its coast guard member who leaked video between Chinese and Japanese vessels near the disputed Senkaku Islands**

Reports suggested that Russian President Dmitry Medvedev's proposal to make four disputed islands off Hokkaido a bilateral free-trade zone has been perceived negatively by Japan. Japan's the State Secretary for Foreign Affairs, Matsumoto

¹⁸ “Material support ability of PLA quartermaster depots significantly improved”, *PLA Daily* (Online), 22 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/22/content_4357348.htm

¹⁹ “PLA three services in actual-combat assessment”, *PLA Daily* (Online), 23 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/23/content_4357886.htm

²⁰ “China to launch 7th Beidou navigation satellite”, *PLA Daily* (Online), 17 December 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-12/17/content_4355020.htm

told a press conference that "Our position is that the Northern Territories are an integral part of Japan. We cannot accept any idea that contravenes our stance".²¹

There are also reports which suggest that Japan is seeking to promote civil nuclear cooperation with nations like Egypt and Saudi Arabia. These countries have not ratified a protocol to which allows snap inspections by the U.N. nuclear watchdog. It appears that Tokyo aims to increase infrastructure exports including nuclear power generation technology under its economic growth strategy.²² On the other hand Tokyo welcomed the establishment of the new government in Iraq "and furthering of democracy with the participation of all major political forces". It also asserted that it supports the new government. According to a statement issued by the Foreign Ministry in Tokyo the approval by the Iraqi Parliament of the new Cabinet Ministers' list, submitted by Prime Minister Nouri Al-Maliki on December 21, means that the process for the establishment of a new government in Iraq "is now complete."²³

In a significant revelation, it has been discovered through declassified Japanese diplomatic documents that Japan and the United States had a secret pact according to which Tokyo paid \$65 million to finance costs related to the 1972 reversion of Okinawa to Japanese sovereignty from U.S. control.²⁴

Prime Minister Kan has voiced regret over the failure of United Nations Security Council in issuing a statement condemning North Korea about the deadly attack on a South Korean island.²⁵ Meanwhile, Japan, China and South Korea signed a pact in Seoul to establish a permanent secretariat in 2011 for the efficient promotion and management of trilateral cooperation projects.²⁶

Reports suggested that Tokyo should refocus its defense strategy on the rise of China and not on the cold war threat of Russia. These are based on guidelines approved by the Cabinet. These guidelines also call for a stronger alliance with

²¹ "REFILING: Japan negative about making Russian-held isles free-trade zone+" *Associated Press*, December 27, 2010 at http://www.breitbart.com/article.php?id=D9KC48FO0&show_article=1

²² "Japan eyes civil nuke deals with states resisting inspection protocol+" *Associated Press*, December 25, 2010 at http://www.breitbart.com/article.php?id=D9KARF1O0&show_article=1

²³ "Japan welcomes Iraq's new government" *panorientnews.com*, December 23, 2010 at <http://www.panorientnews.com/en/news.php?k=601>

²⁴ "Declassified papers confirm existence of secret Okinawa financial pact" *Associated Press*, December 22, 2010 at http://www.breitbart.com/article.php?id=D9K8L2LO1&show_article=1

²⁵ "Japan regrets U.N.'s failure to issue statement condemning N. Korea+" *Associated Press*, December 21, 2010 at http://www.breitbart.com/article.php?id=D9K89A980&show_article=1

²⁶ "Japan, China, S. Korea sign pact to launch secretariat for cooperation+" *Associated Press*, December 16, 2010 at http://www.breitbart.com/article.php?id=D9K4U9IO0&show_article=1

the US and expanded security networks with partners like South Korea and Australia.²⁷

In other developments, the Japanese government plans to suspend a Japan Coast Guard member who posted online a video of collisions between Chinese and Japanese vessels near the disputed Senkaku Islands.²⁸

B. CENTRAL ASIA & RUSSIA

(DECEMBER 13-19, 2010)

- **Ahead of ratification in the US Senate, Russia cautions US lawmakers that any change in the new START treaty between the two countries could destroy the pact; Central Asia's first parliamentary democracy materialized as Kyrgyzstan's parliament approves a new government; Kazakh company KazTransGas and China's Trans-Asia Gas Pipeline Co. Ltd. to establish a partnership to implement the Beineu - Bozoy - Shymkent Gas Pipeline; Kazakhstan resumes crude supplies to Ukraine**

