

Coverage: January 1 – 15, 2014

Summaries

I - Peace Process

Pakistan has said that though the full Indo-Pak composite dialogue may not start before general elections in India, peace process will make some headway.

Sartaj Aziz, advisor to Pakistan prime minister on foreign affairs and national security, said initiative has been taken to improve relations with India.

Tensions prevailed due to some incidents on the LoC but now the situation has stabilised. The DGMOs of the two countries have met and peace is restored, he said. Aziz said that back channel talks are continuing with India on the issues of Kashmir, Sir Creek and Siachen.

In an interview to state-run Radio Pakistan, Aziz said full composite dialogue may not start before elections in India but hoped that some groups will meet and peace process will make headway to some extent.

Meanwhile Indian Prime Minister Manmohan Singh has said he had been wanting to visit Pakistan for some time, and still hoped to make it happen before the next general elections due by May when he would demit office.

Addressing a rare press conference in Delhi, Dr Singh also said the two countries were close to an agreement on Kashmir before Gen Pervez Musharraf was suddenly thrown out of office.

“I would very much like to go to Pakistan. I was born in a village which is now part of west Punjab,” Dr Singh said in response to a question. But, he added: “as prime minister of the country, I should go to visit Pakistan if conditions are appropriate to achieve solid results. I have thought of it many times, but ultimately I felt that circumstances were not appropriate for my visit. I still have not given up hope of going to Pakistan before I complete my tenure as prime minister.”

Asked if he expects his successor to improve ties with Pakistan like he had given it priority Dr Singh revealed that the Kashmir dispute was almost resolved during his tenure.

“I have tried to improve relations with all our neighbours to the best of my ability. At one time, it appeared that an important breakthrough was in sight. Events in Pakistan, for example, the fact that General Musharraf had to make way for a different set-up, I think that led to the process not moving further. But I still believe that good relations between India and Pakistan are very essential for this sub-continent to realise its full development potential, to get rid of poverty, ignorance and disease, which has been the inevitable lot of millions and millions of people in this sub-continent of ours.”

II - Foreign Affairs

India

India-US Relations

Indian and United States intelligence services have begun a three-day meeting in New Delhi, the first high-level dialogue between the two countries since the crisis sparked off by the arrest of Indian diplomat Devyani Khobragade in December. Led by Joint Intelligence Council (JIC) chief Ajit Lal, an Indian delegation met officials from the office of the Director of National Intelligence (DNI) for the latest in a series of discussions on regional security and strategic issues.

Last week, two senior U.S. officials, energy secretary Ernest Moniz and assistant secretary of state Nisha Desai Biswal postponed their visits to New Delhi.

External affairs ministry sources in New Delhi declined to comment on the JIC-DNI meeting, saying they could not comment on intelligence issues.

Eleven rounds of dialogue have been held between the DNI and the JIC, with the two organisations meeting each June in Washington, D.C., and in New Delhi in January. No details were immediately available on the composition of the United States' delegation.

India-China Relations

The largely unmarked 4,057-km Line of Actual Control (LAC) between India and China has peace at hand after both sides accused each other of scores of border transgressions last year. What could make it happen is India's experience with Pakistan on keeping in touch at the Director General of Military Operations (DGMO) level to ensure border tranquility.

Indian government sources have confirmed that New Delhi has invited deputy chief of general staff (CGS) of China's People's Liberation Army for talks on setting up more border meeting points and hotlines between the top military leadership of the two countries.

This is in line with the Border Defence Cooperation Agreement (BDCA) inked on October 23 last year during Prime Minister Manmohan Singh's visit to Beijing.

The BDCA proposes 'mutual consultations' to facilitate contacts and meetings between relevant organisations. It refers to establishing border personnel meeting sites in all sectors, as well as telephone contacts and telecommunication links at mutually agreed locations along the LAC. It points to setting up a hotline between the military headquarters of the two countries.

Pakistan

Pakistan-US Relations

US lawmakers believe that regional developments have necessitated close and sustained engagement between Pakistan and the United States, the House Committee for Foreign Affairs has said in a statement.

The statement, issued after a meeting between the committee members and Pakistan's new ambassador to the US Jalil Abbas Jilani on Capitol Hill, also underlined the need for strengthening democracy in Pakistan.

This was ambassador's first engagement with Congress after arriving in Washington last week.

In separate meetings with Congressman Ed Royce, chairman House foreign affairs committee and Congressman Eliot Engel, a ranking member of the committee, Mr Jilani discussed a wide range of issues in bilateral relations with them.

The statement did not mention the difficult task the new Pakistani envoy faces in winning over US lawmakers. While the White House and the State Department are gradually warming up to Pakistan after a two-year-long frost that followed Osama bin Laden's discovery in Abbottabad, Congress remains hostile.

At a recent hearing, Congressman Royce called Pakistan "a double-dealer", who was "paying lip service to cooperation with the US" while "simultaneously undermining our primary objective of bringing Afghanistan under the control of a democratically elected government".

Pakistan-Saudi Arabia Relations

Pakistan and Saudi Arabia have agreed to deepen their defence cooperation and support each other's position on regional issues, including Syria and Afghanistan.

Saudi foreign minister Saud Al Faisal met President Mamnoon Hussain, Prime Minister Nawaz Sharif and adviser on foreign affairs and national security Sartaj Aziz to garner Pakistan's support on regional issues of concern to his country.

