

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **EAM Krishna visits Afghanistan; EAM firmly states that India would not pull out of Afghanistan in the face of security threats and will continue its work in the country; At least 16 civilians killed in Afghan blast; Afghan envoys head to Pakistan for peace talks**

India's External Affairs Minister S. M. Krishna who was on a two day visit to Kabul. He firmly stated that India would not pull out of Afghanistan in the face of security threats and will continue its work in the country with cooperation from the Afghan government.¹

At least 16 people were killed including a police commando in a suicide attack in Southern Afghanistan. The attack took place in a public bath house in the town of Spin Boldak in Kandahar province bordering Pakistan. The Afghan government and the international forces stationed in the region condemned the attack, calling it "brutal and inhumane".²

Reports noted that a high peace council from Afghanistan will visit Islamabad to hold rounds of talk with the President and Prime Minister of Pakistan on Taliban insurgency and a solution to the problem. The 70 member group will be led by former President of Afghanistan Burhanuddin Rabbani.³

PAKISTAN

- **Punjab Governor Salman Taseer assassinated; Reports: US to offer more military, economic support to Pakistan; Pakistan PM Gilani: India must resume composite dialogue with Pakistan; Reports: Pakistan ready for meaningful dialogue with India**

In a tragic development, the Governor of Punjab province, Salman Taseer has been assassinated by his own guard while making his way out of a busy market area in the Islamabad. The assassinator was identified as Mumtaz Qadri. He has

¹ "India to hold firm in Afghanistan despite threats", *Dawn*, January 9, 2011 at <http://www.dawn.com/2011/01/09/india-to-hold-firm-in-afghanistan-despite-threats.html>

² "Civilians killed in Afghan blast", *Al Jazeera*, January 7, 2011 at <http://english.aljazeera.net/news/asia/2011/01/2011178365522845.html>

³ "Afghan envoys head to Pakistan for peace talks", *Daily Times*, January 3, 2011 at http://www.dailytimes.com.pk/default.asp?page=2011\01\03\story_3-1-2011_pg7_7

confessed to the killing stating that calling the blasphemy law a black law costed Taseer his life.⁴

However, reports noted that the Obama administration has decided to offer Pakistan more military intelligence and economic support to step up regional peace and anti-militant progress along the Afghanistan border. This comes in the wake of US Vice President Joe Biden's visit to Pakistan next week to seek cooperation from Pakistan for a long term strategy in the region.⁵

Meanwhile, Prime Minister Yousaf Raza Gilani has said that India should resume composite dialogue with Pakistan to resolve all outstanding issues, including the Kashmir dispute, peacefully and expeditiously. He made these remarks while talking to Dr Guido Westerwelle, the Deputy Chancellor and Foreign Minister of Germany, who called on him along with members of his delegation.⁶ Similarly Pakistan's Foreign Office spokesman Abdul Basit noted that Pakistan is ready for meaningful and comprehensive dialogue with India on core issues such as Kashmir, Siachin and others.⁷

B. EAST ASIA

CHINA

- **On New Year, many new technological achievements for the PLA reported; The PLA stresses on improving logistics; The PLA hold the first nationwide emergency militia backbone training class; The POL Institute under the GLD uses new technologies in research and development**

Reports noted that PLA has introduced a new-type training vessel whose speed is two times faster than that of the normal vessel. The Shenyang Military Area Command of the Chinese People's Liberation Army has piloted this vessel. It is equipped with short wave and microwave communication systems to accurately transmit intelligence and information in the range of thousand kilometers. The hull of the vessel is coated with invisible paint to provide it stealth. The vessel

⁴ "Punjab Governor martyred", *Daily Times*, January 5, 2011 at http://www.dailytimes.com.pk/default.asp?page=2011\01\05\story_5-1-2011_pg1_1

⁵ "US to offer more military, economic support to Pakistan", *The News*, January 9, 2011 at <http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=3192&Cat=13&dt=1/9/2011>,

⁶ "India must resume composite dialogue with Pakistan: PM", *Daily Times*, January 10, 2011 at http://www.dailytimes.com.pk/default.asp?page=2011\01\10\story_10-1-2011_pg7_7

