

**South Asia Centre**  
**Minutes of the Meeting**  
*March 11, 2014*

**Members Present**

Dr. Ashok K. Behuria, Dr. Sumita Kumar, Dr. Nihar Nayak, Dr. Anand Kumar, Mr. Vivek Kaushik, Dr. Yaqoob ul Hassan, Mr. Shreyas Deshmuk, Dr. Priyanka Singh, Ms. Gulbin Sultana and Mr. Abhimanyu Singh

**Topic of Discussion**

**Afghanistan**

- Mr. Qayyum Karzai has dropped out of the April 5 presidential race throwing his support behind Zalmay Rassoul. Mr. Qayyum reportedly dropped out under pressure from his brother President Hamid Karzai. With this new development Zalmay Rassoul is expected to find a place among top four contestants in the Presidential election along with Ashraf Ghani, Abdullah Abdullah, and Abdul Rab Rassoul Sayyaf.
- Negotiations are on for alliances among the candidates in the election, but so far, Abdullah Abdullah is going it all alone. Others are talking to each other to improve their prospects in the election. However, it seems improbable that any one of the contestants will poll above 50 per cent to avoid a run off election.

**Bangladesh**

- BNP Chairperson Khaleda Zia accused the Sheikh Hasina government of keeping control over the judiciary and forcing judges to act according to its instructions.
- The European Union is not satisfied with the progresses Bangladesh has made to improve workplace safety in the apparel industry following the Rana Plaza building collapse in 2013.
- About 1,500 factories in Bangladesh are to be inspected by the end of August as part of a five-year safety pact signed by more than 150 clothing brands and 20 countries. Accord for Fire and Building Safety in Bangladesh, is independent agreement. It has been signed by over 150 apparel corporations from 20 countries, consisting of mostly European brands and only a handful of Asian, Australian and US brands like Abercrombie & Fitch and PVH Inc., the parent company of Tommy Hilfiger and Calvin Klein. The deal requires companies to pay up to \$500,000 per year to administer the programme.
- The legally binding agreement, signed in May 2013, was created in response to a building collapse on April 24, 2013, that killed more than 1,100 garment workers and was the deadliest disaster to hit Bangladesh's garment industry. Bangladesh has about 5,000 garment factories. The Bangladesh Accord Foundation, is overseeing the pact.

- The Border Security Force (BSF) has handed over a list of 66 camps of north-east insurgents to the Border Guard Bangladesh (BGB), seeking action against them at the three day bi-annual Inspector General level meeting for border management and coordination in Meghalaya.
- US Congressional Bangladesh Caucus Chairman Joseph Crowley has said that the US was keeping an eye on overall political situation in Bangladesh.
- Educated unemployment is a big worry in Bangladesh. According to the Economic Intelligence Unit (EIU) report 47% graduates in Bangladesh are jobless.
- According to the Export Promotion Bureau of Bangladesh, Bangladesh's exports rose 6.36 percent in February from a year earlier to \$2.39 billion, boosted by stronger garment sales.
- West Bengal's Left Front Chairman Biman Bose has launched a flat-out attack against Chief Minister Mamata Banerjee, saying her party had 'close rapport' with the Jamaat-e-Islami in Bangladesh. Mr Bose alleged that when Bangladesh police launched an operation against the Jamaat cadres in Satkhira, they fled and were granted shelter by the Trinamul MP in Basirhat. He has also alleged that Ms. Banerjee was obstructing the Teesta agreement to put Hasina in difficulty and please Jamaat-e-Islami.
- One Hindu shopkeeper was killed in Lalmonir Haat.
- In view of the upcoming parliamentary elections in India in April-May this year, due to security considerations, some of the Indian Premier League (IPL) matches will be hosted by Bangladesh this year.

