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Timely Intelligence

Situation Reports

Plotted on a dynamic, interactive world map, Situation Reports are the factual reporting which underscores much of the content found elsewhere in Global Sentinel. Our analysts comb local media outlets around the world to provide you multi-sourced briefs about world events from terrorist attacks on an oil services company in Algeria to new tax policies for mining companies in Zambia. The goal for this service is to provide you with a single outlet where we consolidate the relevant news into one readily usable resource.

Executive Analyses

Designed for time-strapped decision makers, Executive Analyses are terse, providing you with context and insight into current trends relevant to your business and sector in an efficient. Past reports have evaluated the threat of terrorism in Tunisia, provided a breakdown of ransom demands made by Somali pirates, and evaluated the sensitivity of the Karachi Stock Exchange to political machinations in Pakistan.

Threat Reports

Successful risk management requires a robust understanding of the adversaries you face. These reports are designed to do just that, by providing concise, timely analysis of pertinent threats and hazards affecting your assets and operations. Report types include intelligence summaries, country and industry risk reports, and dossiers on groups and leaders of government, industry, and threat groups.

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Impact analyses are designed to provide a statistical and data driven understanding of the effects of threat groups and risk events on business in developing economies. Building off of the information in our Threat Reports, these pieces detail the historical and probable future impact of a risk event. For example, previous reports have assessed how militants in Nigeria have influenced global crude oil prices.

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We know our customers face unique challenges and often have pressing, time sensitive questions about global events. Because of this, our users have direct access to our analysts to address questions and concerns. Leveraging the company's full range of resources, our analysts will respond to your request in a timely and efficient manner to ensure you get the insight you need when you need it.



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In addition to our daily Situation Reports and Executive Analyses, upcoming Global Sentinel content will include:

Intelligence Summaries

Sudan: Key conflict zones
Nigeria: The Niger Delta conflict
Pakistan: Challenges for a new government

Dossiers

Algeria: Leadership of al-Qa'ida in the Islamic Maghreb
Nigeria: Power players in the Niger Delta
East Africa: Profiling the telecommunications industry

Risk Reports

The Tuareg Rebellion in Mali
LTTE in Sri Lanka

Impact Analyses

Pakistan: Political instability & the Karachi exchange
Thailand: PAD riots & the Bangkok exchange

Executive Analysis

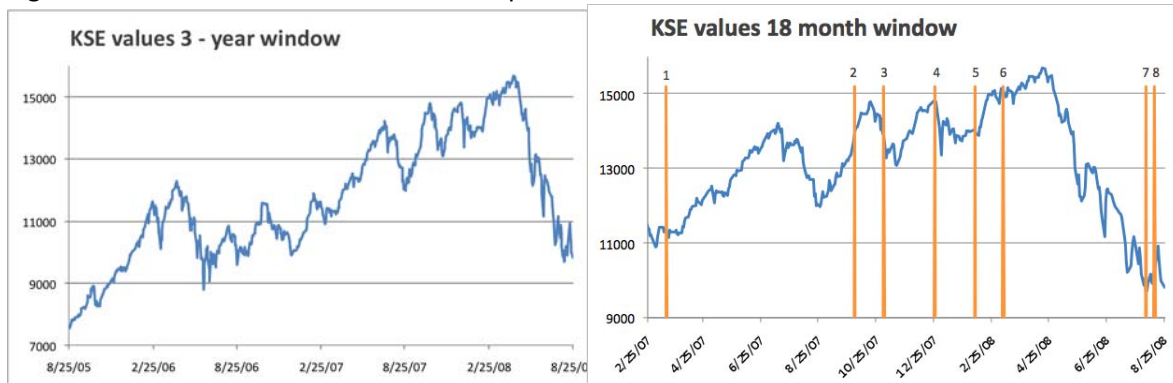
Political woes weigh on Karachi Stock Exchange

Karachi, Pakistan, Tue, 26 Aug 2008

On August 17, Pakistan President Pervez Musharraf's resigned following impeachment pressure by the country's ruling coalition government. The news of Musharraf's resignation restored confidence in the country's stock market as the KSE-100 index gained over 800 points over the following two-day period. However, on Tuesday, these gains were erased as the KSE-100 fell 3.9 percent on yesterday's news of the collapse of the country's ruling coalition government (BBC, Al Jazeera).

