

THE WEEK IN REVIEW

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I. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

- **Reports: Afghan narcotics officials face threats from Taliban as US and Afghan agents ramp up war on drugs; Two NATO service members killed in Taliban attacks; US Special Inspector General for Afghanistan Reconstruction, resigns; President Karzai holds talks with Afghan parliamentarians over parliament deadlock**

Reports noted that narcotics cop Mohammad Wais has resigned from his job in Afghanistan's poppy heartland of Kandahar after receiving death threats from Taliban. Similarly, an intelligence officer Mohammad Tariq Aziz Hashimi has fled after an assault by the traffickers. Their decision to abandon their posts is a reminder of the challenges facing a newly ramped-up US and Afghan bid to fight against drug business that has helped fund three decades of conflict.¹

Meanwhile, NATO sources noted that two of its service members were killed in insurgent attacks in Afghanistan. One service member was killed on Thursday in the north, while another was killed on Wednesday in the south. However, the report did not identify their nationalities.²

The US Special Inspector General for Afghanistan reconstruction, Arnold Fields has resigned which is to be effective from February 4, 2011. The decision by Arnold Fields, a retired Marine Major General came as some critics are urging Obama to find a more aggressive watchdog who can focus attention on flushing out civilian corruption and shortcomings in the Afghan government.³

In other developments, Afghan President Hamid Karzai met with lawmakers on Saturday aimed at breaking the deadlock over his plan to delay opening a new parliament. Karzai spent hours in negotiation with a large delegation of legislators who threatened to inaugurate parliament on Sunday without him, in open defiance of his authority. This came after the United States and the United

¹ "US and Afghan agents ramp up war on drugs", Dawn, January 18 at <http://www.dawn.com/2011/01/18/us-and-afghan-agents-ramp-up-war-on-drugs.html>

² "Two Nato service members killed in Afghan attacks", Dawn, January 20 at <http://www.dawn.com/2011/01/20/two-nato-service-members-killed-in-afghan-attacks.html>

³ "US grapples to keep Afghan rebuilding on track", Dawn, January 22 at <http://www.dawn.com/2011/01/22/us-grapples-to-keep-afghan-rebuilding-on-track.html>

Nations called for the parliament to meet as quickly as possible, further ratcheting up the pressure on Karzai.⁴

PAKISTAN

- **ISI chief Shuja Pasha attends meeting with President Zardari and CIA chief Leon Panetta; Pakistan insist on full resumption of composite dialogue with India; Pakistan; Reports: Taliban chief Mullah Omar treated in Pakistan with help of ISI; World Bank approves loan, grant for Pakistan; Republican US senators visit Afghanistan**

Reports noted that Pakistan's ISI chief Lt-Gen Ahmed Shuja Pasha attended an important meeting that President Asif Ali Zardari held with CIA chief Leon Panetta, dispelling a perception that the government of Pakistan did not want to involve the military in its dealings with the Americans.⁵

Meanwhile, Pakistan has insisted on the full-fledged resumption of the composite dialogue in proposals submitted to India through diplomatic channels ahead of the upcoming meeting of the Foreign Secretaries of the two countries. The two countries have exchanged several proposals in the run-up to the meeting of the Foreign Secretaries on the sidelines of a SAARC meet to be held in Bhutan on February 6-7, 2011.⁶

Reports noted that the reclusive chief of the Afghan Taliban Mullah Mohammed Omar has been treated for a heart attack in Pakistan with the help of its intelligence service.⁷

The World Bank has approved a \$250 million loan and a \$35 million grant for Pakistan to help vulnerable communities in areas rocked by conflict. The loan announced Thursday aims to bolster Pakistan's recovery efforts in the Khyber Pakhtunkhwa (KP) province and Federally Administered Tribal Areas (Fata).

