INTERNATIONAL

Obama warms ties with Indonesia

REUTERS, Jakarta

US President Barack Obama arrived in Jakarta yesterday for a visit aimed at boosting US security and trade ties with Indonesia, and using the most populous Muslim nation to reach out to the wider Islamic world.

The visit to Indonesia, seen by Obama as an important destination for a variety of strategic and personal reasons, has been twice postponed and the White House said this 20-hour trip could be cut short because of atmospheric ash belched by eruptions from Mount Merapi volcano, 600km away.

Indonesia's importance as a US ally is on the rise, even if the joy over Obama's election has faded since he became president almost two years ago.

Southeast Asia's biggest economy and a G20 member, Indonesia proved resilient to the financial crisis and has become a hot destination for emerging market investors looking to tap strong consumer demand, abundant resources and political stability.

"We see in Indonesia the intersection of a lot of key American interests, and we see this as a partnership that is very important to the future of American interests in Asia and the world," said Ben Rhodes, Obama's deputy national security advisor for strategic communications.

Obama's return to a country where he spent four years of his childhood comes after two previously scheduled trips were put off -- in March as he fought to pass his healthcare overhaul law and in June as he faced the cleanup of the massive BP oil spill.

This visit had been in doubt because of concerns about ash from Merapi, which led to international flight cancellations over the weekend and has killed over 130 people. Obama was also met by a tropical downpour that forced his welcome ceremony indoors.

Jakarta is the second stop on Obama's 10day four-nation Asian tour. He spent three days in India, where his emphasis was on developing business links that could lead to U.S. jobs, and later will visit South Korea, where he attends a G20 summit and Yokohama, Japan, for an Asia-Pacific economic meeting.

The US's loose monetary policy, which has sent a flood of cash looking for higher returns towards emerging markets such as Indonesia, may be a topic for discussion ahead of the G20

COMPREHENSIVE PARTNERSHIP

Obama and Indonesian President Susilo Bambang Yudhoyono are expected to sign a "Comprehensive Partnership" agreed a year ago, ahead of a state dinner where Obama will be served childhood favourite dishes such as Indonesian fried rice and meatballs.

The pact covers security, economic and people-to-people issues, said Jeffrey Bader, Obama's top Asian adviser. Obama could announce hundreds of millions in funding to fight climate change by protecting Indonesia's forests, sources say, although large corporate deals have not been flagged.

The United States exports only about \$6 billion worth of goods to Indonesia each year, making it America's 37th largest market, according to the US Chamber of Commerce. Two-way trade, from US soybeans and Boeing aircraft to Indonesian textiles, is likely to pick up slightly to around \$20 billion this year.

However, the US has dwindled in importance as a source of foreign direct investment into Indonesia, with just \$171.5 million or 1.6 percent of the total last year, reflecting rampant graft, poor infrastructure and concerns on nationalist policies.

"Indonesia maintains significant and farreaching foreign investment restrictions," said the US Trade Representative's 2010 National Trade Estimates Report.

"Its investment climate continues to be characterized by legal uncertainty, economic nationalism and disproportionate influence of business interests.

While Obama is hoping for US investment in sectors such as clean energy to help spur a sagging economy at home, growing direct investment is now coming more from Asia than

Obama will also use his short stay to reach out to the Muslim world. On Wednesday he will visit the Istiqlal Mosque, one of the world's largest, and make a major outdoor speech that aides said is expected to draw large crowds.

Around 15,000 police and military are massing to maintain security, in a city that saw bomb attacks on hotels last year but that has made progress in tackling Islamic militancy.

The long US wars in Muslim nations Afghanistan and Iraq have lost Obama support among Muslims since he made a major speech in Cairo in June 2009, and a pro-Palestine group protested on Tuesday against his visit outside the US embassy in Jakarta.



US President Barack Obama gestures as his counterpart Susilo Bambang Yudhoyono looks on after a joint press conference in Jakarta on November 9, 2010. Obama said it was "wonderful" but also "a little disorientating" to be back in Indonesia, where he spent four years as a schoolboy almost four decades ago.

With Obama's visit, India displays new power

AP, New Delhi

For much of the last decade, New Delhi sold itself as "India Rising." Barack Obama's trip here delivered a new message: India has risen.

