

# France, E.U. keen on enhancing ties with India

By V. Jayanth

Political equations between India and France have reached new heights and Paris is looking to strengthen its economic ties with New Delhi.

In an interview today, the French Ambassador in India, Mr. Bernard De Montferrand, said a series of high-level bilateral visits had established a firm political equation. France, which entered the Indian economic scene a bit late, was keen on catching up.

He explained that a new enthusiasm was perceptible in French industry and business during the past two years. Bilateral trade was growing at a robust 25 per cent because the base was low. In the past two years, French investments in India, including in the engineering, cement, glass and automotive sectors, were close to \$ one billion. The French were looking at the power and transport sectors for the future.

Mr. Bernard said Air France, along with Delta Airlines, had expressed interest in becoming Air India's strategic partner in the disinvestment process. "Air France will be an ideal partner because it can complement the strength and base of Air India along with Delta. It would be a major force in the global aviation scene. Besides, Air France was in exactly the same position 15 years ago as Air India is today. They have gone through restructuring and revamping and can bring the expertise and experience to bear on Air India."

Defence cooperation was another area in which the two countries were moving closer. Bilateral consultations and cooperation had been institutionalised through annual, official-level talks. India planned to acquire new Mirage fighters to replace its old fleet and discussions had begun on the process of transfer of technology to enable the public sector HAL take up production later.

In addition, France was eager to enhance defence cooperation in the global context, especially because both countries contributed significantly to the United Nations' peace-keeping operations. Exchange of delegations and training of staff in each other's institutions would be part of the cooperation. A very healthy cooperation was already in place in the sphere of aerospace.

As Chair of the European Union, France was committed to deepen and broaden the partnership with India, following the first-ever summit between the two in Lisbon in June. The E.U. Foreign Affairs Commissioner, Mr. Chris Patten, was expected to visit India in late January to carry forward the dialogue and follow up on the decisions taken in Lisbon.

Noting that trade differences and relations were only a part of the partnership canvas, Mr. Bernard said a broader framework of cooperation was envisaged by the E.U. so that it could work with India on crucial global issues such as reform of the U.N. and the Bretton Woods institutions.

Since India had asked for the common E.U. visa and a simplification of procedures, the Ambassadors of E.U. countries in New Delhi had their first meeting with the Ministry of External Affairs last month to begin this exercise. "It takes time to harmonise and simplify the process in all 15 countries. We already have the Schengen Visa which applies to 9 countries, including France. But we are moving in the right direction," the envoy added.

On his first visit to Chennai since assuming office in mid-2000, the French Ambassador called on the Chief Secretary, Mr. A. P. Muthuswamy, and discussed the industrial scenario and the investment potential in the State. He will visit the regional consulate in Pondicherry tomorrow.

THE HINDU

9 DEC 2000

# India protests EU offer of basmati import quota

Nidhi Nath Srinivas

NEW DELHI 5 DECEMBER

INDIA HAS decided to take a tough stand as the European Union proposes a fixed duty-free quota for basmati exports to replace the existing system of unlimited market access.

In the latest round of talks, under the aegis of the Indo-European Joint Business Council, the EU suggested that it may be in India's interest to accept such a quota because it would otherwise have to pay full tariffs on the entire volume of basmati exported once the European rice regime is reformed and the present duty concessions withdrawn.

However, the offer has been rejected by India, as the government is unwilling to settle for any compromise with the EU on basmati before the forthcoming

Agricultural Round under the WTO beginning in February.

The EU's offer comes at a moment when it is once again under tremendous pressure to rejig the duty concessions given to basmati because of imbalances in the domestic rice market, increasing production and reduced export possibilities because of WTO limits on export refunds.

Meanwhile, the US, which is Europe's biggest rice supplier and pays full duty, has again dragged EU to WTO's Dispute Settlement Body for faulty implementation of its reference price system, under which basmati gets a duty concession.

Since they pay full customs tariff, US companies like Uncle Ben's find themselves at an disadvantage in the European market, and are thus lobbying hard for the reference price system to be abolished.

In its appeal to DSB, US accused Belgium of not properly handling some duty refund claims made by American exporters under EU's cumulative

recovery scheme. The US has called into question the reference price system itself.

This leaves Brussels with the option of either coming to a negotiated settlement with the US or wait for the DSB's ruling. Since the US has refused to even begin talks without first knowing what would happen to basmati, the Commission sees no way out except first arrive at a compromise formula with India and Pakistan.

"Brussels' problems, while understandable, are partly of its own making. It may be in a rush to settle the issue, but India has no such compulsions. With a strong legal position and the new Round just months away, we will be foolish to throw away our advantages under pressure from

them," sources here said. Moreover, commerce ministry negotiators are also aware that conceding the present advantages enjoyed by basmati in a premium market like Europe may be politically embarrassing for the government.

As a result of zero-duty access, basmati exports to Europe have spurted from 40,000 in 1995, when the duty derogation was introduced under WTO, to 1.50 lakh tonnes.

In fact, the competitive edge given by this duty concession to the world's most expensive rice has led to becoming hugely popular with supermarkets and consumers alike.

Consequently, one of the imperatives behind the proposed reform of the European rice regime was also to ensure that EC gets rid of its obligation to give the duty concession to basmati under its commitment to Headnote 7 of the WTO.

According to Headnote 7, the higher the price of an imported product, the lower the duty to be levied on it. Basmati, as the world's most expensive rice, thus gets market access at zero duty.

## TRADE WARS

The Economic Times

6 DEC 2000

# Denmark keen on joir

HD-10 29/11  
By Our Special Correspondent

**BANGALORE, NOV. 28.** Danish IT companies are more interested in outsourcing and offshore development in India; for, working in Denmark "may not be very attractive for Indian professionals", the country's Ambassador to India, Ms. Brigit Storgaard Madsen, said here on Tuesday.

For IT professionals, taking up overseas assignments was more than a matter of salary and they might not find conditions such as a local community of Indian origin, Indian food and Indian movies in Denmark. However, company-to-company discussions on recruiting Indian IT professionals were on, she said.

Denmark was more interested in promoting joint ventures and these could go beyond areas such as IT to food-processing and consumer goods. Right now the balance of trade favoured India, and Denmark imported goods worth 1.3 million Danish kroner (\$150,000) annually. Nearly 50 joint ventures had been established in India which effort was significant considering the small size of Denmark. "We are keen on implementing existing trade agree-



**Ms. Brigit Storgaard Madsen, Danish Ambassador, presents the Prince Henrik Medal of Honour and the Diploma of the National Association for Danish Enterprise to Dr. Manoj Kumar, managing director, Novo Nordisk Pharma India, in Bangalore on Tuesday.**— Photo: K. Gopinath

ments between our countries rather than drafting new ones," Ms. Madsen said.

Denmark was one of the major donors for development projects in India through the overseas development agency, DANIDA, Ms. Madsen pointed out. The amount

of assistance varied from a million to 200 million kroner a year and was exempt from tax. Denmark-assisted projects included a major development project in Kerala and others

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By Our Special Correspondent

**CALCUTTA, NOV. 28.** T high in the city today a group of Trinamool supporters demonstrated against the Chief Minister, Mr. Buddhadeb Bhattacharjee's rule in South Calcutta protesting the killings of three Trinamool supporters in Chheru Midnapore district on Tuesday.

The demonstrators entered the premises of the Trinamool Congress complex where Mr. Bhattacharjee resides in a two-story flat. They abused the Chief Minister and shouted slogans against him. Mr. Bhattacharjee was away in the flood-affected Nadia district to assess the damage. His mother was the Trinamool family member who was residing at that time.

Fearing that the situation would go out of control, police took action and rounded up about 18 protesters. The Trinamool Party of India (Marxist) welcomed the timely intervention of the police which prevented the Trinamool supporters from going on a

The incident was part of Trinamool's city-wide protests against the Chheru killings as well as the forcible seizure of bodies from Calcutta

THE HINDU

29 NOV 2000

# India, France to set up IT task force

By Vaiju Naravane

PARIS, SEPT. 29. France for the first time today admitted that it had a shortage of 10,000 IT professionals and an estimated 50,000 IT technicians and indicated that it might look towards India to fulfil some of its requirements.

This was revealed by officials of NASSCOM, the Indian Association of Software and Service Companies at the signing of the France-India Memorandum of Understanding, to promote closer cooperation and exchange in the IT sector.

But French officials when questioned denied that such a proposal had been formulated. France takes pride in its technological know-how and would be hard put to admit that it lacked the necessary number of competent professionals in the world's fastest growing high-tech industry.

The Minister for Information Technology, Mr. Pramod Mahajan, who signed the agreement with the French Minister for Foreign Trade, Mr. Francois Huwart, told *The Hindu*: "We have signed an MoU but this agreement will

not be worth the paper its written on unless we can guarantee its implementation. We must transform this MoU into an MoU - memorandum of implementation. And the IT industry in both our countries will have to make this happen."

With IT imports from India valued at \$ 28 million, France accounts for less than half a per cent of India's total IT exports of \$ 4 billion. Indian companies present at the two-day Paris meeting which included a business seminar between French and Indian companies hope to sign collaboration deals with France totaling \$ 6 million in the near future.

The agreement signed by India and France lays special emphasis on software development, IT enabled services, e-commerce, the exploration of third country markets, electronic governance information security, tele-medicine, cyber education, Human resource development, and the development of research and design.

A special India-France IT Task Force would be set up to identify and facilitate cooperation in these

fields and aim at certain specific deliverables. These include setting up talent incubators in India and France, tapping on institutes of higher learning in India, harmonisation and cross certification of digital signatures, increasing internet connectivity between the two countries, developing e-government, interactive broadband multimedia content and information security.

Questioned about the possibility of Indian IT professionals working in France, Mr. Mahajan said: "We understand that France is concerned about immigration. The first question a Government asks when a foreign national enters the domestic job market is "are my people going to lose their jobs" and we fully understand this concern. Which is why I would be much happier with solutions like outsourcing, whereby French firms can contract Indian firms without having to import Indian labour, the IT industry not being location-specific."

"There could be company-to-company agreements whereby employees from an Indian company could work in France and

return once the contract terminates. In any case it is for the host country to decide whether or not they need foreign IT professionals. My aim was not to ask the French Government to give visas or work permits to Indians. I merely told them that we produce 100,000 IT professionals per year and that by 2005 this number is expected to go up to 300,000... that we are supplying people to Japan, Germany, the U.K. and the U.S.. Now it is for them to decide," the Minister said.

