

THE WEEK IN REVIEW

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EDITOR: S. SAMUEL C. RAJIV

REVIEW ADVISOR: S. KALYANARAMAN

CONTRIBUTORS

PRANAMITA BARUAH – Southeast Asia

LAXMAN KUMAR BEHERA – Defence Issues

MEDHA BISHT – Bhutan

MAHTAB ALAM RIZVI – Iran, Iraq

SANJEEV KUMAR SHRIVASTAV - Afghanistan

GUNJAN SINGH – Japan

PRIYANKA SINGH - Pakistan



**INSTITUTE FOR DEFENCE STUDIES AND ANALYSES,
1, DEVELOPMENT ENCLAVE, RAO TULA RAM MARG, NEW DELHI – 110010**

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1. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN

MARCH 15-21

- **Taliban claims responsibility for Kandahar attacks; Karzai orders extra forces to secure Kandahar; Petraeus: US military faces a tough year ahead; Most US forces to operate under NATO command; McChrystal brings most US Special Operations forces under his direct command, to avoid civilian casualties; Foreign Secretary Rao: Taliban is part of negative presence in Afghanistan**

The Taliban claimed responsibility for the previous weeks Kandahar attacks, with a Taliban spokesman stating that attacks were a warning to NATO. He added that the Taliban will now focus on securing Kandahar City and its approaches. More than 35 people were killed in coordinated attacks in Kandahar.¹ Interior Minister Mohammad Hanif Atmar told reporters that President Karzai has ordered extra forces to secure Kandahar after the recent series of attacks.²

Gen. David Petraeus, US Centcom commander told the Senate Armed Services Committee that violence levels in Afghanistan were likely to be as high as the 2006 peak figures in Iraq. Petraeus noted that the recent offensive in Afghanistan's Helmand province was the beginning of a larger campaign which is "going to likely get harder before it gets easier." He added that since President Obama had set July 2011 as target for the start of a US drawdown in Afghanistan, the Afghan government had developed a sense of urgency in building up its own forces.³

US military spokesman in Afghanistan stated that most US forces in Afghanistan will be under NATO command as part of an ongoing re-organisation which was ordered by Defence Secretary Gates. US forces serving in eastern Afghanistan as part of Operation Enduring Freedom will soon be integrated into the NATO-led International Security Assistance Force (ISAF).⁴ NATO's top commander Gen. McChrystal also noted that most of US Special Operations forces in Afghanistan were under his direct command for the first

¹ 'Kandahar attacks are a warning to NATO, says Afghanistan Taliban', *Christian Science Monitor*, March 14, 2010 at <http://www.csmonitor.com/World/Asia-South-Central/2010/0314/Kandahar-attacks-are-a-warning-to-NATO-says-Afghanistan-Taliban>

² 'Afghan president orders forces to Kandahar', *AFP*, March 15, 2010 at <http://www.google.com/hostednews/afp/article/ALeqM5gbfvUmaXw1-GsmzW1AdekQfXqmCQ>

³ 'Commander says tough year ahead for U.S. military in Afghanistan', *Xinhua*, March 17, 2010 at http://news.xinhuanet.com/english2010/world/2010-03/17/c_13213767.htm

⁴ "NATO to Command US Troops in Afghanistan", *VOA News*, March 16, 2010 at <http://www1.voanews.com/english/news/asia/NATO-to-Command-US-Troops-in-Afghanistan-87825597.html>

time. The move was undertaken due to concerns over mounting civilian casualties as a result of military operations.⁵

Foreign Secretary Nirupama Rao on a visit to the US stated that Taliban is part of the "very negative presence" in Afghanistan. She urged the international community to be prepared for the "long haul and not try to find quick solutions to the problem" and added that India understood the Afghan society due to its centuries-old civilisational ties.⁶

MARCH 22-28

- **Karzai holds talks with representatives of Hekmatyar; de Mistura: UN will back Afghan-led peace process and elections; Karzai visits Beijing, says Afghanistan is honoured to have China as friend and neighbour; Clinton: American efforts in Pakistan "vital to success in Afghanistan"**

President Karzai held talks with representatives of Gulbuddin Hekmatyar on March 22, marking a major move for efforts to end the 8 year war.⁷

The newly appointed Special Representative of UN Secretary General Staffan de Mistura in a press conference in Kabul stated that the UN will provide support to Afghan Peace Jirga to be held in May as well as the upcoming parliamentary elections. He noted that the peace jirga was an "Afghan-led, Afghan-managed process ..."⁸ de Mistura also announced that UN will select two international experts to serve in the country's election complaints commission ahead of legislative polls scheduled in September 2010.⁹

