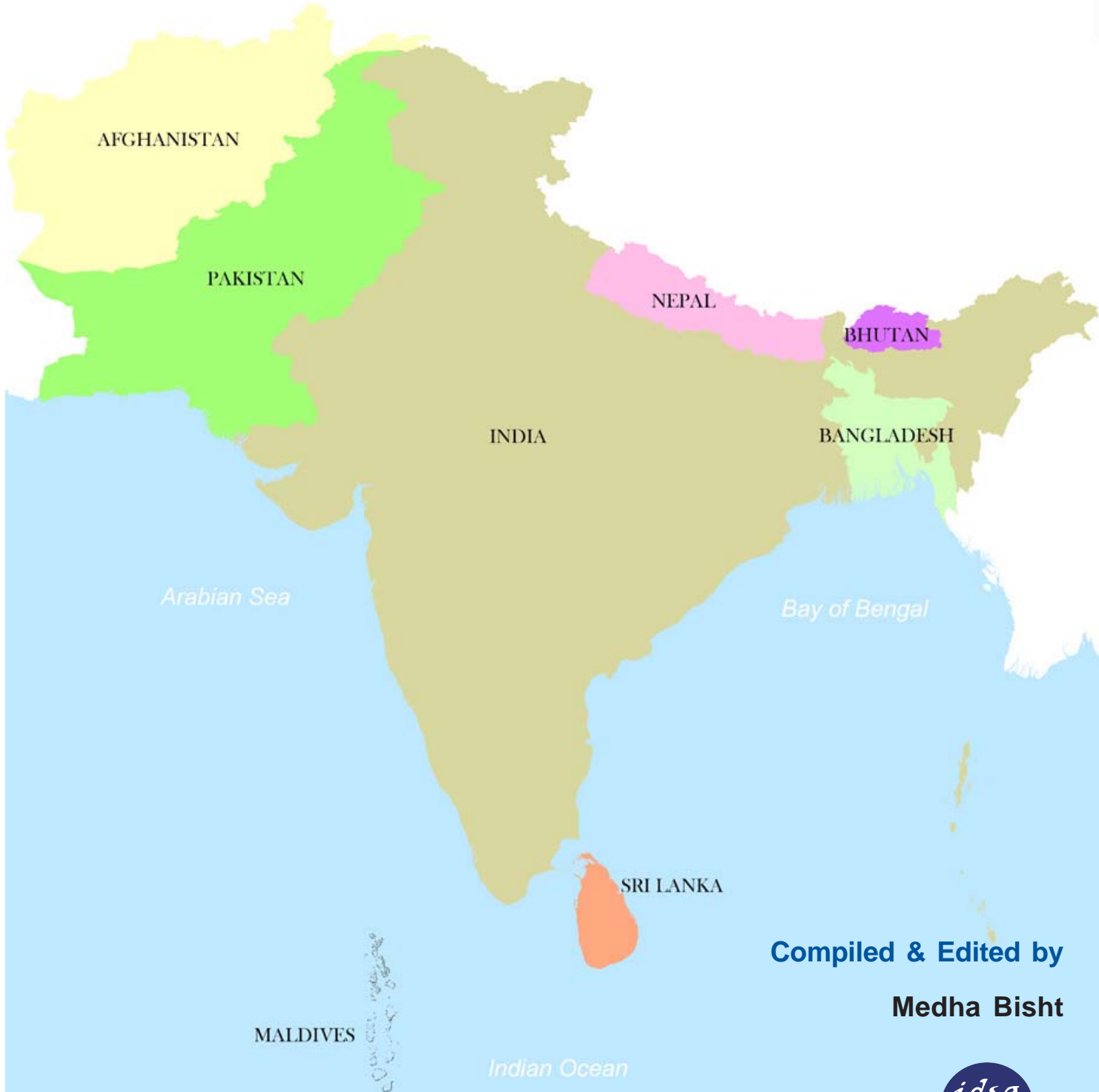


SOUTH ASIA TRENDS

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South Asia Trends is a fortnightly newsletter on South Asian affairs. The purpose of the newsletter is to provide a panoramic view of important events that shape and impact the politics of the subcontinent. The effort would be to inform our readers of the domestic, regional and international repercussions of the political debates and diplomatic engagements that take place in South Asia.



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Editor's Note

Is Russia ready for a reset in the twenty-first century? The signing of the historic co-operation agreement between NATO and Moscow, amongst other diplomatic implications has settled much of the dust regarding Russia's role in Afghanistan. The agreement can be considered a strategic victory as it would now facilitate flow of Western military supply shipments through Russia into Afghanistan. Meanwhile, according to some sources, the Taliban has advised the United States to formulate a withdrawal plan, claiming that, "the myth of America's military superiority globally has been shattered." Refuting Karzai's statement in a press conference, that the Lisbon summit was a success and that the Western troops would leave the Afghan soil by 2014, the Taliban have cautioned that they would force foreign troops out of the country before the stated deadline.

Sub-regional diplomacy seems to be driving Bangladesh-Bhutan-India-Nepal over transit issues. On November 23, 2010, a seven-member delegation, led by financial adviser Dr Moshiur Rahman was on a visit to Nepal and Bhutan to discuss the much talked about transit proposal. This engagement in near future could well extend to transshipment and water sharing issues. As of now, Nepal and Bhutan have agreed to export 1000 MW of power each to Bangladesh.

Anxieties have meanwhile set in Nepal's political circles with the impending termination of United Nation's Political Mission in Nepal. Upendra Yadav has cautioned that the exit of UNMIN would create a vacuum in Nepal's, thus allowing Indian interference in the peace process.