As the new arms control START agreement to be shortly put up for ratification in the US Senate, Russia has cautioned US lawmakers that any change to the new nuclear arms disarmament treaty between the two countries could destroy the pact. The new treaty requires US and Russia to bring down their arsenals to 1,550 deployed nuclear warheads, deployed ballistic missiles or nuclear bombers to 700 and establish a new mechanism for sending inspectors to the other country's nuclear sites. Foreign Minister Sergei Lavrov said the New Start treaty "cannot be reopened, becoming the subject of new negotiations", according to remarks reported by Interfax news agency.²⁹

Central Asia's first parliamentary democracy materialized in Kyrgyzstan on 17 December when Kyrgyzstan's parliament elected a speaker and approved a new

²⁷ "Japan's new defense policy reflects growing concern about China" *Associated Press*, December 17, 2010 at <http://www.csmonitor.com/World/Asia-Pacific/2010/1217/Japan-s-new-defense-policy-reflects-growing-concern-about-China>

²⁸ "LEAD: Gov't to suspend Coast Guard member over leak of collision video+" *Associated Press*, December 21, 2010 at http://www.breitbart.com/article.php?id=D9K8E4H82&show_article=1

²⁹ "New Start: Russia warns US Senate over nuclear treaty", *BBC News*, December 21, 2010 at <http://www.bbc.co.uk/news/world-us-canada-12042584>

government³⁰. As the parliamentary elections held in October did not give rise to any single majority political party, the three Kyrgyz parties have agreed to share power after much political wrangling.³¹ The three political parties are Social Democrats (polled 7.83% of vote with 26 seats), Respublika (polled 6.93% with 23 seats) and Ata Zhurt (8.47% with 28 seats). The other two parties who participated in the elections held in October were Ar-Namys (7.57% with 25 seats) and Ata-Meken (5.49% with 18 seats). Ata Zhurt faction leader Akhmatbek Keldibekov was elected speaker by a 101-14 vote in the 120-seat legislature; and Deputies approved Social Democratic Party leader Almazbek Atambayev as Prime Minister and Respublika leader Omurbek Babanov as first Deputy Prime Minister.³² Under the new Parliamentary system, the Prime Minister will have more powers than the President.

Reports noted that Kazakh company KazTransGas and China's Trans-Asia Gas Pipeline Co Ltd will establish a partnership this week to implement the Beineu – Bozoy – Shymkent Gas Pipeline, which is the second stage of the Kazakhstan – China Gas Pipeline.³³ The Kazakhstan – China Gas Pipeline is the second stage of the Central Asia Gas Pipeline (CAGP). The latter starts at Gedaim on the border of Turkmenistan and Uzbekistan and extends 1,130 miles across Kazakhstan east to the Chinese border³⁴. The pipeline is the first significant independent gas link connecting the former Soviet region with eastern markets while bypassing Russia³⁵.

Reports noted that Kazakhstan has agreed to resume crude supplies via the Druzhba pipeline to Ukraine which was suspended in February as Ukrainian operator Ukrtransnafta transferred tariffs for pumping oil from dollars to euro that increased its cost by 20-25%³⁶. This was announced by the Kazakhstan ambassador to Ukraine Amangeldy Zhumbayev. Agreements were reached between both the countries in September during President Nursultan Nazarbayev's visit to Kiev. Zhumbayev noted that the tariffs and volumes would

³⁰ “Parliament Elects Kyrgyz Government”, *The Moscow Times*, December 20, 2010 at <http://www.themoscowtimes.com/news/article/parliament-elects-kyrgyz-government/427146.html>

³¹ “Kyrgyzstan sets up new coalition”, *BBC News*, December 17, 2010 at <http://www.bbc.co.uk/news/world-asia-pacific-12018422>

³² “Parliament Elects Kyrgyz Government”, *The Moscow Times*, December 20, 2010 at <http://www.themoscowtimes.com/news/article/parliament-elects-kyrgyz-government/427146.html>

³³ “New partnership paves way for Kazakhstan – China Gas Pipeline”, *Pipelines International*, December 21, 2010 at http://pipelinesinternational.com/news/new_partnership_paves_way_for_kazakhstan_china_gas_pipeline/053963/

³⁴ “Kazakhstan : Natural Gas”, *U.S. Energy Information Administration*, at <http://www.eia.doe.gov/cabs/Kazakhstan/NaturalGas.html>

³⁵ <http://silkroadintelligence.com/2008/07/09/construction-of-kazakhstan-china-gas-pipeline-started/>

