

THE WEEK IN REVIEW

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1. COUNTRY REVIEW

A. SOUTH ASIA

AFGHANISTAN (June 21-27)

- **Top NATO Commander General Stanley McChrystal removed after criticizing Obama Administration; General David H. Petraeus appointed as new top commander in Afghanistan; Obama: McChrystal's comments "undermined the civilian control of the military that is at the core of our democratic system"; President Karzai backs Petraeus as top NATO commander; British special representative for Afghanistan and Pakistan resigns; UN plans to withdraw some of its international staff from Afghanistan; UN report: Drug addiction in Afghanistan is rising**

President Obama removed his top commander in Afghanistan General Stanley McChrystal on June 23 after officials determined that comments made by him and his staff in a magazine article amounted to insubordination, a White House official noted. President Obama has accepted Gen. McChrystal's resignation and has appointed Army General David H. Petraeus, who once led US forces in Iraq, as his successor.¹ While accepting McChrystal's resignation, President Obama stated, "I believe that it is the right decision for our national security. The conduct represented in the recently published article does not meet the standard that should be set by a commanding general. It undermines the civilian control of the military that is at the core of our democratic system, and it erodes the trust that's necessary for our team to work together to achieve our objectives in Afghanistan."²

Similarly, Britain's special representative for Afghanistan and Pakistan Sherard Cowper-Coles who was counterpart of US special representative Richard C. Holbrooke, has also resigned after criticizing the elements of the US war strategy in Afghanistan. Mr. Cowper-Coles had held the position since early 2009, after serving nearly two years as British ambassador in Afghanistan. He advocated for higher priority to be given to talks with the Taliban and other insurgent groups, while he expressed skepticism about the effectiveness of increased military forces in Afghanistan.³

¹ "Obama ousts McChrystal, replaces him with Petraeus", *The Los Angeles Times*, June 23, 2010 at <http://articles.latimes.com/2010/jun/23/world/la-fgw-petraeus-mcchrystal-20100624>

² "McChrystal Resigns, Obama Names Petraeus", *National Public Radio*, June 23, 2010 at <http://www.npr.org/templates/story/story.php?storyId=128058765>

³ "British diplomat quits Afghanistan post", *The Washington Post*, June 22, 2010 at <http://www.washingtonpost.com/wp-dyn/content/article/2010/06/21/AR2010062104672.html>

However, Afghanistan president Hamid Karzai has backed the appointment of Gen. David Petraeus as the top NATO commander in Afghanistan by calling him "experienced" and an "expert commander" with knowledge of his war-torn nation. President Hamid Karzai made these comments while meeting with the chairman of the Joint Chiefs of Staff Admiral Michael Mullen. Mullen who on a scheduled visit to Afghanistan which took a new significance after McChrystal was removed from his office.⁴

The United Nations officials noted that UN will withdraw their 300 international staff in Afghanistan from Afghanistan because of increasing security threats. This move came in response to the report of UN Secretary-General Ban Ki-moon which urged relocation of UN staff. However, the report denied any significant reduction in "substantive" foreign staff of the United Nations.⁵

In other developments, according to a study conducted by the United Nations Office on Drugs and Crime, nearly 7 percent of the total adult Afghan population which is approximately 80,000 adults were taking drugs mainly opium, heroin, opiate derivatives or tranquilizers. The report has been prepared in collaboration of the United Nations, the Afghan Counter-Narcotics Ministry and the Public Health Ministry of Afghanistan. The report also revealed that the most commonly used drug was opium.⁶

(June 28-July 4)

- **New top NATO Commander Petraeus warns of tough mission ahead in Afghanistan; US congress confirms his appointment; NATO Secretary General rules out any change in NATO strategy in Afghanistan; Petraeus may end some restrictions put on the use of air power in Afghan operations; Afghan Parliament confirmed five nominees for cabinet posts; Taliban rules out any negotiation with NATO forces; US House of Representatives blocks \$4billion aid for rebuilding of Afghanistan**