Meanwhile an interesting news report on India-Pakistan claims that though the official trade between both countries is just USD 2 billion, the unofficial figures which includes informal trade and via third country transit amounts to USD 10 billion. In another development, the transit agreement between Pakistan and Afghanistan will be operational next year. The agreement however has been criticized on the ground that while it allows Afghan trucks to drive tax free across Pakistan up to the Indian border with products for sale, the Afghans however cannot buy Indian exports for the return journey. According to reports it has been made mandatory for Afghan traders to buy products made in or shipped into Pakistan.

Afghanistan

Focusing on Afghan War in Lisbon Meeting

Afghan Daily Outlook, November 19, 2010.

The US President, Barack Obama, would meet his Afghan counterpart, Hamid Karzai, in Lisbon on the sidelines of the key NATO Summit that begins in Portugal on Friday, the White House announced on Thursday. Karzai, heading a delegation, on Thursday left for Lisbon, while Obama also left for the venue Thursday evening. World leaders are meeting in Lisbon for a crucial summit focusing on the war in Afghanistan and how to withdraw troops within the next four years. The meeting between Obama and Karzai would be the first in recent months, but the White House Press Secretary, Robert Gibbs, did not indicate as to why this meeting with Karzai was added in the last minute on Obama's schedule in Lisbon.

(Source: http://www.outlookafghanistan.net/archive/November%2020,%202010/news_Pages/main_news.html#02)

Cameron pledges to pull our troops out of Afghanistan by 2015 after signing groundbreaking agreement with Russia

Daily Mail, November 21, 2010.

David Cameron hailed a groundbreaking deal to boost Russia's role in the war in Afghanistan last night as he reaffirmed his pledge to pull all UK combat troops out of the country within five years. The Prime Minister's declaration came after a historic co-operation agreement between Nato and Moscow and a pledge by Nato allies to start reducing troop levels next year and hand over security control to the Afghans by 2014. At the close of the joint Nato-Russia summit in Lisbon, Mr Cameron said it would 'pave the way for British combat troops to be out of Afghanistan by 2015'.

(Source: <http://www.dailymail.co.uk/news/article-1331629/Cameron-pledges-pull-troops-Afghanistan-2015.html>)

Afghan peace talks in a holidaymakers' paradise

BBC News, November 23, 2010.

The talks were organised by Homayoun Jarir, an Afghan politician and close relative of Mr Hekmatyar. Mr Jarir has been involved in peacemaking efforts for several years and says the Maldives talks are part of his efforts to find a political settlement for his war-torn country. Mr Jarir says the cost of the talks - more than \$100,000 (£62,000) - was paid by Afghan businessmen.

(Source: <http://www.bbc.co.uk/news/world-south-asia-11811285>)

NATO and US Differ Over Afghan Combat Exit in 2014

Afghan Daily Outlook, November 22, 2010.

NATO nations formally agreed Saturday to start turning over Afghanistan's security to its military next year and give them full control by 2014. The U.S. and its allies appeared to take conflicting views on when NATO combat operations would end. NATO Secretary-General Anders Fogh Rasmussen said he did not expect NATO troops to stay in the fight against the Taliban after 2014. "I don't foresee

ISAF troops in a combat role beyond 2014, provided of course that the security situation allows us to move into a more supportive role," Fogh Rasmussen told reporters, using the acronym for the International Security Assistance Force that is led by NATO. Later, a senior Obama administration official said the U.S. had not committed to ending its combat mission in Afghanistan at the end of 2014.

(Source: http://outlookafghanistan.net/news_Pages/main_news.html#02)

Afghan Taliban: US Should Formulate Withdrawal Plan to Save Lives of Remaining Troops

Afghan Daily Outlook, November 22, 2010.

The Taliban have advised the United States to formulate a withdrawal plan from Afghanistan, so that it can at least save those troops that are still alive, according to a newspaper. "The Islamic Emirate of Afghanistan opines that the Americans have exhausted themselves in Afghanistan over the last nine years, and now will not stay long in our beloved country. What they could not gain in the last few months with their, then, fresh troops, they will not be able to gain in Kandahar, with their, now, demoralised and fearful troops," The Nation quoted the Taliban website, as saying. "It is becoming manifest that the Americans will not be able to conceal their defeat in Afghanistan for too long. Therefore, the White House, instead of counting their mounting casualties in Afghanistan, would be better advised to formulate a withdrawal plan, to at least save those troops, which are still alive," it added. The Taliban also claimed that the US troops' failure in the Kandahar operations was the "main reason behind Obama's supporters, the Democrats, defeat in the mid-term elections", and due to the same reason, "Obama's approval ratings in America have sunk to 46pc, while the myth of America's military superiority globally has been shattered."

(Source: http://outlookafghanistan.net/news_Pages/main_news.html#02)

Our interests in NATO go well beyond Afghanistan

The Australian, November 22, 2010.

Ms Gillard has reinforced Australia as a loyal ally of the US, arguing for a "conditions-based" handover, rather than a rigid adherence to a calendar, while reassuring her domestic audience that Canberra will decide foreign policy. The NATO debate on Afghanistan has demonstrated the difficulties the Western allies face in managing the confrontation in that country. President Hamid Karzai, who had lobbied in the summit lead-up for the scaling-back of some military forays and for a ban on private security firms, may have felt vindicated by NATO's formal decision to begin handing back power from next year. But Mr Obama was a little cooler on just what the deal meant, suggesting Mr Karzai needed to recognise his partners' "concerns" as he pushed for sovereignty. That's code for Mr Karzai to get with the program on issues such as corruption and to understand the domestic price that the allies, particularly the US, are paying for loss of troops in Afghanistan, not to mention its serious commitment to expelling terrorists from the region. Mr Obama made clear that the 2014 target was only part of the story as he left the door open for continued US counter-terrorism involvement to stymie any

return of al-Qa'ida to Afghanistan. Ms Gillard argued Australia must stay engaged in Afghanistan "till the end of the decade" saying that "we see ourselves (there) after transition".