During the visit of President Karzai to Beijing, agreements relating to economic and technological cooperation, favorable tariffs for Afghan exports to China and training programs among others were signed. Karzai told President Hu that Afghanistan was honored to have China as a friend and neighbour. China has given more than 900 million yuan (130 million U.S. dollars) in aid for the rehabilitation efforts in Afghanistan since 2002. In 2009, it pledged to provide an additional \$75 million dollars of aid over the next five years.¹⁰

In other developments, testifying before the Senate Appropriations Subcommittee on State, Foreign Operations and Related Programs, alongside Defense Secretary Gates, Secretary of State Clinton stated that American efforts

⁵ 'U.S. Is Reining In Special Operations Forces in Afghanistan', *The New York Times*, March 15, 2010 at <http://www.nytimes.com/2010/03/16/world/asia/16afghan.html>

⁶ 'Taliban is part of negative presence in Afghanistan: Rao', *The Times of India*, March 18, 2010 at <http://timesofindia.indiatimes.com/india/Taliban-is-part-of-negative-presence-in-Afghanistan-Rao/articleshow/5696982.cms>

⁷ 'Karzai studying peace offer from militant group', *The Washington Post*, March 22, 2010 at <http://www.washingtonpost.com/wp-dyn/content/article/2010/03/22/AR2010032201016.html>

⁸ 'UN backs Afghan-led peace process, election: envoy', *Xinhua*, March 23, 2010 at http://news.xinhuanet.com/english2010/world/2010-03/23/c_13221935.htm

⁹ 'UN to select two international experts for Afghanistan's poll complaints body', *UN News Center*, March 23, 2010 at <http://www.un.org/apps/news/story.asp?NewsID=34162&Cr=afghanistan&Cr1=>

¹⁰ 'China, Afghanistan forge closer economic ties as new agreements are signed', *English.xinhua.net.com*, March 24, 2010 at http://news.xinhuanet.com/english2010/china/2010-03/24/c_13223397.htm

in Pakistan were “vital to success in Afghanistan, but also to our own American security. We've made it a strategic priority to strengthen our partnership with the Pakistani people,”¹¹

PAKISTAN

MARCH 22-28

- **US-Pakistan conclude Strategic Dialogue, pledge “wide-ranging, long-term and substantive strategic partnership”; Clinton non-committal on a civilian nuclear deal with Pakistan; Gilani: Government would take significant decisions based on the report of the Strategic Dialogue; 39 militants and 5 army officers killed in Orakzai Agency; Increase in US drone attacks inside Pakistan**

The US-Pakistan Strategic Dialogue concluded in Washington on March 25 with both sides pledging “wide-ranging, long-term and substantive strategic partnership.” While the US side was led by Secretary Clinton, Foreign Minister Shah Mehmood Qureshi led the Pakistan delegation. Both sides pledged to enhance trade relations by increasing the market access in US for goods manufactured in Pakistan. A Policy Steering Group was formed to facilitate cooperation in various sectors like trade, energy and security.¹²

Before the talks began, Secretary Clinton in response to a question stated that the issue of a civilian nuclear agreement with Pakistan would be discussed during the talks.¹³ PM Gilani on his part stated that his government would take significant decisions depending on the report of the Strategic Dialogue deliberations.¹⁴

At least 39 militants and 5 army officers were killed in Orakzai Agency on March 26. Militants belonging to the Tehrik-e-Taliban attacked an army camp at the Kalaya check post in Ferozkhel area.¹⁵ Meanwhile, reports indicated that US drone attacks in Pakistan have increased since Leon Panetta took over as CIA Chief.¹⁶

¹¹ ‘Pakistan Vital To U.S. Success In Afghanistan: Clinton’, RTT News, March 26, 2010 at <http://www.rttnews.com/Content/BreakingNews.aspx?Id=1252075&SM=1>

¹² ‘Pakistan, US seek ‘wide-ranging, long-term’ strategic partnership’, *Daily Times*, March 26, 2010 at http://www.dailytimes.com.pk/default.asp?page=2010\03\26\story_26-3-2010_pg1_10

¹³ Anwar Iqbal and Masood Haider, ‘Nuclear plants issue to figure in dialogue: Hillary’, *Dawn*, March 24, 2010 at <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/front-page/nuclear-plants-issue-to-figure-in-dialogue%2C-says-hillary-430>