⁷ "Pakistan ready for meaningful dialogue with India: FO", *Daily Times*, January 3, 2011 at http://www.dailytimes.com.pk/default.asp?page=2011\01\03\story_3-1-2011_pg7_38

can also pick up underwater vehicle to greatly enhance the support efficiency of the vessel.⁸

The PLA has introduced a new type of made-in-China armed helicopters in an army aviation brigade of the Xinjiang Military Area Command. Their training started on 6 January 6, 2011. The training was held at the minus 38 degrees temperature and less than 300 meters visibility. It is learnt that five new-type armed helicopters among the eight helicopters participated in the training.⁹

A computing institute of PLA stationed in Southwest China's Sichuan Province has developed a new-type pilot less reconnaissance aircraft jointly with military industrial enterprises to improve the long-range artillery's strike accuracy and damage performance. It is reported that the new-type pilot less reconnaissance aircraft has a high integration of multiple functions including commanding, launching, retrieving and ferrying. The design of "double horizontal tail" aerodynamic configuration is adopted to reduce structure size and enhance flight efficiency.¹⁰ However, other reports noted that the PLA has introduced a new-type patrol vehicle in a frontier defense regiment of the Shenyang Military Area Command of the PLA which enables the PLA to do a better patrolling in -30°C temperature.¹¹

The General Logistics Department (GLD) of the PLA has recently issued the Target Framework on All-Roundly Promoting Pilot Work of Modern Logistics, requiring the logistics system of the PLA to follow the framework and push forward the development of the pilot work which is expected to explore the way and accumulate experience of promoting modern logistics of the PLA in an all-round way. The Framework specifies the tasks as follows: supply, management, construction, training and restructuring, and provides a new summary of the targets of the pilot work.¹²

Recently, the General Staff Headquarters of the PLA held the first nationwide emergency militia backbone training class in the PLA Shijiazhuang Army Command College. 70 professional backbones from 31 provincial military

⁸ "New-type training vessel commissioned in shipping group", *PLA Daily* (Online), 4 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/04/content_4362732.htm

⁹ "New-type home-made armed helicopters start flight", *PLA Daily* (Online), 7 January 2011, at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/07/content_4365058.htm

¹⁰ "New-type pilotless reconnaissance aircraft succeeds in trial flight", *PLA Daily* (Online), 6 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/06/content_4364349.htm

¹¹ "New-type patrol vehicle makes patrol in winter no longer a headache", *PLA Daily* (Online), 6 January 2010 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/06/content_4364348.htm

¹² "GLD launches target framework of modern logistics pilot work", *PLA Daily* (Online), 4 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/04/content_4362877.htm

commands (garrison commands) throughout China participated in this 15-day-long training.¹³

In other developments, the POL Institute under the General Logistics Department (GLD) of the PLA has speeded up its pace of scientific and technical research by using technologies like communication, network, electron, ultrasonic and optical fiber transmission and focusing on the information-based management of equipments, command platform and oil depot. It wants to achieve the aim of building “an information-based military” to win “the information war” during the 11th Five-Year Plan period itself.¹⁴

JAPAN

(DECEMBER 27, 2010- JANUARY 9, 2011)

- **DPJ to consider a legislation allowing for a permanent law to dispatch of the Self-Defense Forces (SDF) overseas; Japan, Reports: Prime Minister Naoto Kan, could suffer the same fate as his predecessors; India and the United States to start a trilateral strategic dialogue in 2011; U.S. aircraft carrier Carl Vinson and others warships deployed in waters around Japan**

Reports noted that the Democratic Party of Japan (DPJ) has decided to consider a legislation which will allow for a permanent law to dispatch of the Self-Defense Forces (SDF) overseas whenever the need arises. It may also permit Japan to exercise the right of collective self-defense.¹⁵

On the domestic front, according to reports, it is being argued that Prime Minister Naoto Kan, could suffer the same fate as his predecessors in 2011 as political uncertainty in Japan continues into the new year. He is Japan's fifth leader in four years who earlier enjoyed an approval rating of over 60 percent.¹⁶