³⁶ “Kazakhstan to resume transit via Druzhba oil pipeline”, *Ukrainian Radio*, December 20, 2010 at <http://www.ncru.gov.ua/index.php?id=148&listid=136129>

be determined according to September agreements³⁷. The Druzhba pipeline is currently the biggest carrier of Russian and Kazakh crude to Europe through Ukraine and Belarus and onto Poland, Germany, Hungary, Slovakia and the Czech Republic.³⁸

DECEMBER 20-26, 2010

- **Russian President Medvedev visits India; India and Russia sign a 23 billion Euros contract to jointly develop a design for a new fifth-generation multirole fighter (FGFA); Discussion on civil nuclear cooperation held between the two sides; Two countries set a target of doubling bilateral trade to 15 billion Euros by 2015; India-Russia sign several bilateral agreement during the visit**

Russian President Medvedev was on a two day visit to India during December 21-22. On December 21, India and Russia signed a contract worth up to 23 billion Euros, to jointly develop a design for a new fifth-generation multirole fighter (FGFA). The document was signed between Russia's state arms exporter Rosobornexport and India's Hindustan Aeronautics Limited (HAL).³⁹ Russia and India intend to develop cooperation in the nuclear sphere. It was noted in the joint statement issued by two countries.⁴⁰ On December 21, discussions were held on first two units of the Kudankulam Nuclear Power Plant in Southern India for launching the work. India is one of the world's biggest markets for nuclear technology with plans to reach a nuclear power capacity of 63,000 megawatts by 2032, from the current level of 4,560 megawatts.⁴¹ ONGC Videsh Ltd, the overseas arm of state-owned Oil and Natural Gas Corp, signed initial agreements to barter its stake in its Russian unit Imperial Energy for acquiring a 25-30 per cent interest in Sistema-owned JSC Bashneft.⁴²

The two countries also set a target of doubling bilateral trade to 15 billion euros by 2015 and pledged to deepen cooperation on counter-terrorism and regional

³⁷ "Kazakhstan To Renew Crude Supplies Via Ukraine", *Oil and Gas Eurasia*, December 12, 2010 at <http://www.oilandgaseurasia.com/news/p/0/news/10059>

³⁸ "Kazakhstan resumes crude shipments through Ukraine", Central Asia Newswire, December 20, 2010 at <http://centralasianewswire.com/Energy/Kazakhstan-resumes-crude-shipments-throughUkraine/viewstory.aspx?id=2696>

³⁹ "Russia's Rosobornexport arms exports at record high", *UPI.com*, December 23, 2010 at http://www.upi.com/Business_News/Security-Industry/2010/12/23/Russias-Rosobornexport-arms-exports-at-record-high/UPI-47411293104400/

⁴⁰ "Russia, India ready to develop nuclear cooperation", *Rianovosti*, December 21, 2010 at <http://en.rian.ru/world/20101221/161869114.html>

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⁴² "OVL To Swap Stakes In Russian Energy Firms", *Energy Tribune*, December 21, 2010 at <http://www.energytribune.com/articles.cfm/6151/OVL-To-Swap-Stakes-In-Russian-Energy-Firms>

security.⁴³ Agreements were signed on easing visa requirements for certain categories of citizens, on cooperating in the oil and gas and nuclear energy spheres as well as jointly developing information technologies. The leaders of both the countries agreed on a number of issues such as joint cooperation in emergency situations, to establish a joint technological center, etc. Memorandums were signed on widening cooperation in using nuclear energy for peaceful purposes, on cooperation in pharmaceuticals and biotechnologies. Vnesheconombank (VEB) signed a memorandum on cooperation with State Bank of India and on understanding with India's Export-Import Bank.⁴⁴

C. WEST ASIA

IRAN

(DECEMBER 13-19, 2010)

• **President Ahmadinejad dismisses Foreign Minister; Iranian leaders blame west for suicide bombings in Southeast Iran**

President Mahmoud Ahmadinejad has dismissed Iran's foreign minister Mottaki, a move which surprises many and showed to reflect a strengthening of the president's power in Iranian politics. Reports suggested that after the 2005 election, Iran's supreme leader, Ayatollah Ali Khamenei, forced the newly elected Ahmadinejad to accept Mottaki as foreign minister, even though Mottaki had backed Larijani's presidential campaign.⁴⁵