The French Foreign Trade Minister, Mr. Francois Huwart, said France was determined to establish the necessary legal framework both at the National and European level.

The French law on Information Society would allow the present legal framework to be adapted to changing needs created by the development of information technologies and electronic commerce. India too has similar ambitions and was one of the first countries to adopt a regulations in this field.

## India and UK will resume N-diplomacy

By L K Sharma  
The Times of India News Service

LONDON: Britain and India will resume nuclear diplomacy in April—by that time Pakistan's revised stand on the comprehensive test ban treaty (CTBT) will, probably, become clear.

The two countries plan to coordinate their efforts during the conference on nuclear disarmament in Geneva, said British foreign secretary Robin Cook after his talks with Indian external affairs minister Jaswant Singh.

Of course, India has been involved with the U.S. in an intense dialogue on India's nuclear policy even though the differences on signing the CTBT have remained unresolved after several rounds of talks in which Mr Jaswant Singh has participated. What India and Britain hope to achieve separately in this field remains to be seen.

Much will, certainly, depend on the new American administration in the U.S., because this is not a subject on which Britain is expected to take an independent line. In the past, British nuclear disarmament negotiators had managed to irritate India because of their over-enthusiasm. However, since then much water has flown and even in London there is a greater understanding of India's strategic compulsions.

A new factor may emerge if suddenly Islamabad were to reverse its policy and decide to sign the CTBT. While pressure on India may increase in that event, India's resistance may also grow since it has always been critical of the Western efforts to equate India with Pakistan.

In response to a question on India's aspiration to become a permanent member of the UN security council, Mr Cook merely reiterated the set formulation of Britain's "commitment to security council reforms" and the importance of representation to Asia. The emphasis on a consensus on Asian representation can hardly be interpreted as an outright support for India's candidature. The two ministers covered a wide range of issues and shared their concern over the situation in Afghanistan. Mr Cook said, "The Anglo-Indian relations are in a good shape and there are no problems."

In the areas of trade and economic relations, the two countries are moving forward. Prime Minister Tony Blair plans to visit India on the Indian Prime Minister's invitation.

THE TIMES OF INDIA

17 JULY 2001

# Jaswant calls for increased Indo-British defence ties

By Hasan Suroor

410-13

LONDON, NOV. 16. The External Affairs Minister, Mr. Jaswant Singh, has called for increased defence cooperation between India and Britain during his meeting with the British Defence Secretary, Mr. Geoffrey Hoon, on Wednesday. The issue is likely to be pursued during Mr. Hoon's visit to New Delhi next month.

Talking to mediapersons after meeting Mr. Hoon, Mr. Singh said that given the growing closeness of Indo-British relations, he thought the two countries needed to engage each other on a qualitatively different footing rather than merely as "buyers and sellers" of defence equipment.

13/12

He did not elaborate but indicated that India was keen on closer interaction in areas of security and defence. This would be consistent with the current momentum of Indo-British relations, which he described as the "best ever". He refused to comment on the specifics of what form closer defence ties could take. On the negotiations for Hawk aircraft, he said it was an issue which was "really in the realm of my colleague Mr. George Fernandes' parish and I don't want to transgress it". It was in this context that he outlined his proposal to raise the level of defence interaction and give it more teeth in terms of joint initiatives.

Mr. Singh said he had extensive and fruitful discussions with British officials, including the Foreign Secretary, Mr. Robin Cook, on issues of common concern. Asked if Britain had assured support on India's claim to a permanent seat on the U.N. Security Council, he said Mr. Cook reiterated the "strength of India's claim" and that various proposals for the expansion of the Security Council and U.N. reforms were reviewed.

Earlier, Mr. Cook said during his India visit in April he expressed Britain's "commitment" to reform and expansion of the Security Council, which would provide for a permanent member from Asia. "I said then that India was obviously a natural contender for that place."

Mr. Cook's formulation was reiterated later in the day by the Foreign Office Minister, Mr. Peter Hain, who is scheduled to visit India over the weekend — his second in less than a year. Some issues discussed by Mr. Singh here would be pursued during Mr. Hain's visit to New Delhi.

Mr. Singh, at his press conference, was asked by a Pakistani journalist if that country was discussed during the talks. He said developments in Pakistan were discussed with Mr. Cook as part of an exchange of the two countries' assessment of events in the context of the Kargil conflict, the coup in Pakistan and the hijacking of the Indian Airlines' plane. But nothing specific was discussed in terms of Indo-Pakistan relations.

He declined to comment on the OIC's resolution on Kashmir except saying that India had taken note of it. He ticked off journalists for referring to Jammu and Kashmir as simply "Kashmir" and the issue as the "Kashmir issue" and corrected them, insisting that the full name "Jammu and Kashmir" should be mentioned.

Other issues discussed during Mr. Singh's visit included trade, the fight against terrorism and the need to restore democracy and the 1997 constitution in Fiji. He referred to the bilateral visits between London and New Delhi and said he looked forward to receiving Mr. Hain and Mr. Hoon. Mr. Hain would also visit Chennai, where he has ~~some~~ social engagements.

THE HINDU

17 NOV 2000

# Iceland warms up to Indian films, IT success story

Our Mumbai bureau

MUMBAI 1 NOVEMBER

**T**HIS IS what you call ice for ice. Olafur Ragnar Grimsson, president of the Republic of Iceland, invited Indian IT professionals and films to his country.

"We have an exclusive IT industry growing rapidly. The Indian genius can help us grow faster," he said.

He was addressing a business meet organised by Ficci here on Wednesday. Mr Grimsson is keen on seeking co-operation from India in film-making as well, as he was "deeply impressed" with the latter's expertise in technique and literary and imagery skill.

"Movie making has gone global and Indian films have the expertise which can be shared with us," Mr Grimsson said.

He said Iceland was interested in a cultural exchange with Indian filmmakers and also invited the Indian film industry to the Scandinavian country for their international shoots.

"Software design is a fast growing sector and we have scored a number of successes internationally. Our companies have not been slow to recognise the remarkable energy and know-how which exists in India," Raecoda Halldors, minister for foreign affairs and external trade said in his address.

Meanwhile, Icelandic movie maker and an Oscar nominee Fridrik Fridriksson said he had already planned a film with India as the epicentre.

"This is my first visit to India, it has such picturesque qualities that even a small street

seems like a film. I have already begun rolling my mental camera for a story," he said.

Mr Fridriksson was nominated for the coveted Oscar in 1991 for his film Children of Nature, portraying the agony of an elderly rural farmer who goes to stay with his relatives.

Emphasising need for screening Indian commercial films in Iceland, the filmmaker said he had liked renowned Indian film director Shekar Kapur's internationally acclaimed films Bandit Queen and Elizabeth.

However, my favourite filmmaker is Satyajit Ray with his superb creations like Shatranj Ke Khiladi, Mr Fridriksson said.

Mr Fridriksson is here in connection with the first ever on-going Iceland film festival in New Delhi and Mumbai.



**CORDIAL TIES:** Iceland President Olafur Ragnar Grimsson (right) and his fiancée Dorrit Moussaieff (left) with President K.R. Narayanan and his wife Usha in New Delhi on Monday. — AFP

# India should have U.N. council seat: Grimsson

By Our Special Correspondent

**MUMBAI, NOV.1.** Iceland today said it would have no hesitation backing India's bid for a permanent seat on the United Nations Security Council.

The President, Dr. Olafur Grimsson told *The Hindu* that "given the representative structure of the U.N., a country of a billion people cannot be excluded since they are an important chunk of mankind."

If three European countries could have a permanent seat in the five-member Security Council, then "it is but appropriate that a country with a billion people which is the largest democracy should have a seat, he said.

Such a seat for India, Dr. Grimsson said, "was logical" and his country would unhesitatingly support India for its "deserved place."

Dr. Grimsson, who is leading a 350-member delegation, finds that his country could have useful cooperation with India based on mutual trust. "The visit has been useful and promises to bind the two countries into a strong bond."

The Former Congress(I) M.P.,



**A member of the Bharatiya Vidya Bhavan presenting 'poorna kumbam' to the President of Iceland, Mr. Olafur Ragnar Grimsson, during the eighth convocation of a free programme of the Gandhi Institute of Computer Education and Information technology in Mumbai on Wednesday.— Photo: Vivek Bindre**

Mr. Murli Deora hosted a lunch for the visiting dignitary.

PTI, UNI report

Dr. Grimsson said his country was keen on cooperation with India in film-making as it was impressed with the latter's expertise

in technique as well as literary and imagery skills.

Talking to presspersons here, he invited the Indian film-makers to Iceland for shooting.

Meanwhile, the Icelandic filmmaker, Fridrik Thor Fridriksson,

told PTI that he had already planned a film with India as epicentre.

Dr. Grimsson also visited the Prince of Wales museum here and expressed delight over its collection of rare artefacts.

THE HINDU

NOV 2 2000



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## Indo-E.U. round table to be set up

By Sushma Ramachandran

**BRUSSELS, NOV. 14.** India and the European Union are taking steps to forge closer cooperation as a follow-up to the Indo-E.U. summit in Lisbon. A policy dialogue on political issues was held last week in Paris while a round table comprising experts will be set up during the forthcoming visit of the E.U. External Relations Commissioner, Mr. Chris Patten, in January.

15/11/00  
10-13  
The round table will function as a think-tank and is expected to provide a focal point to upgrade Indo-E.U. ties. Disclosing this to a group of Indian journalists, the head of the European Commission's India unit, Ms. Laurence Argimon-Pistre, said an Indo-E.U. counsel will also be set up in New Delhi to tackle visa issues especially for information technology professionals. Though the E.C. delegation does not issue visas, as this is left to individual countries and their embassies, it can play a coordinating role

in this regard.

Ms. Argimon-Pistre felt the five-day visit of Mr. Patten would be significant as it would signal the increasing interest of the E.U. to establish closer ties with India. She felt the Lisbon summit in June had marked a turning point in bilateral relations as various issues — including sensitive political areas such as disarmament — are now being discussed without any hesitation. The period of tension following the Pokhran nuclear tests has now dissipated and an open dialogue has been established.

Regarding concrete follow-ups to the Lisbon meeting, she said a number of joint working groups have been set up on various issues. In order to rectify the lack of awareness in both regions about India and the E.U., she said it has been decided to promote exchanges on both sides and set up scholarship programmes.

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THE HINDU

15 NOV 2000

# Bush admits drunk driving arrest

S. Rajagopalan  
Washington, November 3

**J**UST FOUR days ahead of the D-Day, the US presidential election has taken a seemingly dramatic turn with Republican nominee George W. Bush admitting that he had been arrested way back in 1976 for drunken driving.