New top US and NATO Commander in Afghanistan General Petraeus has said that it is essential to show unity of purpose to solve Afghanistan's problems. He stated that "This is a tough mission, there is nothing easy about it". Petraeus

⁴ "Karzai backs new U.S. commander in Afghanistan", *CNN*, June 26, 2010 at <http://edition.cnn.com/2010/WORLD/asiapcf/06/26/afghanistan.mullen.visit/index.html>

⁵ "UN pulling out some foreign staff in Afghanistan", *Associated Press*, June 21, 2010 at <http://www.google.com/hostednews/ap/article/ALeqM5ihcxyvLQTtUCreNe2jbrDczmO9aQD9GFLCQ80>

⁶ "Drug Use Has Increased in Afghanistan, U.N. Report Says", *The New York Times*, June 21, 2010 at http://www.nytimes.com/2010/06/22/world/asia/22afghan.html?_r=1&src=mv

landed in Kabul on July 2 after his appointment got confirmed by the US Senate and the US House of Representatives.⁷ Meanwhile, responding to the appointment of US General David Petraeus as top Afghan war commander in Afghansitan, NATO Secretary General Anders Fogh Rasmussen said that the change of top commander in Afghanistan will not bring a change in strategy of NATO-led forces fighting the Taliban insurgency.⁸

Earlier, General Petraeus noted that he may end some of the restrictions on air power that have been blamed for alliance casualties, but will not do so if it risks killing more Afghan civilians. It should be noted that more than 320 foreign troops have been killed in Afghanistan so far this year, including more than 100 in June, which is the the bloodiest month for foreign forces since a US-led alliance overthrew the Taliban.⁹

While, Afghan Parliament confirmed five nominees for cabinet posts on Monday, leaving six slots vacant. Among those approved was a new interior minister, General Bismillah Khan Mohammadi, who is former army chief of staff. Gen. Mohammadi will replace Hanif Atmar who resigned in June along with the head of the intelligence service after President Karzai criticized their failure to intercept militants who attacked a nationwide peace conference. However, parliament rejected two members of minority ethnic group Hazara. According to the Afghan President's spokesperson, President Karzai was concerned about the rejection of the two Hazara nominees and expressed determination to do whatever he could to ensure their role in the government.¹⁰

The Taliban in Afghanistan have reportedly told the BBC that there is no question of their entering into any kind of negotiations with NATO forces. In a statement given to the BBC, Zabiullah Mujahedd, the acknowledged spokesman for the Afghan Taliban noted that the group had no intention of entering into talks. He insisted "We are certain that we are winning. Why should we talk if we have the upper hand?"¹¹

⁷ "General Petraeus in Afghanistan warns of tough mission", *Reuters*, July 3, 2010 at <http://www.reuters.com/article/idUSTRE6611PB20100703>

⁸ "No change in Afghanistan strategy: NATO chief", *AFP*, July 2, 2010 at <http://www.google.com/hostednews/afp/article/ALeqM5gVdGHkWTB0dy29u9BH-DHkBiRTJA>

⁹ "Petraeus wants to cut Afghan air power redtape", *Reuters*, July 1, 2010 at <http://www.reuters.com/article/idUSTRE6602KG20100701>

¹⁰ "5 Confirmed for Cabinet in Afghanistan", *The New York Times*, June 28, 2010 at <http://www.nytimes.com/2010/06/29/world/asia/29kabul.html>

¹¹ "Taliban in Afghanistan rule out Nato negotiation", *BBC*, July 1, 2010 at http://news.bbc.co.uk/2/hi/south_asia/10472928.stm

In other developments, members of the US House of Representatives have blocked almost \$4 billion of US aid after a vote in the house. This move has come after reports of corruption in Afghanistan and allegations that huge amounts of cash have been flown out of the country. Meanwhile US Attorney General Eric Holder has met with the Afghan leader Hamid Karzai to discuss the issues related to tackling of corruption.¹²