(Source: <http://www.theaustralian.com.au/news/opinion/our-interests-in-nato-go-well-beyond-afghanistan/story-e6frg71x-1225957979668>)

Protests in Kabul as Afghan poll results released

Dawn, November 24, 2010.

Afghan election officials announced most of the long-delayed results from a September 18 parliamentary poll, but the disqualification of three more candidates and angry protests further clouded the poll. The credibility of the result will weigh heavily on US President Barack Obama's review of his Afghanistan war strategy, due next month, amid rising violence and sagging public support, especially after a fraud-marred presidential election last year. Consistent allegations of vote fraud in both polls have raised questions about the credibility of Afghan President Hamid Karzai's government at a time when US and Nato officials have been re-examining their long-term commitment in Afghanistan.

(Source: <http://www.dawn.com/2010/11/24/protests-in-kabul-as-afghan-poll-results-released.html>)

US, Has Now Identified the Real Problems Facing Afghans

Daily Outlook Afghanistan, November 24, 2010.

President Hamid Karzai, describing the Lisbon summit a success and a great achievement for Afghanistan, on Tuesday said Afghans themselves had to bring peace and stability to KABUL - President Hamid Karzai, describing the Lisbon summit a success and a great achievement for Afghanistan, on Tuesday said Afghans themselves had to bring peace and stability to their homeland, not foreigners. On his return from Portugal, the president told a press conference in Kabul that withdrawing foreign troops from Afghanistan by 2014 was the demand of the Afghan people. At the Lisbon summit, NATO member states and its allies agreed with Karzai to hand control to Afghan forces by the end of 2014. But the Taliban have warned the decision will lead to more bloodshed and that they would force foreign troops out of the country before that.

(Source: http://outlookafghanistan.net/news_Pages/main_news.html#01)

Pentagon Reports Afghan Setbacks

Wall Street Journal, November 24, 2010.

A new Pentagon report on the Afghan war through September said the reach of the insurgency was growing and the Taliban dominate more territory, though President Barack Obama said last week that the insurgents now control fewer areas of the country. The report, while largely gloomy, did note some gains. It said additional North Atlantic Treaty Organization forces that have arrived this year are challenging insurgents, which it said remain hampered by fissures within its leadership. "Security is beginning to expand," it said. But the Pentagon noted that

gains were uneven and the Taliban had expanded its area of control and demonstrated the ability to quickly adapt to NATO operations. The number of attacks continued to rise, up 70% since 2009 – a sign, the report said, that “the insurgency’s capabilities and operational reach have been qualitatively and geographically expanding.”

(Source: http://online.wsj.com/article/SB10001424052748703730304575632942345740212.html?mod=WSJEUROPE_hpp_sections_news)

Pentagon: Progress ‘Uneven’ In Afghanistan War

Afghan Daily Outlook, November 25, 2010.

The Pentagon admitted on Tuesday in a report that progress has been “uneven” in the war in Afghanistan, with only modest gains against the Taliban insurgency despite a surge of US and NATO troops. The cautious tone of the report offered a contrast to more upbeat public declarations from top officials and military leaders, who have touted encouraging signs and said the US military has gained the initiative on the battlefield. “Progress across the country remains uneven, with modest gains in security, governance, and development in operational priority areas,” according to the report issued to Congress.

(Source: http://outlookafghanistan.net/news_Pages/main_news.html#02)

NDS in Contact with the Taliban

Daily Outlook Afghanistan, November 29, 2010.

Afghan’s intelligence agency on Saturday said they had held several discussions with Taliban but denied reports that President Hamid Karzai had met with a fake commander. The National Directorate of Security (NDS) said different groups of Taliban had been contacted and that negotiations had taken place. The statement did not provide any further information about at what stage the negotiations were at except to say that the peaceful policy of the Afghan government was being continued. However, the statement denied a report that Afghan officials had met with a top Taliban leader who turned out to be an imposter.

(Source: http://outlookafghanistan.net/news_Pages/main_news.html#01)

Karzai’s brother accuses Pakistan in Wikileaks cables

The News, November 30, 2010.

Afghan President Hamid Karzai’s brother Ahmed Wali Karzai, who himself faced massive corruption allegations including the opium trade, has charged that Pakistan detained Mulla Baradar and other Taliban leaders because they were prepared to discuss reintegration with the Karzai government, according to Wikileaks disclosures. Headlined as “Capture of Mulla Baradar” a cable said that Senior Civil Representative (SCR) of the United States in Afghanistan Frank Ruggiero met one-on-one with Ahmed Wali Karzai on February 23.

(Source: <http://thenews.com.pk/30-11-2010/Top-Story/2380.htm>)

Bangladesh

Bangladesh to get ADB loan for railway

Business Report, November 20, 2010.

Bangladesh will receive a \$150 million in loan from the Asian Development Bank (ADB) to improve railroad services, a senior official said on Saturday. Musharraf Hossain Bhuiyan, secretary of the economic relations division of the finance ministry, told Reuters the loan would be used to revamp the dilapidated railway sector, which has been incurring losses. A better railway network would also help Bangladesh's trade with neighbouring countries, Bhuiyan said. Most people in Bangladesh use roads, because trains are unreliable or do not service many areas in the country.