The acknowledgement came immediately after a TV network ran the story on Thursday night. Bush, who had given up drinking 14 years ago, has repeatedly said that he had made "mistakes" in the past, but never disclosed the arrest for drunken driving.

Explaining why he chose to keep the matter such a closely-guarded secret, the Texas Governor said it was because he wanted to be a role model to his twin daughters. "As a dad I didn't want my daughters doing the kind of things that I did," he said.

News of the arrest, although from a distant past and for an offence that did not involve any fraud or criminal act, convulsed the political scene and sent analysts into the overdrive. The question engaging every mind was how the episode would impact on Mr Bush's chances of making it to the White House.

Till the unexpected twist on Thursday night, Mr Bush had for nearly a month maintaining a slim yet steady lead over Democrat Al Gore in what has been projected as the closest presidential race in 40 years.

To be sure, the "news leak" so close to the election day of Nov 7 has made the Bush camp deeply suspicious. However, campaign aides of Gore denied any hand in the leak and said it would be "inappropriate" to make any comment. Bush, who had his own "suspicions" about the revelation at this juncture, deeply regretted the Sept 1976 incident in Kennebunkport, Maine. "I'm not proud of that. I've often said that years ago I made some mistakes...I regret



Democratic presidential candidate and Vice-President Al Gore (right) puts his hand over his heart when his daughter Karenna Gore-Schiff (C) introduces him at a campaign stop in Las Cruces on Thursday. Photo: AP

that it happened...I stopped drinking 14 years ago and I haven't had a drop since," said Bush with wife Laura by his side. "I have been straightforward with the people, saying that I

used to drink too much in the past," he said. To questions on how the disclosure would be received, he confined himself to the remark: "I have been very candid about my past."

## Fiji military hunts down rebels, 11 dead

Suva, November 3

**TWELVE REBELS** were under arrest today and up to 11 soldiers dead after a bloody mutiny at the barracks here was put down as Fiji's military searched for escaped mutineers amid a strict curfew.

"We're going to keep the momentum going with the search. The rebels are armed and we thought it best to keep the population off the streets today so that we can continue unhindered," army spokesman Major Howard Politini said.

Some 24 people were in hospital, six of them civilians wounded by shrapnel and stray bullets as an uneasy calm settled over the Fiji

capital, where a tight curfew is in force after sporadic gunfire throughout the night.

Politini said the death toll was eight although Australian Foreign Minister Alexander Downer, quoting staff at Australia's high commission in Suva, said it had risen to 11. About 40 rebels seized control of key operations at the Queen Elizabeth barracks yesterday, taking five officers hostage.

A swift counterattack by the military last night freed the hostages and captured 11 of the mutineers, but 20 armed insurgents escaped and were believed to be hiding in jungles around the barracks.

(AFP)

## Indo-German talks enter second round

Berlin, November 3

**I**NDIA AND Germany today held the second round of strategic dialogue here today with Berlin terming bilateral relations as "very smooth" and on an "even keel".

Foreign secretary Mansingh, who led the Indian delegation, opened the first session of talks with his German counterpart Wolfgang Ischinger in the backdrop of "problem-free ties" between the two countries, a senior German foreign ministry official said.

He said no specific issue will be highlighted or brought into focus during the meeting, describing it as

a "positive sign".

The second round comes just seven months after the two sides initiated dialogue in New Delhi during Ischinger's visit in April.

"Indo-German relations are in very good shape. We are committed to intensifying our dialogue with India and the mood is optimistic," the official said on the eve of the meeting.

Nuclear disarmament, planned expansion of the UN Security Council, the South Asian situation and terrorism are expected to be among the issues to be taken up for discussion. Major international issues of interest to both countries will also be discussed.

(PTI)

THE HINDUSTAN TIMES

4 NOV 2001

## India, Germany to fight terrorism

**BERLIN, NOV 4** Sharing India's concern over cross-border terrorism, Germany has agreed to 'fully support' New Delhi's initiative in framing a new comprehensive global convention to fight international terrorism.

The German support for the proposed convention was conveyed to the Indian delegation during the second round of Indo-German 'strategic dialogue' which ended here on Friday evening.

10-11 5/11  
The visiting Foreign Secretary, Mr. Lalit Mansingh and his German counterpart, Mr. Wolfgang Ischinger led the respective delegations at the one-day meeting which also included disarmament officials.

Mr. Mansingh told newsmen after the meeting that the strategic dialogue has helped Germany appreciate India's security concerns. "The positions taken by India and Germany on disarmament issues may not coincide but we have been able to make them appreciate our security concerns," he said. — PTI

# India, France plan IT tie-up

PARIS: India and France will explore ways and means to enhance bilateral co-operation in the fields of information technology (IT), education and biotechnology during the two-day meeting of the Indo-French forum starting here next week.

"Among other things, the forum meeting, to be held from October 30 to 31, would find out ways to exploit India's IT expertise benefiting both the countries," Kanwal Sibal, India's ambassador to France said.

The co-chairman of the forum, Ramakrishna Hegde and his French counterpart Jean Francoise-Poncet would chair sessions on biotechnology, culture, education and media. After detailed discussions the forum would make recommendations to both the governments.

The forum, comprising scientists, intellectuals, academic and industrialists from the two countries, was established during French President Jacques Chirac's visit to India in 1998 to boost co-operation in the fields of technology, culture and education.

"France will also be a partner country in the technology summit to be held in Hyderabad next month and there will be a major conference of Indian and French

start-ups in January next year in Paris," Sibal said.

One of the key issues to be discussed in this forum meeting would be France's tough visa regime which makes it almost impossible for the Indian IT professionals to get work permits. In recent months, going by the global trend, French companies have expressed their desire to hire Indian IT professionals.

The visa issue was also discussed between India and France during the recent visit of IT minister Pramod Mahajan who proposed the possibility of giving short-term non-

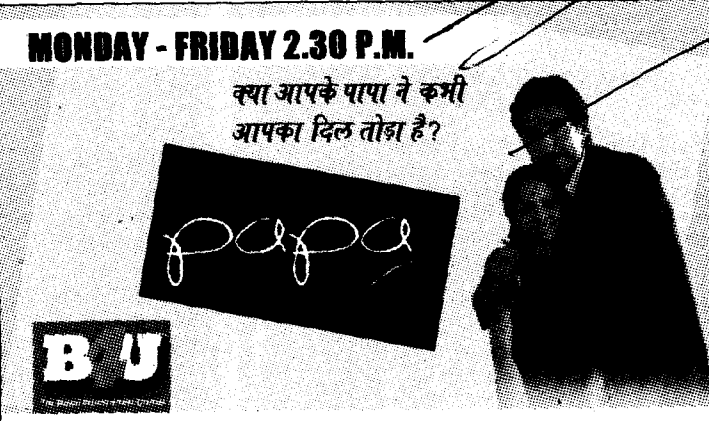
renewable visas. France, at present, require about 10,000 professionals to meet the industry's demand.

In the last four meetings, the forum discussed on industrial investment, the revalorization of technology transfers in advantageous regions, joint ventures, economic and commercial problems and scientific and technological collaboration between the two countries.

Other proposals for the forum meeting include increasing interaction between business and management experts benefiting both the sides. (PTI)

**MONDAY - FRIDAY 2.30 P.M.**

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THE TIMES OF INDIA

27 OCT 2000

# Italy keen to welcome Indian IT professionals

By Ashley D'Mello

MUMBAI: India and Italy will be taking up collaboration in three areas of the IT field, software development, software training and joint ventures.



Enrico Letta

This was stated by the Italian minister for industry and foreign trade, Enrico Letta who said that Italy was interested in getting Indian IT professionals to overcome the shortage present in Italy. The minister is heading a large business delegation to India.

The minister said that Italy would like to enlarge its presence in the traditional field of trade between India and Italy like machinery, automobiles, marble, textiles and expand into other high tech areas like IT.

Italy has emerged as the fifth largest investor in India during 1999 with an investment of \$399.88 million and an average of 85 collaborations between Indian and Italian firms have been approved over the last ten years.

Trade between India and Italy has crossed the \$2.5 billion mark in 1998-99, though the last fiscal had seen a slight slowing down.

Mr Letta said that he has visited the plants of Fiat and Piaggio in India and was pleased at the work being done there.

Apart from IT, there were two new areas where Italy was keen to collaborate with India: tourism and environment technology.

An agreement on increasing the tourism opportunities was signed earlier in June and this will lead to the Italian National Agency for Promotion of Tourism opening its office in India.

In addition, there would be more flights of Alitalia between the two

countries.

In the field of environment technology, Mr Letta said that Italy has done considerable research on the photovoltaic system for producing alternate power and this could be a field of cooperation between the two countries.

An Indo-Italian venture in Calcutta was already manufacturing photovoltaic cells for India, he added.

Mr Letta said that Italy was also concerned about the WTO agreement and said that the problems should be settled amicably. "We failed in Seattle", but efforts should go for a democratisation of the global process. Italy will be the head of the group of seven next year and we hope to lead an initiative to restore dialogue. I will also be talking to Indian government leaders to ascertain if their thinking is on the same lines. Social and environmental problems lead to failure at Seattle.

We will be leading a delegation to China later in the year, but this is our main trip so far. "I have come with 50 industrial and financial leaders and their institutions, so this trip to India is important for us," he emphasised.

The minister insisted that Italians wanted a more open Indian market.

Earlier at a seminar held by the visiting Italian delegation, the president of the Indo-Italian chamber of Commerce and Industry, Narinder Nayar pointed out that most of the joint ventures between Indian and Italian firms were in the small and medium scale sector.

The Italian business delegation consisted of members of Assocamerestero, the apex body of the Italian Chambers of Commerce Abroad which represents 62 Italian Chambers of Commerce Abroad, and generates over 200,000 business contacts every year.

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THE TIMES OF INDIA

19 OCT 2000

# India, Italy set to forge broader economic ties

By Alok Mukherjee

NEW DELHI, OCT. 18. Italy has been quick to build on the positive atmosphere created by the visit of the Prime Minister, Mr. A.B. Vajpayee, to that country in June this year. Within three months of that visit, the Italian Minister for Industry and Foreign Trade, Dr Enrico Letta, flew into India with a 30-member delegation of private industrialists, bankers and public sector officials to "forge a broader bilateral trade and economic relationship."