During his three-day visit that ended Tuesday, the US president delivered nearly everything on India's wish list, affirming the country's growing importance. He endorsed India's role in nearby Afghanistan, even though

such a statement was sure to annoy India's regional rival Pakistan, a key US ally in the Afghan war. He chided Pakistan for not cracking down heavily enough on anti-India militant groups operating there. He lifted export controls, allowing India to buy high-tech weaponry from the U.S., and he gave spirited support to Indian industry, maintaining it wasn't stealing American jobs, but helping create new ones.

Most importantly for India, he backed its bid for a permanent seat on the U.N. Security Council, a mostly symbolic move that affirmed its place as a new global power.

"In Asia and around the world, India is not simply emerging; India has already emerged," Obama told the Indian parliament Monday night.

Indian commentators saw the statement as a milestone in the nation's global image; No longer was it seen as an economic basket case, a potential dictatorship or an unstable collection of warring ethnic groups.

"It's a very happy acknowledgment that India has turned the corner," said Shekhar Gupta, editor-in-chief of The Indian Express newspaper, adding the country still has a lot of work left to do. It isn't just Obama acknowledging India's new clout.

In July, British Prime Minister David Cameron came here with the "core purpose" of wooing Indian business to help create jobs back home. By the end of the year, when the leaders of France, Russia and China are expected to come, India will have hosted the leaders of all the permanent members of the UN

Security Council. That landmark underscores the shift in power toward India rooted in its skyrocketing economy, estimated to grow by about 8.5 percent this year, its enormous potential market of nearly 1.2 billion people and its new clout as a powerful player in Asia. It is seen as a possible counterbalance to Chinese influence in the region, even

At a time of financial distress in the West, India is finding itself a coveted stop for leaders racing to snare some of the trillionplus dollars the country is expected to invest in infrastructure, defense and agriculture in the coming years. That doesn't include the billions in international contracts on offer from private Indian companies.

though its economic and military power is dwarfed by China's.

Fears for missing children in chaos

AFP, Yogyakarta

Rescuers in Indonesia voiced fears vesterday for missing children lost in the chaos of a mass exodus after a series of killer eruptions from the nation's most dangerous volcano.

About 320,000 people are living in cramped temporary shelters after being ordered to evacuate from a 20-kilometre "danger zone" around Mount Merapi, which has been spewing ash and heat clouds since late October. "We're concerned about

united with their parents," said Makbul Mubarak, a coordinator for volunteers who are trying to reunite separated families.

Tens of thousands of people fled their homes in the central island of Java after Friday's powerful eruption, the biggest at Mount Merapi since the 1870s. Hundreds were still searching for their loved ones, Mubarak said.

A total of 151 people have lost their lives since Merapi began erupting again on October 26, with bodies still being pulled from the sludge that incinerated

villages on Friday. Fast-flowing torrents of boiling hot gas and rock killed

Indonesia volcano

from the 20-km danger zone around Mount Merapi

More than 300,000 living in shelters after being ordered to evacuate



Zone 1 volcano Affected by lava, Affected by lava,

Source: Office for Coordination of Humanitarian Affairs Indonesia

ejected rock fragments

Friday, leaving smouldering ruins full of bodies.

An 5.4-magnitude earthquake rattled the area on Tuesday afternoon, sparking fresh panic and rekindling memories of a deadly quake in Yogyakarta in 2006, but there were no reports of damage. "My parents and I ran out of

the house. I was scared because I'm still traumatised by the big quake that occurred here in 2006," said Deru Waskita, 33, a resident of Bantul south of Yogyakarta.

The US Geological Survey said the epicentre of the quake was 94 kilometres (58 miles) southwest of

children who are yet to be people in their sleep on Yogyakarta, the historic capital of central Java province.

Affected by lava, pyroclastic

flows, rock flows, rock falls,

toxic gasses, glowing

Government volcanologist Surono said Mount Merapi, which means "Mountain of Fire," was still belching heat clouds on Tuesday but not as

"The intensity of the eruption has decreased since vesterday but the volcano's activity is still high, its status is still alert," he said.

intensely as on previous days.

