

THE WEEK IN REVIEW

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EDITOR: SANJEEV KUMAR SHRIVASTAV

REVIEW ADVISOR: S. KALYANARAMAN

CONTRIBUTORS

PRANAMITA BARUAH – Southeast Asia

PRASANTA PRADHAN- Yemen

AVINASH GODBOLE- Taiwan

PRASHANT KUMAR SINGH- China

LAXMAN BEHERA- Defence Review

RAHUL MISHRA- Myanmar

GUNJAN SINGH- Japan

PRASHANT HOSUR- USA

MAHTAB ALAM RIZVI – Iran, Iraq

KALYANI UNKULE- Energy Review



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

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I. COUNTRY REVIEW

A. EAST ASIA

JAPAN (AUG.16-22)

- **Japan positive about gaining ability to hit enemy bases; SDF simulation exercises signals at China's naval expansion; Tokyo keeps close watch on China's military build- up; Japan to train Afghan police in Turkey**

In a significant statement Japan's Parliamentary Defense Secretary Akihisa Nagashima has said that Japan should acquire the capacity to strike an enemy's missile launch sites. This statement came in light of threats from North Korea's long-range ballistic missiles. "It is natural that questions arise over whether Japan can sufficiently defend itself without such a capacity," Nagashima told a symposium in Tokyo.¹ On the other hand, Japan Defense Ministry sources noted that the Self-Defense Forces will conduct exercises simulating the recapture of an isolated island from enemy forces in December 2010. These drills are viewed as a response to China's recent naval expansion. The exercises will be based on the newly compiled defense program for the Nansei Islands, which includes the Okinawa Islands.² Meanwhile, Tokyo has also decided to keep a close eye on Beijing's military build-up. This is in response to the US government report warning that China's rising defence power is changing East Asia's military balance. The comment by Japan's defence ministry came after two incidents on the high seas in recent months in which Chinese naval helicopters buzzed Japanese destroyers watching their naval flotillas near Japanese islands.³

On the international front, the Japanese government has decided to dispatch police personnel to Turkey to train Afghan police officers. The project will be carried out in cooperation with the Turkish government, the North Atlantic Treaty Organization and others, using police training facilities in Turkey. This is aimed at both improving security in Afghanistan and indirectly supporting the United States government.⁴

¹ "Japan official positive about obtaining ability to hit enemy bases+" *Associated Press*, August 20, 2010 at http://www.breitbart.com/article.php?id=D9HN9E400&show_article=1

² "SDF exercises to 'recapture' Nansei island / Simulation aims to send China signal" *The Yomiuri Shinbun*, August 20, 2010 at <http://www.yomiuri.co.jp/dy/national/T100819004765.htm>

³ "Japan watching China's military closely" *Associate Foreign Press*, August 17, 2010 at <http://news.brisbanetimes.com.au/breaking-news-world/japan-watching-chinas-military-closely-20100817-128fn.html>

⁴ "Japan to train Afghan police in Turkey" *The Yomiuri Shimbun*, August 16, 2010 at <http://www.yomiuri.co.jp/dy/national/T100815001483.htm>

(AUG. 22-29)

- **Japan and China at odds over the resumption of Six-Party Talks; DPJ's presidential election contest intensifies as Ozawa announces his candidature; Japan sends flood relief assistance to Pakistan; United States urges Japan to implement additional sanctions on Iran**

In a recent development, Japan and China have been at odds over how to restart the six-party talks on North Korea's nuclear programme. This is because of the fact that Beijing is seeking an early resumption of talks but Tokyo is taking a cautious stance. In a statement Japan's Foreign Minister Katsuya Okada said that his Chinese counterpart, Yang Jiechi, "did not confirm North Korean leader Kim Jong Il's reported visit to China and his rumored talks with Chinese President Hu Jintao in Changchun, Jilin Province". "Considering the feelings of South Koreans and the South Korean government's position, it's not easy (to resume) the six-party talks soon," Okada told reporters after meeting Yang in Beijing.⁵