In a conversation with *The Hindu*, Dr. Letta said that Mr. Vajpayee, during his stay in Rome, gave Italian industry representatives an attractive picture of the Indian economy and the broad policy initiatives taken by the Government on the economic front. "That created a lot of interest about India and we decided to start working on it at once. In fact, your Prime Minister and my Prime Minister seemed to have clicked immediately and a new chemistry developed between them," Dr. Letta said.

The Italian Minister explained that Italy had a strong presence in India in the 1980s, but due to domestic political developments and large-scale economic reforms undertaken to get into the European single currency union, most of these companies withdrew from the global market. "Today, there are a few big Italian presence in India like Fiat and Piaggio and we will continue with them. That apart, we intend to diversify our relationship to other emerging areas such as pharmaceuticals, information technology, tourism, etc. In fact, tourism is one industry which is bound to grow world over and India and Italy are uniquely placed to develop their respective sectors given their rich historical and cultural heritage."

To strengthen the bonds in the



Dr. Enrico Letta

tourism sector, India and Italy have already signed a cooperation agreement during Mr Vajpayee's Rome trip. Dr Letta, during current his visit to India, initiated the opening of an office of the Italian tourism bureau in Mumbai and soon, Alitalia, the national carrier of Italy, is going to have six weekly flights between Mumbai and Milan.

Like others, Italy too has a complaint list against India. For one, it wants increased patent protection in this country since "we are not into quantity production but quality production and it is very important to us to have intellectual property protection," Dr. Letta said. Italy also wants a quick re-start of the World Trade Organisation (WTO) negotiations which got stalled in Seattle last year. "It is important to have strong international trade rules in a globalised world. India has its concerns about unfulfilled commitments of the Uruguay Round and we want a fresh round to begin. Our view is that both can be done simultaneously - complete the Uruguay Round commitments and also broaden the agenda for the new round," Dr. Letta explained.

Another concern of the Italian

industrialists is about the multiplicity of taxes in India - both at the Central level and at the State level like octroi, sales tax, etc. "Our companies complain that they are taxed heavily in India. I have brought this to the notice of the Finance Minister, Mr. Yashwant Sinha. We have also invited Mr. Sinha to visit Italy in January next year to dispel the apprehensions of our investors."

"Then bureaucracy remains a problem - it is a problem in India, it is a problem in Italy," the visiting Minister lamented.

Despite these hitches, Dr. Letta was confident that the bilateral economic relationship was bound to diversify and grow. "I am supposed to visit China, but I came to India first. That is our priority for India." Being a Minister with an economic portfolio, politics was not on the agenda of Dr Letta during his India visit. "But I am a politician and I was very interested to see how the coalition Government works in India - supported as it is by regional parties with a Central party at the core of it. And of course, I met the Leader of the Opposition, Mrs. Sonia Gandhi, and discussed the Congress party's programmes and plans for the future." Dr. Letta revealed that his interaction with Mrs. Gandhi was in English.

## U.K. to issue more work permits

LONDON, OCT. 18. Britain is planning to issue 30,000 more work permits next year as part of the Government's drive to allow well-qualified foreign recruits, including IT experts, into the country, the Employment Minister, Ms. Margaret Hodge has said. The figure, an increase of around 40 per cent on the 90,000 permits issued last year, follows a relaxation of rules unveiled earlier this month, officials here said. — PTI

THE HINDU

19 OCT 2000

# Italy's new approach for trade ties with India

By R. Gopalakrishnan

**MILAN (Italy), Oct. 8.** The Italian Trade Commission (ICE) has started adopting a new approach to promotion of ties between business sectors in Italy and developing countries like India, according to Mr. Riccardo Landi, Manager-Machinery and Capital Goods, of ICE.

One of the initiatives is to give the primary place to users of Italian industrial products rather than their agents and distributors in trade partner countries, in invitations to trade fairs in Italy. This approach was meant to promote direct communication, understanding and ties between Italian manufacturers and their customers, especially in developing countries. "This explains the fact that the present Indian delegation to the 22nd Bi-Mu Fair in Milan on machine tools, robots and automation, sponsored by ICE, comprises largely of users and potential users of Italian machinery and not distributors/agents as used to be the case in the past," Mr. Landi told *The Hindu*.

Italy had also taken care to invite "opinion leaders" in industries concerned as part of business delegations. "This shows how confident we are because it is difficult to mislead opinion leaders in respective indus-

tries and conceal our weaknesses," he observed. ICE had also decided to launch efforts to create awareness of Italy's industrial potential in a widely disseminated target centres, rather than restrict promotional efforts to metropolises. As a result of this approach, early this year, Italian machinery industry delegations in sectors such as textile machinery, wood processing, marble processing and foundry had visited Coimbatore and Bangalore and a few more centres and had organised seminars and one-to-one meetings, Mr. Landi said.

In fact, the Italian government has in the past year changed its approach to international trade as a whole, Mr. Landi said. The first consequence of this was to abolish the Ministry for External Trade (under which ICE was functioning) and merge it in the Ministry of Industry in 1999, and the latter has now absorbed ICE. This would enable a synergistic and holistic approach to global promotion of Italian trade and investment. "Soon enough, the Industry Ministry is likely to absorb more entities like the Ministry of Tourism and renamed as Ministry of Economy," Mr. Landi said.

What are the implications arising for users of Italian machinery from the Italian machine tool industry's plans — as outlined by the President

of UCIMU at the inauguration of the 22nd Bi-Mu Fair here on October 3 — to go in for digitalisation and incorporation of knowledge-based systems in machinery across economic sectors? According to Mr. Landi, the most important implication will be the need for users to give primacy to training of personnel since the technologies incorporated would tend to become obsolete very fast. Retraining for managers in marketing and administration would also be necessary.

Mr. Landi said though the capabilities of Italian machinery and machine tool industries were not inferior to those of its German counterparts, there was not enough awareness about this fact in several parts of the world because of inadequate promotion.

Also, Italy had very few multinational corporations (MNCs) — hardly a dozen — arising from its soil, in contrast to Germany, which had an impact in terms of awareness in the world market place. At the same time, the relatively small size of the Italian firms placed them at an advantage in terms of the capability to respond quickly to changes in the requirements of the individual customer or the market, provided Italian firms were able to overcome weaknesses in

the communication system.

Has ICE studied the possibility of the Italian machinery and capital goods industry taking advantage — in terms of selling opportunity as also setting up production units — of the India-Sri Lanka Free Trade Agreement (already in force from March 2000) which offered tariff concessions on final products as also raw materials in select sectors such as textiles, irrespective of the ownership of enterprises? While stating that the ICE had not made any study and would look at it in future, Mr. Landi added that going by China's record, tariff concessions were successful in attracting investment from around the globe. He pointed out that China offered duty-free import of machinery provided the enterprise had a minimum of 25 per cent of foreign capital and there was no ceiling on foreign stake for taking advantage of the concession.

Mr. Landi indicated that ICE, in cooperation with ASSOMAC, the Italian association of producers of machinery for the tanning industry, would launch next year a plan to make Italy a partner in the West Bengal Government's efforts aimed at re-location, restructuring and environmental upgradation in the tannery sector of that State. "Our

plans are now in a preliminary stage of preparation, but I am confident that going by a similar project in Morocco, aided by Italy, the latter could contribute substantially to the concerns of governments, the tanning and leather sector and the public, regarding sustainable and environmentally compatible production systems." Italy was likely to fund feasibility for the project, he added.

Mr. Landi said Italy was hopeful of taking advantage of strong and favourable conditions in what he called the "Mediterranean market" which included Morocco, Turkey, Tunisia, Egypt and Syria. However, this could materialise only when political tensions relating to West Asia which diverted attention and created hostilities were minimised, if not eliminated.

The ICE executive said Indo-Italian economic relations were set for a boost shortly with the scheduled visit, in the middle of this month, by the Italian Minister for Industry, Mr. Enrico Letta and Foreign Trade, to Mumbai and Delhi. ICE was also confident that at least 20 leading Italian manufacturers would participate as exhibitors in the IMTEX exhibition in India early next year and 70 to 80 in the ITME in Mumbai next month.

9/22/00  
11/10

# Germany to resume assistance to India

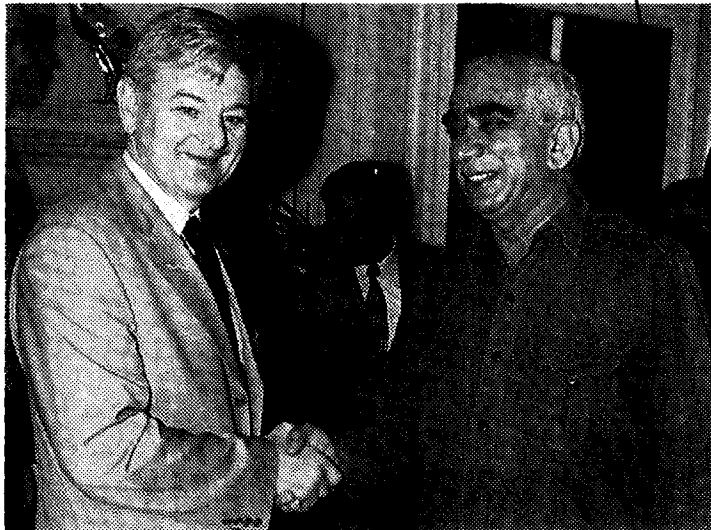
By Our Special Correspondent

**NEW DELHI, SEPT. 30.** Signalling the complete normalisation of Indo-German ties after the Pokhran nuclear tests, Germany today took the lead in resuming developmental assistance to India.

Addressing a press conference with the External Affairs Minister, Mr. Jaswant Singh, the visiting German Foreign Minister, Mr. Joschka Fischer, today said Germany was ready to reopen developmental assistance to India as part of its efforts to improve ties with New Delhi. The assistance, which revolved around transfer of soft loans, was stalled after the nuclear tests in May 1998. According to Mr. Fischer, the transfer of these loans would resume after completion of the necessary formalities.

On India's presence in an expanded Security Council, Mr. Fischer said Germany "appreciated" India's readiness to take on the responsibilities of a council member. India, he said, was "one of the key elements" of a new world order which had emerged after the Cold War.

In response, Mr. Singh said India was ready to accept the responsibility of a permanent member in an enlarged Security Council. The two countries were not competing with each other for



**The German Foreign Minister, Mr. Joschka Fischer, with the External Affairs Minister, Mr. Jaswant Singh, in New Delhi on Saturday. — AP**

a slot in the council, he said. Mr. Fischer pointed out that Germany was committed to a multi-polar world order which only a reformed United Nations could guarantee.