(Source: <http://www.iol.co.za/business/international/bangladesh-to-get-adb-loan-for-railway-1.865562>)

PM begins 3-nation visit today :N-power, Padma Bridge top agenda

Daily Star, 21 November 2010

Prime Minister Sheikh Hasina today begins her tri-nation visit to Russia, Belgium and Japan for 12 days. She will leave for Russia tonight to attend a Tiger's Conference in St Petersburg on November 22-23, official sources said. Though this is not a bilateral visit, the premier will have talks with Russian Prime Minister Vladimir Putin on the sidelines of the Tiger's Conference. The two leaders are expected to discuss different issues including setting up of a nuclear power plant at Rooppur. During her stay in St Petersburg, Sheikh Hasina is expected to have talks with several heads of government of participating countries. She will join a high-level discussion on Natural Habitat of Tigers and address a session on the issue.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=163009>)

Transit, water sharing to top agenda

Daily Star, November 21, 2010.

Alongside discussions with India, Bangladesh will also hold talks with Nepal and Bhutan on transit, transshipment, water sharing and other related issues. A high-powered delegation led by prime minister's economic affairs adviser Mashur Rahman leaves for Kathmandu today on a five-day visit to Nepal and Bhutan for talks. In Kathmandu, the team will emphasise Ganges water sharing and ask Nepal to work with Bangladesh and India to augment water flow of the river. Dhaka feels that cooperation among the three countries could ensure adequate water flow that would also help Bangladesh set up a hydro-power plant. The government has meanwhile asked the commerce ministry to formulate draft rules for fixing fees and other related matters to provide transit and transshipment facilities to India, Nepal and Bhutan.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=163027>)

Bangladesh to Import 1000 MW Power from Nepal

Energy Bangla, November 23, 2010.

Bangladesh wants to import one thousand megawatts of power from

a hydroelectric plant in Nepal. A seven-member delegation, led by Prime Minister's Finance Adviser Dr Moshir Rahman now on a visit to Nepal and Bhutan, placed the proposal. The delegation went to Nepal and Bhutan to deal with various issues, including transit and import of electricity. The supply of the power will start within next two-three years. Chief engineer Masum Al-Beruni of Power Development Board (PDB), also a delegation member, told newsmen, "A proposal has been placed to import one thousand MW power from a hydroelectricity plant in Nepal". Beruni also said that they had taken a grand initiative to generate 83,000 MW hydro-power from Saptakoshi flow in Nepal.

(Source: <http://www.energybangla.com/index.php?mod=article&cat=PowerSector&article=2912>)

Russia to broaden cooperation with Bangladesh: Putin

Zee News, November 24, 2010.

Russia will broaden in areas like military-technical, electric power and agricultural cooperation with Bangladesh, Prime Minister Vladimir Putin has said. "We have provided preferential tariffs on traditional commodities, and the same can be done in electric power, agriculture, trade in mineral fertilizers and military -technical cooperation. We are already doing that," he said at yesterday meeting with Bangladesh counterpart Hasina Wajed.

(Source: <http://www.zeenews.com/news670104.html>)

Importing 1K MW Power from Nepal by Bangladesh Govt.

News Today, November 24, 2010.

Bangladesh wants to import one thousand megawatts of power from a hydroelectric plant in Nepal. A seven-member delegation, led by Prime Minister's Finance Adviser Dr Moshir Rahman now on a visit to Nepal and Bhutan, placed the proposal. The delegation went to Nepal and Bhutan to deal with various issues, including transit and import of electricity. The supply of the power will start within next two-three years. Chief engineer Masum Al-Beruni of Power Development Board (PDB), also a delegation member, told newsmen, "A proposal has been placed to import one thousand MW power from a hydroelectricity plant in Nepal". Beruni also said that they had taken a grand initiative to generate 83,000 MW hydro-power from Saptakoshi flow in Nepal.

(Source: <http://www.inewstoday.net/2010/importing-1k-mw-power-from-nepal-by-bangladesh-govt/>)

Trafficking, smuggling at Indo-Bangladesh border discussed

Sify News, November 27, 2010.

The problems of human trafficking, smuggling and sexual harassment of locals by security personnel at the Indo- Bangladesh border were brought into focus by NGOs, researchers, academicians and journalists from the two nations at a conclave here. Organised by Kolkata-based NGO Sanjog, the two-day event that began Friday saw a general resentment against the Border Security Force (BSF) and

Bangladesh Rifles (BDR) personnel who were accused of corruption and sexually abusing women in return of letting them cross the border. 'The BSF and the BDR have been and still are raping girls in their custody but no or little action is taken against them. The system - the government and the security forces - has become rotten,' said Bengal-based NGO Banglar Manabhadhikar Suraksha Mancha (MASUM) secretary Kivity Roy.

(Source: <http://sify.com/news/trafficking-smuggling-at-indo-bangladesh-border-discussed-news-national-kl1nEzgbih.html>)

Tripura beckons Bangladesh

Daily Star, November 28, 2010.

Bangladesh can be economically benefited by exporting products to north-eastern region of India, taking advantage of proximity, said Chief Minister of Tripura state Manik Sarkar. "Tripura is a potential hub for trade with Bangladesh in the entire north-east India. It is surrounded by Bangladesh on three sides, which enables easy access to the eastern, central, southern regions and, to some extent, to the north-eastern parts of Bangladesh from Tripura," he said in an exclusive interview with The Daily Star at his secretariat office in Agartala on November 12. Bangladesh enjoyed a trade surplus with Tripura last year. Bangladesh exported goods worth Rs150 crore to Tripura, while its import was worth only Rs10 crore. Sarkar believes Bangladesh's trade would exceed Rs200 crore this year.

