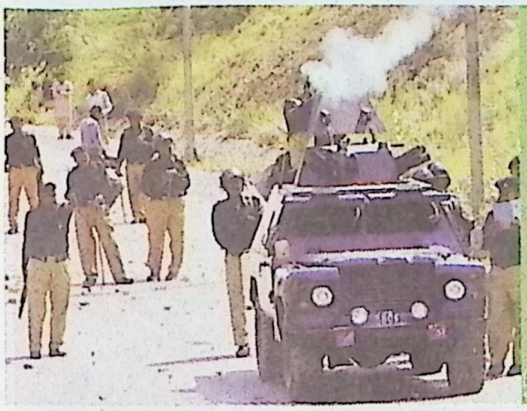
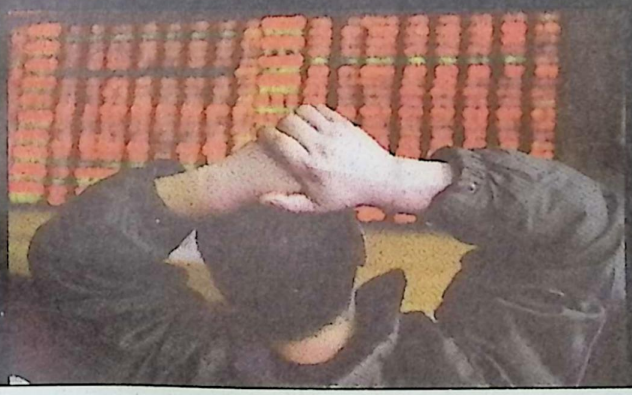


Clashes intensify in Pakistan

Fighting intensifies between government forces and al Qaeda-linked militants the government and the CIA say were behind the assassination of Benazir Bhutto. Pakistani forces capture 40 militants in South Waziristan on the Afghan border on Jan 19, a day after up to 90 rebels are killed in two battles. A wave of violence in recent months and Benazir's assassination raise fears about stability in Pakistan. Meanwhile, Pakistan forces arrest a 15 year-old, supposedly trained as a suicide bomber, and his militant 'handler' on Jan 20 with alleged links to Benazir's assassination plot.

Global shares tumble on US recession fears

Global shares tumble sharply on fears of a US recession leading to a worldwide economic slowdown. With major indexes marking some of the lowest points in a decade, many analysts predict they could fall further in coming weeks. The world's business leaders on Jan 23 urge the US and other central banks to get a grip on the global economy. With share prices falling despite an emergency US interest rate cut, top executives express alarm at the World Economic Forum gathering in Davos. The IMF says the situation is "serious" and that all countries are suffering in the wake of a US economic slowdown.



AFP



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Powers agree on draft Iran sanctions

World powers agree on Jan 22 on the outline of a third sanctions resolution against Iran, but diplomats say the draft does not contain the punitive economic measures Washington had been pushing for. Iranian leaders vow to press on with Tehran's disputed nuclear work regardless of any new UN sanctions. The US and other Western powers fear Iran's nuclear activities are aimed at building nuclear weapons. Iran, the world's fourth-largest crude oil exporter, says its nuclear program is intended to generate electricity.

Death of two legends

Sir Edmund Hillary -- the first climber, with partner Tenzing Norgay, to stand atop Mt Everest -- dies of a heart attack in Auckland on Jan 11, aged 88. Global dignitaries, ageing mountaineers, Buddhist monks and Nepali Sherpas attended his state funeral, beamed around the world by satellite from New Zealand's capital.

Eccentric genius and chess grandmaster Bobby Fischer, who became America's only world chess champion, dies on Jan 18, aged 64. The 'Mozart of chess' spent his last years as a fugitive from US authorities. Fischer is buried in a private ceremony in Reykjavik, the site of his 1972 victory over Soviet champion Boris Spassky during the Cold War.