¹⁴ ‘Vital decisions to follow Pak-US talks: Gilani’, *The News*, March 22, 2010 at http://www.thenews.com.pk/arc_default.asp?arc_date=3/22/2010

¹⁵ ‘39 militants, five officials killed in Orakzai Agency’, *The News*, March 27, 2010 at http://www.thenews.com.pk/arc_default.asp?arc_date=3/27/2010

¹⁶ ‘CIA’s drone attacks rise under new chief’, *The News*, March 22, 2010 at http://www.thenews.com.pk/arc_default.asp?arc_date=3/22/2010

BHUTAN

MARCH 15-21

- **Pachauri highlights the urgent need for SAARC countries to cooperate on climate change; Bodo militants attack Royal Bhutan Army on March 14 in Sarpang district; Bhutan and Nepal discuss possibility of Preferential Trade Agreement**

Dr Rajendra Pachauri, Chairman of the Intergovernmental Panel on Climate Change (IPCC) visited Bhutan from March 13-15. He highlighted the urgent need for all South Asian countries to cooperate on the issue of climate change in the forthcoming SAARC Summit to be held in Thimpu. Dr. Pachauri also expressed an interest in setting up a centre of TERI at Thimpu.¹⁷

Bodo militants attacked the Royal Bhutan Army on March 14 in Sarpang district. The militants however denied any links with the armed group that carried out the attack. Captured militants were handed over to Indian authorities at the Indo-Bhutan border.¹⁸

Trade officials of Bhutan and Nepal met in Kathmandu on March 17 to discuss the possibility of signing a Preferential Trade Agreement between the two countries. Both sides agreed to carry out detailed negotiations later.¹⁹

B. EAST ASIA

JAPAN

- **Washington to hand over air traffic control rights around Okinawa to Japan, for the first time since 1945; Foreign Minister Okada reiterates that his government will continue to follow 'three non-nuclear' principles but says possibility of US bringing nuclear weapons into Japan in a future emergency as a defensive measure cannot be ruled out; Foreign Ministry panel concludes that secret pacts on nuclear arms and other issues were reached between Japan and the US; Japan and Australia to jointly seek to reinforce security assurances against the use of nuclear weapons on non-nuclear-weapon states at the upcoming NPT Review Conference**

Reports noted that Washington has agreed to hand over to Japan air traffic control rights around Okinawa on March 31. These have been under US control since 1945.²⁰ Meanwhile, the US was insisting on the need to maintain a base on

¹⁷ 'Climate change heads the agenda', *The Kuensel*, March 13, 2010 at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=14891>

¹⁸ 'Bodo militant apprehended', *The Kuensel*, March 17, 2010 at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=14927>

¹⁹ 'First steps to preferential treatment', *The Kuensel*, March 19, 2010 at <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=14943>

²⁰ 'US to hand over to Japan most Okinawa air control on March 31', *Japan Times*, March 19, 2010 at [http://search.japantimes.co.jp/cgi-bin/nn20100319a9.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+japantimes+\(The+Japan+Times:+All+Stories\)&utm_content=Google+Reader](http://search.japantimes.co.jp/cgi-bin/nn20100319a9.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+japantimes+(The+Japan+Times:+All+Stories)&utm_content=Google+Reader)

Okinawa to effectively defend the region. Senior US officials told Congress that they hoped to go ahead with a plan to move the Futenma air base within Okinawa.²¹ PM Hatoyama meanwhile stated that he has not given up on the option of moving the Futenma Air Station in Okinawa outside of the southernmost prefecture.²² In a sign of difficulties in the relationship, US Assistant Secretary of State for East Asian and Pacific Affairs, Kurt Campbell canceled a planned visit to Tokyo for discussions with senior Foreign Ministry officials.²³ In a related development, the Ministry of Finance confirmed that the Japanese government deposited \$103 million into a zero-interest account at the US Federal Reserve Bank of New York over the reversion of Okinawa.²⁴

Foreign Minister Okada meanwhile, reiterating that the government would continue to follow Japan's 'three non-nuclear' principles, added that the possibility of nuclear weapons being brought into Japan by US forces in a future emergency as a defensive measure cannot be ruled out.²⁵ Okada also stated that he did not think that the US will load nuclear Tomahawk cruise missiles on its attack submarines when they make port calls in Japan, in line with US policy to withdraw tactical nuclear weapons on its ships.²⁶