(Source: <http://www.thedailystar.net/newDesign/news-details.php?nid=163938>)

Bhutan

Question of Religious Intolerance in Bhuta

Christian Post, November 20, 2010

After four months of detainment and trial, a court in Bhutan sentenced Prem Singh Gurung, an ethnic-Nepali Bhutanese citizen, to three years in prison. Gurung was accused of 'creating civil unrest' by showing films about Jesus Christ to his neighbors. The Kingdom of Bhutan has remained largely isolated from the outside world for centuries, but this tiny Himalayan nation has garnered international attention recently for modernizing to the beat of its own drum. In an attempt to preserve national heritage, the government banned television and the internet until 1999, making Bhutan one of the last countries to introduce the TV. Long a nation run by Buddhist monks and monarchical families, it wasn't until March 2008 that the ruling King Jigme Singye Wangchuck abruptly stepped down to make way for democracy.

(Source: <http://www.christianpost.com/article/20101120/question-of-religious-intolerance-in-bhutan/>)

A finishing touch to Sankosh

Kuensel, November 24, 2010.

The 4,060 MW Sankosh project, estimated to cost more than Nu 210B or one and half times the 10th plan outlay, could undergo some important changes before its construction begins. Bhutanese and Indian officials are expected to meet toward

the end of December to again discuss the specifics and fine-tune the biggest and most expensive project in the 10,000 MW category that Bhutan wants to harness by 2020 with Indian assistance.

(Source: <http://www.kuenselonline.com/2010/modules.php?name=News&file=article&sid=17450>)

India 'cements' Bhutan's gross national happiness

Rediff, November 24, 2010.

In yet another instance of proactive economic diplomacy with Bhutan, a consortium of Indian banks led by the country's biggest lender State Bank of India has come forward to take the lead role to finance efforts of industrialisation in the mountain kingdom. The SBI-led consortium recently helped in financing Bhutan's largest cement plant, the second in the country, with an annual capacity of 1.34 million tonnes (mt). It will also be the first instance of the Reserve Bank of India allowing rupee financing for an overseas project.

(Source: <http://www.rediff.com/business/slide-show/slide-show-1-india-cements-bhutans-gross-national-happiness/20101124.htm>)

Dhaka to get 2,000MW power from Nepal, Bhutan

Daily Star, November 27, 2010.

Nepal and Bhutan have pledged to export hydroelectricity to Bangladesh. A Bangladesh delegation expressed eagerness to import 2,000 megawatt electricity - 1,000MW from each of the neighbouring countries - during a recent visit. Prime minister's Finance Adviser Dr Mashiur Rahman led the seven-member delegation to Nepal and Bhutan from November 21 to 25. On return home Friday, he told BSS that Nepal will give 1,000MW electricity from its Saptokoshi project while Bhutan another 1,000MW from its Sangkosh project. Besides, there was much progress in discussions on the issues of transit, transshipment, water supply and expansion of bilateral trade with those two countries.

(Source: http://www.thedailystar.net/newDesign/latest_news.php?nid=27124)

ZRights experts call for establishment of HR commissions in all South Asian countries including Bhutan

Nepal News, November 28, 2010.

Chairperson of Nepal Human Rights Commission (NHRC), Kedar Nath Upadhaya has stressed on the need for national level human rights commissions in all South Asian countries in order to improve human rights, democracy and good governance in the region. Speaking at a three-day regional conference entitled, 'Challenges For South Asia: Human Rights and Democracy' on Sunday, Upadhaya said, "The citizens of Bhutan and Pakistan are at greater risk of facing human rights abuses as these two countries lack human rights commissions."

(Source: <http://www.nepalnews.com/main/index.php/news-archive/19-general/11125-rights-experts-call-for-establishment-of-hr-commissions-in-all-south-asian-countries-including-bhutan.html>)

Nepal

Strengthening good relations*Kuensel, November 29, 2010.*

Strengthening of relations with Bhutan's immediate neighbours such as India and China, resettlement of the people in the camps in Nepal, the 16th SAARC summit and expansion of Bhutan's diplomatic relations were some of the topics that came during the mid term review of the foreign ministry yesterday, in Thimphu. Referring to border talks between Bhutan and China, the secretary pointed out that a meeting held this year and in 2009 had taken "discussions on our border further."

(Source: <http://www.kuenselonline.com/2010/modules.php?name=News&file=article&sid=17489>)

Nepal Maoists must detach party from PLA structure, Holy sermon from US*Telegraph Nepal, November 19, 2010*

The US Ambassador to Nepal Scott H. DeLisi has said that the most important ingredient of the ongoing peace process of Nepal was the integration and rehabilitation of Maoists' Peoples' Liberation Army. Unless the Unified Maoists' Party completely detaches itself from the Peoples' Liberation Army, questions will continue to be raised in its commitment to critical issues such as peace process and power sharing", said the US ambassador while addressing an interaction program organized by the Tribhuvan University-Department of Political Science, Kirtipur, November 18, 2010.

(Source : http://telegraphnepal.com/news_det.php?news_id=8513)

Indian role in Nepal important after UNMIN exit: Upendra Yadav*Telegraph Nepal, November 23, 2010.*

The chairman of Madhesi Janaadhikar Forum and former foreign minister Mr. Upendra Yadav has warned that the exit of United Nation's Political Mission in Nepal, UNMIN, will create a vacuum in Nepal's peace process and thus the future of Nepal's peace process will heavily depend on India.

"After the exit of UNMIN, it will all depend on India if Nepal's peace process is to see its logical end", said Yadav while addressing an interaction program held in Kathmandu.