⁴ "Afghan politicians in talks on parliament deadlock", Dawn, January 22 at <http://www.dawn.com/2011/01/22/afghan-politicians-in-talks-on-parliament-deadlock.html>

⁵ Zardari-Panetta meeting attended by ISI chief, Dawn, 17 January, 2011 at <http://www.dawn.com/2011/01/17/zardari-panetta-meeting-attended-by-isi-chief.html>

⁶ "Pakistan seeks full resumption of composite dialogue", Greater Kashmir, 17 January at <http://www.greaterkashmir.com/news/2011/Jan/17/pakistan-seeks-full-resumption-of-composite-dialogue-51.asp>

⁷ "Taliban chief Mullah Omar treated in Pakistan: report", Dawn, January 19 at <http://www.dawn.com/2011/01/19/taliban-chief-mullah-omar-treated-in-pakistan-report.html>

The grant, meanwhile, will be co-financed by the Multi-Donor Trust Fund (MDTF), the Washington-based international development lender said.⁸

In other developments, Senate Republican leader Mitch McConnell with six other Republican senators visited Afghanistan and Pakistan to meet with American military leaders and with officials of those countries.⁹

NEPAL

(JANUARY 10-16, 2011)

- **Nepalese cabinet hands over the UNMIN monitoring task to the secretariat under the Army Integration Special Committee (AISC); The Army Integration Special Committee begins monitoring; A fresh process to form a new government begins in Nepal as NC's Prime Ministerial candidate withdraws**

The Nepalese cabinet decided to hand over the UNMIN monitoring task to the secretariat under the Army Integration Special Committee (AISC) in the post-UNMIN period.¹⁰ In this regard, the Maoists and the government agreed to form a six-member joint team after entering into a three point agreement.¹¹

After formal departure of the UNMIN, an eight-member team under the Army Integration Special Committee (AISC) has started monitoring the weapons of PLA in the seven cantonments and the Nepal Army's Chhauni barracks. However, the UN has assured the support of world body to the ongoing peace process in Nepal.¹²

In a significant development, with the withdrawal of Nepali Congress Prime Ministerial candidate, Ram Chandra Paudel from the Prime Ministerial race, a fresh process to form a anew government has started in Nepal. President Ram Baran Yadav has asked the politically parties to form a government under

⁸ "World Bank approves loan, grant for Pakistan", Dawn, January 21 at <http://www.dawn.com/2011/01/21/world-bank-approves-loan-grant-for-pakistan.html>

⁹ "Republican US senators go to Afghanistan, Pakistan", Dawn, 17 January at <http://www.dawn.com/2011/01/17/republican-us-senators-go-to-afghanistan-pakistan.html>

¹⁰ "Cabinet entrusts SC secretariat with UNMIN role", The Himalayan Times, January 13, 2011 at <http://www.thehimalayantimes.com/fullNews.php?headline=Cabinet+entrusts+SC+secretariat+with+UNMIN+role&NewsID=272990>

¹¹ "Govt, Maoist ink 3-point pact on post-UNMIN mechanism", Republica, January 14, 2011 at http://www.myrepublica.com/portal/index.php?action=news_details&news_id=27158

¹² "AISC begins monitoring in Chitwan", Republica, January 16, 2011 at http://www.myrepublica.com/portal/index.php?action=news_details&news_id=27230

national consensus by January 21, 2011 as per the Article 38 (1) of the interim constitution.¹³

SRI LANKA

- **UN Assistant Secretary for Humanitarian Affairs and Deputy Emergency Relief Coordinator visits flood victims and sought international support to Sri Lankan government; India sends second consignment of relief assistance to Sri Lanka; India rejects Sri Lankan denial of shooting at Indian fisherman by Sri Lankan navy; Pak Army Chief visits Sri Lanka; Inauguration of Jaffna branch of India Bank; Assets of World Tamil Movement of Ontario and the World Tamil Movement of Quebec to be forfeited; Amnesty International requests for war crime investigation of Sri Lankan President; Air Service agreement signed between Sri Lanka and Kenya; Japanese grant to Sri Lanka to upgrade the Jaffna teaching hospital to restore tertiary level medical functions**

UN Assistant Secretary for Humanitarian Affairs and Deputy Emergency Relief Coordinator, Catherine Bragg visited Sri Lanka on an official three day mission from January 19-21 to meet the flood affected people. The UN issued the appeal seeking 51 million dollars to enable international partners to support the government in addressing the needs of more than one million flood-affected people over the next six months.¹⁴ In the meantime, the second consignment of 30 tons of food items including dry rations such as dhal, Sugar, salt, blankets and water purification tablets for flood victims were sent by the Indian government to Sri Lanka.¹⁵

Indian Navy has rejected the denial offered by the Sri Lankan President that the Tamil Nadu fisherman died of shooting by the Lankan Navy.¹⁶ Meanwhile, the India Coast Guard has begun a comprehensive enquiry into the event.¹⁷

Pakistan's Chief of Army Staff General Ashfaq Parvez Kayani, visited Sri Lanka on January 19, 2011 on a three day tour on the invitation of his Sri Lankan

¹³ "President tells parties to form new government before Jan 21", *Republica*, January 15, 2011 at http://www.myrepublica.com/portal/index.php?action=news_details&news_id=27196

¹⁴ "UN seeks US \$ 51 m for SL", *Daily Mirror*, January 19, 2011 at <http://www.dailymirror.lk/news/9157-un-seeks-us-51-m-for-sl.html>.