On the domestic front, ruling Democratic Party of Japan lawmakers have intensified their efforts to increase the support for the two contenders in the ruling party's presidential election, Prime Minister Naoto Kan and Ichiro Ozawa. This battle between Ozawa and Kan camp intensified after Ozawa's announcement that he would contest in the September 14 poll. This will determine whether Kan can continue to serve as prime minister after only three months in office.⁶

In another development, Japanese Air Self-Defense transport plane arrived in the central Pakistani city of Multan with equipment to help a Japanese Ground Self-Defense Force relief mission set up for flood-relief operations. Six Japanese helicopters are helping airlift relief supplies from Multan to flood victims in Punjab Province.⁷ Meanwhile the Obama administration has urged Japan to implement additional sanctions on Iran in order to bring them in tune with the European Union sanctions over Tehran's nuclear program. These additional sanctions would include a ban on new investment in Iran's energy-related industries. However, there was no demand from Washington to restrict imports of crude oil from Iran.⁸

⁵ "Beijing's plan for early North nuke talks rebuffed by Tokyo" *Japan Times*, August 29, 2010 at <http://search.japantimes.co.jp/cgi-bin/nn20100829a6.html>

⁶ "Battle heats up between rival Kan, Ozawa camps" *Japan Times*, August 28, 2010 at <http://search.japantimes.co.jp/cgi-bin/nn20100828a2.html>

⁷ "Japanese relief equipment arrives in Pakistan" *Associated Press*, August 25, 2010 at http://www.breitbart.com/article.php?id=D9HQH9380&show_article=1

⁸ "U.S. presses Japan to boost sanctions against Iran" *Yomiuri Shimbun*, August 24, 2010 at <http://www.yomiuri.co.jp/dy/national/T100823003800.htm>

CHINA

- **Chinese troops to participate in a SCO-organized drill in Kazakhstan; China welcomes upcoming defence ministerial meeting with ASEAN; China sends special representative to South Korea; PLA holds a seminar on military training**

Chinese Defense Ministry spokesman Geng Yansheng announced on Thursday that about 1,000 personnel from the Chinese People's Liberation Army (PLA) would take part in a multi-national anti-terror exercise under the framework of the Shanghai Cooperation Organization (SCO), to be held in Kazakhstan from September 9 to 25, 2010. In fact, more than 5,000 troops from Kazakhstan, China, Kyrgyzstan, Russia, and Tajikistan will participate in the drill which is seventh of its kind. The drill has been code-named as "Peace Mission 2010".⁹

On the other hand, Chinese Defense Minister Liang Guanglie has welcomed the upcoming defense ministerial meeting between the Association of Southeast Asian Nations (ASEAN) and its dialogue partners. In a meeting with visiting Vice Defense Minister of Vietnam Nguyen Chi Vinh, Guanglie noted that he was hopeful that the meeting would become a new platform for ASEAN and other countries in the region to collectively deal with non-traditional security challenges and strengthen mutual trust and cooperation.¹⁰

Meanwhile, China's special representative for Korean Peninsula affairs Wu Dawei arrived in Seoul on August 26, 2010. Upon this arrival, Dawei met with South Korea's top nuclear envoy Wi Sung-lac on Thursday for resumption of the long-stalled six-party discussions on denuclearization of the Korean Peninsula.¹¹

In other developments, reports noted that a seminar and exhibition code named as "Sharpen Sword 2010" was inaugurated in Beijing on August 23, 2010. This event focused on military training under information-based conditions. The five-day-long seminar and exhibition highlighted the knowledge gained from theoretical research on military training and the experiences accumulated

⁹ "SCO to hold anti-terrorism drill in Kazakhstan", *PLA Daily* (Online), 27 August 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-08/27/content_4286693.htm