In a very important development, it was agreed between Japan, India and the United States to start a trilateral strategic dialogue in 2011 on issues of security and economic. This will also include measures to deal with China's expansion of its naval power.¹⁷

¹³ “First national emergency militia backbone training class concluded”, *PLA Daily* (Online), 4 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/04/content_4362903.htm

¹⁴ “PLA information-based POL field support capability improved”, *PLA Daily*, 6 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/06/content_4364447.htm

¹⁵ “DPJ to consider permanent law allowing dispatch of Japanese forces overseas” *Mainichi Daily News*, January 10, 2011, at <http://mdn.mainichi.jp/mdnnews/national/news/20110104p2a00m0na001000c.html>

¹⁶ “FOCUS: Japan could face prospect of another new prime minister in 2011+” *Associated Press*, December 28, 2010 at http://www.breitbart.com/article.php?id=D9KCVOB00&show_article=1

¹⁷ “New ties set with India, U.S. / Govt entering 3-way partnership to tackle security, economic issues” *The Yomiuri Shimbun*, January 6, 2011 at <http://www.yomiuri.co.jp/dy/national/T110105003183.htm>

However, in a significant regional development, the U.S. aircraft carrier Carl Vinson and other U.S. warships have been deployed in waters around Japan. It is believed that destroyers in the fleet will conduct a joint exercise soon with Japanese Maritime Self-Defense Force vessels.¹⁸

SOUTHEAST ASIA

- **China plan to setup trade centre in Thailand worth \$ 1.5 billion; Indonesia announces the ASEAN Summit dates; Indonesia directs attention on human rights as new ASEAN head; Reports: Thailand retains its position as world's top rice exporter in 2010 as well; India-Indonesia to sign extradition treaty; Malaysian- Indians ask India to terminate its trade relations with Malaysia; Shanghai replaces Singapore as world's busiest port**

China has planned to build a trading centre in Thailand worth \$1.5 billion that will allow traders to re-export Chinese-made goods and avoid costly tariffs. More than 70,000 Chinese traders are expected to operate in the China City Complex in Bangkok, helping them miss levies on products shipped directly from China.¹⁹

As the Indonesia has assumed the ASEAN chair in 2011, the Indonesian Foreign Minister said on January 7, 2011 that his country will host two summits of the Association of Southeast Asian Nations (ASEAN) during its chairmanship of the 10-nation bloc this year. Reports noted that ASEAN's 18th and 19th Summits will be held in the capital, Jakarta, on May 7-8 and on the popular resort island of Bali probably in October, respectively.²⁰

In its role as the new Chair of the Association of Southeast Asian Nations (ASEAN) in 2011, Indonesia says it will make human rights its top priority. Indonesian Foreign Minister Marty Natalegawa said that Indonesia hopes that during 2011, the ASEAN human rights commission will be more effective in

¹⁸ "U.S. aircraft carrier Carl Vinson deployed near Japan+" *Associated Press*, January 7, 2011 at http://www.breitbart.com/article.php?id=D9KJIN8O1&show_article=1

¹⁹ "China to build \$ 1.5 bn trading centre in Thailand", *Business Times*, 6 January, 2011 at <http://www.businesstimes.com.sg/sub/latest/story/0,4574,420629,00.html?>

²⁰ Indonesia announces dates for ASEAN summit, *Straits Times*, 7 January, 2011, http://www.straitstimes.com/BreakingNews/SEAsia/Story/STIStory_621612.html

fulfilling its mandate to demonstrate the organization's commitment to respect the basic rights of human beings.²¹

Reports noted that in year 2010, Thailand exported an estimated 9.03 million tons of rice in 2010, retaining its decades-old position as the world's top exporter of the grain. Thailand's rice exports last year increased 5 per cent in volume and earned the kingdom an estimated 5.3 billion dollars (S\$6.86 billion). Vietnam, Thailand's closest rival in the international rice trade, exported an estimated 6.9 million tonnes last year.²²