¹⁵ Murshideen, B.M., "Relief: India's Second Consignment Given", January 18, 2011 at <http://print.dailymirror.lk/news/news/33249.html>.

¹⁶ "Indian Navy Rejects MR Denial", *Daily Mirror*, January 18, 2011 at <http://print.dailymirror.lk/news/news/33245.html>

¹⁷ "Inquiry on Alleged Shootout by Lankan Navy", *Daily Mirror*, January 18, 2011 at <http://print.dailymirror.lk/news/news/33246.html>

counterpart.¹⁸ During his meeting with Prime Minister D.M. Jayaratne in Colombo, he stressed the importance of having a mechanism to strengthen defence ties between Sri Lanka and Pakistan.¹⁹

Reports noted that Jaffna branch of the Indian Bank was inaugurated by High Commissioner of India, Mr. Ashok K. Kantha and Governor of Central Bank of Ajith Nivard Cabraal on January 21, 2011.²⁰

The Canadian Federal Court has issued an order to the federal government to forfeit all assets belonging to World Tamil Movement of Ontario and the World Tamil Movement of Quebec.²¹ Amnesty International has requested the United States to launch a war crimes investigation of President Mahinda Rajapaksa.²²

In other developments, Sri Lanka and Kenya has signed a bilateral air services agreement.²³ Japanese International Co-operation Agency granted Rs. 2.9 billion to upgrade the Jaffna Teaching Hospital to restore tertiary level medical functions.²⁴

MALDIVES

- **India, Maldives sign agreement for cooperation in the IT sector; Subsidized office space provided to the Maldives by the Commonwealth's Small States Office in Geneva**

India and Maldives has signed a US\$5.7 million agreement which would facilitate Indian IT assistance to the Maldives. The Indian government also delivered sports equipments worth seven million rupees and medical consumables worth 10.6 million rupees (Rf3.1 million) to the Maldives.²⁵

¹⁸ "Pakistan Army Chief arrives", *Daily Mirror*, January 19, 2011 at <http://www.dailymirror.lk/news/images/9174-pakistan-army-chief-arrives.html>

¹⁹ "Pakistan-SL to Further Strengthen Defence Ties", *Daily Mirror*, January 21, 2011 at <http://print.dailymirror.lk/news/news/33593.html>

²⁰ "Indian Bank, Jaffna Opened", January 24, 2011 at http://www.priu.gov.lk/news_update/Current_Affairs/ca201101/20110124indian_bank_jaffna_opened.htm

²¹ "Canadian Federal Court Forfeits WTM Assets", January 24, 2011 at http://www.priu.gov.lk/news_update/Current_Affairs/ca201101/20110124canadian_federal_court_forfeits_wtm_assets.htm

²² "Amnesty Urges US to Probe MR", *Daily Mirror*, January 21, 2011 at <http://print.dailymirror.lk/news/front-page-news/33565.html>

²³ "Sri Lanka and Kenya Sign Air Traffic Deal", *Daily Mirror*, January 21, 2011 at <http://print.dailymirror.lk/business/127-local/33542.html>

²⁴ "Japan to Assist Restore Jaffna Hospital", *Daily Mirror*, January 22, 2011 at <http://print.dailymirror.lk/news/news/33661.html>

²⁵ "India, Maldives sign US\$5.7 Million IT Assistance Agreement", *Haveeru Online*, January 23, 2011 at <http://www.haveeru.com.mv/english/details/34417>

The Maldives has been provided subsidized office space by the Commonwealth's Small States Office in Geneva which will allow Maldives to establish a diplomatic presence in the region for bilateral accreditation in Europe and to the many multilateral organizations in Geneva.²⁶

B. EAST ASIA

CHINA

- **President Hu visits the United States; Ma Xiotian receives senior Korean military officials; China starts first nation-wide research project on aerospace; The PLA Navy hold a seminar on the taskforces in the Gulf of Aden**