While Pakistan's fragile democracy has been showing cracks, the KSE-100 has been crumbling falling 40 percent from its high in April 2008. The recent slide has erased the impressive gains seen over the past two years. Political instability began destabilizing the market in November 2007 when Musharraf enacted a state of emergency thereby freezing the country's constitution.

Figure 2 below shows the effect of recent political events on the KSE-100 index.



Events (numbers correspond to chart below)

1. 17 March 2007 - Musharraf sacks Supreme Court Chief Justice Iftikhar Mohammed Chaudry; judge later reinstated
2. 2 October 2007 - 85 opposition members from Parliament resigned to protest Musharraf running for re-election
3. 3 November 2007 - Musharraf announces state of emergency thereby suspending Pakistan's constitution
4. 27 December 2007 - PPP's Benazir Bhutto assassinated; al-Qa'ida affiliate, Lashkar-e-Jhangvi claims responsibility
5. 18 February 2008 - General elections see opposition parties won a majority of seats to control of Parliament
6. 9 March 2008 - Pakistan's opposition parties sign agreement to form coalition government
7. 7 August 2008 - Coalition announces plans to impeach President Musharraf
8. 18 August 2008 - Musharraf resigns from presidency
9. 25 August 2008 - Coalition government splits over disagreements on reinstating judges

Impact Analysis

Sudan seeks agriculture investment to diversify exports

Khartoum, Sudan, Fri, 22 Aug 2008

Key Points

1. Sudan's vast potential for farming exports is yet to be properly developed. Sudanese authorities are now aggressively seeking investors for a number of agricultural projects.
2. Most recently the UAE and Turkey have been in negotiations with Sudan to join the growing band of development partners.
3. The political and diplomatic problems afflicting the government in Khartoum may prove a deterrent to investors, but economic factors indicate that agricultural investment looks set to grow sharply in the foreseeable future.

Executive Summary

Sudan is frequently touted as a future breadbasket for Africa and beyond, yet its enormous agricultural potential remains woefully underdeveloped. The Investment Ministry in Khartoum is actively seeking both public and private foreign investment for a number of lucrative projects. Several countries in the Middle East already have farming programs established inside the country. The United Arab Emirates (UAE) and Turkey are conducting negotiations for multiple projects, with the continuing context of rising global food prices acting as a spur to all parties (see figure).

The ongoing humanitarian crisis in Darfur; the recent International Criminal Court (ICC) action against the president; and the potential for future southern secession all make for an uncertain financial climate. However, economic realities, together with Sudan's enormous size enabling development opportunities to be kept away from troubled regions, makes it likely that international investment will continue to grow.

Agriculture Potential and Investment Proposals

It's estimated that Sudan has 84 million hectares of arable land of which only a quarter is currently productive. The vast fertile expanses along the Blue and White Nile rivers, and, after their confluence, the River Nile proper, have led Kenro Oshidari, the director of the World Food Program in Sudan, to state that the country has the potential to be Africa's bread basket.[1] That is the stated aim of the Sudanese authorities which seek to reduce their dependence on oil revenues, and build up a sector badly in need of capital and infrastructure.

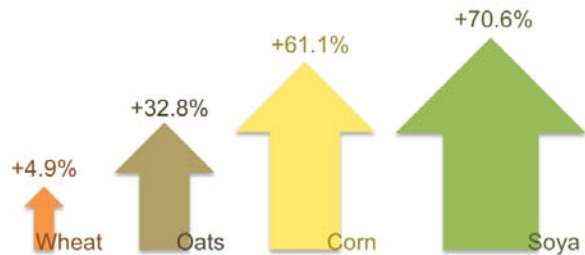
Previous efforts to attract agricultural investment, such as the Arab Authority for Agriculture Investment and Development, have had limited success because they were government to government initiatives that ran into diplomatic and bureaucratic problems, but the Khartoum authorities have now vowed to give the private sector a greatly increased role.[2] The investment ministry is advertising 17 large-scale projects worth c\$1.04bn in northern Sudan, including wheat, maize, fruit and vegetable production. In addition, the investment ministry is publicizing hundreds of additional projects upon the millions of available hectares, with the caveat that the terms must yield clear benefits to Sudan: a proportion of the food produced must remain in the country; there must be provision of social services and training for

locals, in addition to job creation.[3] Crucially, in a country with poor transportation infrastructure, the terms of agreements will include the provision for road building.

