

NEWS WRAP

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Under the UN Partition plan of 1947, Israel, a state for the Jews, was created in 1948; and a state was promised for the Palestinians. The dreamland for the Palestinians on the West Bank and Gaza remains beyond practical reach. The Palestinians refused partition in 1948, and since the war of 1948 there have been several wars in the middle east. The Palestinians remain stateless. The Jews were forcibly driven away from the Arab world, when Israel was founded. About one million Jews were brutally expelled from the Arab world and Iran. The Arab League had compared the "war of extermination" to the 'Mongolian massacre and the Crusades". The Mufti of Jerusalem had exhorted Palestinian Arabs to kill Jews.

The middle east has a preponderance of Arab Nationality, Arab language and the Muslim religion; yet there are 13 sovereign states. Since the war of 1948, about 750,000 people, that is more than half of the native population of Palestine, fled or were driven from Jewish state territory. Their return was prevented by Israeli troops, and steadily 531 of their ancestral villages were razed. The balance 22% of historic Palestine came under Israeli rule, after the June 1967 war, creating an additional 250,000 refugees. The world has 10 million Palestinians, of whom 70% are refugees or the descendants of uprooted people. After an uprising in 1970, PLO fighters were forced to leave Jordan. Lebanese Christians destroyed the camps of Tel Zaatar and Qarantino in the 1970s. Similarly, Palestinians were massacred at Sabra and Chatila in 1982. The Syrians drove out the Palestinians in 1984. After the Palestinian leaders praised Iraq president Saddam Hussain's invasion of the Gulf emirate Kuwait in 1991, 300,000 Palestinians, of whom many were wealthy and long settled, were driven out of Kuwait. Following the PLO signing the Oslo peace accord with Israel, president Muammar Qaddafi deported thousands of Palestinians from Libya, in the 1990s. Nearly 20,000 Palestinians have fled to the desert camps of national borders, after the US invasion of Iraq in 2003. PLO leaders took secondary exile in Tunis, after the Israeli besiege of Beirut's PLO camps in 1982. There are 4.5 million registered Palestinian refugees in the Middle East. The UN Relief and Works Agency is responsible for their welfare.

Under Israeli control, about 5 million Palestinians live in historic Palestine. Israeli settlements and military zones occupy 40% of the land. Israel built walls, fences and checkpoints on the territory, to counter the Palestinian intifada (uprising) of 2000. About 2.5 million Palestinian residents are cooped in dozens of separate enclaves. Following election victories of June 07, Hamas the Islamist party has been controlling Gaza. 1.5 million Palestinians in Gaza strip have been confined within its 378 sq km area. Israel had annexed East Jerusalem in 1967. The 250,000 Palestinians of East Jerusalem have been granted resident permits. Labanon's town of Nahr al-Bared witnessed the earliest Palestinian refugees from Galilee in 1948. There were more refugees during the 1975-90 civil war in Lebanon. Largely Sunni Muslims, the 350,000 Palestinians in Lebanon do not possess the right to own property and the right to work in numerous white collar

professions. Egypt has 70,000 Palestinians, who could travel up to a year on special permits. Bethlehemites escaping the collapse of the Ottoman empire a century earlier, had settled in Latin America. There are 100,000 Salvadoreans of Palestine origin, just as there are 300,000 Palestinian-Chileans. Middle class professionals comprise the quarter of a million Palestinians in USA. The 1.1 million Palestinians inside Israel suffer legal and economic discrimination, and are isolated from their Arab brethren.

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The Gulf states, rich with oil wealth, are looking towards Africa, across the Red Sea, for finance opportunities. The commodities boom has accelerated African economies, and hundreds of millions of Muslims live in Africa. While in some of the African countries, banking systems are sophisticated, many Africans in the continent do not have a bank account. Steadily the middle class of Muslim north Africa is turning to Islamic finance and Islamic bonds ('Sukuk').

Islamic finance was only a modest \$18 billion at the close of 2007, and is expected to rise to a potential of \$235 billion, which would amount to a half of the GDP of the Muslim population of Africa. Sudan with its 'sharia'-compliant finance dominates the holding of over half of Africa's Islamic-banking assets. Familiar with local language and oil resources, a number of Gulf banks have combined with Sudanese investors, in opening Islamic banks. A Sudanese cement firm issued the first Islamist bonds in 2007. To dodge US economic sanctions over massacres in Darfur, Sudan sold bonds to Gulf investors in January 08.

South Africa's Albaraka Bank, the country's only Islamic bank, commenced operations in 1989. Backed by Gulf investment, Islamic banks, Gulf African Bank and First Community Bank obtained licenses from Kenyan authorities in 2007. Barclays opened an Islamic bank, named 'La Riha' (no interest) in Kenya. An Islamic banking division of south Africa's ABSA was opened in 2006. In countries, like South Africa, where Muslims are in a minority, Islamic banking permits an affirmation of cultural heritage. Nigeria with 70 million Muslims, has a booming banking sector. Africa has a huge need for infrastructure. Project finance and bonds could overcome the shortage of investment funds. Islamic financial institutions require to be backed by financial assets, and project finance is suitable. An Islamic investment bank in Bahrain, Gulf Finance House had signed a \$ 1.4 billion agreement in Morocco, to fund two tourism projects in 2006. Senegal is expected to shortly issue a sovereign Islamic bond.

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The Toxic gas which escaped from US multinational Union Carbide's pesticide plant in December 1984 in Bhopal, killed over 20,000 people. 8000 tons of carcinogenic chemicals that still lie in the disused Union Carbide factory, continue to spill and contaminate water supplies, which are utilized by about 30,000 people. Differences over corporate responsibility, legal actions and bureaucratic unenthusiasm have brought to a halt, the clean up process. There has been expenditure of less than 20% of the funds meant to dismantle the plant and for safety. Hundreds of children are being born with birth defects. Government research on medical effects has been stopped fourteen years earlier. More than 100,000 children of victims are without insurance cover. □□□