The Chinese President Hu Jintao went on a state visit to the United States last week. In his four day visit, the President Jintao held frank and in-depth talks with his US counterpart, Barack Obama, and many other senior political figures. According to the Chinese Foreign Minister Yang Jiechi, President Jintao's visit to the US bore rich fruit and opened a new chapter of cooperation between the two countries. During the visit, the two countries reached important consensus on bilateral relations and a host of major regional and global affairs.²⁷

During last week, Cho Baek Sang, Director of the International Policy Bureau of the Ministry of National Defense of the Republic of Korea (ROK) led a delegation and met Ma Xiaotian, Deputy Chief of General Staff of the Chinese People's Liberation Army in Beijing on 19 January 2011. On this occasion, Ma Xiaotian underscored that the strengthened exchanges and cooperation between the militaries of the two countries create a conducive environment for the stability in the Korean Peninsula.²⁸

Reports noted that China's first national-level basic research program in the field of aerospace has officially started at the Astronaut Center of China in January 2011. Under this programme, the eight well-known aerospace science and life science research institutes in China are collaborating. This four year programme will end in 2015 and will focus on the impacts weightlessness, quick day-and-

²⁶ "Maldives moves into Commonwealth's Small States Office in Geneva", *Minivan News*, January 19, at 2011 at <http://minivannews.com/category/news-in-brief>

²⁷ "Hu's visit opens new chapter of China-US co-op", *China Daily* (Online), 23 January 2011 at http://www.chinadaily.com.cn/china/2011-01/23/content_11900739.htm

²⁸ "Ma Xiaotian meets ROK guests", *PLA Daily* (Online), 20 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/20/content_4373043.htm.

night alternation and poky living space on the astronauts and boost the basic disciplinary research on aerospace medical engineering.²⁹

In other developments, recently the PLA Navy held a seminar on the two-year's of escort in the Gulf of Aden and the waters off the Somali coast by the Chinese Navy. Wu Shengli, member of the Central Military Commission and commander of PLA Navy, attended and addressed the seminar. The seminar was organized in Beijing on 14 January 2010. On this occasion, Wu Shengli highlighted the successful accomplishment of the Chinese naval taskforces in the maritime region.³⁰

JAPAN

- **Prime Minister Kan: "Japan should be more assertive in foreign policy"; Japan's Defence Minister: Guam will host some of the military drills involving Okinawa-based F-15 fighters; Successful flight of the China's J-20 stealth fighter scares Japan; North Korea upset as Japan-South Korea seek closer military ties; Tokyo and Washington signed an agreement that keeps Tokyo's annual bill for hosting U.S. military facilities at ¥188.1 billion**

In a recent statement Japan's Prime Minister Kan has stated, "Japan should be more assertive in foreign policy by focusing on its alliance with the United States and boosting ties with its Asian neighbors, as it seeks to address security challenges such as North Korea's nuclear threats". He further added that "to maximize the opportunities and contain risks stemming from uncertainties, Japan needs to be more inventive and responsive in its foreign policy."³¹

On the other hand, Japan's Defense Minister Toshimi Kitazawa has announced that Guam will host some of the military drills involving Okinawa-based F-15 fighters. These are a part of efforts to ease the base-hosting burden on the southwestern prefecture.³²

On the regional front, reports noted that the successful flight of the China's J-20 stealth fighter has sparked concern among China's neighbours. As a result of this, Japan seems to be the most worried and is working towards importing the

²⁹ "China launches manned space station research project", *PLA Daily* (Online), 17 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/17/content_4371033.htm.

³⁰ "PLA Navy holds forum on two-year's escort in Gulf of Aden", *PLA Daily* (Online), 17 January 2011 at http://eng.chinamil.com.cn/news-channels/china-military-news/2011-01/17/content_4371015.htm.

³¹ "LEAD: Japan should boost Asia ties, base foreign policy on U.S. alliance: Kan+" *Associated Press*, January 20 at 2011 at http://www.breitbart.com/article.php?id=D9KS0RG80&show_article=1

³² "LEAD: Japan says Guam to host F-15 drills to ease Okinawa's burden+" *Associated Press*, January 19, 2011 at http://www.breitbart.com/article.php?id=D9KR002G0&show_article=1

