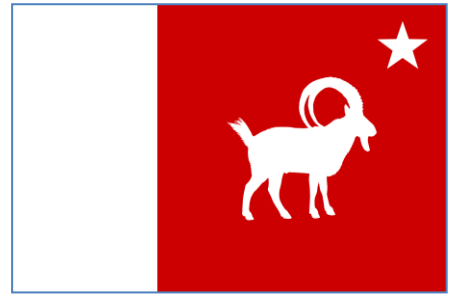


WELCOME TO FANTASIA

Situated on the western shores of North Africa and, until recently, a relatively calm oasis within the region, the previously communist and Cuban-supported state of Fantasia quietly embraced the turned of the millennium. Traditionally inward looking, the Fantasians have over decades been ignored by the rest of the world, attracting little investment and requesting, due to a deep sense on national pride, little assistance. Fantasians have prided themselves as following 'Shutaria', a secular but almost buddhist creed of concensus building and peace-making amongst its traditional tribes, a tradition that still survives today. Whereas its neighbours have suffered inter-ethnic over the last few decades, relative calm and tolerance has been maintained within Fantasia, under the visionary, if eccentric, leadership of French-educated President David Montessori.

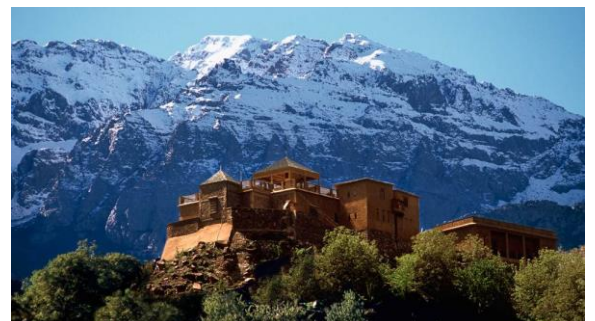


Montessori is seen as a true benevolent dictator and he basks in and highly values the generally widespread popular support of the Fantasian people. Displaying a genuine concern for his people, he has successfully managed, unlike the other major post-communist state on the continent, Angola, to bring a feudal society out of the communist era and create a semi-democratic, liberal, if insular, polity and relatively effective market-based economy. This delicate balancing act has not been without some jitters, including the occasional severe, but normally temporary, clampdown on the, otherwise flourishing if biased, media and internet. Known as a shrewd businessman (he owns the national electricity generator FanPower), in negotiations he will put aside any allegiance or commitments to aggressively pursue value for money.



With an economy previously based on cotton production, the Fantasians have been long accustomed to a modest way of life in accordance with a modest national GDP – one of the poorest in the region. However, since the early 2000s, discoveries of sizeable natural gas reserves in the south of the country have boosted the economy significantly, now rated as one of the fastest growing, at 13% annual growth, in the world. This coincides with the gradual reduction in import tariffs over the last few years. While many Western companies have been reticent to engage in parts of the region due to human perceived rights abuses, Fantasia is now being seen as a place where business can be done, ethically. As the Economist recently stated, Fantasia will “after years of quietly spinning its cotton yarns on manual looms, within a decade Fantasia may be a true success story of liberal economics and deservedly be booming. But such meteoric growth also brings with it dangers.”

Indeed, the 'resource curse' has not escaped Fantasia. Since 2004, an increasingly ferocious, although currently contained, Islamist insurgency has grown in the southern region of Bechult. The Panther Brotherhood, claiming to represent 2 million Muslims in the region, are demanding full autonomy for Bechult, where 60% of the newly discovered gas reserves are held. Considered separately from the tight band of northern Fantasian tribes, these southern Muslims are known, locally, as the 'Uighurs of Fantasia'. The Fantasian Army have largely closed off Bechult from the rest of the country, and whilst the Army and Police have been accorded a generally good human rights record, there have been unconfirmed reports of violations, on both sides, within Bechult, over the last 5 years. Security experts have commented that the previously well-organised and respected security forces are increasingly being shown as incapable and inept at dealing with serious security threats, having never really faced them before. Ham-fisted government responses to the Bechult issue are often cited, but the insurgency remains isolated in the South, having little effect on the growing and increasingly modern metropolis of the capital Bushnade, which maintains its reputation as the 'Istanbul of the Africa', after its strong links, like Somalia, with Turkey. However, within Bechult, there have been increasing numbers of terrorist atrocities over the last two years. Within the last year, there have been 23 bomb attacks (including 7 suicide attacks) on government



installations in Blasqat, the regional capital, and outlying towns. Alongside these, attacks on military targets, convoys and personnel within Bechult are becoming an almost daily occurrence. Further, the Panther Brotherhood have admitted responsibility for starting a major fire at Bushnade International Airport and the kidnapping of several British and Canadian tourists from Blasqat, who were released unharmed 10 days later. In January, an attack on the gas pipeline north of Blasqat was attempted but foiled. However, their operations in the other Fantasian regions outside Bechult are limited but are on the increase.