Germany rejected the use of terrorism to promote political ends, but supported the solution of Indo-Pak. differences through peaceful means. It had expressed complete solidarity with India over the hijacking of the Indian

Airlines plane. He lauded the Prime Minister, Mr. Atal Behari Vajpayee's "courageous step" in visiting Lahore so that Indo-Pak. relations could be normalised.

On the Comprehensive Test Ban Treaty, Mr. Fischer said Germany was committed to the enforcement of the ban. He hoped all countries including India would sign the CTBT, but added that the U.S. Senate had blocked the ratification of the treaty.

THE HINDU

1 OCT 2000



# Yugoslav envoy urges Indian role in the Balkans

HT Correspondent  
Calcutta, June 1

INDIA CAN play a major part in resolving strife in the Balkans by stepping up its role of "moral force and conscience-keeper" of the world. This was stated by Yugoslav ambassador to India, Dr Cedomir Strbac, here today.

Strbac said that while his country was "very thankful" to India for speaking out against the "barbaric" aggression perpetrated by the North Atlantic Treaty Organisation (NATO) from March to June last year, Yugoslavia would be looking forward to more "political and diplomatic support". Strbac is here to explore possibilities of improving trade ties between his country and eastern India, particularly West Bengal.

Speaking about conditions in Kosovo, nearly a year after the entry of the United Nations forces in that southern province, the ambassador said: "the situation there is worse than ever. It's a land of chaos now - lawlessness, violence, drug trafficking, prostitution, social ills and strife have reduced the province to hell". More than 300,000 Serbian residents of the province have become refugees and UN intervention has not been of any help," he said.

Speaking to reporters, Strbac said his country's only "guilt" was to stand firm against "extremist forces of secessionism and defend

itself against Albanian terrorists". The secession of some provinces had given rise to civil strife, which was an excuse for NATO to intervene.

The ambassador gave a vivid account of the damage caused to Yugoslavia, which had been pulverized by 25,200 tonnes of explosives dropped during air sorties during the 78-day period from March 24 to June 10.

The bombings, he said, had caused damage to the tune of \$ 100 billion and had killed more than 2000 Yugoslavs, nearly a third of whom were children.

"More than 7000 people have been seriously injured and maimed, 422 school facilities damaged and 82 bridges, 48 health institutions and 74 TV transmitters destroyed," he said. More than 120 industrial, commercial and agricultural facilities were damaged, rendering 600,000 workers jobless and 2.5 million people without means of sustenance, he added.

Terming Yugoslavia as the "most civilized and beautiful country of Europe", West Bengal Deputy Chief Minister Buddhadev Bhattacharyya lambasted NATO for its blatant aggression that, he said, "is stark evidence of US imperialism".

Bhattacharyya, who inaugurated a photo exhibition at Gorky Sadan, documenting widespread damage caused by NATO bombings of Yugoslavia, recalled India's close ties with that country.

THE HINDUSTAN TIMES

2 JUN 2000

# German apex trade bodies revamp India panel

Manik Mehta  
BERLIN 12 JUNE

GERMANY'S APEX industry and trade associations, which wield considerable power and influence, have revamped their common India Committee in a bid to intensify interaction with India and pave the way for greater bilateral trade and economic cooperation.

The India Committee has been formed by several associations, including the Federal Association of German Industry, the Association of German Chambers of Commerce and Industry, the Asia-Pacific Business Association, the Federation of German Banks, the Indo-German Chamber of

Commerce and the Indo-German Society. The committee is based in Berlin and its management rests in the hands of the Federal Association of German Industry.

Gerhard Jooss, a director in the board of management of Thyssen Krupp AG, has taken over the chairmanship of the India committee from Guenter Wilhelm, a member of the board of directors of the German multinational Siemens AG. Mr Wilhelm headed the India Committee since 1994 and has had a "highly successful" term, according to industry sources in Berlin.

Mr Jooss is considered to be the driving force behind Thyssen

Krupp's foray into Asia's huge market and has gathered what is described here as "live-wire exposure" to the Indian subcontinent. As a member of the steering committee, he has been actively involved since many years in the India Committee.

## FOR BETTER TIES

Mr Jooss is currently in charge of the organisation of the company's foreign operations, finance, taxation and customs, materials management and information technology.

Observers in Berlin and Frankfurt said Mr Jooss' appointment coincides with an interest-

ing phase in India, when the country is renewing efforts to push through the much-awaited second generation economic reforms. Consequently, a great deal of interest has been generated in German industry for India, following a period of stagnation in recent years.

The main task of the India Committee is to represent the interest of the German industry in creating what the Germans frequently describe as "favourable framework conditions" in India.

The committee has been charged with promoting economic relations with India and pursues the goal of expanding the presence of German small and medium-

sized companies — known as the Mittelstand — in India. The committee also takes into consideration the desire expressed by India for better market accessibility in the European Union and for intensification of economic cooperation.

The German industry has been noting, not without a sense of envy, that India's trade with the US has been steadily growing and so have American investments in India. Of particular concern to the Germans is the fact that India is emerging as a software giant and its "incredible capacity" to develop even the most intricate software, as one German executive put it, is going to the advantage of the US.

— IANS

The Economic Times

11.5 JUN 2001

# PM's visit may strengthen ties with Italy

By K. K. Katyal

**NEW DELHI, JUNE 13.** Italy counts on the visit of the Prime Minister, Mr. Atal Behari Vajpayee, later this month to raise its profile in India — considered important for increased economic cooperation and political interaction.

The pursuit of this objective is certain to be helped by a proposal, envisaging "green cards" for 6,000 to 7,000 Indian experts in information technology.

The details, now being worked out, may be made known during the Prime Minister's stay in Rome. The idea is to ensure grant of hassle-free permits for residence.

Italy likes to strengthen its ties with India, both bilaterally and as part of the European Union — in economic and political matters.

Mr. Vajpayee's discussions in Rome (June 25 and 26) may, thus, additionally be a curtain-raiser for his summit meeting with the E.U., at his next destination, Lisbon (June 27 onward).

The format of the Indo-Italian

economic discussions has been so shaped as to involve the private sector of the two sides. It will be in the form of a seminar to be attended by a delegation of the FICCI as also the representatives of the Italian apex organisation and may be addressed by the Prime Ministers of the two countries.

The seminar will seek to build upon the recent upturn in trade (\$ 2 billion last year) and investment. The concerns of the Italian investors may not be any different from those of their counterparts in other industrialised countries — heavy burden of taxes, lack of clarity of legislative measures governing economic dealings, and the need for carrying forward the reform process (considerable promise is seen in the first 100 days of the present Vajpayee Government but not in the subsequent 100 days).

The political situation does not seem to cause worry, there being no apprehension of instability.

The discussions of political issues will cover — as has been the

case with contacts at this level elsewhere — the developments in their respective regions, South Asia and Europe, apart from bilateral subjects.

From among the issues in the second category, the Italian side may raise the issue of attacks on the places of worship of the Christians as also the targeting of Christian priests — and this may require Mr. Vajpayee to do some explaining of the situation. (A visit to the Vatican is not part of the Prime Minister's itinerary in Rome).

The reform of the U.N. and India's claim to a permanent seat in an expanded Security Council may well be among the political subjects to be taken up by the Prime Minister with his hosts.

Italy would not like the reform process to take a shape that may condemn it to a secondary status for a long time to come. Its preference is for an increase in the quota of non-permanent members. Italy, however, considers India qualified for a slot in the Security Council.

In the immediate context, it will seek India's support in its bid for a non-permanent seat. Italy will be the next chairman of the G-8 (the grouping of industrialised countries) and may like to apprise India of its priorities — the fight against terrorism and emphasis on nuclear non-proliferation. And like other major powers, it would like India to join the Comprehensive Test Ban Treaty.

As for the developments in the two regions, Mr. Vajpayee is certain to brief the Italian side on India's approach to Pakistan and related matters.

Italy, like others in the E.U., as is known wants the Lahore process to be revived. Sri Lanka will be another obvious topic.

On its part, the Italian side will brief Mr. Vajpayee on the progress of the integrative process of the E.U. and its expansion, the situation in Balkans and the West Asia peace process, especially in the wake of the death of the Syrian President, Mr. Hafez-al-Assad.

THE HINDU

27 4 JUN 2000

## COOPERATION CLAUSES MAY INCLUDE TARIFF REDUCTION

# India, EU plan unique vision statement for future ties

Indrani Bagchi

NEW DELHI 16 JUNE

**I**NSPIRED BY the US, India and the European Union (EU) will be signing a vision statement when the Prime Minister goes to Lisbon next week to attend the first ever India-EU summit.

Structured in the form of a joint declaration, the statement will reflect the envisaged future of Indo-EU relations.

Among the clauses on terrorism and international security will reside the tangible economic cooperation clauses, including proposed hard decisions like tariff reductions.

In fact, the commerce ministry believes the "time is ripe for looking into strengthening our relations and examining the possibility of a regional trade agreement with European Union."

This was floated by additional secretary Nripendra Misra at a CII seminar on the subject on Friday. Which is why the joint declaration in Lisbon is expected to reflect some of the steps

towards a freer trading system between India and the EU.

It is easy to dismiss the idea as one whose time is yet to come, especially given the asymmetry in trade policies of the two nations.

However, in the current picture of the globalised world, India needs to engage intensively on a bilateral basis with all the three major regional trading arrangements currently in place.

These were identified by economist Bibek Debroy as Nafta (encompassing even South America in the foreseeable future), EU and Asean plus three (i.e. China, Korea and Japan).

Since only South Asia (read India) and Africa are out of the loop, it is important that India set up bilateral preferential trading arrangements.

EU is India's largest trading partner with a bilateral trade touching \$20 billion. But it has taken EU a while to recognise India as an emerging economic and political power. Central to this recognition is not only

India's sustained economic growth, especially in the New Economy sectors, but also Europe's tentative steps towards evolving a common foreign and security policy (CFSP).

A fallout of a crucial defence ministers' meeting on November 15, 1999 was that the emerging CFSP received a leg-up with increased cooperation in military affairs.

Currently involved in implementing the reforms under the Amsterdam Treaty of 1997, EU is finally acquiring teeth in the CFSP.

But what it needs to acquire more than anything else is a comprehensive European outlook and capability. It is in this new-and-improved outlook that India finds a place, not merely in an Asian but a global context.

However, it is clear that India's relations with the EU Big Three (Germany, France and UK) will remain "individualised," especially in areas of international security, trade and human rights, labour etc.