American F-35 jet fighter and Russian fifth-generation jets.³³ There are some other reports which suggest that Japan has said publicly for the first time what it has contemplated privately for years. Japanese defence planners have announced a new defence posture that uses China's military rise as justification for a new, more proactive approach.³⁴ Meanwhile, North Korea has expressed its anger over efforts by South Korea and Japan to seek closer military ties, repeating calls for Seoul to resume talks with Pyongyang first to defuse regional tensions.³⁵

In a very important development, Tokyo and Washington has signed an agreement that keeps Tokyo's annual bill for hosting U.S. military facilities at ¥188.1 billion over the next five years and allows it to relocate unwanted war exercises, that too for a price.³⁶

In other developments, reports noted that leaked US diplomatic cables reveal that Australian spy agencies have intensified secret operations with the US and Japan, in effort to seek sensitive information from China, North Korea and Iran.³⁷

SOUTHEAST ASIA

- **China, Japan and South Korea pledge to support ASEAN's tourism plan; Foreign investment drops more than 30 percent in Thailand; Indonesia frets external interference in South China sea; 34 bilateral MoUs to be signed during Indonesian President's India visit; Chinese imports from ASEAN rose 44.8 percent in 2010**

China, Japan and South Korea have pledged to support ASEAN's five-year tourism strategic plan. This was decided in the 10th ASEAN and China, Japan and South Korea (ASEAN+3) tourism ministerial meeting on January 18, 2011. The support was made after the Association of Southeast Asian Nations

³³ "Japan's illusionary sense of fear" *Global Times*, January 20, 2011 at <http://opinion.globaltimes.cn/editorial/2011-01/614472.html>

³⁴ "China's Rise = Remilitarizing Japan?" *The Diplomat*, January 21, 2011 at <http://thediplomat.com/2011/01/21/chinas-rise-remilitarizing-japan/>

³⁵ "N. Korea denounces S. Korea-Japan military talks" *Associate Foreign Press*, January 15, 2011 at <http://www.google.com/hostednews/afp/article/ALeqM5jZJuYgQ2R6oMRcly0TzGtvIRrXrg?docId=CNG.3e2d0b0dcd8915b98a3dad60fac7dee8.361>

³⁶ "Host-nation deal inked, not 'sympathy budget'" *The Japan Times*, January 22, 2011 at <http://search.japantimes.co.jp/cgi-bin/nn20110122a2.html>

³⁷ "Aussie spies intensify US, Japan links" *Nine News*, January 22, 2011 at <http://news.ninemsn.com.au/national/8200337/aust-spies-intensify-links-with-us-japa>

(ASEAN) tourism ministers endorsed the strategic plan in the 14th meeting of ASEAN tourism ministers. According to the statement, the strategic plan is to promote intra-ASEAN tourism marketing, to develop tourism products, to improve quality tourism among other things.³⁸

The value of foreign investment applications in Thailand fell 32.7% to US\$7.8 billion in 2010, due mainly to domestic political unrest and an industrial estate freeze. According to the Thailand's Minister of Industry Chaiwuti Bannawat, Thailand's FDI in 2010 experienced constant growth in number.³⁹

Indonesia has expressed concern over possible interference by the United States and Japan in prolonged South China Sea territorial disputes. Indonesian said that it is worried the U.S. and Japan might interfere in the issues. China, Vietnam, the Philippines, Malaysia, Brunei and Taiwan all have overlapping or conflicting claims to territories in the Sea.⁴⁰

Meanwhile, reports noted that India and Indonesia will sign 34 memorandums of understanding, half of them on business and investment, during the visit of Indonesian President Susilo Bambang Yudhoyono. A 140-strong business delegation will be accompanying Yudhoyono to explore the potential for Indonesian investments in India. The other MoUs will cover cooperation in combating terror, extradition and exchange of information on criminal activities, culture and education.⁴¹

In other developments, China's imports from ASEAN countries went up by 44.8 percent to \$154.56 billion in 2010. According to the reports, since the establishment of the China ASEAN Free Trade Area at the beginning of 2010, bilateral trade had risen 37.5 percent year on year to \$292.78 billion. ASEAN is China's fourth largest trading partner, after the European Union, the United States and Japan.⁴²

³⁸ China, Japan, S Korea support ASEAN's tourism plan, *Xinhua*, 18 January, 2011 at http://news.xinhuanet.com/english2010/world/2011-01/18/c_13696381.htm

³⁹ Foreign Investment Drop 32% in Thailand, *Thailand Business News*, 21 January, 2011, <http://thailand-business-news.com/investment/28903-foreign-investments-drop-32-in-thailand>