(Source: http://www.telegraphnepal.com/news_det.php?news_id=8525)

Indo-Nepal Border Vulnerable to Infiltration of FICN*PTI, November 24, 2010.*

As per available information Indo-Nepal border has also proved vulnerable to infiltration of fake Indian currency notes (FICN), with border districts being used as transit and storage points. As per available information, cases having inter-State and international linkages behind printing and circulation of FICNs have come to notice. Available inputs also indicate that the international dimension of FICN circulation has increased in the last few years. To address the multi-dimen-

sional aspects of the FICN menace, several agencies such as the RBI, the Ministry of Finance, the Ministry of Home Affairs, the security and Intelligence Agencies of the Centre the Central Bureau of Investigation (CBI), etc. are working in tandem to thwart the nefarious activity related to FICNs.

(Source: <http://pib.nic.in/release/release.asp?relid=67439>)

World Bank Provides 75 mln USD for Remote Road Links in Nepal

Xinhua, November 24, 2010.

The World Bank (WB) has approved 75 million U.S. dollars as additional financing to help Nepal's efforts at improving all-weather road access in remote districts of the western regions and carrying out periodic maintenance of the national strategic roads network. In a press release issued on Wednesday, the World Bank said that earlier it has given 42.6 million dollars for the road sector development project to Nepal and this time the additional financial support will help the government of Nepal to extend and complete the upgrading of 405 km of dry season roads. Nepal has the second lowest road network density in South Asia," said Surendra Govinga Joshi, Transport Specialist of the WB. He further said that only about 40 percent of the population has access to paved roads within 20 minutes walking distance. Out of 75 districts in Nepal, 17 are still deprived of all weather access to the main transport," he said.

(Source: <http://english.cri.cn/6826/2010/11/24/2741s606849.htm>)

Nepal, India and hydropower

Nepal News, November 28, 2010.

Over the last two decades, India has had a miraculous economic rise with a growth rate approaching nine per cent. The economy is not far from achieving double digit growth rate in the near future. In this context, India's power demand is expected to increase by over twice by 2030. Dr. Shailesh Ram Bhandari is of the opinion that India's current demand for electricity is around 0.2 million MW which is close to five times Nepal's potential viable capacity. By 2030, India will need close to 0.5 million MW. Nepal is also in need of electricity, not to attain high economic growth, but to meet the minimum demands of the household sector.

(Source: <http://www.thehimalayantimes.com/fullNews.php?headline=Nepal%2C+India+and+hydropower+&NewsID=267458>)

Integration of Maoist combatants within UNMIN term: Minister

Republica, November 28, 2010.

Minister for Peace and Reconstruction, Rakam Chemjong said the UCPN-Maoist was itself obstructing the integration of its PLA fighters. stressing that the Maoist fighters would be integrated within the stipulated term of the UNMIN, Minister Chemjong said, adding the Maoist itself was hindering the integration process. Moreover, he said as the Maoists were dominated with the military thoughts, they were not serious about the integration process.

(Source: http://www.myrepublica.com/portal/index.php?action=news_details&news_id=25665)

Pakistan

2,600 US memos on Nepal to be leaked

Republica, November 29, 2010.

Among more than 250,000 confidential US diplomatic cables, a portion of which was released by the Wikileaks on Sunday, 2,600 documents are related to Nepal. According to the website, the dossier has 2,278 memos sent by the US Embassy in Kathmandu to the US State Department. Eighty-four of those memos were labeled secret and 1,399 confidential while remaining 795 are unclassified. Among all the cables obtained by the Wikileaks, there are 8,320 memos on China, 7,095 on Afghanistan, 5,087 on India, 4,775 on Pakistan, 3,166 on Sri Lanka and 2,182 on Bangladesh.

(Source: http://www.myrepublica.com/portal/index.php?action=news_details&news_id=25677)

Pakistan says no to US drone strikes in Balochistan

Sify News, November 20, 2010.

Pakistan Saturday said it will not allow the US to carry out drone strikes against militants in the country's Balochistan region bordering Afghanistan. Foreign Office spokesman Abdul Basit said, 'No request from the US had been received for drone attacks in southwestern Balochistan province'. 'Even if such a request comes forth, we'll never allow them to attack our territory like this,' he said. A report carried by the Washington Post Friday said the US was seeking to expand drone operations in Pakistan and a request had been made for allowing drone strikes in Balochistan

(Source: <http://sify.com/news/pakistan-says-no-to-us-drone-strikes-in-balochistan-news-international-kluqEtagdec.html>)

Advani: was Indira planning to liberate PoK?

The Hindu, November 22, 2010.

Along with Bangladesh, Indira Gandhi may also have had plans to liberate Pakistan-occupied Kashmir, feels Bharatiya Janata Party leader L.K. Advani who on Sunday sought deeper research by historians to get an Indian perspective on various aspects of the nearly four-decade-old war. "Washington's top leaders of those times President Richard Nixon and Henry Kissinger, the President's National Security Adviser, were both convinced that Gandhi was seriously thinking of action in that direction, and that the Soviets were likely to help India in achieving its objective," he said, quoting from the book.

(Source: <http://www.thehindu.com/news/national/article904003.ece>)

LeJ trying to destabilise Pakistan: Malik

Daily Times, November 22, 2010.

Al Qaeda, Taliban and Lashkar-e-Jhangvi (LeJ) are trying to destabilise Pakistan, Federal Interior Minister Rehman Malik said on Sunday. While talking to the media at the Karachi airport, Malik ruled out the involvement of external elements in terrorism in the country, saying that the locals were supporting the incidents of

terrorism, especially, the LeJ in Karachi. He expressed satisfaction over the current law and order situation in the metropolis, saying that there was no need to call in the army. He warned the people involved in corruption, saying that if complaints regarding corruption were received, the Federal Investigation Agency (FIA) would investigate the matter.

(Source: http://www.dailytimes.com.pk/default.asp?page=2010%5C11%5C22%5Cstory_22-11-2010_pg12_1)

Pakistan committed to constructive role in Asia: FM

Dawn, November 23, 2010.