Officials added another 40,000 to the overnight number of evacuees, as more and more people left their villages in the danger zone and joined those in temporary shelters.

Poll: majority of Afghans back talks with Taliban

AP, Kabul

An overwhelming majority of Afghans support the government's efforts to negotiate peace with Taliban insurgents, according to a poll released yesterday that ranks insecurity as the top concern among citizens, followed by unemployment and corruption.

Some 83 percent of Afghan adults back efforts to secure the country through negotiations with armed, antigovernment groups, the survey conducted by the Asia Foundation said. That's up from 71 percent last year.

The report also said that 55 percent of Afghan adults had no sympathy at all for the armed opposition groups -up from 36 percent last year -and another 26 percent had only a little sympathy.

Moreover, 81 percent -- 10 percent more than last year -support programs to lure Taliban foot soldiers off the battlefield by providing assistance, jobs and housing to those who lay down their arms

and reintegrate into society.
President Hamid Karzai has made reconciliation a top priority and recently formed a 70-member High Peace Council to find a political solution to the war, now in its 10th year.

Chinese, British leaders affirm partnership

AP, Beijing

China and Britain affirmed strengthening ties yesterday as the British prime minister headed his country's largest-ever official delegation to China -- the latest European push to win business and spur a sluggish economy at home. Prime Minister David Cameron, who is

being accompanied by four Cabinet ministers and about 50 business leaders, met with Premier Wen Jiabao at the Great Hall of the People in the heart of the capital following a formal welcoming ceremony. He meets President Hu Jintao today.

The two-day visit marks Cameron's second major foray to court an emerging economy since taking office in May. He went to India in July.

"My new government does highly value the relationship between Britain and China and we believe that this is an area where there should be great continuity with the last government who helped establish this very strong relationship," Cameron said.

Wen recalled Cameron's pledges to boost ties made last year before taking office as well as communication between the men in the months since.

"All of that fully showed your determination to push forward friendly cooperation between China and Britain. We highly appreciate that and I would like to welcome you to China," Wen

Last year, China was Britain's third-largest source of imports and ninth-largest export market. Cameron has said he hopes to see annual bilateral trade double by 2015 to more than \$100 billion, including \$30 billion per year in British exports.

On Wednesday, Cameron will deliver a speech insisting Britain retains considerable global influence despite its economic woes, and constitutes an important trading partner for China. Cameron is joined by executives from Royal

Dutch Shell PLC, Tesco PLC, Barclays bank and Diageo PLC, among others. Treasury chief George Osborne, Business Secretary Vince Cable, Energy and Climate Change Secretary Chris Huhne and Education Secretary Michael Gove are also on the trip. Cameron's visit comes on the heels of Hu's

trip to France and Portugal last week that resulted in \$20 billion worth of contracts for French and European firms. Wen visited several European countries in September and October, conveying pledges to strengthen trade and purchase Greek bonds. Boosting trade and avoiding protectionism

will also be on the agenda at the Group of 20 meeting Thursday and Friday in Seoul, South Korea, where Chinese and European officials will meet with counterparts from the United States and elsewhere.

However, the focus on trade ties has raised questions about Cameron's willingness to engage China on human rights, Tibet, rule of law and other concerns. His office says he will challenge China on its human rights record during his visit, but has declined to elaborate.

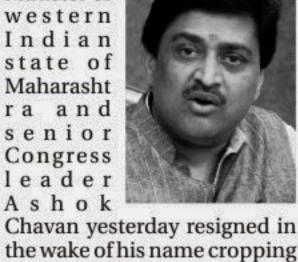
"This visit offers an opportunity to discuss some of the areas where we have differences and how we might narrow them, for example through our continuing human-rights dialogue," Cameron wrote in Tuesday's Wall Street Journal.

HOUSING SCAM Maharashtra

CM resigns PALLAB BHATTACHARYA,

New Delhi

Minister of western Indian state of Maharasht a n d senior Congress leader



country's financial capital Mumbai. Suresh Kalmadi, another senior leader of India's ruling Congress party, also resigned as the secretary of Congress Parliamentary Party, after he was allegedly involved in

up in connection with alleged

irregularities in allotment of

flats in a plush locality of the

corruption in projects relating to the Commonwealth Games held here in October.