⁴⁰ Indonesia Frets About U.S., Japanese interference in S. China Sea, *The Mainichi Daily News*, 22 January, 2011 at <http://mdn.mainichi.jp/mdnnews/international/news/20110122p2g00m0in020000c.html>

⁴¹ India, Indonesia to sign 34 MoUs during Yudhoyono visit, *Sify News*, 22 January, 2011, <http://www.sify.com/finance/india-indonesia-to-sign-34-mous-during-yudhoyono-visit-news-default-lbwoufjggdg.html>

⁴² China's imports from ASEAN up 44.8 pct in 2010, *People's Daily Online*, 21 January, 2011, <http://english.people.com.cn/90001/90778/7268304.html>

C. CENTRAL ASIA & RUSSIA

CENTRAL ASIA

- **Kazakhstan to join the WTO in close coordination with the Customs Union partner countries; Kazakhstan adopts Joint Economic Policy Statement for 2011; Russia removes tariff on oil product exports to Kyrgyzstan; Tajikistan convicts 158 of its citizens for religious extremism in 2010; Tajikistan ups its gold and currency reserves by 88.8 per cent; Uzbek President Karimov dismisses minister; President Karimov to visit Belgium**

Kazakhstan's Minister of Economic Development and Trade stated that "Kazakhstan will join the WTO in close coordination with the Customs Union partner countries,". She informed that that Kazak government, the National Bank and Financial Supervision Agency (FSA) has adopted a joint statement with regards to the main directions of economic policy for 2011. It is aimed at increasing "competitiveness of Kazakhstan's economy, implementation of the programs aimed at economic diversification, stable employment and household income growth, and implementation of state programs regarding human capital development including education, health care, and languages development," Aitzhanova stated.⁴³ "The goal of further integration to the global trading and economic system, one of the priority tasks of the foreign economic policy is to speed up the process of Kazakhstan's accession to the WTO in close coordination with the Customs Union partner countries," the Minister stressed.⁴⁴

Russia has removed a duty on oil product exports to Kyrgyzstan in a move to clearing the way for Moscow to supply jet fuel to a U.S. air base key to its Afghan war effort.⁴⁵ The decision, which followed a meeting between Russian Prime Minister Vladimir Putin and his newly appointed Kyrgyz counterpart, Almazbek Atambayev, signals a warming of ties after former President Kurmanbek Bakiyev infuriated the Kremlin by extending the U.S. lease on the Manas air base.⁴⁶

Reports noted that Tajikistan has convicted 158 of its citizens for religious extremism in 2010. It has intensified crackdown on Islamist groups in the wake

⁴³ 'Government, NB and FSA made joint economic policy statement', *Kazakhstan Today*, January 18, 2011 at <http://www.kt.kz/?lang=eng&uin=1133435548&chapter=1153531091>

⁴⁴ 'Kazakhstan to join WTO in close coordination with Customs Union partner countries', *KAZINFORM*, January 18, 2011 at <http://kazinform.kz/eng/article/2341463>

⁴⁵ Alla Afanasieva and Olga Dzyubenko, 'Russia scraps Kyrgyz fuel duty, eyes U.S. base supply', *Reuters*, Jan 20, 2011 at <https://research.tdwaterhouse.ca/research/public/Markets/CommoditiesNews?documentKey=1314-LDE70J015-1>

⁴⁶ -ibid-

of a militant uprising in the eastern Rasht Valley since September 2009.⁴⁷ In addition to arresting members of illegal religious groups, Tajikistan has also closed unregistered mosques and is requiring existing mosques to re-register with the government.⁴⁸

Meanwhile, according the Chief of the National Bank of Tajikistan (NBT) Sharif Rahimzoda, the total value of Tajikistan's gold and currency reserves soared by 88.8 percent in 2010 over 2009. Tajikistan's total reserves amounted to \$663.5 million as of January 1, 2011, Rahimzoda added.⁴⁹

Uzbekistan President Islam Karimov signed a decree on Monday dismissing the Minister of Cultural Affairs and Sports Anvar Jabbarov, who served as the Minister of Cultural Affairs and Sports since 2009.⁵⁰

In other developments, reports noted that Uzbek President Islam Karimov will visit Brussels on January 24 which would be his first trip to an EU country since his government violently suppressed a demonstration in Andijan in 2005, killing hundreds and drawing anger from the bloc.⁵¹ He will meet the NATO Secretary General, Anders Fogh Rasmussen, at the NATO Headquarters. According to reports, President Karimov will also hold talks with European Commission President Jose Manuel Barroso. It is assumed that the discussions will focus on energy, economy and the issue of Afghanistan.⁵²