Arab and Turkish Partnerships

While Sudan is aiming to attract investment from South Africa, Brazil and Argentina, as well as its established Asian trading partners China, India and Malaysia, much of the interest it has generated has been from the Middle East. Egypt is considering investing in the Gezira project, a highly successful irrigation network built during the colonial period that consists of a dam and series of canals on the Blue Nile. Saudi Arabia already has facilities in Sudan, including a vast wheat farm near Ed Damer in the north, and Jordanian companies are also setting initiatives in place, while companies from other dry and rocky Arab countries look to follow.

Rising agriculture commodity prices



About this data: 260-day price changes of commodity cash prices on CBOT
Data source: Barcharts.com

The UAE is investing in agricultural infrastructure in Egypt, India and Pakistan. But the majority of its plans are in Sudan, where it has already arranged to develop more than 28,000 hectares of land. The rationale for Abu Dhabi's enormous move includes the setting up of a National Food Security Project that will provide a strategic reserve of 15 basic food items sufficient for six months consumption for the UAE's population at times of crisis or 'food gap'. According to Mohammed Ahmed Abdul Aziz al Shehi, the Under Secretary at the UAE's Economic Ministry, the national strategy is to 'control prices through boosting economic liberalization and enhancing competition without allowing monopoly.'[4] Others might regard the reality behind the rhetoric as neo-colonial or mercantilist. Nevertheless, in the absence of suitable domestic farming conditions, the UAE, in common with many of its Gulf Arab neighbors, looks over the Red Sea to Sudan for food supply security.

Turkey has been increasing its trading ties with Africa for a number of years. Turkish State Minister Kursad Tuzmen has said that he expects trade volume between Turkey and Africa to increase to \$50bn by 2012, having risen from \$5.4bn to \$13bn between 2003 and 2007. By the end of 2008, it is projected to reach \$19bn. In addition to its traditional ties with North African countries, Turkey has recently set up business councils with Ethiopia and Sudan. Rifat Hisarciklioglu, the Chairman of Turkey's union of chambers and commodity exchanges, is proposing the formation of a 'Turkey-Africa Commerce Chamber' stating that Turkey's advanced agricultural techniques could be used in Africa to help fight famine.[5]

At the African-Turkish summit Sudanese President Omar al Bashir urged his Turkish counterpart, President Abdullah Gul, to invest in the agricultural field in Sudan, noting the increased demands for food and his country's vast arable resources. The Turkish President recognized the agricultural potential and also expressed Turkey's interest in petroleum investment in Sudan.[6]

The Political and Economic Context: on balance a spur to investment

A tension exists between the economic pressures that are driving investment in Sudanese agriculture, and the ongoing political and diplomatic problems that could hinder foreign involvement. The Western diplomatic and media disquiet over the tragedy in Darfur continues, however, this has never previously prevented foreign investment in Sudan, notably from China. So far all the major agricultural projects have been located in the center and northern parts of the country, well away from Darfur. There is scant evidence that human rights concerns will play any part in the investment decisions of Gulf State governments, although Turkey's frustrated but still held desire for EU membership means that it might have to pay some attention to potentially bad PR. Some concern has already been raised when the US government shipped 283,000 tons of sorghum to Darfur in 2007 to help feed the displaced victims of the conflict in an ever deteriorating security situation, while the Khartoum government exported around the same amount, with its exports projected to double this year.[7] This raises the future question of whether farms will require protection, like oil installations, if local populations object to burgeoning food exports while they go hungry.

The potential for US sanctions, an ever-present threat in recent decades, has encouraged the Sudanese state's push for agricultural modernization. According to Al-Amin Dafa Allah, Chairman of the Sudanese agricultural committee, the goal is to minimize reliance on the outside.[8] The unprecedented indictment of President Bashir by the ICC prosecutor can only reinforce this desire, although the regime has been comforted by heavy criticism of the ICC from both the African Union and the Arab League.

Within Sudan's cities, while there have not been the food riots seen elsewhere, inflated wheat prices have caused rumblings of discontent.[9] At bottom, the regime is aware that it cannot indefinitely survive on the cyclical oil revenues that have come from China and Malaysia. Indeed, with a referendum due on southern independence in 2011, Khartoum may even have to face losing a portion of its petroleum resources. All of this has led to the renewed push for agricultural investment. While world food price inflation continues, faith in the international food markets wanes, and the needs of food importers outweigh political considerations, Sudan will have no shortage of foreign investors.