In a related development, a Japanese Foreign Ministry panel concluded that secret pacts on nuclear arms and other issues were reached between Japan and the US during the Cold War era. The existence of such pacts has already been exposed through declassified US documents and other sources. However, the panel investigation launched after the Hatoyama government took over not only exposed previous Japanese government's assertions to the contrary but also raised questions over the management and disclosure of diplomatic documents.²⁷

US government officials meanwhile told a congressional panel that the procurement cost of the F-35 next-generation stealth fighter will likely be more than double the initial estimates of \$95 million per plane. The higher-than-

²¹ 'US says base needed to defend Japan', *Associate Foreign Press*, March 18, 2010 at <http://www.google.com/hostednews/afp/article/ALeqM5gFdTDm7fcOI9JPjexFDImCy6gDbw>

²² 'Hatoyama says moving Futenma base outside of Okinawa still option', *Associated Press*, March 24, 2010 at http://www.breitbart.com/article.php?id=D9EL00F81&show_article=1

²³ 'Campbell cancels Tokyo visit despite scheduled Wed. meeting', *Yomiuri Shimbun*, March 17, 2010 at <http://www.yomiuri.co.jp/dy/national/20100317TDY01305.htm>

²⁴ 'Japan's massive mystery deposit in U.S. Federal Reserve proof of shoddy administration', *Mainichi Japan*, March 13, 2010 at [http://mdn.mainichi.jp/perspectives/editorial/archive/news/2010/03/20100313p2a00m0na010000c.html?inb=rs&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+mdn/all+\(Mainichi+Daily+News+-+All+Stories\)&utm_content=Google+Reader](http://mdn.mainichi.jp/perspectives/editorial/archive/news/2010/03/20100313p2a00m0na010000c.html?inb=rs&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+mdn/all+(Mainichi+Daily+News+-+All+Stories)&utm_content=Google+Reader)

²⁵ 'Okada does not rule out introduction of nuclear weapons in emergency', *Associated Press*, March 16, 2010 at http://www.breitbart.com/article.php?id=D9EG4LBO4&show_article=1

²⁶ 'US subs unlikely to visit Japanese ports with Tomahawk: Okada', *Associated Press*, March 10, 2010 at http://www.breitbart.com/article.php?id=D9EBM7900&show_article=1

²⁷ 'Japan-U.S. secret pacts confirmed, gov't policy shift expected', *News On Japan*, March 9, 2010 at <http://newsonjapan.com/html/newsdesk/article/80176.php>

expected cost could force Japan to think twice about selecting the aircraft as the nation's next-generation mainstay fighter.²⁸

In other developments, reports indicated that Japan and Australia would jointly seek to reinforce security assurances against the use of nuclear weapons on non-nuclear-weapon states at the upcoming NPT Review Conference.²⁹ China gained direct access to the Sea of Japan for the first time in 100 years through a North Korean port. Japan and South Korea on their part expressed concerns about the development.³⁰ PM Hatoyama and Kazakh Foreign Minister Kanat Saudabayev agreed to promote bilateral cooperation in natural resources development and in nuclear power technology.³¹ In the wake of the visit of Foreign Minister Katsuya Okada to Haiti, Japan has decided to increase its aid to the quake-hit country to \$100 million. Japan has already pledged \$70 million in emergency aid and long-term reconstruction.³²

SOUTHEAST ASIA

MARCH 15-21

- **Thai government and UDD to carry out negotiations; PM Vejjajiva rejects UDD's demand to dissolve the Parliament; Myanmar dismisses the report of UN Special Rapporteur on the human rights situation; Karen National Union warns of possibility of renewed conflict ahead of elections**

In order to reduce the current political tensions in Thailand, the government and the United Front for Democracy against dictatorship (UDD) have agreed to carry preliminary negotiations. The UDD reportedly rejected the names of Sathit Wongnongtoey, PM's Office Minister and Korbsak Sabhavas, Secretary General respectively, to represent the government in the talks.³³ It instead was demanding direct talks with PM Vejjajiva. The UDD has also made it clear that the only solution to the current tension lies in the dissolution of the House and the holding of a new election.³⁴ PM Vejjajiva however has rejected UDD's demand to dissolve the Parliament.