## **Nepal**

- The Nepali Congress (NC) and the UML still have differences of opinion on two issues— finalisation of rules and procedures, and the local body elections.
- It was also mentioned that the political parties in Nepal have come to consensus on 80% of the outstanding issues, but they had failed to take advantage of it and write them down as constitutional provisions. They are unnecessarily wasting their time debating on minor issues— like who will sign the constitution, the speaker of the CA or the president, once it is drafted— which is delaying the constitution drafting process. It was also mentioned that petty personal interests and personal ego of the political leaders are affecting the constitution writing process.
- Chairman of Rastriya Prajatantra Party-Nepal (RPP-N) Kamal Thapa has threatened to launch protests if republican system and secularism is endorsed through two-thirds majority in the new constitution. According to him, the new constitution should announce the country as a Hindu state and the monarchy should be given some space. He said this while addressing a function in Dhangadhi. He claimed that ideas of secularism, republicanism and federalism were being sponsored by foreign forces.

- India's revenue intelligence unit has said that circulation of fake currency in India has increased from 6,00,000 to 15,00,000.
- The current UK ambassador to Nepal in an interaction with South Asia centre members expressed his satisfaction on India's role in Nepal during and post election.

## **Pakistan**

- Pakistan economy is showing signs of improvement. Inflation level remained 8.6 percent, while the rate of GDP growth remained 4.4 percent during the first eight months of current fiscal year. Budget deficit has been reduced to 3.1 percent as compared to 4.1 percent last year. However, Pakistan's foreign exchange reserves dropped to \$7.589 billion in the week ending February 7 compared to \$8.017 billion in the previous week.
- Analysts in Pakistan noted that the government needed to create more job opportunities to develop the economy. Stagnant tax revenue has also been a serious problem. As per the agreement with IMF (worth US \$6.7 bn in September 2013), two instalments have already come to Pakistan. IMF has expressed its satisfaction with the progress made by Pakistan. It was observed that IMF had been quite accommodative of Pakistan's requests and had revised its terms to cater to the needs of Pakistan.
- Pakistan is planning to switch from oil to coal-based thermal power plants for energy production. However, the coal obtained in Pakistan was of poor quality and purifying coal is expensive. China is helping Pakistan with this as per bilateral agreements after Nawaz came to power last year and the then President Zardari and Nawaz Sharif had together inaugurated a coal-based power plant in Thar. Initially, as per Pakistani media reports, China will supply coal to the plants being planned in Sindh, in Gaddani. However, gradually it will lend Pakistan the necessary technology to purify its own coal mined from Thar.
- The centre-members held that knowing Pakistan's poor economic condition, and if China was serious about helping Pakistan, it would have to demonstrate it now. There was also a view that the labour cost in China was hitting the roof and it was thinking seriously of transferring some of its industries to Pakistan, and the only problem was whether Pakistan would be able to provide safety and security to the Chinese companies. So far, China has announced an investment package worth US \$ 32 bn for Pakistan and the Sharif government has assured the Chinese that it would provide army-backed security to the Chinese companies. There are reports also that Pakistan is raising industrial security force to protect the Chinese projects.
- Pakistan is likely to sign a liquefied natural gas (LNG) deal with Qatar at a discount to help alleviate its power supply crisis.
- Pakistan is upgrading its port facilities.
- Reportedly, Balochistan Chief Minister Dr Abdul Malik Baloch contacted some of the Baloch separatist leaders during his visit to London and was seriously thinking of initiating a process of dialogue to resolve issues faced by the province.

- Pakistan government is planning to reformulate the committee to hold talks with the Tahreek-e-Taliban Pakistan (TTP). Reportedly, Interior minister met Imran Khan and urged him to join the committee. Government has also expressed its interest to include Gulzar Khan as one of the members.
- Pakistani Ulemas protested against the proposed Madrassah reforms in the draft national security bill.
- A jirga was held in North Waziristan where the tribal leaders opposed military operation. .
- The death toll from famine in Pakistan's Tharparkar district has mounted to 160. The region in Sindh, which forms part of the bigger Thar Desert spread across a vast area in Pakistan and India, has been reeling under drought since December.
- Reportedly, Nawaz Sharif pointed to the involvement of RAW, among other groups, as a suspect behind the terror attack on the district court in Islamabad. He reportedly made the statement while meeting a group of parliamentarians from Gujranwala.
- Saudis are planning to buy JF 17s from Pakistan.
- Rana Bhagwandas has been appointed as the chief election commissioner.