The first high-level visit to the country by a Saudi leader in six years was described by the government as a "historic event", while the Saudis felt "satisfied and happy" over the outcome of the two-day trip.

III - Internal Affairs

India

Political Developments

Prime Minister Manmohan Singh in his third and most probably last press conference during his long tenure has said that that history will judge him better than the way contemporaries have done. While ruling himself out of future PM race he expressed his belief that Rahul Gandhi had "outstanding credentials" for the top job but said Narendra Modi, as PM would be "disastrous" for the country. Sensing Delhi state assembly elections as game changer the psephologists are predicting a three-way contest in 2014 Lok Sabha elections.

Occupied Kashmir

Army Chief General Bikram Singh has said that revoking or diluting the Armed Forces Special Powers Act (AFSPA) in Jammu and Kashmir will not help the law and order situation in the region.

Bangladesh

Political Developments

Awami League President Sheikh Hasina wazed was sworn in as the prime minister. Later a 5-party cabinet of 49 members was also formed.

Nepal

Political Developments

The UCPN (Maoist) has shown its intention to join a unity government provided other parties agree to a new constitution within a year and holding a general election immediately after.

Pakistan

Political Developments

The MQM chief Altaf Hussain has demanded division of Sindh on ethnic lines.

War on Terror

Prime Minister Nawaz Sharif has reportedly tasked Maulana Samiul Haq to facilitate bringing the Taliban to the negotiating table.

Almost 40 people have lost their lives in the terrorist attacks in different parts of the country.

IV - Economic, Cultural and Social Affairs

India

- India is going to revise up its GDP growth rate to about 7 per cent from 6.2 per cent. The government circles claim that India's slow growth rate has been overstated and it needs to be corrected, according to reports. The analysts say Indian economy will be growing at slow pace in 2014, as the key indicators have slowed down in 2013 with slight progress in the new fiscal year.
- The Indian trade deficit with China has reached \$ 31.4 billion in 2013. The Indian exports to China have substantially cut down at rate of 9.4 per cent while Chinese exports to India have gone up 1.6 per cent. At the same time, India and Japan have expanded their currency swapping arrangements from \$ 15 billion to \$ 50 billion.
- India is facing malnutrition among children. According to FAO record, 18 per cent of India's population was undernourished in 2012. India houses one-third of malnourished children of the world, according to UNICEF report.
- In order to improve the working condition of its citizens, India has signed an agreement with Saudi Arabia. The agreement will cover a quarter of 28 lakh Indians working in the kingdom. Over 70 lakh Indians are working in the Gulf states, according to report.
- India has come out clean of polio cases for third consecutive years. The polio clean report in is a matter of pride for India, according to officials. By 2009, India had half of the world polio cases, which have been overcome very rapidly.

Bangladesh

- The Bangladeshi exports have increased by record 23.22 per cent in December, taking the earning to \$ 29.1 billion. Despite political turmoil, the garment sector has continued to earn foreign exchange for the developing economy.

Sri Lanka

- The Sri Lanka exports will enjoy EU's GSP plus facility for next ten years, according to reports. The EU has been the second largest trading partner of the island country next to US. The Sri Lankan exports to EU markets have increased substantially over the years and extension of the facility will further boost the economy.

Nepal

- The inflation is continuously hurting the Nepal's economy, causing price hike in the country, according to report. At the same time, the main revenue earning tourism sector has failed to achieve its target in 2013.

Pakistan

- Pakistan has decided to end trade transaction in rupee with Afghanistan. The decision has been taken to boost the foreign exchange reserves. At the same time, Chinese ambassador to Pakistan has said that Kashgar-Gwadar corridor will change the socio-economic landscape of the region.

V - Defence, Nuclear Development, Scientific Research and Space Technology

India

- India has decided to hire 50,000 more paramilitary troops in two years. The additional force will fill the 26000 shortfall and strengthen the paramilitary force. The paramilitary forces are mostly concentrated in the Maoist-affected areas, northeast and occupied Kashmir.
- The new mountain strike force has kicked off with 90,000 personnel, which will be gradually raised in seven years. The new corps will be headed by a Lt General and it will be based temporarily in Ranchi and eventually it will be headquartered in Panagarh in West Bengal.
- India has decided to scrap the Rs. 3,600 VVIP helicopter deal with the Italian firm. The deal has been under investigation for kickbacks worth Rs. 360 crore. The deal was signed in 2010 for 12 VVIP helicopters.
- India has test-fired Prithvi II missile. The missile can carry up to 1000 kg conventional and nuclear war ahead to 350 km target. The missile is equipped with advance manoeuvring capability and guidance system.
- India has launched geosynchronous launch vehicle GSLV equipped with indigenous cryogenic engine. The GSLV is used to take communication satellite

to orbit. The cryogenic engine building capability has given an edge to India to carry more than 1000 kg satellites to space.

Sri Lanka

- The restructuring process in the Sri Lankan army will continue in 2014, according to officials. Since the defeat of terrorism, the Sri Lankan army has started restructuring process to enhance the professionalism according to peace-time development needs.

Nepal

- The Nepali army has issued directives to make the force more gender-friendly. The directives include provisions which will insure women rights protection in the army. The Nepal army has 20 per cent quota for women and other backward classes.

Pakistan

- The US threat initiative report has ranked Pakistan one point higher than India. The report will be a moment of joy for Pakistan but analysts have cautioned Pakistan to be more vigilant regarding nuclear safety as Pakistan stands at 22 of 25 countries list.