17/6/00

17 JUN 2000

17 JUN 2000

# Belgium-Flanders region keen on Indian investments

By S. K. Ramoo

**BANGALORE, JUNE 17.** The Export Vlaanderen regional office at Bangalore, inaugurated by the Chief Minister, Mr. S.M. Krishna, recently is meant to promote exports and investments from the Flanders region of Belgium. It will also support Flemish firms to conduct business in India. The Bangalore office will be catering to Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. Mr. Paul Hegge is the chief trade commissioner stationed in New Delhi and Mr. Jayant Nadiger, based here, is serving as its Trade Commissioner for South India.

Export Vlaanderen in the last two years has organised several trade missions in sectors such as ports, textiles, health care, environment, waste treatment technology, food processing and the software. It is planning investment seminars for Indian firms that are eager to set up offices in the Belgium Flanders region for penetration of the European market.

The Flanders region has become a centre for several companies, specialising in information technology and related fields, including e-commerce. It also houses several multinational pharmaceutical firms and is a manufacturing base for cars, buses and trucks.

Lernout & Hauspie (L&H) in Flanders is a global leader in advanced speech and language software for both home and office. Its products are based on four core technologies — automatic speech recognition, text-to-speech, digital speech and music compression and text-to-text translation.

Flanders Language Valley is a cluster of high-technology companies, offering specialisation in the realms of speech, artificial intelligence and language. Many of them are building tailor-made dialogue applications for service-oriented customers, including banks and travel agencies. The Digital Signal Processing Valley has the inter-university Microelectronics Centre, one of the top research groups

in the field. The region also has several world-renowned e-commerce companies. Agfa, a Flemish multinational, is in the forefront of medical imaging.

The City of Antwerp in Flanders has a flourishing global diamond centre. The Antwerp Port is ranked fourth in the world and second in Europe. It has the second largest petro-chemical complex, after Houston in U.S.

The Port of Ghent specialises in the shipment of fruit juice and storage of deep-frozen products. It also handles grain products. It is a base for the shipment of Honda cars to Europe. Volvo cars and Volvo trucks are assembled at the port town for worldwide distribution.

The Port of Zeebrugge, which witnessed a massive expansion in recent years, is a deep water harbour that provides access to large vessels and has emerged as a leading European port. Flanders assembles more than a million cars annually. The family-owned Van Hool is a major bus and coach manufacturer and has been exporting around 80 per cent of its passenger vehicles. Its luxury coaches are popular both in Europe and the U.S. It also manufactures industrial vehicles.

Every year consumers outside Flanders buy about 70 per cent of the trendy furniture produced in the region.

Kereon is a leading designer and manufacturer of light fittings intended to highlight architectural aspects of space and optimise light potential. Some 70 per cent of its turn over is exported.

## BULLION RATES

June 17 rates in rupees with previous rates in brackets:

Chennai	
Bar silver (one kg)	.....8,220 (8,220)
Retail (one gm)	.....8.45 (8.45)
24ct gold bullion (10 gm)	...4,641 (4,654)
22-carat retail(one gm)	425 (427)
Mumbai	
Silver spot (.999 fineness)	..8,025 (8,010)
.916 fineness	.....7,890 (7,885)
Standard gold	.....4,560 (4,550)
22-carat gold	.....4,220 (4,210)

16 JUN 2000

# EU-India summit next week to help bilateral trade

PRESS TRUST OF INDIA  
BERLIN, JUNE 18

**B**ACKED by calls for making India a "privileged partner", the 15-nation European Union (EU) is looking forward to its first ever summit with India in Portugal next week as an opportunity to enable bilateral trade surpass \$20 billion and to give their relations a "clearer identity and political consistency."

EU's summit with India at Coimbra, near the Portuguese capital Lisbon, is being variedly described as the 'high point' of EU-India relations and a "very important event" to give "additional impetus" to these ties dating back to the early 1960s.

Officials of the European Commission, the executive body of EU, told PTI from Brussels that there is a real possibility to upgrade the relationship between EU and India in all its dimension — political, economic, social and cultural.

Prime Minister Atal Behari Vajpayee will be attending the summit on June 28 and will confer with the top EU leadership.

The EU will be represented by the Portugal Premier Antonio Guetres in his capacity as president of the EU council, EC president Romano Prodi, EU high representative for common and foreign and security policy Javier Solana and EC's external relations commissioner Chris Patten.

India becomes the sixth country after the US, Canada, Japan, Russia and China to have a summit with EU.

The European parliament in a resolution on EU-India relations late last year wanted India to become a "privileged partner" of the EU in both political and economic terms.

Commission officials while expressing optimism that the summit would "encourage growth" in Indo-EU trade, noted that India took only a share of 1.3 per cent of EU's imports, exactly the share of Hong Kong, and even lower than Singapore. China's share of European imports was about six per cent.

The bilateral trade volume in 1999 was estimated at about \$19 billion and is essentially balanced

with India keeping a "small surplus", they said.

Officials said India's comparative advantage in Information Technology should be exploited as a strategy to expand the trade volume. India's export basket — textiles, shoes and agricultural goods — has essentially remained the same for over a decade, they noted.

EC officials said there would not be a focus on any specific issue at the Lisbon summit.

"It (summit) is a meeting between partners and friends and all issues of common interest will be discussed," they said.

The situation in South Asia and nuclear disarmament are expected to be among the political issues to come up at the summit.

EU officials indicate that no formal agreement is expected to be signed at the summit, but the two sides would come out with a joint declaration outlining the future contours of Indo-EU cooperation, something on the lines of the Indo-US statement signed during President Bill Clinton's visit to India earlier this year.

The frequency of future Indo-EU summits would be highlighted in the declaration with officials optimistic that the meetings at the highest level would now be held at regular intervals.

The European parliament is in favour of annual Indo-EU summits and has suggested to the EU to make its political and economic relations with India a "priority" of the common foreign and security policy.

At the summit, the EU leadership would also be looking forward to an Indian assessment of progress made in accelerating the second generation economic reforms.

EU's trade commissioner Pascal Lamy has indicated that the "second generation" economic reforms are the "key factor" for the growth of Indo-EU economic and trade relations.

If stable and predicible conditions are created, this will boost EU investment in India to an inflow of technology and know-how," said Lamy.

EU investment approvals in 1998 is estimated at about \$2.1 billion.

# EU summit to step up nuclear heat on Atal

FROM PRANAY SHARMA

**New Delhi, June 19:** The European Union has decided to bring up the contentious issue of India signing the Nuclear Non-Proliferation Treaty (NPT) when Prime Minister A.B. Vajpayee visits Portugal for the EU-India Summit at the end of this month.

"We will ask India to sign the NPT and also initial and ratify the Comprehensive Test Ban Treaty (CTBT)," said Portuguese ambassador to Delhi Manuel Marcelo Curto. Portugal currently holds the presidency of the EU.

Curto said the EU believes that

the UN Security Council resolution 1172, passed after the South Asian nuclear tests in May 1998, was still relevant. The resolution had asked both India and Pakistan to join the international arms control regime and give up their nuclear and missile programmes.

Vajpayee, who arrives in Lisbon on June 27 after a two-day visit to Italy, will also hold a meeting with Portuguese leaders. He is the first Indian Prime Minister to visit that country. The delegation also includes foreign minister Jaswant Singh, national security adviser Brajesh Mishra, finance minister Yashwant Sinha, com-

merce minister Murasoli Maran and information technology minister Pramod Mahajan.

The invitation for the summit is a recognition of Delhi's emergence as a major global player. The EU has emphasised that the meet will "essentially be a political dialogue" at the end of which the two sides are slated to come out with a joint declaration on the future route they propose to take.

So far, the EU has held regular summit sessions with only five countries — the US, Russia, China, Japan and Canada. But along with the status of a global player, sources in the EU insist

that India would also have to share the responsibilities. Global disarmament is one of them and, according to the EU, NPT is a "cornerstone" in that direction.

The EU — India's largest trading partner — released a strongly worded statement after the May 1998 tests, but was against imposing sanctions on Delhi and Islamabad. "We felt dialogue is a better way out," Curto said, explaining the EU position.

Since then, the two have regularly interacted at both ministerial and official levels and the forthcoming session, sources said, indicated that both sides are now keen

to broaden their relationship.

What is interesting is the EU's decision to broach the NPT issue at a time when other western countries like the US, with whom Delhi is engaged in a dialogue on disarmament, have stopped insisting that India sign the treaty and indicated that they will be satisfied if it signs the CTBT.

Though Delhi does not have problems signing the CTBT, it has been stalling a decision on the plea of building a national consensus. But it has serious reservations about the NPT which, it feels, is unequal and should be changed keeping in mind the new

realities. This, in effect, means recognising India as a nuclear weapons state.

The EU feels that the two sides are mature enough to discuss any issue. "You don't need to come to an agreement with a friend. However, that does not mean you cannot have a free and frank exchange of views," Curto said, referring to India's views on the NPT.

"We are aware of India's security concerns. But when you go into a summit, you need to discuss all issues to know, appreciate and understand each other's position better," he added.

THE TELEGRAPH

20 JUN 2000

HD-13  
20/6

# 'France alive to terrorism menace in subcontinent'

97  
Ewija

By **Vaiju Naravane**

**PARIS, JUNE 19.** Combating international terrorism was the focus of discussions between the Union Home Minister, Mr. L. K. Advani, and the French Interior Minister, Mr. Jean Pierre Chevenement.

"I proposed the setting up of a joint Indo-French group to which the Minister responded very favourably. It would be similar to the one we have already formed with the United States. I have invited Mr. Chevenement to India and we will have the formal signature during his visit. The exact dates for the visit have still to be finalised, but the exchange of officials who will set this up will begin as soon as I return," Mr. Advani told *The Hindu*.

On a global convention against international terrorism, he said: "The Minister told me that France had mooted an international convention on curbing financial support to international terrorism. I assured him that India would rat-

ify that convention. He told me France would back India's proposal on combating terrorism," Mr. Advani said.

"The French Minister was fully aware of the terrorism situation in the Indian subcontinent. In fact, he said that he was aware of the fact that terrorism in Pakistan and Afghanistan was financed by drug money," Mr. Advani said.

The French Ministersaid that exchanging information and setting up Indo-French cooperation to fight terrorism was part of the continuing strategic dialogue between India and France.

"We must institutionalise and strengthen our cooperation on this question," Mr. Chevenement said.

He spoke to Mr. Advani of French experience in fighting terrorists from Algerian Islamic fundamentalist groups who had unleashed a terror campaign in France from 1995 to 1997. The internal security plan known as Vi-

gipirate successfully neutralised that threat.