RUSSIA

- **Afghan President Karzai visits Russia to boost bilateral ties; Russian companies to explore oil and gas in Jordan; Russia-Belarus continue to spar over oil prices**

Afghan President Hamid Karzai who was on his second trip to Russia within six months, has invited Russia to rebuild Soviet-era facilities in Afghanistan. At a

⁴⁷ 'Tajik religious extremism convictions triple in 2010', *Central Asia Newswire*, January 18, 2011 at <http://centralasianewswire.com/viewstory.aspx?id=2985>

⁴⁸ -ibid-

⁴⁹ 'Tajik currency, gold reserves leap 88% in 2010', *Central Asia Newswire*, January 20, 2011 at <http://centralasianewswire.com/Business/Tajik-currency-gold-reserves-leap-88-in-2010nbsp/viewstory.aspx?id=3004>

⁵⁰ 'Uzbek President dismisses Minister of Cultural Affairs and Sports', *Trend News Agency*, Jan. 18, 2011 at <http://en.trend.az/news/politics/1813313.html>

⁵¹ 'Uzbek president to visit Brussels for first time since massacre', *Hurriyet Daily News*, January 18, 2011 at <http://www.hurriyetdailynews.com/n.php?n=uzbek-president-to-brussels-for-the-first-time-since-massacre-2011-01-18>

⁵² 'Uzbek President to negotiate with NATO Secretary General', *Trend News Agency*, Jan. 21, 2011 at <http://en.trend.az/news/politics/1815808.html>

press conference with Russian President Medvedev, the two leaders issued a joint declaration in which Russia expressed its readiness to participate in "priority economic projects" in Afghanistan, some even dating back to the Soviet era. They also discussed trade cooperation, security, cultural issues and the pressing matter of countering international drug trafficking. The projects include the Salang Tunnel in the Hindu Kush mountains, hydroelectric power facilities in Kabul and Baglan provinces, a customs terminal and a university in Kabul. The declaration expressed support for Russian involvement in a proposed gas pipeline from Turkmenistan to India via Afghanistan and Pakistan. Meanwhile reports noted that Russia will also hold talks with the United States next month on plans for the sale of 21 Mi-17 helicopters for use in Afghanistan.⁵³

Reports noted that the Russian Energy Minister has signed an agreement with his Jordanian counterpart which allows Russian oil and gas companies to explore the reserves of Jordan. The agreement allows for direct investment in exploration projects and the formation of ventures with private local companies to look for oil and gas in the Arab country. The accord also allows Russians to participate in projects for power generation, shale oil and renewable energy.⁵⁴

In another development, according to reports, Russia and Belarus have not been able to reach an agreement over the price of oil shipments to Belarus. However, even though shipments to Belarus have been stopped, oil transit to Europe via Belarus has not been suspended. The major bone of contention is the decision of the Belarusian government to raise the price for transit of Russian oil via its territory from February 1, 2011. The price would be increased up to \$45 per ton. This is still cheaper than Venezuelan oil, the price of which is too high because of the transportation problem. However, the new price considerably exceeds the costs of Russian companies for transit via the Republic.

It would be worth noting that Belarus usually consumes 6.8 million tons of oil a year and processes 13.5 million more tons to sell this amount afterwards and derive huge profit from the proceeds. The country would send petroleum products to the energy guzzling markets of Western countries. Moscow has refused to sponsor the fuel business of its neighbour with duty-free oil. However, in an apparent thawing of relationship between the two sides, Russian Prime Minister Putin has promised Belarus that it still stood a chance of earning close to 4 billion US\$ in subsidies and also Russian support in the construction of a US \$6

⁵³ "Update 2- Karzai courts Moscow with economic projects", Reuters, January 21, 2011, <http://www.reuters.com/article/idUSLDE70K1DM20110121>

⁵⁴ "Russian companies to explore oil and gas in Jordan", *Pravda*, January 19, 2011 at <http://english.pravda.ru/news/business/19-01-2011/116574-economy-0/>

billion nuclear power plant that is designed to meet 27% of the electricity consumption in Belarus.⁵⁵

D. WEST ASIA

IRAN

- **Iran and five plus-one power conclude two days talks on Iran's nuclear programme in Istanbul**