¹⁰ "China says supporting ASEAN defense ministerial meeting plus", *PLA Daily* (Online), 25 August 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-08/25/content_4285387.htm

¹¹ "Chinese, S. Korean envoys meet on six-party talks", *PLA Daily* (Online), 27 August 2010, at http://www.chinadaily.com.cn/photo/2010-08/27/content_11215832.htm

through practice. This event also showcased the latest developments in military training methods under the information-based conditions.¹²

TAIWAN

- **United States approves radar sales to Taiwan; China registers its protest on the radar sale**

The United States has approved the sale of defence radar equipment to Taiwan to bolster Taiwan's defence capabilities. US State Department spokesman P.J. Crowley stated, "The decision to approve these export licenses will allow the commercial export to Taiwan of defence services, technical data and defence articles to support Taiwan's existing defence radar system and for upgrading the existing radars on Taiwan's indigenous fighter aircraft."¹³

However, China has registered its protest on the issue and said that it would revoke the business permits given to the firms involved in the deal. Chinese authorities also said that this deal could hurt US-China ties. Chinese foreign ministry spokeswoman Jiang Yu stated, "China firmly opposes the United States selling weapons and relevant technical assistance to Taiwan...We urge the United States... to revoke their wrong decision and put an end to arms sales to Taiwan and military ties with Taiwan to avoid causing new harm to Sino-US ties".¹⁴

SOUTHEAST ASIA

- **Fugitive former Thai Premier Thaksin Shinawatra resigns as economic adviser of Cambodia; Thaksin's resignation expected to lead towards normalization of the bilateral relationship between Thailand and Cambodia**

Thaksin Shinawatra, the fugitive former Prime Minister of Thailand, has reportedly resigned from his post as economic adviser to the Cambodian government, while citing "personal difficulties in fulfilling his role completely." Since his expulsion as Premier in 2006 coup, Thaksin has been abroad to avoid a jail term at home on charges of corruption. His appointment as the economic adviser to Cambodia in November 2009 deteriorated the bilateral relationship

¹² "PLA seminar on military training under information-based conditions held", *PLA Daily* (Online), 24 August, 2010, at http://eng.chinamil.com.cn/news-channels/china-military-news/2010-08/24/content_4285211.htm

¹³ "US okays radar sales to Taiwan", *The Straits Times*, August 25, 2010 at http://www.straitstimes.com/BreakingNews/World/Story/STIStory_570614.html

¹⁴ "China tells US not to sell radars" *The Straits Times*, August 27, 2010 at http://www.straitstimes.com/BreakingNews/Asia/Story/STIStory_571623.html

between Thailand and Cambodia further at a time when their relationships were already going through a tenuous phase due to border conflict.¹⁵

Thaksin's resignation has been considered as a breakthrough in normalizing Thai-Cambodia relations with both states deciding to reinstate their ambassadors. It is worth noting that in early November 2009, following Thaksin's appointment as the economic adviser of Cambodia, Thailand recalled its ambassador from Phnom Penh, leading to deterioration of bilateral relations. Cambodian Premier Hun Sen had also refused to extradite Thaksin despite having bilateral extradition treaty. Hun Sen's decision was largely considered by Thailand as interference in internal affairs of Thailand. It was also treated as a denial of Thai judicial process, as the Thai Supreme Court had already sentenced Thaksin to two-year jail term due to his abuse of power in the R Ratchadapisek land case.¹⁶

However, ties between the Thailand and Cambodia have witnessed an improvement after Thaksin's resignation. The Cambodian ambassador to Thailand, You Aye, arrived in Bangkok on Wednesday a day after the Thai envoy left for Phnom Penh. Reports noted that Hun Sen has also ordered the release of three Thais who were detained for allegedly entering Cambodia illegally.¹⁷

MYANMAR

- **Myanmar's Defence Minister and other top Generals resign aiming at contesting elections as civilians; UN plans to setup an enquiry on war crimes in Myanmar; President Obama decides to support UN moves to establish a special UN commission to investigate war crimes**