Authorities in Burma released a US-based human rights activist Kyaw Zaw Lwin, also known as Nyi Nyi Aung from prison. Lwin was arrested in

²⁸ 'High F-35 cost may force Japan to review next main fighter choice', *Associated Press*, March 11, 2010 at http://www.breitbart.com/article.php?id=D9ECRA000&show_article=1

²⁹ 'Japan, Australia to propose enhancing 'negative security assurance'', *Associated Press*, March 23, 2010 at http://www.breitbart.com/article.php?id=D9EK8UI80&show_article=1

³⁰ 'China's acquisition of Sea of Japan port rattles its neighbours', *The National*, March 13, 2010 at <http://www.thenational.ae/apps/pbcs.dll/article?AID=/20100314/FOREIGN/703139924/1135>

³¹ 'Japan, Kazakhstan to boost ties via energy, resource development', *Japan Times*, March 25, 2010 at <http://search.japantimes.co.jp/cgi-bin/nn20100325f2.html>

³² 'Japan to boost Haiti aid to \$100 mln: report', *Yahoo*, March 19, 2010 at http://news.yahoo.com/s/afp/20100319/wl_asia_afp/haitiquakeaidjapan_20100319053651

³³ 'Govt, UDD agree to talk', *Bangkok Post*, March 20, 2010 at <http://www.bangkokpost.com/breakingnews/172205/pm-govt-udd-to-begin-talks-monday>

³⁴ 'UDD demands to meet Abhisit only', *Bangkok Post*, March 20, 2010 at <http://www.bangkokpost.com/breakingnews/172210/udd-demands-to-meet-abhisit-only>

September 2009 and was handed a three-year imprisonment sentence on charges of fraud and forgery.³⁵

Myanmar strongly condemned the report filed by Tomas Quintana, UN Special Rapporteur on the prevailing human rights situation in the country. Quintana stated that some of the human rights violations can be classified as crimes against humanity and should warrant further inquiries. Burma's Ambassador to Geneva alleged that Quintana's report contained "unfounded allegations" from "unverifiable sources" and added that his recommendations "violate the right of a sovereign state."³⁶

In other developments, Myanmar's largest guerrilla army, the Karen National Union, warned that with national elections getting closer, there was a huge possibility of renewed conflict between armed groups currently observing a ceasefire and the authorities.³⁷

MARCH 22-28

- **Talk between Thai government and the UDD held, no agreement reached; Myanmar Senior General warns parties against engaging in divisive acts in upcoming national elections; Suu Kyi opposes NLD's participation in the elections but leaves the final decision for the party; India to welcome a senior Myanmar military leader next week; India to deploy more troops along its Myanmar border to curb movements of Northeast militants**

Talks were held between the Thai government and leaders of the United front for Democracy against Dictatorship (UDD) on March 27. The talks were televised nationally. PM Abhisit Vejjajiva stated that while he was not against dissolving the Parliament, he expressed doubts whether the current political tensions will be resolved by such a step.³⁸ The UDD continued to urge the government to dissolve the House, and assured that it would respect the result of a new election. No agreement could be reached at the end of the three hours long talks.³⁹

In Myanmar, Senior General Than Shwe, presiding over the annual military parade, denounced interference by other countries in the national elections to be held during the year. Urging parties to avoid "improper and

³⁵ 'US activist 'thrilled' at Burma release', *Bangkok Post*, March 18, 2010 at <http://www.bangkokpost.com/breakingnews/172015/burma-releases-jailed-us-activist-officials>

³⁶ 'Burma slams UN investigation', *Bangkok Post*, March 16, 2010 at <http://www.bangkokpost.com/breakingnews/171671/burma-slams-call-for-crimes-against-humanity-probe>

³⁷ 'Myanmar guerilla chief warns of war ahead of vote', *The Jakarta Post*, March 19, 2010 at <http://www.thejakartapost.com/news/2010/03/19/myanmar-guerrilla-chief-warns-war-ahead-vote.html>

³⁸ 'Talks between govt., UDD begin', *Bangkok Post*, March 28, 2010 at <http://www.bangkokpost.com/breakingnews/173061/talk-between-govt-udd-begins>

³⁹ 'Break in Talks', *Bangkok Post*, March 28, 2010 at <http://www.bangkokpost.com/breakingnews/173071/talks-come-to-a-break>

inappropriate campaigning,” Than Shwe also warned against divisive acts that could lead to disunity.⁴⁰ Aung San Suu Kyi has on her part already expressed her unwillingness to register the National League for Democracy (NLD) for the upcoming elections. She has however indicated that her party will take a final decision on the issue.⁴¹

India has decided to welcome Lt. Gen Thar Aye, a member of the Myanmar military regime, to India next week, despite opposition from some Western countries. India has been assisting the Myanmar government and its armed forces with modern military equipment. Myanmar has also recently requested Indian fast attack boats and interceptors, for the purpose of patrolling its shores.⁴²