BHUTAN (June 21-27)

- **Bangladesh indicates at providing access to Bhutan to its deep water ports; Issue of state funding for political parties discussed at DPT's annual meeting; Tehri Hydro Development Corp signs an agreement with the Bhutan government**

Reports noted that Bangladesh has expressed interest in providing Bhutan access to its deep water ports at Mongla and Chittagong in order to facilitate its exports and imports.¹³ Meanwhile during the DPT's (Druk phuensum tshogpa) annual executive meeting held on June 19, 2010, the issue of state funding for political parties was taken up. DPT, the ruling party in Bhutan presently owes a total debt of Nu 24 million.¹⁴

In other developments, Tehri Hydro Development Corp has signed an agreement with the Bhutan government on the 180 MW Bunakha hydroelectric project. According to sources, THDC along with Department of Energy, Bhutan, would soon be undertaking a detailed project assessment of the project.¹⁵

¹² "US blocks \$4 billion aid for rebuilding of Afghanistan", *BBC*, July 1, 2010 at http://news.bbc.co.uk/2/hi/south_asia/10471892.stm

¹³ "Access to deep water ports", *Kuensel*, June 20, 2010, <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15826>

¹⁴ "After the ballot comes the bill", *Kuensel*, June 21, 2010, <http://www.kuenselonline.com/modules.php?name=News&file=article&sid=15839>

¹⁵ "Tehri Hydro Development to study Bunakha project in Bhutan", *Hindustan Times*, June 24, 2010, at <http://www.hindustantimes.com/rssfeed/corporatenews/Tehri-Hydro-Development-to-study-Bunakha-project-in-Bhutan/Article1-562693.aspx>

B. EAST ASIA

CHINA

(June 21-27)

- **China and Pakistan to hold a Joint Anti-Terrorism drill; PLA bans its soldiers from opening blogs; The need of modernization of military transportation stressed; Task of civil-military integration stressed; More than 400 officers from different countries participated in the security seminar organized by the PLA**

China's Ministry of National Defense has announced on Thursday that China and Pakistan would hold a joint anti-terrorism drill from July 1 to 11, 2010 in Qingtongxia in northwest China's Ningxia Hui Autonomous Region. The drill has been codenamed as "Friendship-2010". This drill would be the third of its kind between the two countries.¹⁶ The revised regulations of the People's Liberation Army (PLA) have banned Chinese servicemen from opening blogs on the Internet for confidentiality reasons. They are prohibited from creating website, homepage, or blog on the Internet. The revised PLA Internal Administration Regulations came into force on 15 June 2010.¹⁷

Liao Xilong, member of the Central Military Commission and director of the General Logistics Department (GLD) of the Chinese People's Liberation Army (PLA), said that the PLA should adhere to the task of civil-military integration, and accelerate the modernization drive of military transportation which can meet both wartime and peacetime requirements. He was speaking at the conference organized on the military-civilian integration and the modernization drive of military transportation.¹⁸

The College of Defense Studies of the National Defense University (NDU) of the PLA organized the 2010 International Security Seminar from June 17 to 18, 2010. More than 400 officers, experts and scholars from nearly 90 countries attended the seminar. The theme of the seminar was "multiple security threats and military strength application". The purpose of seminar was to set up a platform

¹⁶ "China, Pakistan to Hold Anti-terror Drill", *PLA Daily* (Online), June 25, 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-06/25/content_4246043.htm

¹⁷ "Chinese Soldiers Banned from Opening Blogs on Internet", *PLA Daily* (Online), June 27, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-06/27/content_4247113.htm

¹⁸ "Liao Xilong Urges to Accelerate Military Transportation Modernization Drive", *PLA Daily* (Online), June 23, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-06/23/content_4244795.htm

for international military exchanges and cooperation, and look into issues common for militaries of all countries and the issues that require urgent attention and prompt solutions.¹⁹

(June 28-July 4)