Myanmar's Defence minister and other top generals are reported to have resigned their posts, with some of them set to run for election as civilians in the nation's first political contest in 20 years.¹⁸ Meanwhile the UN is planning to setup an enquiry on war crimes in Myanmar. The US President Barack Obama meanwhile has also decided to throw his crucial support behind moves to

¹⁵ "Thaksin quits as Cambodia's adviser", *The Bangkok Post*, August 23, 2010, at <http://www.bangkokpost.com/breakingnews/192538/thaksin-quits-as-cambodia-adviser>

¹⁶ "Thai Ambassador returning to P. Penh", *The Bangkok Post*, August 23, 2010, at <http://www.bangkokpost.com/breakingnews/192539/thai-ambassador-returning-to-p-penh>

¹⁷ "Cambodian envoy returns to Thailand", *The Bangkok Post*, August 25, 2010, at <http://www.bangkokpost.com/breakingnews/192846/cambodian-envoy-returns-to-thailand>

¹⁸ "Burmese Generals Look to Election", *VOA News*, August 27, 2010 at <http://www.voanews.com/english/news/asia/Burmese-Generals-Look-to-Election--101654618.html>

establish a special UN commission to investigate alleged war crimes perpetrated by the military rulers in Myanmar.¹⁹

B. WEST ASIA

IRAN

- **3 killed and many injured many in an earth quake in Northern Province of Iran**

An earthquake with a magnitude of 5.9 on the Richter scale struck near Damghan, Semnan province of northern Iran, killing 3 people and injuring 40 others. The tremors were also felt in Tehran and parts of Mazandaran province. It would be worth noting that in December 2003, a 6.6 magnitude earth quake had hit the Iran's southern city of Bam killing about 30,000 people.²⁰

IRAQ

- **56 Iraqi killed by gunmen and suicide bombers in different places of Iraq**

Suicide bombers and gunmen killed at least 56 people in dozens of attacks across Iraq. These attacks were mostly targeted at security forces. Iraq's foreign minister Hoshyar Zebari said that insurgents are attempting to disseminate as much chaos as possible, as lawmakers struggle to form a new government and Americans withdraw troops. An Associated Press of Iraq confirmed that at least 265 security personnel which included Iraqi military, police and police recruits, and bodyguards have been killed from June through August, compared to 180 killed in the previous five months.²¹

¹⁹ "Obama wants Burmese rulers to face UN war crimes investigation", *The Independent*, August 19, 2010 at <http://www.independent.co.uk/news/world/politics/obama-wants-burmese-rulers-to-face-un-war-crimes-investigation-2056314.html>

²⁰ "Strong quake jolts northern Iran, 3 dead," *Tehran Times*, August 29, 2010, at http://www.tehrantimes.com/index_View.asp?code=225774

²¹ "Attacks in Iraq kill 56, raise fears of insurgents," *Khaleej Times*, August 26, 2010, at http://www.khaleejtimes.com/DisplayArticle09.asp?xfile=data/middleeast/2010/August/middleeast_August516.xml§ion=middleeast

YEMEN

- **Seven Al Qaeda terrorists and four soldiers killed in Yemen**

Seven al Qaeda terrorists were killed on August 22 in a raid carried out by the Yemeni armed forces at Ludar city in the southern province of Abyan. The security forces supported by the Army were involved in the operation to clear the area. According to security sources an unidentified number of al Qaeda terrorists have also surrendered after the crack down on them by the security forces. This has come after the Interior Ministry has urged its security forces to tighten security measures to counter terrorist acts in some provinces of the country where terrorists are carrying out killing and violence.²²

In another violent incident, Al Qaeda terrorists targeted a military patrol in Zinjobar district of the Abyan province on August 25 and killed four soldiers. According to the sources gunmen riding motorcycles targeted the military patrol in a public market leading to the killings.²³