In other developments, India will deploy three battalions of Assam Rifles along the Myanmar border by the end of the year to check increasing movement of Northeastern militants through the Myanmar border.⁴³

C. WEST ASIA

IRAN

MARCH 15-21

- **Gas agreement between Iran and Pakistan signed; Obama: Washington committed to a “more hopeful” future for the Iranian people despite US differences with Iranian government**

Pakistan and Iran signed an agreement for the construction of the much-delayed \$7.6 billion natural gas pipeline. The project is considered crucial for Pakistan's growing energy requirements as it continues to suffer severe electricity shortages. Under the terms of the deal, Iran will provide 750m cubic feet of gas per day to Pakistan. The pipeline is set to become operational by 2015 and each country will be responsible for building the section of pipeline that runs through its own territory. Under the terms of the deal, Pakistan is allowed to charge a transit fee if the pipeline is eventually extended to India.⁴⁴

A year after his much-publicised offer of friendship to the Iranian people did not produce any results, President Obama on the occasion of the Iranian New Year stated that Washington was committed to a “more hopeful” future for

⁴⁰ ‘Burma leader issues election warning’, *Bangkok Post*, March 27, 2010 at <http://www.bangkokpost.com/breakingnews/172917/burma-leader-issues-election-warning-at-military-parade>

⁴¹ ‘Myanmar Suu Kyi against party joining elections’, *The Jakarta Post*, March 23, 2010 at <http://www.thejakartapost.com/news/2010/03/23/myanmar039s-suu-kyi-against-party-joining-elections.html>

⁴² ‘India ignores West, invites Myanmar General’, *Indo-Burma News*, March 25, 2010 at <http://www.indoburmanews.net/india-ignores-west-invites-myanmar-general>

⁴³ ‘More troops to man Myanmar border-Deployment at year-end to curb militant activities and smuggling’, *Indo-Burma News*, March 27, 2010 at <http://www.indoburmanews.net/more-troops-to-man-myanmar-border-deployment-at-year-end-to-curb-militant-activities-and-smuggling>

⁴⁴ ‘Iran and Pakistan sign gas deal’, *BBC News*, March 17, 2010 at http://news.bbc.co.uk/2/hi/south_asia/8572267.stm

the Iranian people despite US differences with Iran's government. He added that his government was "working with the international community to hold the Iranian government accountable because they refuse to live up to their international obligations." He charged that over the past year, the Iranian government had "chosen to isolate itself and to choose a self-defeating focus on the past over a commitment to build a better future."⁴⁵

MARCH 22-28

- **Gates expresses concerns over Iran's drones**

US Defense Secretary Robert Gates expressed concerns over Iran's aerial drone program. He stated that the drones could fall into the hands of terrorists and added that if Iran uses them in Iraq or Afghanistan, it could "pose difficulties" for the US. Reports noted that the drones could carry out "surveillance, detection and even assaults with high precision."⁴⁶

IRAQ

MARCH 15-21

- **Seven killed in suicide attack in Falluja; Allawi gets ahead of al-Maliki**

A suicide bomber killed at least seven people and wounded 13 others in the city of Fallujah. The incident occurred even as counting continued in Iraq's general election. Nearly 40 people were killed in violence on March 7, the day of elections.⁴⁷

Iyad Allawi meanwhile edged ahead of PM Nuri al-Maliki, with Iraq's electoral commission giving a lead of about 8,000 votes to Allawi, with about 93 percent of counting complete. Allawi is a Shia former prime minister with wide support among minority Sunnis. Analysts believed that a close election result may make it difficult to form a coalition government and further aggravate the situation.⁴⁸

MARCH 22-28

- **Allawi's Iraqiya bloc wins two seats more than al-Maliki's coalition; UN and US welcomes the results; 52 people killed in suicide attack in Diyala**

⁴⁵ 'US renews offer of Iran dialogue', *Khaleej Times*, March 20, 2010 at http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/middleeast/2010/March/middleeast_March451.xml§ion=middleeast

⁴⁶ 'Gates expresses concern over Iranian drones', *Khaleej Times*, March 26, 2010 at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/March/middleeast_March577.xml§ion=middleeast

⁴⁷ 'Deadly car bomb in Iraq's Falluja', *BBC News*, March 15, 2010 at http://news.bbc.co.uk/2/hi/middle_east/8567444.stm