Iran's Interior Minister Mostafa Mohammad Najjar blamed the CIA's involvement for suicide bombings in Southeast Iran as the death toll rose to 36. He noted that "from the inspection of equipment obtained from the terrorist elements of this crime, it has become clear that the CIA and other spy agencies were involved." However he did not give details. Meanwhile, Iran's supreme leader Ayatollah Ali Khamenei, accused the west of working to divide the Muslim world. The attack on a Shiite religious procession was claimed by Sunni militant group Jundallah (Army of God), which says it is fighting for the rights of

⁴³ "Medvedev in India seals aircraft, nuclear deals", *RFI*, December 23, 2010 at <http://www.english.rfi.fr/americas/20101221-medvedev-russia-seals-aircraft-nuclear-deals>

⁴⁴ "Russia, India sign oil, gas, nuclear energy deals", *Rianovosti*, December 21, 2010 at <http://en.rian.ru/world/20101221/161868000.html>

⁴⁵ "Iranian Leader Suddenly Fires Top Diplomat," *The New York Times*, December 13, 2010, at http://www.nytimes.com/2010/12/14/world/middleeast/14iran.html?_r=1&hpw=&pagewanted=print

the region's Sunni ethnic Baluchi community against Iran's Shiite regime. Nine people linked to the bombing have reportedly been arrested.⁴⁶

(DECEMBER 20-26, 2010)

- **US treasury department accepts business with Iran though it calls permitted trade was inconsequential compared with the broad scope of US sanctions; Iran's arms smuggler detained by NATO**

The US treasury department has granted nearly 10,000 exceptions to American companies over the past decade so that they could skirt US sanctions on Iran and other countries the US considers terrorist sponsors. Most licenses were granted under a law allowing trade in humanitarian goods, even if that ended up including products as diverse as cigarettes and chewing gum. Reports noted that one American company was allowed to bid on a pipeline job to help Iran sell natural gas to Europe even though the US opposes such deals. US treasury officials noted that the permitted trade was inconsequential compared with the broad scope of US sanctions, as goods sold to Iran amounted to only 0.02 percent of all US exports in the first quarter of this year.⁴⁷

A man has been held suspected of helping to smuggle arms from Iran across the border for the Taliban in Afghanistan. A statement described him as a "key Taliban weapons facilitator". However, NATO has clarified that he is not a member of the elite al-Quds force of Iran's Revolutionary Guards as suggested by its initial reports.⁴⁸

IRAQ

(DECEMBER 13-19, 2010)

- **UNSC withdraw international sanctions against Iraq**

The UN Security Council has voted to lift most international sanctions imposed on Iraq during the Saddam Hussein regime. The vote is anticipated as recognition of the political progress made in Iraq. One resolution ends sanctions that were imposed to stop Iraq building nuclear, chemical or biological weapons.

⁴⁶ "CIA accused of role in Iran suicide bombing," *Khaleej Times*, December 17, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/December/middleeast_December279.xml§ion=middleeast

⁴⁷ "Treasury OK'd US business with Iran," *Khaleej Times*, December 24, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/December/middleeast_December389.xml§ion=middleeast

⁴⁸ "Iran arms smuggler captured by NATO in Afghanistan," *BBC News*, December, 24, 2010, at <http://www.bbc.co.uk/news/world-south-asia-12073334>

Sanctions were first imposed on Baghdad in 1991 after Iraq invaded Kuwait, while some relating to trade, investment and conventional weapons have been lifted since 2003.⁴⁹

(DECEMBER 20-26, 2010)

• **Gunmen killed Brigadier General in Baghdad**

Gunmen with silenced weapons raked an army brigadier general's car with gunfire in a Baghdad street, killing him and wounding his daughter. The accident happened in the Mansour district of the capital. Police official also indicated that in another attack on Wednesday evening, gunmen also shot and wounded police Lieutenant Colonel Majid Hamid as he was driving through the Amiriya area of Baghdad. Prime Minister Nuri al-Maliki named security as one of his three top priorities after parliament approved his nomination for a second term of office and offered its stamp of support to his national unity government. Though violence has dropped dramatically across Iraq since its peak in 2006 and 2007, attacks remain common, especially in the capital and the main northern city of Mosul.⁵⁰

Oman

(DECEMBER, 13-19, 2010)