- **China Sends Sixth Naval Escort to the Gulf of Aden: PLA Conducts Live-Ammunition Training in the East China Sea: Xu Caihou Stresses Party Building in the PLA**

China has sent its sixth naval escort flotilla to the Gulf of Aden and Somali waters on Wednesday last week. This flotilla is carrying more than 1,000 personnel, including Navy Special Forces troops, and will relieve the fifth flotilla which has been in the waters off the Somalia coast for more than three months.²⁰

The People's Liberation Army (PLA) Navy is, at present, conducting an annual routine live-ammunition training in the East China Sea. Chinese Ministry of Defence, in its statement, said that the No. 91765 unit of the Navy's East China Sea Fleet had commenced the training off the coast of southeast China's Zhejiang Province on Wednesday last week.²¹

On the foundation day of the Communist Party of China (CPC), Xu Caihou, member of the Political Bureau of the Central Committee of the CPC and vice chairman of the Central Military Commission (CMC), identified the task of carrying forward the fine tradition of the CPC and strengthening Party building in the PLA as a very important task. He stressed that this task should be carried out constantly.²²

¹⁹ "2010 International Security Seminar Held in Beijing", *PLA Daily* (Online), June 22, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-06/22/content_4243958.htm

²⁰ "China Sends Sixth Naval Escort Flotilla to Gulf of Aden", *PLA Daily* (Online), July 1, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-07/01/content_4249739.htm

²¹ "PLA Navy Starts Live-Ammunition Training in West Pacific", *PLA Daily* (Online), July 1, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-07/01/content_4249721.htm

²² "Xu Caihou Urges to Unceasingly Strengthen Party Building in PLA", *PLA Daily* (Online), July 2, 2010, available at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-07/02/content_4251086.htm

JAPAN
(June 21-July 4)

- **US Defence Secretary Gates asks Japan to share the Marines transfer costs; Kan pledges to reduce "the burden" of US bases on Okinawa; Japanese Prime Minister Naoto Kan and Chinese President Hu Jintao agrees to strength strategic ties; PM Kan and Russian President Dmitry Medvedev express willingness to seek progress on a long-standing territorial dispute; Japanese Foreign Minister Katsuya Okada and US Secretary of State Hillary Clinton pledges to maintain close ties**

Reports noted that US Defense Secretary Robert Gates has asked Tokyo to shoulder additional costs to transfer about 8,000 US Marines from Okinawa to Guam. This increased cost is expected to be around tens of billions of yen. United States will look after the cost to develop infrastructure, including facilities for electricity as well as water and sewerage. This total expenditure is predicted to be more than what is estimated.²³

Kan apparently pledged to reduce "the burden" of US bases on Okinawa as the island marked 65 years since the end of a major World War II battle there. He said this on his first visit to the southern island since he took office on June 8 to attend a ceremony to remember the 83-day bloodbath which killed more than 200,000 people, half of them civilians, in 1945.²⁴

On the bilateral front, Japanese Prime Minister Naoto Kan and Chinese President Hu Jintao agreed to strength strategic, mutually beneficial relations between the two countries. This meeting was held on the sidelines of the two-day Group of 20 Summit in Toronto. It is predicted that during the meeting, Kan and Hu discussed how to respond to the fatal sinking of a South Korean warship in March, allegedly by a North Korean torpedo attack.²⁵

On the other hand Kan and Russian President Dmitry Medvedev agreed to seek progress on a long-standing territorial dispute through high-level talks. Kan told Medvedev that settling the bilateral dispute has been an ardent wish of the

²³ "Marines' move to Guam to cost more" *Japan Times*, July 4, 2010 at <http://search.japantimes.co.jp/cgi-bin/nn20100704a1.html>

²⁴ "Japan PM vows to cut US base burden on Okinawa" *Associate Foreign Press*, June 23, 2010 at <http://www.google.com/hostednews/afp/article/ALeqM5jURY1ux8w5NSwV5H7Yy-jZzIL6ww>