At a meeting with journalists here, Mr. Advani said the "biggest threat to India's internal security is the proxy war Pakistan has been waging against India" He described the present state of Indo-French relations as excellent and very satisfactory. "Throughout a period where we did seek international support and the manner in which France endorsed our stand on so many issues is a matter of great satisfaction," he said.

Following his meeting with the French Minister, Mr. Advani travelled to Lyon for a visit to the headquarters of Interpol, international anti-crime agency and held talks with its Secretary-General.

Mr. Advani, who arrived in Paris on Sunday from Israel where he had met senior Israeli leaders and inspected security zones along the border with Lebanon, is to leave for London for meetings with the British Home Secretary, Mr. Robin Cook.

THE HINDU

10 JUN 2000



# India, France vow unity against terror

51-5  
2/16

INDIA ABROAD NEWS SERVICE & PTI

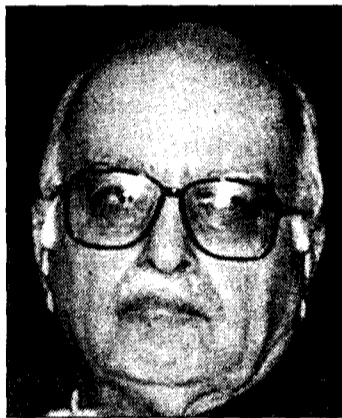
PARIS, June 20. — France will send a senior official to India to discuss modalities of closer bilateral cooperation in combating international and cross-border terrorism.

This was stated by the French interior minister, Mr Jean Pierre Chevenement during talks with the home minister, Mr LK Advani here.

Informed diplomatic sources told IANS after the hour-long meeting that the two ministers were on an "excellent wavelength", and that Mr Chevenement had been "most responsive" to Mr Advani.

"He (Mr Chevenement) expressed his happiness over Mr Advani's visit and said that the strengthening of relations between the two ministries and cooperation on common issues like combating terrorism was an extension of the strategic relationship that is currently being built between India and France," one source said. "He also acknowledged the convergence of views between India and France on the issue."

Details of the visit of the senior French official will be finalised soon. The visit will fo-



Mr LK Advani

cus on two main issues: modalities to steer the global convention on terrorism that will be moved by India at the UN General Assembly in October; and possibilities of cooperation between internal security agencies of the two countries, especially training of Indians by French experts.

Mr Advani sought French endorsement for the convention on terrorism. Mr Chevenement readily agreed. French support for the Indian resolution is crucial since Paris becomes president of the 15-member EU in July. France is also an influential member of the G-8 group.

Mr Advani briefed Mr Chevenement on India-Pakistan relations, and iterated New Delhi was willing to talk to Islamabad on any issue — provided Pakistan first stops aiding and abetting cross-border terrorism and infiltration.

He told Mr Chevenement he was optimistic about successfully launching talks with J&K militants. India, he said, had initiated a political process by releasing many Kashmiri leaders, and was hopeful of being able to talk with them within the Constitution framework.

Mr Chevenement accepted Mr Advani's invitation to visit India. Sources said the visit could take place this year.

Later, Mr Advani visited the Interpol headquarters at Lyon. He familiarised himself with the working of the organisation, and how national governments could benefit from it, especially in fighting international crime.

The home minister held detailed discussions with senior Interpol officials. "India asked Interpol to exert pressure on countries which do not cooperate in nabbing terrorists and transnational criminals," official sources told PTI.

THE STATESMAN

21 JUN 2000

# Portugal is prime mover behind summit between EU and India

By Seema Guha 2/16

NEW DELHI: When Atal Behari Vajpayee flies to Lisbon later this month, he will be the first Indian prime minister ever to pay an official visit to Portugal.

A visit from New Delhi was long overdue, if for nothing else than to say "Thank You."

Portugal, as rotating president of the European Union (EU), was the prime mover in organising the India-EU summit. The EU has such summits with the US, Japan, Canada, Russia, China and now India.

It is in fact the EU's recognition of India's potential as a "major player in Asia and the world," Manuel Marcelo Curto, Portuguese ambassador to India, said on Monday.

Not forgetting to stress that "the position comes with added responsibilities." Among other things, responsibility implies restraint and a commitment to nuclear non-proliferation in the EU agenda.

While India and the EU have a common commitment to a nuclear free world, the road map each advocates in getting there is different.

In fact though major countries like the US, UK, France, Russia and even Germany, have accepted the

reality of India's nuclear programme, EU as a body still harps on India signing not just the CTBT, but the nuclear Non-Proliferation Treaty (NPT) and the UN Security Council resolution which calls for a rollback of India's nuclear programme.

This is because the EU works by consensus and many of its members are staunch crusaders of nuclear non-proliferation.

While India has in principle agreed to sign the CTBT, it has categorically said no to the NPT.

These differences will not be swept under the carpet, but will be discussed candidly at the India-EU summit.

Much of the arguments and counter arguments will not be made public.

The joint declaration expected to be released at the end of the meet on June 28 is likely to stick to general principles of non-proliferation, which all nations easily adhere to.

Ambassador Curto frankly admitted that there were differences

in the respective position of both sides.

"You don't come to agreement with friends because you think alike." But the fact remains that the EU understanding of India's concerns are now much better.

Dialogue had helped and will continue to do so in future. Talks on these issues "will not be unfriendly but contentious."

Despite these irritants India-EU ties are ready to take off. The joint declaration will "not go on about the past but look to the future."

It will establish an architecture to tackle the main global challenges," Ambassador Curto explained.

He stressed the dialogue between the PM and EU top notches in Lisbon will be mainly political. Economic issues would flow from the politics.

"Every economic move of the EU has a political agenda." The EU, incidentally, is India's largest trading partner.

THE TIMES OF INDIA

JUN 2000

# Italy hopes to deepen ties with Asia

By Vaiju Naravane

ROME, JUNE 22. The Prime Minister, Mr. A.B. Vajpayee, will be in Rome on a two-day official visit to Italy starting June 25, just prior to his departure for Lisbon to attend the EU-India summit.

The visit comes at a time when Italy is hoping to deepen and broaden its contacts with Asia and particularly with India since, as a senior civil servant here said, "India is the world's largest democracy and has a crucial role to play in maintaining peace and stability in the region."

The visit will be marked by bilateral talks with a high-level seminar on investing in India which will bring together top businessmen from both countries. Mr. Vajpayee will meet the President, Mr. Carlo Azeglio Ciampi, and have lunch with the Prime Minister, Mr. Giuliano Amato. He will visit the Houses of Parliament and meet the Speaker of the Chamber of Deputies and Rome Mayor, Mr. Francesco Rutelli.

Senior Foreign Ministry officials in Rome said Italy was keen on hearing Mr. Vajpayee's view of developments, both political and economic in the south Asia region. "We have been taking a keen interest in the region. We have had a situation similar to the one India is facing in Kashmir and have been able to resolve it politically by granting substantial autonomy, for instance in the Alto Adige region. We could share our

experiences," the officials added.

The Alto Adige Trentino region lies on the frontier with Austria and is known as South Tyrol. The area, the eastern part of which is almost totally German-speaking, has been declared an autonomous province where Italians and Germans are considered on par. The Italians feel a similar solution could be feasible for Kashmir. There is, however, no terrorist threat in the south Tyrol.

Talking about developments in Pakistan, Sri Lanka and Kashmir, the number two of the Asia and Oceania division, Mr. Raffaele Miniero said: "We are following events with great attention. We feel there is room for a political solution which can be obtained through a constructive dialogue. Of course, we are for maintaining territorial integrity, including in Sri Lanka, but there must also be a respect of the rights of minorities."

Italy's own political instability has meant that it has not been given the importance it merits by officials in India. "I find it difficult to do business with a country where the Prime Minister changes every year and sometimes even within the space of a few months," a senior Indian diplomat grumbled last month.

Although not part of the P5, Italy is the world's fifth-largest economy and is part of the G-8. But while the Indian Foreign Secretary deals with Europe's big three —

Germany, Britain and France Italy is consigned to a desk officer.

In January, the Foreign Minister, Mr. Lamberto Dini, considered the architect of Italy's new pro-active foreign policy, declared that Italy "recognised India's claim" to a Security Council seat.

The Indian Ambassador to Italy, Mr. K.P. Fabian, told *The Hindu*: "The Indian Prime Minister's visit is taking place at a singularly opportune time, when the two countries are showing an increasing interest in intensifying their cooperation. Given the size and potential of the Italian economy, there is tremendous scope for increasing investment in India, not to speak of Italy's ability to provide technology and management skills in a number of areas, including the small and medium industry sector."

The Small Scale Industries Minister, Ms. Vasundhara Raje, who was at a conference in Bologna, recently told *The Hindu* that she was most impressed with the Italian model for development of SMEs. "Our bilateral trade has increased almost 170 per cent from 1991 to 1999. The presence of a 26-member business delegation, led by the FICCI president, Mr. G.P. Goenka, coming along with the Prime Minister is meant to give a clear signal to the Italian side of the importance India attaches to its economic ties with Italy," says Mr. Fabian.

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23 JUN 2000

# Will India be invited to Asia-Europe summit?

## STATESMAN NEWS SERVICE

**NEW DELHI, June 22.** — Have Indo-EU relations improved to the point where the chances of New Delhi getting invited to the Asia-Europe summit (Asem) are brighter? The Indian foreign secretary, Lalit Man Singh, stuck to saying "we are interested (in Asem)", refusing to be drawn into the question why the forthcoming Indo-EU summit in Lisbon (26-29 June) is not complemented by Indian participation in Asem, to be held later in South Korea.

Asem ranks quite high in diplomatic pow wows, and India's non-participation on the previous occasion had been ascribed by many to disinclination on the part of both the EU and the Association of Southeast Asian

Nations (Asean). With, as MEA officials have been saying, the Lisbon summit implying a considerably better evaluation of New Delhi by Brussels — such summits have been held by EU with only major powers like the USA, China, Russia, etc — could the condition of remaining interested in but not getting invited to an Asia-Europe summit be explained by continued Asean unwillingness?

India's senior most foreign policy mandarin would not comment on that either. Interestingly, in this context, a senior official representing an EU country had earlier told this newspaper that Mr Bill Clinton's visit had a significant role in Brussels' reevaluation of its relations with India. If Asean is not similarly impressed, and

if not, why not, are not areas that MEA officials are willing to address, at least not at present.