• **Montek Singh Ahluwalia visits Oman to discuss bilateral issues**

Montek Singh Ahluwalia, Deputy Chairman of Planning Commission of India visited Oman for the meeting of the Supreme Committee for promoting economic relations which was set up between India and Oman in November 2008. India and Oman have entered into an agreement under which the two sides will prepare a report on nine areas of cooperation including direct investment and technology transfer. The Supreme Committee presented its report to Sultan Qaboos, ruler of Oman. According to the report, cooperation in the field of oil and gas, fertilizer, training for Omani students in India, higher education etc have been identified as some of the important areas of cooperation between the two countries. Besides, both sides also agreed to encourage investments in sectors like mining, infrastructure and power and emphasised on optimum utilisation of recently signed Oman-India Joint Investment Fund, with an initial

⁴⁹ "UN lifts sanctions against Iraq," *BBC News*, December, 15, 2010, at <http://www.bbc.co.uk/news/world-middle-east-12004115>

⁵⁰ "Iraqi general gunned down in Baghdad," *Khaleej Times*, December 23, 2010, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/December/middleeast_December380.xml§ion=middleeast

seed capital of \$100m for identification of investable projects in both countries.⁵¹ Ahluwalia met with Sayyid Fahd bin Mahmoud Al Said, Deputy Prime Minister and discussed ways to enhance cooperation between the two countries, particularly in economic, scientific and health fields and expanding the scope of training and specialised technical expertise. They also discussed supporting efforts of the Omani-Indian Joint Economic Committee. Besides, Ahluwalia also called on Maqbool bin Ali Sultan, Minister of Commerce and Industry, Yousuf bin Alawi bin Abdullah, Minister responsible for Foreign Affairs, Ahmed bin Abdulnabi Macki, Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council.⁵²

D. USA

(DECEMBER 20-26, 2010)

- **Satellite Sentinel Project to be launched to "watch" Sudan for war crimes using satellites, before a January 9th referendum**

Ahead of January 9th referendum on whether to divide Sudan into north and south, a group of organisations known as the Satellite Sentinel Project is launching a project using satellites to "watch" Sudan for war crimes before a vote. The Satellite Sentinel Project, which begins on Wednesday, is meant to provide an "early warning system" for human rights and security violations before the January 9 referendum. The satellite project received funding for six months from Not On Our Watch, an organization co-founded by Clooney and his Hollywood friends, actors Don Cheadle, Matt Damon, Brad Pitt, David Pressman and producer Jerry Weintraub. The group has also been active in raising money to help the many displaced people in the Darfur region of western Sudan, which has been ravaged by war and genocide.⁵³

⁵¹ "Fahd, Ahluwalia hold talks to promote ties", *Times of Oman*, December 14, 2010, available at <http://www.timesofoman.com/echoice.asp?detail=40542&rand=td0ALjb6A1wJpxXEAJfDXBnlgl>

⁵² Ibid.

⁵³ "Clooney, Google, UN watch Sudan using satellites", *The Times of India*, December 29. <http://timesofindia.indiatimes.com/world/us/Clooney-Google-UN-watch-Sudan-using-satellites/articleshow/7182427.cms#ixzz19TKB83c5>

II. ENERGY REVIEW

(DECEMBER 20-26, 2010)

- **Coal India Ltd. plans to work in two Mozambique blocks; India's Minister of state for energy criticizes the railway ministry for announcing hike in freight by 4%**

The Coal India Ltd has planned to start exploration in two coal blocks in Mozambique next fiscal from where it expects to begin production from 2014-15. Coal India had won a global bid and acquired prospecting licenses for the two blocks in Mozambique in September 2009. The two coal blocks, spread over 200 sq km, have reserves of around a billion tonnes according to initial estimates. "We plan to commence exploration next fiscal, which would be on for about three years. After that we plan to start production from these blocks," Mr Partha Bhattacharyya, Chairman, Coal India stated.⁵⁴

India's Minister of state for energy Saurabh Patel has criticised the railway ministry for announcing hike in freight by 4% from December 27. He said that the increase in freight will directly impact the power sector in Gujarat and will put an extra burden on electricity consumers. Patel stated that the consumers of all categories will be affected as the fuel surcharge will see an increase with the increased cost of power production. He added that the decision of increasing rail freight will adversely impact the economy of the state as it depends largely on coal-based power production.⁵⁵

⁵⁴ "Coal India to start work in 2 Mozambique blocks next fiscal", December 26, 2010 at <http://www.thehindubusinessline.com/2010/12/27/stories/2010122751250200.htm>

⁵⁵ "Energy minister flays railway freight hike", *The Times of India*, December 24, 2010 at <http://timesofindia.indiatimes.com/city/ahmedabad/Energy-minister-flays-railway-freight-hike/articleshow/7153432.cms>