Foreign Minister Shah Mahmood Qureshi on Tuesday said Pakistan's 'Vision East Asia' policy is not driven by economic impulses only, but by its commitment to play a constructive and meaningful role in South and Southeast Asia. The Foreign Minister expressed these views in a lecture on 'Pakistan in the Next Decade, Prospects and Challenges' at S Rajaratnam School of International Studies (RSIS) in Singapore. Qureshi said Pakistan looked forward to deepening ties with Asean through a full dialogue partnership, and signing of a Free Trade Agreement with Asean in the near future

(Source: <http://www.dawn.com/2010/11/23/pakistan-committed-to-constructive-role-in-asia-fm.html>)

Senate committee unanimously approves RGST

Daily Times, November 24, 2010.

The Senate Standing Committee on Finance on Tuesday unanimously passed the proposed General Sales Tax Act, 2010 and Finance Amendment Bill, 2010 with recommendations to exempt locally manufactured medicines, essential food items in packing, educational material and packed milk products to minimise the inflationary impact of the Reformed General Sales Tax (RGST) on the masses. The government successfully managed to get the GST Act, 2010 approved and other taxation measures announced through the bill, including a 10 percent flood surcharge on taxable liability and increase in special excise duty from one percent to two percent from the committee in the presence of the Pakistan Muslim League-Nawaz, PML-Quaid and other opposition parties.

(Source: http://www.dailytimes.com.pk/default.asp?page=2010\11\24\story_24-11-2010_pg1_1http://www.dailytimes.com.pk/default.asp?page=2010\11\24\story_24-11-2010_pg1_1)

Pak will pay heavy price over failure to meet int'l commitments: Shaikh

Daily Times, November 24, 2010.

Explaining that it did not matter whether Pakistan received the sixth tranche under the International Monetary Fund loan programme, Finance Minister Hafeez Shaikh on Tuesday said the country would be required to pay a "heavy price" for failing to meet international commitments. Speaking at a meeting of the Senate Standing Committee on Finance, the minister said the country needs a three-to-five-year long economic stabilisation programme combined with structural reforms

to steer itself out of debt trap and meet its national development goals. "By not imposing RGST on goods and services Pakistan will lose credibility before the IMF, as well as the World Bank and Asian Development Bank, who are willing to give more financing for reforms," he said, adding that the financial institutions were not pressurising the country and "are just asking in a decent way as to how Pakistan will repay its loans without broadening the tax base and netting the rich".

(Source: http://www.dailytimes.com.pk/default.asp?page=2010\11\24\story_24-11-2010_pg1_4)

Indo-Pak trade potential at \$10 bn

The Tribune, November 24, 2010.

The story of India-Pakistan trade can be captured by the fact that while trade through the official channels is just \$2 billion, the unofficial figure which includes informal trade and via third country transit is \$10 billion, five times larger. Industry body Ficci estimates that this volume indicates the tremendous potential for bilateral trade between the two countries. Sultan Ahmed Chawla, president, Federation of Pakistan Chamber of Commerce and Industry (FPCCI) told *The Tribune* that the trade volumes are pathetic considering the population, proximity and the historical linkages between the two countries. "It is unbelievably low. The sub-continent has 17 per cent of the global population and not even a fraction of the trade," he said.

(Source: <http://www.tribuneindia.com/2010/20101125/biz.htm#1>)

Afghanistan, Pakistan promise joint drug operations

Dawn, November 25, 2010.

Afghanistan and Pakistan on Thursday agreed to carry out joint operations to crack down on drug trafficking, following talks with Iran and UN officials in Islamabad. Afghanistan produces about 90 percent of the world's opium, much of it smuggled through Pakistan and Iran, in an industry estimated to be worth almost three billion dollars a year, which helps fund the Taliban-led insurgency. The announcement followed a meeting between Pakistan's counter-narcotics minister Arbab Mohammad Zahir and his Afghan counterpart Zarar Ahmad Muqbel Osmani.

(Source: <http://www.dawn.com/2010/11/25/afghanistan-pakistan-promise-joint-drug-operations.html>)

Indian national nabbed in northwest Pakistan suspected as terrorist

Sify News, November 28, 2010.

An Indian national arrested from northwest Pakistan a couple of days ago has been suspected of charting out a plan to target sensitive places in Pakistan during Muharram, local media reports. The suspect- identified as Kolan Raaj- allegedly had maps of sensitive areas of Khyber Pakhtunkhwa and some other northwestern areas in his possession, *The Nation* reports. Kolan had been apprehended from Bannu, a district in Khyber Pakhtunkhwa, by security forces on early Thursday

morning after he failed to produce travel documents. The investigation team reportedly gathered certain clues suggesting his involvement in planning sectarian unrest during Muharram.

(Source: <http://sify.com/news/indian-national-nabbed-in-northwest-pakistan-suspected-as-terrorist-news-international-kl2ruiigaj.html>)

Yousuf Raza Gilani assures Sikhs that Pakistan will act on their demands.

DNA India, November 28, 2010.

Minister Yousuf Raza Gilani has assured visiting Indian Sikh pilgrims that he will act on several of their demands, including the retrieval of land attached to two gurdwaras in this eastern Pakistani city from illegal occupants. Gilani told a group of 25 Sikh religious leaders, including those from India, during a meeting yesterday that visas will be issued on priority to Sikhs who were born in undivided India.

(Source: http://www.dnaindia.com/world/report_yousuf-raza-gilani-assures-sikhs-that-pakistan-will-act-on-their-demands_1473356)

Balochistan issue can't be resolved at gunpoint: Nawaz

Daily Times, November 28, 2010.