In a significant development, reports noted that India and Indonesia will sign an extradition treaty as well as a Mutual Legal Assistance Treaty during the visit of President Susilo Bambang Yudhoyono to India. President Yudhoyono will be the chief guest at the India's Republic Day parade at New Delhi on 26 January, 2011.²³

The Malaysians of Indian origin have asked India to terminate all present and future business projects with Malaysia. The demand has come at a time when most Non-Resident Indians (NRIs) are keenly looking for business and investment opportunities between India and foreign countries.²⁴

In other developments, according to the Shanghai officials, it has overtaken Singapore for the first time in 2010 to become the world's busiest container port, as the global economic recovery boosted cargo traffic through China's business centre. Shanghai's port handled 29.05 million 20-foot equivalent units, or TEUs, in 2010 - 500,000 TEUs more than Singapore, the Shanghai government said in a statement.²⁵

²¹ Indonesia puts the spotlight on human rights as ASEAN chair, *VOA News*, January 7, 2011, <http://www.voanews.com/english/news/asia/Indonesia-Wants-to-Make-Human-Rights-a-Priority-for-ASEAN-113065974.html>

²² Thailand retains position as world's top rice exporter in 2010, *Asia One*, January 8, 2011 at <http://news.asiaone.com/News/Latest%2BNews/SoShiok/Story/A1Story20110108-257102.html>

²³ India Indonesia to ink extradition pact, *The Indian Express*, New Delhi, January 8, 2011 at <http://www.indianexpress.com/news/India--Indonesia-to-ink-extradition-pact/734862>

²⁴ Malaysian NRIs ask India to terminate its business relations with Malaysia, *Times of India*, January 7, 2011 at <http://timesofindia.indiatimes.com/world/indians-abroad/Malaysians-NRIs-ask-India-to-terminate-its-business-relations-with-Malaysia/articleshow/7236696.cms>

²⁵ Shanghai overtakes S'pore as world's busiest port, *Straits Times*, January 8, 2011, http://www.straitstimes.com/BreakingNews/Singapore/Story/STIStory_621944.html

C. CENTRAL ASIA & RUSSIA

CENTRAL ASIA

- **Kazakh, Korean companies expected to sign a deal to develop an Iraqi gas field; First stations for satellite navigation system will be launched in Kazakhstan this year; Kazakh President turns down referendum; Kyrgyzstan, Russia nearing a deal to the establish a new Russian military facility in Kyrgyzstan; Kyrgyzstan Parliament to pass law to name a mountain after Russian Prime Minister Vladimir Putin; Kyrgyzstan Deputy PM Visits Azerbaijan; EIU report: Uzbekistan's economy will grow by 7.9 percent in 2011; Uzbekistan launches a project on good governance for parliamentarians; Tajikistan reaches at a gas import agreement with Uzbekistan; Turkmen President applauds increased cooperation with Iran; European Commission President to visit Azerbaijan and Turkmenistan**

Kazakhstan state-owned energy giant KazMunaiGas is expected to sign a joint venture deal, later in the month, with a Korean gas corporation to develop an Iraqi gas field. Akkas natural gas deposit, in the western Anbar province in Iraq, holds 5.6 trillion cubic feet of gas.²⁶ Meanwhile, the first stations for satellite navigation system will be launched in Kazakhstan this year, the chair of the national space agency, Talgat Musabayev, said. First 10 differentiated stations will be launched this year in the Astana oblast and the city as pilot project.²⁷

Kazakh President Nursultan Nazarbayev has refused the proposal made by the parliament to hold a referendum on amendments in the republican Constitution over a probable extension of the term of the incumbent president without the general elections until 2020. The republican Central Election Commission registered an application of the initiative group to hold a referendum on December 27, 2010.²⁸

The Kyrgyzstan's Defense Minister has announced that Bishkek and Moscow are moving closer to the establishment of a new Russian military facility in Kyrgyzstan, having settled issues regarding agreement on setting up a united Russian military base, on conditions and status of Russian military servicemen on the territory of Kyrgyzstan. Russia already has four military facilities in the