The Insurgency has caused hundreds of fatalities and casualties amongst the civilian population of Bechult, caught up in the violence and victims of both the Panther Brotherhood and the Fantasian Armed Forces (FAF). The Panther Brotherhood are increasingly fanatical in their ideology and methods, and therefore have little genuine support amongst the people of Bechult, but the often heavy-handed and draconian response of the FAF is serving only to push many Bechultian youngsters into the ranks of the insurgent group. Tales of 'disappearances' and torture, conducted by the FAF, are commonplace. Polling suggests that although 78% of the Bechult population opposes the Brotherhood's methods, some 68% do support cessation from Fantasia and only 12% have any trust in the Fantasian government and the FAF. The stark contrast in living standards between the northern provinces, with the affluent cities of Teshlek and Bushnade, and conditions within Bechult only contribute to this sense of alienation.

The Panther Brotherhood is very media-savvy, using Facebook, Twitter and Youtube to advance their cause and recruit disillusioned youth. Their Chief Spokesperson, known as Yafir ('Oracle' in Fantasian) often engages (remotely) with local, regional and international media, in Fantasian, French and English. Thought to be 3000-strong, associations between the Brotherhood and wider Al-Qaeda are only rumoured, but security analysts do suspect that although no official ties may exist, a certain degree of funding may come from Al-Qaeda affiliated groups, not least those groups within the broad sweep of Al-Qaida in the Mahgreb (AQIM), including Escorian insurgent groups, and more recently Boko Haram.

Recent intelligence and threats made in open media suggest that the Brotherhood are planning a major summer offensive, including more attacks in the northern provinces.

Facts:

Economy

- Possibly world's 8th largest reserves of natural gas (majority discovered in 2005), gold, cotton, tourism
- GDP US\$26Bn, Per capita \$2166
- Major corporates operating – Shell, Conoco Phillips, BP, Gap, Dell (opened a Tech Hub in Teshlek), Vodafone

Politics:

Internal: Although Montessori is President for Life, his Ministers serve 5 year terms. These Ministers are democratically elected by a House of Representatives (375 local Councillors elected bi-annually by popular universal (18 years +) vote) but Montessori has a deciding vote, through which he maintains significant influence.

Parties: Mainly a one party system (People's Democratic Party - conservative) however a growing number of regions, especially on the Atlantic coast are forming around a new party (Liberty and Labour Party – progressive, liberal). LLP have 15% of the seats in the House of Representatives, the rest are PDP.

Foreign Affairs:

- Fantasia has a cordial but not warm relationship with its old supporter, Cuba.
- Good relationships exist with its neighbours Olvana, Arcaea and Escor, although, having followed a more tolerant and liberal path, it is often viewed with suspicion by these states. Fantasia has refrained from joining most regional alliances and initiatives. These relationships have been strained recently, due to perceived support for the Panther Brotherhood from insurgent groups in Escor.

- On the international stage, Fantasia's closest ally is Turkey. Like Somalia, Turkey has fostered close ties with Fantasia, pumping in some \$6 billion for infrastructure and development projects within the last two decades, effectively replacing the Soviet Union as a sponsor. Visas are not required by Turkish citizens, but are for all other nationalities.
- Over the last decade, as Fantasia has opened up, the EU has increasingly been seen as a useful market and potentially friendly power. Son of a diplomat, Montessori himself was brought up in Paris between the ages of 8 and 21 and is an ardent Francophile. All Foreign Affairs Staff are required to attend a one year politics course at the Sorbonne.

Society

Population: 12m (70% below the age of 30), 4m in Bushnade, 2m in Teshlek

Religion: Largely non-practicing population (with the exception of Bechult) but officially 35% Orthodox Christian, 60% Muslim, 5% others. Although constitutionally maintaining rights to freedom of religion, Fantasia maintains a ban on all religious activities not approved by the state, with, despite 'shutaria', particularly harsh treatment of the Protestant Christians being commonplace.