⁴⁸ 'Allawi edges ahead of PM again in Iraq election', *Khaleej Times*, March 20, 2010 at http://www.khaleejtimes.com/DisplayArticle08.asp?xfile=data/middleeast/2010/March/middleeast_March461.xml§ion=middleeast

Death toll from two bombs that struck a crowded market in the mainly Sunni Diyala province increased to 52. The attack was one of the deadliest in recent months. Authorities indicated that a roadside bomb detonated near a coffee shop in the centre of Khalis, a town 80 km north of Baghdad, followed soon after by a car bomb that devastated nearby buildings and shops.⁴⁹

Iyad Allawi, leading the secular alliance, the Iraqiya bloc narrowly won Iraq's parliamentary election, by winning two seats more than Mr. al-Maliki's coalition. He offered to work with all parties to form a coalition government. Mr. al-Maliki on his part refused to accept the result and vowed to challenge it in courts.

The UN and US however welcomed the results and stated that the polls were credible. According to final results published by Iraq's Independent High Electoral Commission (IHEC), Allawi's secular Iraqiya bloc won 91 of the 325 seats, 72 short of a majority. Al-Maliki's State of Law came second with 89 seats, followed by the Iraqi National Alliance (INA) with 70 and the Kurdistan Alliance with 43.⁵⁰

II. DEFENCE REVIEW

NATIONAL MARCH 15-21

- **Fourth test of ballistic missile defence fails**

After three consecutive successes, the fourth trial of India's Prithvi Ballistic Missile Defence (BMD) conducted to demonstrate interception of tactical missiles inside earth's atmospheric region, failed due to a technical malfunction. The 'target missile' mimicking an incoming hostile missile was fired from the integrated test range (ITR), Chandipur. Twenty seconds later, the missile deviated from its intended path. The mission control centre computer did not allow the interceptor missile to engage the target missile, as the latter was not in the 'threat scenario'. The DRDO has begun an investigation into the failure.⁵¹

- **India and Russia finalise Gorshkov's price at \$2.33 billion**

Union Defence Minister A.K. Antony informed Parliament that the government has approved the price of \$2330 million as the revised cost for procurement of aircraft carrier Gorshkov/INS Vikramaditya. The revised cost is much higher than the original cost of \$974 million agreed upon in January 2004. As per the

⁴⁹ 'Death toll in Iraq bombing rises to 52', *Khaleej Times*, March 27, 2010 at http://www.khaleejtimes.com/DisplayArticle08.aspx?xfile=data/middleeast/2010/March/middleeast_March624.xml§ion=middleeast

⁵⁰ 'Allawi reaches out to his rivals', *BBC News*, March 27, 2010 at http://news.bbc.co.uk/2/hi/middle_east/8590630.stm

⁵¹ Government of India, Press Information Bureau, 'Interceptor missile test aborted, probe launched into target missile malfunction,' Ministry of Defence Press Release, March 15, 2010 at <http://www.pib.nic.in/release/release.asp?relid=59655&kwid=>

original contract Gorshkov was to be delivered to India in August 2004. The revised schedule is now December 2012.⁵²

- **India signs final agreement with Russia for Nerpa submarine**

Reports noted that India and Russia have signed the 'final lease and training agreement' for Nerpa K-152 (Akula-II class) nuclear submarine during PM Vladimir Putin's recent visit to New Delhi. New Delhi will send a 50-member crew to Russia for training, following which the 12,000 tonne sub would be leased to India for 10 years. It will be re-christened INS Chakra when inducted into Indian Navy. It will however not be armed with long-range nuclear missiles as its transfer is prohibited under the Missile Technology Control Regime (MTCR). Nerpa will be used to train Indian sailors given India's own indigenous efforts to build and operate a range of nuclear submarines. The INS Arihant, the first nuclear submarine to be constructed by India, is expected to become operational in 2011-12. India is planning to "have three SSBNs (nuclear-powered submarines with long-range missiles) and six SSNs (nuclear-powered attack submarines) in the long-term."⁵³

- **BEML bags 632 Cr defence order**

BEML, one of the eight defence public sector undertakings under the defence ministry, bagged orders worth Rs. 632 crores for supply of 788 Tatra vehicles. All the vehicles are to be delivered to Indian Army within a period of 18 months. The MoD has already made 50 per cent advance payment.⁵⁴

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- **Russia to bid for US defence contract**

Russia's state-owned United Aircraft Corporation (UAC) is planning to bid for US Air Force's (USAF) \$35 billion tanker contract. Russia will however partner with a "small U.S. defense contractor" for its offer, based on Ilyushin Il-96 wide-body jetliner, a four engine airliner.⁵⁵