²⁶ 'Kazakh, Korean companies near deal to develop Iraqi gas field', *Central Asia Newswire*, January 3, 2011 at <http://centralasianewswire.com/Kazakhstan/Kazakh-Korean-companies-near-deal-to-develop-Iraqi-gas-field/viewstory.aspx?id=2813>

²⁷ 'Satellite Navigation System Stations to Be Launched in Kazakhstan', *Kazakhstan Today*, January 1, 2011 at <http://kt.kz/?lang=eng&uin=1133435304&chapter=1153530429>

²⁸ 'Nazarbayev Turns Down Referendum On Extended Presidency Till 2020', *Itar-Tass*, January 7, 2011 at <http://www.itar-tass.com/eng/level2.html?newsid=15840423&pagenum=0>

country, including an airbase in Kant, two seismic facilities to monitor global nuclear tests in the Jalalabad and Issyk-Kul regions and a naval research and training center near Lake Issyk-Kul.²⁹

Kyrgyz Parliament is expected to pass the law to name a mountain after Russian Prime Minister Vladimir Putin, which is in Chuy province standing 4,446m (14,586ft) tall. This initiative has been interpreted as either a way of expressing gratitude to the Russian authorities for removing tax payments for Russian fuel exports or as a sign of a greater orientation towards Russia on the part of the newly-approved Kyrgyz government.³⁰

Kyrgyz Deputy Prime Minister Omurbek Babanov visited Azerbaijan capital Baku and discussed bilateral relations with Azerbaijani Prime Minister Artur Rasizade. He also opened the Kyrgyz Embassy in Azerbaijan at capital Baku. Babanov and Azerbaijani Prime Minister discussed the issues of grant aid from the Azerbaijani side, developing bilateral relations, including intensifying bilateral trade, preferential delivery of lubricants to the Kyrgyz Republic, mutual drawing investments, rapid ratifying the agreements on avoidance of double taxation between the two countries.³¹

Meanwhile, a forecast on global growth by the Economist Intelligence Unit (EIU), the world's leading economic and business analysis and forecasting resource, said Uzbekistan's economy will grow by 7.9 percent in 2011.³² It ranks seventh after Qatar, Ghana, Mongolia, Eritrea, Ethiopia, China and India. Tashkent forecasted its GDP growth rate at 8.3% this year, which had expanded by 8.5 percent in 2010 the Uzbekistan Daily news website reported on Wednesday³³.

Reports noted that Uzbekistan has recently launched a project on good governance for parliamentarians to identify areas where the *Oliy Majlis* (Parliament) can adopt international standards.³⁴

²⁹ 'Kyrgyzstan, Russia near Deal on New Russia Military Facility', *Central Asia Newswire*, January 03, 2011 at <http://centralasianewswire.com/Top-Kazakh-official-shares-2010-IsquoArms-Control-Persons-of-the-Year-squo-honor/Kyrgyzstan-Russia-near-deal-on-new-Russia-military-facility/viewstory.aspx?id=2823>

³⁰ 'Kyrgyzstan to name mountain after Vladimir Putin', *BBC News*, January 4, 2011 at <http://www.bbc.co.uk/news/world-asia-pacific-12113463>

³¹ 'Baku Discusses Opening of Kyrgyz Embassy', *Trend News Agency*, January 3, 2011 at <http://pda.trend.az/en/1805873.html>

³² 'Uzbekistan Will Be Among World's Fastest Growing Economies In 2011, Says Report', *Central Asia Newswire*, January 5, 2011 at <http://www.centralasianewswire.com/Business/Uzbekistan-will-be-among-world39s-fastest-growing-economies-in-2011-says-report/viewstory.aspx?id=2844>

³³ -*ibid*-

³⁴ 'Uzbekistan Moves Parliament Closer To Int'l Standards', *Central Asia Newswire*, January 07, 2011 at <http://www.centralasianewswire.com/Uzbekistan/Uzbekistan-moves-parliament-closer-to-int39l-standards/viewstory.aspx?id=2872>