Pakistan Muslim League-Nawaz (PML-N) chief Nawaz Sharif, expressing concern over the worsening law and order situation in Balochistan, on Saturday said that the issues and problems of the province could not be addressed by using brute force or at gunpoint. He expressed these views while addressing a news conference at a hotel in Quetta, which was attended by Qadir Baloch, Sardar Sanaullah Zehri, Jhangez Marri, Sardar Yaqoob Nasir and Khudae Noor.

(Source: http://www.dailytimes.com.pk/default.asp?page=2010%5C11%5C28%5Cstory_28-11-2010_pg7_1)

Pakistan trade deal brings limited profit for Kabul

Dawn, November 28, 2010.

A deal to open new export markets for Afghan products, by creating a tax-free transit corridor to India through Pakistan, is lopsided and may cement Islamabad's resented grip on the Afghan economy, traders and officials say. The US-sponsored transit agreement which comes into effect next year allows Afghan trucks to drive tax free across Pakistan up to the Indian border with products for sale there – but they cannot load up with Indian exports for the return journey. Instead, Afghan traders must buy products made in or shipped into Pakistan; ensuring Pakistani merchants do not lose their foothold in a market worth billions of dollars in annual sales.

(Source: <http://www.dawn.com/2010/11/28/pakistan-trade-deal-brings-limited-profit-for-kabul.html>)

Sri Lanka

President Nasheed in Lanka

Asian Tribune, 19 November 2010

Maldivian President Mohamed Nasheed arrived in Sri Lanka yesterday to attend the ceremony marking President Mahinda Rajapaksa's new term of office, today. Before leaving Male' the President told reporters that he also will hold discussions with the Lankan government on establishing a currency swap arrangement between the two countries, President Nasheed's office said.

(Source : <http://www.asiantribune.com/news/2010/11/19/president-nasheed-lanka>)

Sri Lanka gains from Indo-Chinese supremacy battle

BBC News, November 21, 2010.

China has pledged more financial assistance as Sri Lanka's President Mahinda Rajapaksa visited Shanghai Expo exhibition earlier this month. China is already the biggest lender for the Indian Ocean island. Sri Lanka's Deputy Minister for Economic Development Lakshman Yapa Abeywardene says that China has, so far, pledged more than \$3bn (£1.9bn) for infrastructure development, maintenance and other projects. "China has been investing in Sri Lanka when many other countries were reluctant to invest during the war," he tells BBC Sinhala service. Indian investment in Sri Lanka has so far exceeded \$400m, according to media reports.

(Source: <http://www.bbc.co.uk/news/business-11753549>)

National Chamber congratulates President

Daily Mirror, November 22, 2010.

The National Chamber of Commerce of Sri Lanka in a statement said it was congratulating Mahinda Rajapaksa the President on his swearing-in for his second term commencing from 19 November, 2010. NCCSL President C. Lal de Alwis said President Rajapaksa had done marvelous service to this country by bringing peace after 30 years of war. "This has saved many lives and properties which otherwise would have been destroyed by the war. The President never stopped the mega development programme even during the war; instead he simultaneously carried out the development activities which have now started giving results," de Alwis said.

(Source: <http://print.dailymirror.lk/business/127-local/27815.html>)

President presents development budget

Daily Mirror, November 23, 2010.

President Mahinda Rajapaksa presented his budget for 2011 in Parliament yesterday with emphasis being placed on the acceleration of development projects, and incentives on export and import industries which aims at increasing the country's per capita income by US \$ 4000 by 2016. Outlining the economic achievements of the last five years, he said that poverty level had dropped from 15.2 percent in 2006 to 7.6 percent this year according to a pre-budget review of 25 districts.

Besides, access to electricity in the rural sector has risen from 78.5 percent to 83.2 percent during the period, and to safe drinking water from 84 percent to 87 percent.

(Source: <http://print.dailymirror.lk/news/front-image/27961.html>)

Take up Lankan Tamils issue with Colombo : MK to Krishna

New Kerala, November 24, 2010.

In a letter to Mr Krishna, copies of which were released to the media here, the Chief Minister also urged him to talk to Sri Lankan authorities to ensure a decent and respectable livelihood to the resettled Tamils and the construction of 50,000 houses for displaced Tamils, besides giving shape to a political solution to the issue. "Though the issue was taken up with the Sri Lankan government a number of times in the past, it is really painful that this problem is yet to be satisfactorily resolved," he added.

(Source: <http://www.newkerala.com/news/world/fullnews-90781.html>)

Budget 2011: Full text of the President Mahinda Rajapaksa's speech

Sri Lanka Guardian, November 25, 2010.

The budget deficit for next year will amount to Rs. 434 billion which is 6.8 percent of the GDP in 2011, said president Mahinda Rajapaksa presenting budget 2011 in Parliament today. According to the president, the total revenue in 2011 is projected at Rs. 963 billion, while recurrent expenditure is likely to be Rs.1,017 billion.

(Source: <http://www.srilankaguardian.org/2010/11/full-text-of-president-mahinda.html>)

Sri Lanka, Pakistan hold bilateral talks, sign four agreements

Colombo Page, November 29, 2010.

Sri Lanka and Pakistan inked four agreements on Sunday in the presence of Sri Lankan President Mahinda Rajapaksa and Pakistani President Asif Ali Zardari during a bilateral meeting held at the Presidential Secretariat. The Sri Lankan government said the bilateral discussions between the visiting Pakistani President and President Rajapaksa had centered on increasing trade and investment between the two countries, and cooperation in fields such as defence, agriculture, health, and education.

(Source: http://www.colombopage.com/archive_10C/Nov29_1291006915CH.php)