Chavan, who tendered his resignation on being directed by Congress chief Sonia Gandhi, tendered his resignation to Maharashtra Governor K

Sankarnarayanan in Mumbai. Chavan, 52, however, told media persons that the resignation does not prove his guilt in the Adarsh Housing Society scam and claimed he was "100 percent" sure that he will come clean on the issue.

"Acceptance of my resignation by Congress does not prove my guilt in the Adarsh Housing Society scam," Chavan, son of former Maharashtra chief minister and late Congress leader SB Chavan, said.

"I resigned because of the Congress party's moral stand on such issues. I resigned on my own. My resignation has been accepted pending enquiry. The government is not involved in the scam," he said.

Chavan, who became the first casualty of the housing scam in which politicians and ex-Army officials are allegedly involved, said it was not a political setback for him nor did it mean the end of his political career.

Chavan had become the chief minister in December 2008 after Vilasrao Deshmukh was forced to resign from the post a month after the deadly terror attacks in Mumbai in November claimed 166 lives.

Ashok Chavan had allegedly used his clout in allotment of some flats in Adarsh Housing Society to some of his relatives, a charge he has denied.

The housing society was reportedly meant for dependents of those Indian soldiers who had laid down their lives in the 1999 battle against Pakistani troops and militants backed by them in Jammu and Kashmir.

from Maharashtra, quit as the head of the Commonwealth Games Organising Committee had come under severe attack on charges of corruption relating to the projects for the mega sporting event.

Kalmadi, who also hails

19 killed in Bodo attacks in Assam

PALLAB BHATTACHARYA, New Delhi

At least 19 people, including eight government staff, were shot dead in separate strikes in the state of Assam of northeast India on Monday.

claimed responsibility for the killings in Assam and warned of more violence in the next few days. Insurgents stopped a bus at Boimura, 185kms off Assam,

eastern state of Arunachal Pradesh. bers of a family, including two women, near a railway station in

in Udalgiri and Karbi Anglong districts of the state. The deaths of

NDFB, which is opposed to peace talks with the Indian government. had rocked Guwahati and three other Assam towns in October

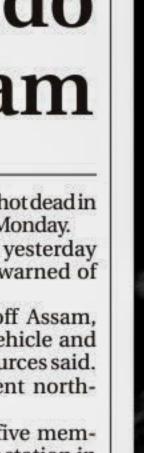
that the killings were a revenge for the death of NDFB ultra Mahesh Basumatary who was killed during an encounter in Sonitpur.

their offensive against us," he said.

"We are not going to be cowed down by terror. The army, police and paramilitary forces have already launched massive

"The anti-talks faction of NDFB is responsible for the killing and we will not tolerate it." The state government has sounded a red alert across the state with

law and order tightened in four violence-hit Bodoland Territorial Council (BTC) districts of Baksa, Udalguri, Kokrajhar and Chirang. The state government has sounded a red alert across the state with



National Democratic Front of Bodoland (NDFB) yesterday

forced eight Hindi-speaking passengers out of the vehicle and gunned them down taking to a nearby forest, police sources said. The eight were government employees of adjacent north-In another incident, the NDFB insurgents killed five mem-

Sonitpur district of Assam. Four other people were shot to death in two separate attacks

two other people in Bodo attacks were also reported. The killings were suspected to be the handiwork of the faction of The outfit was accused of being behind the serial blasts that

2008 that killed 92 people. NDFB spokesperson B Sadbangso told a local news TV channel

"We warn of more violent attacks if security forces continue Assam Chief minister Tarun Gogoi condemned the violence and said the state government would not be cowed down.

operations in NDFB strongholds. The government will tackle militancy strongly," Gogoi told the assembly.

law and order tightened in four violence hit Bodoland Territorial Council districts of Baksa, Udalguri, Kokrajhar and Chirang.



Anti-nuclear protesters sit on the road with placards reading "Gorleben 21" to block the track of the Castor transport of nuclear waste in Gorleben, northern Germany, early yesterday. The Castor transport of nuclear waste later arrived at its storage site in Gorleben, following days of furious protests that massively delayed the shipment.