Ethnicity: 75% Fantasian, 15% Bechultan, 5% Arcaean, 5% Escorian,

Languages: 85% Fantasian, 5% Escorian, 5% Arcaean, 5% others (As second languages, French has, since 2003, been mandatory within the National Curriculum, although unofficially English is more popular)

Media

A fairly free (Freedom House Index Rank 60 = Turkey) media and uncensored Internet. 15 major national TV channels (1 State, 14 privately owned), 40 radio stations (1 national State, 1 national privately-owned, 38 local privately-owned), 7 main National newspapers (all privately owned, including one in English and one in French)

Mainstream media in Fantasia is plagued with two significant problems: media ownership is heavily concentrated and media are vulnerable against the dominant political power (local politicians, the government etc). 70 percent of the media, including national newspapers, radio and TV channels, are owned by few cross-media groups. The activities of these conglomerates expand to other sectors beyond media such as tourism, finance, auto, construction and banking. These conglomerates, in order to secure their business interests, establish alliances with major powers (the military, religious communities, bureaucratic elites, government).

The outcome of this situation, since independence in 1991, has been a very biased media landscape, and all attempts of independent journalism practice (despite some positive developments) remain problematic. The news coverage of mainstream media quite often depends on the degree to which the published news would serve the business interests of the conglomerates which own the media outlets, and that, of course, is closely linked to the impact of news on the position of the established interest groups. In this environment media outlets adopt strategic editorial policies and become pro-government or owner-oriented. In the event of critical media discourse, the government has not refrained from introducing temporary emergency media laws to silence criticism, doing so three times since 2004.

Besides these deficiencies, media also suffer from internal problems. Editorial hegemony prevails in all major media outlets: news is overruled or bent in accordance with the desire of editor-in-chiefs who take hints from the media owners. Similarly the rights of young journalists and correspondents vis-à-vis editorial staff is not protected. Those journalists who are committed to truthful reporting suffer from very precarious work conditions.

Infrastructure/Industry

- Transport:** One main sea port at Bushnade and smaller one at Teshlek. Main road highways north-south along the coast and from Bushnade east-west to the Olvanan and Arcaean borders. One major international airport in Bushnade, two military air bases at Teshlek and Bazkek.
- ICT:** Recent investment has resulted in some 45% internet penetration. However this lags the high levels of 3G broadband mobile penetration, up from 20% to 75% within 5 years due to significant investment by Vodafone in mobile networks.
- Industry:** Gas - Several major gas Installations established in the area between Teshlek and Blasqat, all privately owned but secured by FAF. Pipeline network heads north to Teshlek and Bushnade.
- Cotton – Upgraded cotton mills now established in the northern regions of Turmol.
- Power – 3 coal-powered (in Bechult) and 17 CCGT gas-powered power stations generating 18000 Mega Watts

Security

- Military:** Soviet-based doctrine, with some 90000 personnel in the Fantasian Armed Forces - FAF (60% Army, 30% air force 10% Coast Guard). One year conscription is required for all males over 18 but thereafter they may enlist for professional careers. Ex-Soviet equipment has been maintained effectively but much is nearing end-of-life, especially its BMP armoured personnel carriers and two squadrons of Mig-23s. Once respected and considered well-trained, if ill-equipped, the failure of many military operations in the Southern region, along with tales of desertion, civilian casualties, have dampened public support.
- Police:** Two forces, consisting of 'Town Police' (similar to a Gendarmerie) of some 45000 personnel, and the Internal Security Police (FIK) of some 55000 personnel. The former are well respected while the latter are rather more feared. However, both forces have suffered reputational damage over the last few years, after stories of corruption and human rights abuses have become more commonplace.

Geography

- Topography:** Approximately 450000 km², Fantasia is almost twice the size of the UK with 20% of its population. Bordered by Olvana to the north and north-east, Arcaea to the south-east and Escor to the south, Fantasia also enjoys a 500km coastline on the Atlantic Ocean.
- There is huge variation in topography, from the low elevations of the Coast, which hosts a lush green belt running the length of the coast, up to, going east, the snow-capped mountains (at 3000 metres) of Regtal Province and then running on down to the Sahara desert.
- Demography:** Split into five provinces – Bushnol, Teshnol, Bechult, Turmol and Regtal – and, within, some 375 local municipalities, the main centres of urban population are Bushnade (National capital), Teshlek, Blasqat and Bazkek.
- Climate:** A hot continental climate with long, very hot (up to 50 degrees C) summers, and moderate winters, with temperatures down to 10 degrees C in the coastal areas. Precipitation is generally low except for during spring, when heavy rainfall can be expected on the coastal plains. The higher altitudes of the eastern mountains are often much colder, with snow during the winter. However, to the east of the Regtal mountains, the climate quickly becomes semi-arid Saharan, with very high temperatures and little rain.