Sources

- [1] [International Herald Tribune](#)
- [2] [Financial Times](#)
- [3] [Financial Times](#)
- [4] [Business Intelligence Middle East](#)
- [5] Anatolia news agency, Ankara, 18 Aug, 2008
- [6] Suna news agency (Sudanese, state-owned), Khartoum, 19 Aug, 2008
- [7] [International Herald Tribune](#)
- [8] [International Herald Tribune](#)
- [9] [Financial Times](#)

Situation Reports

Africa

Security forces attack Darfur camp

Nyala, Sudan, 10:29 EST Mon, 25 Aug 2008

August 26, 2008

Sudanese security forces attacked a camp of internally displaced persons (IDPs) in Kalma killing at least 27 (Sudan Tribune). Sudanese officials accuse rebels of taking refuge in Kalma while locals accuse security forces of raiding settlements (Reuters).

LRA accuses SPLA of attacks

Nabanga, Sudan, 10:49 EST Mon, 25 Aug 2008

A Lord's Resistance Army (LRA) spokesman accused the South Sudanese Liberation Army (SPLA) of attacks on LRA positions along the DRC border (Sudan Tribune).

MDC wins key post in Zimbabwe

Harare, Zimbabwe, 11:00 EST Mon, 25 Aug 2008

Movement for Democratic Change (MDC) politician Lovemore Moyo won speaker of parliament in a secret ballot Monday (Afrol). The position is one of the most powerful in Zimbabwe politics (NYTimes). Mugabe's Zanu-PF party did not offer a candidate (Al Jazeera).

Landmine explosion kills one in Niger

Goure, Niger, 11:10 EST Mon, 25 Aug 2008

Accidental landmine explosions killed one in Niger at a ceremony where former Niger Movement for Justice (MNJ) rebels were handing over arms to Niger's security forces (News24).

Grenade kills 19 at wedding celebration

Gitega, Burundi, 11:15 EST Mon, 25 Aug 2008

A grenade attack on a wedding celebration killed 19 in Burundi (News24). The cause of the attack was an intra-family land dispute.

Security forces kill 10 rebels in Algeria

Tarek Ben Ziad, Algeria, 11:27 EST Mon, 25 Aug 2008

A security push in northern Algeria killed 10 suspected Islamist rebels (Echorouk). The operation follows a week of heavy attacks which killed 71, including an AQIM attack near Algiers which killed 48 (Reuters).

Shake-up in key state-run corporations

Nairobi, Kenya, 11:47 EST Mon, 25 Aug 2008

Kenya announced plans to overhaul management of key state-run corporations to help drive the economy (Daily Nation). Officials also plan to incorporate performance-based pay for all public servant positions.

Gendarmes seize rebel weapons depot

Tlemcen, Algeria, 11:56 EST Mon, 25 Aug 2008

Algeria's gendarmes discovered a rebel logistics depot in Tlemcen province (Echorouk).

Slavery in Mali

Gao, Mali, 21:10 EST Mon, 25 Aug 2008

Malian human rights group, Temedt, launched a campaign asking the government to take action to help 7000 'slaves' in the Gao region of Mali (News24). Though Mali has no domestic laws against slavery, it has signed international treaties against the practice (BBC).

Nigeria asks for more ICT investment**Lagos, Nigeria, 21:24 EST Mon, 25 Aug 2008**

Nigeria's Minister of State for Information and Communication, Alhaji Ibrahim Dasuki Nakande, has asked telecom providers to increase investment in Nigeria. Nigeria has received a total of \$12.5 billion in mobile infrastructure investment to date (ThisDay).

Nigeria sacks anti-graft officials**Abuja, Nigeria, 21:05 EST Mon, 25 Aug 2008**

Nigeria's anti-corruption commission sacked 11 of its own officials over the past year for "forgery and other fraudulent acts" (News24).

PDP wins Nigeria run-off**Calabar, Nigeria, 11:34 EST Mon, 25 Aug 2008**

Nigeria's ruling party won gubernatorial run-off elections in Cross Rivers state (Vanguard). Nigerian courts annulled the April 2007 elections due to vote-rigging, ballot-stuffing and intimidation (Reuters).