## **POK**

- The United States and Pakistan signed a \$72 million project implementation agreement to refurbish and upgrade the Mangla Dam located in the Mirpur district of Azad Kashmir. The rehabilitation will improve the operating capacity of the hydroelectric plant at Mangla Dam by 90 megawatts.
- Cross LOC trade on Srinagar-Muzaffarabad route resumed after remaining suspended for over five weeks. 22 trucks carrying goods from Indian side of Kashmir left Salamabad ZTrade Facilitation Centre for Pakistan-occupied Kashmir. India however, has not released the truck driver.
- In an attempt to restore the wheat subsidy provided by the federal government for Gilgit Baltistan, a strike was observed in the region.

## **Sri Lanka**

- Afghan President Hamid Karzai made a three days visit to Sri Lanka during March 5-7, 2014. This was his third visit to Sri Lanka. During his visit he had one-on-one dialogue with President Rajapaksa.
- Three MoUs and one agreement were signed during the visit, which include: MoUs for Cooperation in Training of Afghanistan Nurses in Sri Lanka; for cooperation in the Field of Education and Sports; and an agreement on Employment of Sri Lankan Skilled and Professional Manpower in Afghanistan. Both sides agreed to enhance their economic cooperation through joint commission, which was established in 2012.

The joint commission will formally convene in the third quarter of 2014. In Trade, Economic and Commercial relations, the two sides agreed to enhance the economic and commercial relationship and agreed to consider concluding an Investment Promotion and Protection Agreement (IPPA).

- In the area of Defence, Sri Lanka agreed to increase the number of scholarships offered at the Kotelawala Defence University (KDU) from two to four placements, provide short-term training opportunities in the intelligence field and, on-field mine clearance.
- India hosted the third National Security Advisor (NSA) -level Trilateral Meeting on Maritime Security Cooperation between Maldives, Sri Lanka and India on 6 March 2014 in New Delhi. Delegations from Mauritius and Seychelles also participated in the meeting as Guest countries.
- Northern Provincial Council Chief Minister Wigneswaran and TNA leader R. Sampanthan have welcomed the US resolution on Sri Lanka tabled at the UNHRC. However, *Tamil net* reported disappointments among Tamils in Northern province and abroad as the resolution mandates the OCHR (and not an independent international committee) to investigate the cases involving war crimes.
- A Malaysian delegation recently held discussions with Sri Lanka's investment promotion agency Board of Investment (BOI) to develop and promote Malaysian Foreign Direct Investments to Sri Lanka.
- Sri Lanka's Deputy Minister of Investment promotion Faiszer Musthapa recently addressed a delegation comprising leaders of top US based companies in India at a luncheon meeting coordinated by AmCham Sri Lanka at the BOI, Sri Lanka.
- Second phase of the Southern expressway that covers Pinnaduwa to Matara (35 kms) — constructed with the Chinese loan assistance worth \$ 180 mn— was made open for public.
- Sri Lankan President Mahinda Rajapaksa, accompanied by the Ambassador of Japan Nobuhito Hobo, declared open the first segment of the Outer Circular Highway (OCH) around Sri Lanka's capital city of Colombo. The Kottawa-Kaduwela segment in Phase 1 of the project was constructed with the financial assistance from Japan at a cost of Sri Lankan Rs. 27 billion.
- A leading Chinese engineering contractor, China National Machinery Import & Export Corporation (CMC) has secured the contract to extend Sri Lanka's Southern Railway Line from Beliatta to Kataragama. The US\$ 600 million project will be funded by a loan from the Exim Bank of China.
- Japan provides Rs. 100 million to promote Trilingual Language Policy.
- As per *World Justice Project Rule of Law Index 2014* Sri Lanka topped among its South Asian neighbours and ranked 48th globally out of 99 countries.