Tajikistan has reached a gas import agreement with Uzbekistan that will see it getting a discount for the first quarter of 2011 and paying far less than Europe for natural gas supplies. It will pay Uzbekistan \$262 per 1,000 cubic meters (cm) of gas next year after the first quarter. The country will pay \$227.85 per 1,000 cm for the first three months of 2011.³⁵

In an address to the Turkmen people, Turkmenistan's President Gurbanguly Berdimuhamedov applauded increased cooperation with Iran due to the 180 major industrial projects undertaken by Ashgabad in 2010. This includes the second phase of a \$1.2 billion natural gas pipeline to Iran inaugurated in November 2010. The pipeline is also vital to Turkmen government's energy export strategy. The landlocked republic is eager to build energy export routes to supply growing demand in Europe, South Asia and the Far East.³⁶

In other developments in the region, European Commission President Jose Manuel Barroso will visit Azerbaijan and Turkmenistan next week. Barroso along with a delegation of EU officials will hold talks with leaders of the visiting countries aimed at securing gas supplies for its planned Nabucco pipeline. EU wants to diversify its energy sources away from Russia as it is totally dependent on Russian gas.³⁷

RUSSIA

(DECEMBER 27, 2010- JANUARY 9, 2011)

- **Russia ratifies uranium deal with Mongolia; Russia and Spain expel two diplomats each on spying charges; Russian Tycoon Khodorkovsky gets six more years of jail term; West criticizes the extension of Khodorkovsky's jail term**

The Russian government has ratified an agreement to establish a joint venture between Russian and Mongolian companies to develop Dornod, Mongolia's biggest untapped uranium field³⁸. Russian investment in the first stage of the project is close to 300 million US\$ and production is expected to start next year.

³⁵ 'Tajikistan, Uzbekistan reach deal on 2011 Uzbek gas imports', *Central Asia Newswire*, January 7, 2011 at <http://www.centralasianewswire.com/Tajikistan/Tajikistan-Uzbekistan-reach-deal-on-2011-Uzbek-gas-imports/viewstory.aspx?id=2874>

³⁶ 'Turkmen Leader Applauds Increased Cooperation with Iran', *Central Asia Newswire*, January 03, 2011 at <http://www.centralasianewswire.com/Turkmenistan/Turkmen-leader-applaudsnbspincreased-cooperation-with-Iran/viewstory.aspx?id=2819>

³⁷ 'Top EU Officials to Visit Turkmenistan, Azerbaijan to Secure Nabucco Gas', *Central Asia Newswire*, January 05, 2011 at <http://www.centralasianewswire.com/turkmenistan/top-eu-officials-to-visit-turkmenistan-azerbaijan-to-secure-nabucco-gas/viewstory.aspx?id=2846>

³⁸ "Russia-Mongolia ratify agreement for uranium mining", MSN News, January 6, 2011 at <http://news.in.msn.com/international/article.aspx?cp-documentid=4772099>

The agreement was signed in 2009 in Moscow between Rosatom Corp., Russia's nuclear power company, Russia's government-run Armuz-Uranium Holding and Mongolia's state-owned KOO MonAtom. Dordon Uran is expected to produce 2,000 tons of uranium annually. The joint venture would be focusing on the Dornod deposit and the East Gobi fields in Mongolia.

Reports noted that Spain and Russia have expelled two of each other's diplomats on spying charges. The diplomats had been accused of economic espionage. However, the two countries have re-affirmed their decision to continue to work closely to improve their bilateral relationship. Meanwhile, at the start of the year 2011, Russia and Spain have decided to strengthen their cultural ties by celebrating 'Year of Spain' and 'Year of Russia' in their respective countries.³⁹

In another development, a Moscow court has sentenced jailed former oil oligarch Mikhail Khodorkovsky to another six years in prison till 2017. Khodorkovsky, the country's most famous political prisoner was convicted of theft and money-laundering. There was widespread backlash with both domestic and international condemnation pouring in, with the verdict being termed as illegal, disgrace and barbaric. German Chancellor Angela Merkel said the outcome of the trial contradicts the stated intentions of Russia's leaders for the country's development. France called on Russia to consider the widespread international criticism of the case as Khodorkovsky's legal team pursues an appeal.⁴⁰