Middle East

Israel frees 198 Palestinian prisoners**Ramallah, West Bank, 12:28 EST Mon, 25 Aug 2008**

Israel freed 198 Palestinian prisoners in Ramallah on Monday (Al Jazeera). However, Palestinian President Mahmoud Abbas said, "There will be no peace without the release of all Palestinians imprisoned in Israel" (Jerusalem Post).

US says 'no-deal' to pullout timeline**Baghdad, Iraq, 16:11 EST Mon, 25 Aug 2008**

The US says no deal has been reached to pull out troops by 2011 despite a statement by Iraq's Prime Minister al-Maliki which said a tentative agreement had been reached (AFP).

Economists: Piracy hurts Yemen's economy**Aden, Yemen, 20:54 EST Mon, 25 Aug 2008**

Economists warn that the increase in piracy off the Horn of Africa will have negative impact on Yemen's economy (Yemen Times). Somali pirates seized four ships last week alone (Shabelle).

South Asia

Coalition splits in Pakistan**Islamabad, Pakistan, 12:01 EST Mon, 25 Aug 2008**

Pakistan's former Prime Minister Nawaz Sharif, pulled his PML-N party out of the ruling coalition due to disagreements over the reinstatement of judges who were sacked by former President Musharraf (BBC,

August 26, 2008

Al Jazeera). Lead candidate Asif Zardari stalled on the issue due to concerns that the judges would invalidate the amnesty that allowed him to return to the country a year ago (Al Jazeera).

Pakistan bans Taliban

Islamabad, Pakistan, 12:12 EST Mon, 25 Aug 2008

Pakistan placed a ban on Tehreek-e-Taliban on Monday (BBC). Though criticized for being largely symbolic, the ban will include a freeze on all bank accounts and assets (FT). The TTP, however, claims that the will only make them stronger and more united (Sky News).

Rocket hits politician's home

Swat Valley, Pakistan, 12:23 EST Mon, 25 Aug 2008

Taliban militants launched a rocket attack targeting the house of Waqar Ahmed Khan on Monday (BBC). The attack resulted in the death of a brother of Khan, two nephews, and five others (Al Jazeera).

India deploys 3000 police to Tata factory

Singur, India, 15:50 EST Mon, 25 Aug 2008

India deployed 3000 police to a Tata Motors (NYSE: TTM; -2.47%) plant in West Bengal following Tata's threat to abandon its Nano factory amidst security concerns (Bloomberg). Protests erupted over a land row between Tata and local farmers (ET).

Southeast Asia

Philippine troops capture MILF stronghold

Iligan, Philippines, 14:42 EST Mon, 25 Aug 2008

Fifteen MILF strongholds were taken by Philippine troops after five days of fighting (Irrawaddy). The security forces are attempting to capture three renegade MILF commanders who were responsible for last weeks attacks which killed 16 (SMH).

Inflation and trade deficit surge in Vietnam

Hanoi, Vietnam, 15:04 EST Mon, 25 Aug 2008

Inflation rose 1.3 percent in July to 28.3 percent in Vietnam on rising food (+44.2%), construction (+27.4%) and transportation (25.6%) costs (Irrawaddy). Vietnam's trade deficit grew to \$16 billion for the first eight months of 2008 already surpassing last years deficit of \$14.1 billion.

Thai growth falls

Bangkok, Thailand, 15:18 EST Mon, 25 Aug 2008

Economic growth in Thailand fell .8 percent in the second quarter to 5.3 percent (FT). However, the National Economic and Social Development Board raised growth projections for 2008 to between 5.2 and 5.7 percent from 4.5 to 5.5 percent (Economic Times).

Protests in Bangkok

Bangkok, Thailand, 16:03 EST Mon, 25 Aug 2008

Tens of thousands of supporters of the People's Alliance for Democracy (PAD) will gather Tuesday to try and force Prime Minister Samak Sundaravej and his government out of office (Bangkok Post).

August 26, 2008

Economists see 'peak' inflation in Thailand and Malaysia

Kuala Lumpur, Malaysia, 15:36 EST Mon, 25 Aug 2008

High inflation slowed growth in Malaysia and Thailand easing pressure on central banks to increase interest rates (Bloomberg).

Inflation falls in Singapore

Singapore City, Singapore, 15:41 EST Mon, 25 Aug 2008

Singapore's inflation fell 1 percent in July to 6.5 percent on lower transportation costs (Star). The Singapore dollar also fell sharply on growth concerns (Bloomberg).