C. USA

- **President Obama expresses his commitment and solidarity for Katrina victims**

President Obama over the weekend addressed Xavier University on the fifth anniversary of Hurricane Katrina which had left many homeless and had claimed countless lives. He took the opportunity to say that the legacy of Katrina must be “not one of neglect, but of action; not one of indifference, but of empathy; not of abandonment, but of a community working together to meet shared challenges.” This comes at a time when BP and other concerned authorities had a tough time in plugging the oil spill in the gulf. Several plans to rebuild the city of New Orleans are being pursued and implemented. President Obama seemed to acknowledge that New Orleans has been hit time and again, earlier by hurricane Katrina and now by the BP oil spill.²⁴

²² “Seven al-Qaeda members killed in Yemen”, *Yemen News Agency*, August 23, 2010, at <http://www.sabanews.net/en/news222814.htm>

²³ “Al-Qaeda kills 4 troops in new clash”, *Yemen Observer*, August 28, 2010, at <http://www.yobserver.com/front-page/10019540.html>

²⁴ “Obama Pledges Commitment to New Orleans” *The New York Times*, August 29, 2010 at <http://www.nytimes.com/2010/08/30/us/politics/30obama.html?ref=us>

II. DEFENCE REVIEW

National

- **Foreign defence industry bodies to urge MOD to streamline offset policy**

Jane's reported that some foreign defence industry associations based in North America and Europe were united for sending a joint proposal to the Indian defence ministry to "improve" its offset policy. The associations include US-based the Aerospace Industries Association and U.S.-India Business Council; the UK's ADS (AeroSpace Defence Security); the German Aerospace Industries Association (BDLI); France's Groupement des Industries Françaises Aéronautiques et Spatiales; and the Aerospace Industries Association of Canada. In a jointly signed letter, these associations will make "a number of recommendations that industry bodies hope the MoD will include in a revision of the offset policy planned for next year." India has since 2006 imposed a detailed offset policy, which mandates a minimum 30 per cent offset in all defence contract valued Rs. 300 crore or more.²⁵

International

- **China to Conduct Naval exercise in Yellow Sea in early September**

China's Xinhua news agency reported that the "Beihai Fleet of the Chinese People's Liberation Army (PLA) Navy will conduct a live-ammunition drill in the Yellow Sea from September 1 to 4. The news report comes in wake of a new round of joint exercise by the US and South Korea in the Yellow Sea, following the sinking of a South Korean naval ship in March. China had earlier strongly objected to the US led military exercise in water "near its coast".²⁶

III. ENERGY REVIEW

- **Oil India Ltd hires seven banks to help complete an overseas acquisition**

India's state owned explorer Oil India Ltd has reportedly hired seven banks including Citigroup Inc. and Morgan Stanley to help complete an overseas acquisition this fiscal year aimed at boosting India's energy security. The government of India has asked Oil India and Oil & Natural Gas Corp. to each

²⁵ Jon Grevatt, "International industry unites, calls on India to reform offset policies", *Jane's Defence Industry*, August 20, 2010, at http://www.janes.com/news/defence/jdi/jdi100823_1_n.shtml

²⁶ "PLA Navy to conduct live-ammunition drill in Yellow Sea", *Xinhua*, August 29, 2010, http://news.xinhuanet.com/english2010/china/2010-08/29/c_13467776.htm; "China Holding 4-Day Naval Exercise in Yellow Sea", *Defense News*, August 29, 2010, <http://www.defensenews.com/story.php?i=4760206&c=ASI&s=SEA>

make at least one acquisition this year to meet demand in Asia's second-fastest growing major economy.²⁷

²⁷ "Citibank, Morgan Hired by Oil India to Help Advise on Acquisitions Abroad", *Bloomberg*, August 26, 2010, at <http://www.bloomberg.com/news/2010-08-26/citibank-morgan-hired-by-oil-india-to-help-advise-on-acquisitions-abroad.html>