D. WEST ASIA

IRAN

- **Iran invites Russia and China but not the West to its nuclear sites; Ahmadinejad once again fired his 14 top advisers**

Iranian foreign ministry spokesman Ramin Mehmanparast has announced that Iran is to open its atomic sites to some world powers. He informed that the invitations to visit Iran's nuclear sites in Natanz and Arak have been sent to ambassadors of some of the nations represented in the International Atomic Energy Agency (IAEA). Invitations have been sent to Russia and China only and not the United States, Britain, France and Germany. The rare move to open up its

³⁹ "Spain, Russia Expel Each Others Diplomats", Radio Free Europe Radio Liberty, December 28, 2010, http://www.rferl.org/content/spain_russia_diplomats_/2261377.html

⁴⁰ "Khodorkovsky Jailed Until 2017", The Moscow Times, 30 December 2010, <http://www.themoscowtimes.com/news/article/khodorkovsky-jailed-until-2017/428049.html>

facilities comes as Tehran works to garner support for its atomic drive in the run-up to talks with the six world powers in Turkey at the end of January.⁴¹

Meanwhile, Iranian President Mahmoud Ahmadinejad has once again sacked his fourteen top advisors. Reports indicated that some of the dismissed officials had not been notified about the decision. Media advisor Mahdi Kalhor was quoted as saying that he had been removed from his position as were thirteen other advisors to the illegitimate president who is finding himself facing increasing pressure from the conservative camp. Kalhor said that he was told about the sudden sackings following his meeting with Ahmadinejad while adding that he had already presented his retirement request to the president three months ago. The latest cycles of dismissals arrive just weeks after Ahmadinejad fired his foreign minister Manouchehr Mottaki while he was away on a diplomatic mission to Senegal.⁴²

IRAQ

- **Suicide bomber and gunman kill 5 including 2 US soldiers**

According to Iraqi security officials gun and bomb attacks killed three Iraqis and wounded 15, though the US military said two US soldiers had been also killed, the first to die in Iraq this year. A security official also stated that a suicide car bomb exploded outside a police intelligence office in Baquba north of the Iraqi capital, killing a man and wounding 15 other people. Just before the suicide bomber blew up the car, insurgents threw several hand grenades into the intelligence office. It was the first attack against the centre, which was opened three years ago.⁴³

YEMEN

- **Al Qaeda kills 10 security personnel and a civilian in Yemen; Al Qaeda claims responsibility for several attacks in Yemen**

A group of Al Qaeda cadres ambushed security forces on January 7, 2011 in two separate attacks in the Lawdar district of Abyan governorate, killing 10 soldiers and injuring seven others, including two civilians. According to

⁴¹ "Iran invites Russia, China to nuke sites but not US," *Khaleej Times*, January 4, 2011, at http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/middleeast/2011/January/middleeast_January58.xml§ion=middleeast

⁴² "Ahmadinejad sacks 14 top advisers without notice," *Iran Green Voice*, January 3, 2011, at <http://en.irangreenvoice.com/article/2011/jan/03/2629>

⁴³ "Three Iraqis, two US soldiers killed in Iraq," *Khaleej Times*, January 3, 2011, at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2011/January/middleeast_January42.xml§ion=middleeast

security sources, the Al Qaeda terrorists attacked two military vehicles one of which was one was a water tanker used to supply water to a military camp in Om Ain area near Lawdar. The other incident took place in the same district when another al Qaeda group attacked a convoy of the Army's Brigade Commander, Colonel Muhsen Juzailan. The Brigade Commander was injured along with three other soldiers and a civilian. A civilian was killed in the incident. The two attacks are considered the largest conducted by al-Qaeda since August 2010.⁴⁴

Meanwhile, Al Qaeda in the Arabian Peninsula (AQAP) has claimed responsibility for several terrorist attacks conducted in Yemen during the six past months. AQAP said it carried out 36 attacks that targeted security headquarters and checkpoints mainly in the province of Abyan and Shabwa. AQAP has also said that it conducted 13 operations in five provinces targeting the security personnel and took responsibility for the kidnapping of Deputy Director of Political Security in Sa'ada province in September last year.⁴⁵