²⁵ "LEAD: Japan, China agree to enhance strategic, mutually beneficial relations+" *Associated Press*, June 27, 2010 at http://www.breitbart.com/article.php?id=D9GJKS9O0&show_article=1

Japanese people over the past 65 years.²⁶ In other developments Japan is calling North Korea a threat to Asia and urging world leaders to issue a strong condemnation over an international finding that the North sank a South Korean warship. A Japanese spokesman said that Kan told his counterparts from Canada and Germany that North Korea's alleged torpedo attack is a "threat to the peace and stability of the region."²⁷

However, Japanese Foreign Minister Katsuya Okada and US Secretary of State Hillary Clinton agreed over the phone to maintain their close ties under Japan's new cabinet. It was their first conversation since Okada retained his post in a cabinet formed by Kan.²⁸

SOUTHEAST ASIA (June 28-July 4)

- **Six soldiers and two civilians killed in two separate bomb attacks in Southern Thailand; Indo-Burma bilateral trade indicates an upward trend as it reaches US\$1.19 billion in 2009-10; India donates sixteen transformers to bring electricity in some of the worst affected areas in Myanmar in 2008 during Cyclone Nargis**

Six soldiers and two civilians were killed in two separate bomb attacks in the provinces of Yala and Narathiwat in the southern Thailand on 1st and 2nd, July. Following the attacks, the National Security Council has been asked by Prime Minister Abhisit Vejjajiva to monitor the situation in the southern region closely.²⁹

Indo-Burma bilateral trade indicates an upward trend in 2009-10, despite continued insistence by the US and the EU on the regional countries to impose economic sanctions on Burma. The trade between the two neighbouring states reportedly reached US\$1.19 billion during this period. India is also currently planning to invest US\$5.6 billion in two major hydropower projects in Burma. However, India still lags behind in comparison to other trading partners such as

²⁶ "Summit talks eyed for isles dispute" *Japan Times*, June 28, 2010 at <http://search.japantimes.co.jp/cgi-bin/nn20100628a2.html>

²⁷ "Japan calls NKorea a threat to Asia" *Associated Press*, June 25, 2010 at http://news.yahoo.com/s/ap/20100625/ap_on_go_ot/world_summit_japan_nkorea_1

²⁸ "Okada, Clinton affirm Japan-US ties" *Associate Foreign Press*, June 21, 2010 at <http://www.google.com/hostednews/afp/article/ALeqM5iM98Ks6fAsFGdbNvxzrf0PEKcrKA>

²⁹ "Eight killed in two bomb attacks in southern Thailand", *Bernamea.com*, July 2, 2010, at <http://www.bernama.com/bernama/v5/newsindex.php?id=510535>

Singapore, China and Thailand. China has recently inked a draft of series of new trade deals with Burma, including the controversial Monywa copper agreement, which would see Chinese weapon giant Norinco playing a significant role in Burma's mine projects. With the Shwe pipeline project, while China would be able to carry oil and gas from western Burma to southern China, the Burmese government too will be able to acquire up to US\$30 billion over the next three decades.³⁰

While continuing its humanitarian aid to Burma after the latter was hit by Cyclone Nargis in May 2008, India has recently donated sixteen power transformers to the neighbouring state. The transformers (valued US\$1.9 billion) are to be used in bringing electricity in some of the worst affected areas by the cyclone. Nargis had reportedly killed at least 140,000 people, displaced 2.4 million, and the total damage was estimated to be around US\$4 billion.³¹

³⁰ "India trade dampens Burma sanctions", *Indo-Burma News*, July 1, 2010, at http://www.indoburmanews.net/archives-1/2010/july_2010/india-trade-dampens-burma-sanctions

³¹ "India donates transformers to aid Nargis-hit Rangoon", *Indo-Burma News*, July 2, 2010, at http://www.indoburmanews.net/archives-1/2010/july_2010/indian-donates-transformers-to-aid-nargis-hit-rangoon