⁵² Government of India, Press Information Bureau, 'Aircraft carrier Admiral Gorshkov', Ministry of Defence Press Release, March 15, 2010 at <http://www.pib.nic.in/release/release.asp?relid=59626&kwd=>

⁵³ Rajat Pandit, 'India gets Russian N-sub for 10 years', *The Times of India*, March 17, 2010 at <http://timesofindia.indiatimes.com/india/India-gets-Russian-N-sub-for-10-years/articleshow/5691342.cms>

⁵⁴ 'BEML Bags Rs.632 Cr. Order From Indian Defence Ministry', *RTT News*, March 19, 2010 at <http://www.rttnews.com/Content/IndianNews.aspx?Id=1245535&SM=1>

⁵⁵ John T Bennett, 'Russian State Firm: We'll Bid for USAF Tanker', *Defense News*, March 19, 2010 at <http://www.defensenews.com/story.php?i=4547300&c=EUR&s=AIR>

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- **L&T to build 36 boats for Coast Guard**

Larsen and Turbo (L&T) has bagged an order worth Rs. 970 crores from the Ministry of Defence for the supply of 36 high speed interceptor boats to the Coast Guard. The boats are to be designed by the company's own design centre and constructed at its Hazira-based shipyard.⁵⁶

- **Government mulling 100 per cent FDI in defence**

In what could be a major development, reports noted that the government was considering a proposal to allow 100 per cent FDI in defence production. The Ministry of Commerce has sent a 'note' to the Cabinet Secretariat for discussion on allowing foreign companies to bring in 100 per cent equity to set up their own manufacturing or integration centres in India. Allaying the concerns that India-based fully foreign-owned companies may not be in the country's security interests, the note argues that the same concern remain in case of direct import and hence can not be cited for opposing higher FDI.⁵⁷

- **NSC wants extra filter in clearing FDI proposals**

The National Security Council (NSC) has proposed an additional layer to the existing Foreign Investment Promotion Board (FIPB) for filtering inflow of foreign equity into the country. The NSC's proposal is in view of concerns "over flow of funds from inimical forces into the nation masquerading as FDI in sensitive areas of defence, telecom, pharmaceutical and airports."⁵⁸

- **Dhanush, Prithvi-II missiles test-fired successfully**

India successfully test fired on same day two of its indigenously developed, nuclear capable missiles, the Dhanush and Prithvi-II. The test was conducted by the Strategic Forces Command (SCF) as part of user-training exercise, in the presence of officials from DRDO. Both the missiles, tested in salvo-mode, hit the pre-identified targets with a high degree of accuracy. Dhanush, a naval version of Prithvi missile, has a flight range of 250 km, and can carry a payload of about 500 kg. The missile has been weaponised on INS Subhadra and Suvarna. Prithvi-II, a surface-to-surface missile, has the same flight range and payload capacity as the Dhanush.⁵⁹

⁵⁶ 'L&T to build 36 high speed boats for coast guard', *The Times of India*, March 22, 2010 at <http://timesofindia.indiatimes.com/biz/india-business/LT-to-build-36-high-speed-boats-for-coast-guard/articleshow/5710838.cms>

⁵⁷ Sujay Mehdudia, 'Government for 100% FDI in defence', *The Hindu*, March 25, 2010 at <http://www.hindu.com/2010/03/25/stories/2010032561000100.htm>

⁵⁸ 'DIPP opposes proposal for extra FDI filter', *LiveMint*, March 28, 2010 at <http://www.livemint.com/2010/03/28121323/DIPP-opposes-proposal-for-extr.html>

⁵⁹ Y. Mallikarjun, 'Dhanush, Prithvi-II test-fired successfully', *The Hindu*, at <http://www.hindu.com/2010/03/28/stories/2010032864221400.htm>; The Ministry of Defence, Annual Report 2008-9, p. 83.

- **Agni-I test-fired successfully**

A day after the successful test of Dhanush and Prithvi-II missiles, India successfully test-fired its nuclear capable Agni-I missile from the Wheeler Island off Orissa coast. The missile can carry a one tonne warhead and has a flight range of 750 km. It is also equipped with a new navigational technology to help it to home on to the target.⁶⁰

⁶⁰ Y. Mallikarjun, 'Hat-trick for missile technologists, armed forces', *The Hindu*, March 29, 2010 at <http://www.hindu.com/2010/03/29/stories/2010032961901100.htm>