E. USA

- **Defence Secretary Gates announces \$78 billion in cuts to military programmes over the next five years**

Reports noted that US Defence Secretary Robert Gates announced \$78 billion in cuts to military programmes over the next five years, intended to help bring the government's ballooning budget deficit under control. The reductions target expensive and burdensome weapons systems, staff, independent contractors and other overhead and will take place over five years, Gates said. Calling it a key part of his "reform agenda", Gates noted that further cuts to eliminate wasteful spending will allow the military to reallocate the savings into higher priorities. He stated, "We must come to realise that not every defence programme is necessary, not every defence dollar is sacred and well-spent, and that more of nearly everything is simply not sustainable."⁴⁶ While at the start his opening statement at the Pentagon, he said, "These reform efforts, followed through to completion, will make it possible to protect the U.S. military's size, reach and fighting strength despite a declining rate of growth and eventual flattening of the

⁴⁴ "AQAP attacks Abyan security, kills civilian", *Yemen Observer*, January 8, 2011, available at <http://www.yobserver.com/local-news/10020545.html>

⁴⁵ "Al-Qaeda claims credit for several attacks in Yemen", *Yemen Observer*, January 3, 2011, available at <http://www.yobserver.com/local-news/10020496.html>

⁴⁶ "US Announces Major Defense Cuts." *Hindustan Times*. January 10, 2011. <http://www.hindustantimes.com/US-announces-major-defence-cuts/Article1-647290.aspx>

defense budget over the next five years,". ⁴⁷ Gates noted that the measures will meet the White House goal of limiting the defence budget in 2012 to \$554 billion, just a modest increase over the \$549-billion budget for 2011. However, those figures do not include the cost of military operations in Iraq and Afghanistan.⁴⁸

II. ENERGY REVIEW

- **India's Coal Minister visits South Africa and Mozambique; India seeks to acquire coal assets in South Africa; Jindal subsidiaries awarded coal blocks in Mozambique for exploration**

India's Coal Minister Sriprakash Jaiswal was on a four-day visit to South Africa and Mozambique along with a high-level delegation comprising Coal Secretary C. Balakrishnan and Coal India Chairman Partha Bhattacharya. According to an official release, Mr. Jaiswal met with South African Minister of Mineral Resources Susan Shabangu. Meanwhile, reports noted that India has sought the cooperation of the South African Government to enable Indian companies to acquire coal assets there and also help them develop clean coal technologies. A number of Indian companies have evinced interest in buying assets in South Africa, including CIL, which accounts for over 85 per cent of the domestic coal production, NMDC, MOIL and Tata Steel.⁴⁹

However, Jindal Poly Films which is part of the Rs 3,000-crore B C Jindal Group, said that its subsidiary, Jindal Resources (Mozambique) Ltd, had been awarded a coal block for prospecting and exploration. The license for exploring the block covers an area of 1,480 hectares, estimated to possess reserves of around 150 million tonnes. The block is situated near the Moatize rail head, connected to Beira port by a railway.⁵⁰

⁴⁷ "Defense Secretary Announces Billions in Budget Cuts." *CNN News*. January 6, 2011.
http://articles.cnn.com/2011-01-06/politics/pentagon.budget.cuts_1_defense-budget-gates-plan-defense-secretary-robert-gates?s=PM:POLITICS

⁴⁸ "US Announces Major Defense Cuts." *Hindustan Times*. January 10, 2011.
<http://www.hindustantimes.com/US-announces-major-defence-cuts/Article1-647290.aspx>

⁴⁹ "India seeks clean coal technology from South Africa", *The Hindu*, January 6, 2011 at <http://www.thehindu.com/business/Economy/article1045874.ece>

⁵⁰ "Jindal subsidiaries get coal blocks in Mozambique for exploration", *Business Standard*, January 8, 2011 at <http://www.business-standard.com/india/news/jindal-subsiidiaries-get-coal-blocks-in-mozambique-for-exploration/421172/>