Iran and the five permanent members (the United States, Britain, France, Russia, and China) of the UN Security Council and Germany concluded two days of talks in Istanbul. Iran's Supreme National Security Council Secretary, Saeed Jalili stated that "the talks focused on common ground for cooperation." He also added that Iran is still ready to engage in additional negotiations, though the talks should be based on logic. Iran has constantly said that it will never give in to the major powers' pressure applied through threats and the imposition of sanctions. The Istanbul meeting was the second round of talks since the negotiations restarted last month in Geneva, breaking a 14-month gap. The Iranian negotiators insisted on Iran's principled postures and declined to discuss the issues raised outside the framework of the Geneva agreement.⁵⁶

IRAQ

- **42 killed and many injured in a suicide bomb blast in Salahuddin province; A day after also, more than 15 people killed in attacks at many other places in Iraq**

A suicide bomber killed 42 and injured more than 100 in Salahuddin province. Ahmed Abdul-Jabbar, Deputy Governor of Salahuddin province said "who else would it be but Al Qaeda, who keeps on slaughtering us." The attack took place outside a police recruiting centre where Iraqi men were lining up with their documents, willing to get a job. Salahuddin province which is home to Saddam's family, continues to suffer frequent attacks by suspected Sunni Islamist insurgents opposed to the Shia-led authorities in Baghdad. Insurgents have speed up their attacks on Iraqi police and troops since US forces formally ended

⁵⁵ "Putin Dangles \$4Bln Carrot Before Belarus", *The Moscow Times*, January 21, 2011 at <http://www.themoscowtimes.com/business/article/putin-dangles-4bln-carrot-before-belarus/429359.html>

⁵⁶ "Istanbul talks focus on common ground," *Tehran Times*, January 23, 2011, at http://www.tehrantimes.com/index_View.asp?code=234572

combat operations last August ahead of a full withdrawal this year.⁵⁷ Even a day after, in another incident, suicide bombers killed 13 people and wounded many in different places in Iraq.⁵⁸

E. USA

- **Congressional Republicans warns of opposing any new spending initiatives**

Reports noted that as the date of President Obama's State of the Union's Address approaches, Congressional Republicans warned that they would oppose any new spending initiatives and press ahead with their plans for budget cuts in every realm of government, including the military. With Obama planning to call for "investments" of tax dollars in specific areas like education, infrastructure and technology, Republicans insisted that "investment" was just another name for spending that the nation can ill afford. A Republican Senator Mitch McConnell stated, "With all due respect to our Democratic friends, any time they want to spend, they call it investment, so I think you will hear the president talk about investing a lot Tuesday night."⁵⁹

II. ENERGY REVIEW

- **Major Indian steel companies to explore business in Magnolia**

Reports noted that major Indian steel giants have set their sights on coal-rich Mongolia after their successful venture in Afghanistan. The International Coal Ventures Limited (ICVL), a special purpose vehicle (SPV) of mineral and metal PSUs, is all set to put forth a pre-qualification bid to develop the western block of Tovan Tolgoi coal deposits in Mongolia. At the behest of the steel ministry, the ICVL has nearly finalised the details for putting up the bid.

According to reports, in a recent meeting convened by the top brass of the mines ministry to ascertain the interests of domestic steel giants to invest in Mongolia, Steel Secretary P K Mishra asked ICVL chairman C S Verma to venture ahead

⁵⁷ "Death toll from Iraq suicide bombing rises to 42," *Khaleej Times*, January 18, 2011, at http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/middleeast/2011/January/middleeast_January340.xml§ion=middleeast

⁵⁸ "15 dead in Iraq suicide attacks," *Khaleej Times*, January 19, 2011 at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2011/January/middleeast_January370.xml§ion=middleeast

⁵⁹ "State of Union Near, Republicans Draw Line on Spending" *The New York Times*, January 23, 2011 at <http://www.nytimes.com/2011/01/24/us/politics/24union.html>

and respond to Mongolia's offer to Indian companies in putting up the bid. An estimated investment of Rs 10,000 crore would be required to operationalise the mine and expand the choked railway infrastructure there.⁶⁰

⁶⁰ "Now, coal-rich Mongolia on Indian steel majors' radar", *The Indian Express*, January 24, 2011 at <http://www.indianexpress.com/news/Now--coal-rich-Mongolia-on-Indian-steel-majors--radar/741372>