The official stress is on the qualitative, in terms of the enhanced status accorded to India, and the quantitative, trade and business opportunities, potential of Indo-EU relations. The Indian delegation to Lisbon will be headed by the Prime Minister, who will be accompanied by the ministers of finance, commerce and industry, information technology and external affairs.

The usual joint declaration apart, the Lisbon summit will also produce an "agenda for action", which will specify "joint initiatives in political, commercial and economic fields".

The last two will presumably have inputs from the large business delega-

tion accompanying the PM's party. The CII-organised business delegation will hold an India-EU business summit on 27 June in Lisbon.

On the political side, the two sides are "expected to reflect their common concern for terrorism". In MEA parlance this usually means India's complaints about Pak-sponsored terrorism will get a more than sympathetic hearing. India should also be happy that days before the Indo-EU summit some European countries have refused to accept the Pakistani military regime's ambassadorial nomination.

On issues which, if raised, could be uncomfortable to India — CTBT, the recent attacks on Christians — the foreign secretary said they were not on the agenda, adding that on CTBT,

India's positions are well known and he did not foresee "any pressure" being put on New Delhi at the summit.

The Lisbon visit will be preceded by a bilateral visit to Rome, where the Indian Prime Minister will meet both the Italian President, Mr Carlo Ciampi, and the Prime Minister, Mr Giuliano Amato. FICCI will hold a business meeting with the Italian chamber, Confindustria.

There will be a bilateral component to the Lisbon visit, too, which will commence after the Indo-EU summit.

This will be the first visit by an Indian PM to Portugal, which, as the EU's current president, was chiefly instrumental, according to the MEA, in arranging the Indo-EU summit.

THE STATESMAN

JUN 22 1993

## Seize the opportunity

It will hardly be a surprise if the Indo-EU summit in Lisbon on Wednesday finds a prominent place for economic issues. With the EU being both the single largest market for India's exports and the single largest source of this country's imports, a significant economic focus in the summit is only to be expected. But it is less certain whether the summit will provide a genuinely new direction to the economic relationship between India and the EU. It is, unfortunately, quite possible that it will get mired in the individual issues on which India and the EU do not share a common perspective. And there is no dearth of such issues. There are sharp differences in the approach to the WTO. While the EU would like a rapid move towards a new round of trade negotiations, India is hesitant to move towards a new round before the effective implementation of existing agreements. And there are several more specific issues, like anti-dumping action in Europe, that can be quite divisive.

If the economic results of the summit are not to be a mere reiteration of known differences, both India and the EU would need to come up with an alternative vision for their relationship. Among the factors preventing the emergence of such an alternative vision on India's side are the remnants of the old developing country mind-set. There is, no doubt, a growing recognition in official circles of the limitations of an approach to international economic relations that focuses entirely on the North-South divide. The divisions among the developing countries are deepening, with the least developed countries increasingly charting their own course. But India's positions on international economic issues are still determined primarily by the old divide between the developing and the developed world. And the reiteration of these positions, whether it is on labour standards or the environment, makes it difficult to explore common ground with individual developed nations. The Indo-EU summit provides an opportunity for India to show that it is willing to break away from the past in search of a new vision. Mr Vajpayee and his team must grab this opportunity.

# Agenda for India-EU summit

Little has changed in partnership terms despite three years of cooperation and coordination. This is the stark background leading up to next week's India-EU Summit. Much, clearly, remains to be done. The first India-EU agreement in the seventies which stressed trade followed an inflationary build-up in the EC, the first oil shock, and the completion of customs union. Trade and market access (GSP) dominated. The next agreement came less than ten years later, after another oil shock; investments figured for the first time.

Now that the latest, and third, meet has been elevated to the 'summit' it is something special. Few developing countries barring China and Russia had been accorded summit status till now. But just as true is the weight of the agenda; it contains the all too predictable paraphernalia of summitry which, as they will all be apparent next week, I do not dwell on. I only stress that the Indian side must assess the tangle, avoid red herrings and cut cleanly through to the economic issues that have led up to this summit. Only then might they be able to set terms in their favour. The Indian contingent will otherwise bring back little more than a suitcase.

The main issues are economic of course, but they need special stress since the cast of the summit will be much wider. The general drift of what is to take place was already signalled in 1996, in a mid-year communication by the Commission to the European Parliament. Apart from trade, it highlighted the need for 'regular political dialogue', the promotion of

greater Indian involvement in international issues, and joint measures to promote sustainable development and social progress. The date of the communication is also sufficient indication that it would be misplaced to see India's entry to summitry as a reward for having developed a BoP surplus a quarter that of China's, or even of having established very firm credentials in software. At best it may be said that the depth of the EU's need for cooperation with India is signalled by its having not delayed matters further because of Pokharan II. The summit might in fact have taken place quite a bit earlier, perhaps last June, had it not been for the PNE!

That is the only inference to be drawn after going through the much later (February 1999) communication from the Commission, again to the European Parliament. This lengthy report, to the committee on foreign affairs, security and defence policy is peppered with ideas like cooperation in R&D, dialogue between EU and Indian think tanks. To that the EP simply urged "the Commission to come forward with a list of priority projects yet to be covered by the Programme, particularly in fields such as high technology IT, telecommunications, envi-

ronment, energy, medical and biotechnology research where they could complement existing EU programmes."

Clearly the EP knows well the importance of India, and Indian minds — even if the entire summit exercise must be cloaked in the formal, and dilatory, garb of political initiatives.

The above gets added point from the contents of the '10-year EU Programme to reform economic policy' very recently agreed on by EU leaders — just three months back (March 23-24) at a special summit in Lisbon.

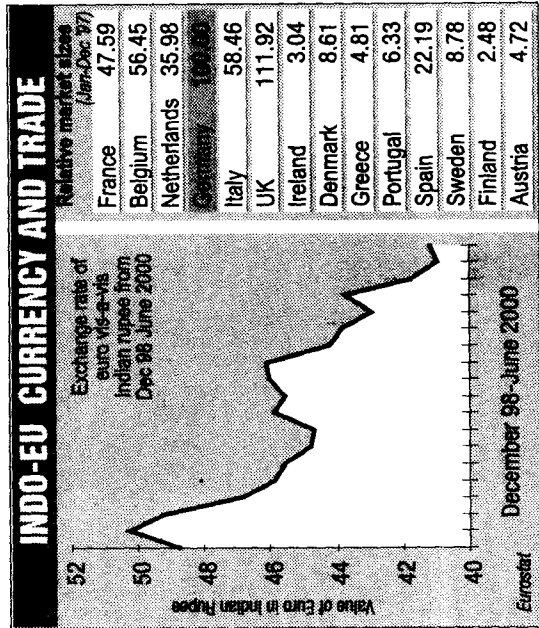
The idea there was that the EU should emerge as the 'most competitive' area in the world by 2010... It was decided to do that by embracing

**The forthcoming India-EU summit must chart out options and joint interests in the New Economy sectors, says Soumya Kanti Mitra**

IT and also generating employment by that route. Other plans include a fully liberalised telecom market by 2002, the slashing of internet access costs through competition by 2000-end, EU-wide legislation to enable the flowering of e-commerce, the creation of an European Research Area for coordinated R&D, easy venture capital funding and tax breaks to assist R&D and hi-tech start ups, an EU Charter for small businesses, and the completion of a 'single market' for financial services by 2005!

These are the issues on to which the Indian side should be hitching on next week, quizzing their counterparts. The risk is that it might go no further than enervated sectors) if the ones to steal the show are the same old tired faces. They will be unable to do better than stress sectors like textiles. Yet, the documented reality is that none of India's four most important export sectors (including textiles, apparel, gems & jewellery) have seen either any change in growth rates or market diversification in the EU over the last twenty years!

India might look as though it has great potential in 'new economy' sectors like electronics, pharma,



and the rest. And Indians here as well as NRIs may also be daily vindicating that potential. But the economy will be condemned to stagnation as long as internal regulations remain as they are; the slowness in liberalising factor and financial markets does nothing to complement innovators and venture capitalists.

Diplomats, political summitteers, love such woolly agendas as they lead to periodic jaunts and workshops but are undemanding when it comes to accountability. Yet there is no need to inveigh if there is a greater understanding, and progress, on other, more fundamental, economic issues.

Finally, next week's summit comes just after what looks like an end to a very bumpy maiden year ride for the euro; it comes when it seems that the extended recession is lifting in most euro-zone member states. That could once again raise EU imports and hike the euro. Both of them would work in tandem to turn the current account surplus of the bloc into a deficit. That, again, would bring out latent protectionist tendencies: competitive imports will hit EU jobs, disappoint all hopes pegged on the current turnaround phase which is already lowering unemployment rates across continental EU.

Care, therefore, needs to be taken that the need to go further along business lines does not get side tracked by officious 'high politics' ('playing to the gallery' politely rephrased). That never brought much employment, or profit, out-side of the chanceries or lecture theatres. We need more open markets instead.

# Vajpayee to meet Pope at Vatican

STATESMAN NEWS SERVICE

NEW DELHI, June 24. — The Prime Minister will call on Pope John Paul II at the Vatican on Monday, during his two-day visit to Italy that begins tomorrow.

The Prime Minister's Office said the meeting between Mr Atal Behari Vajpayee and the Pope was a result of repeated requests from Indian Church leaders. Archbishop Alan de Lastic, who died in an accident in Poland on Wednesday, had been trying to use his "good offices" to organise a meeting between the two.

The decision, however, has evoked a bitter response from the Sangh Parivar. The VHP leader, Acharya Giriraj Kishore, said: "I think the Prime Minister shouldn't meet the Pope without a formal invitation." For him the attacks against Christians are only "retaliation against forced conversion".

The response of Sanskriti Raksha Manch patron, Mr BP Singhal, however, was somewhat guarded. He said church leaders had been urging the Prime Minister to meet the Pope. Mr Vajpayee may have agreed, for "he can't refuse anyone". "Since the initial plan didn't include a visit to the Vatican, it shows that India wasn't interested in the meeting".

Mr Singhal's organisation had wanted the Pope to apologise, during his India visit, for the 17th century massacre of Hindus in Goa. It also wanted the Pope to ask Indian Church

## SORABJEE'S PROTEST

NEW DELHI, June 24. — In a veiled attack on the Bajrang Dal for its reported out-Christian slogans, the Attorney General today said those responsible for them must be sent to lunatic asylums.

"Hindus and Christians are our friends and fellow citizens. Persons who say that Christians are bigger enemies than Muslims should be locked up either in jail or in a lunatic asylum," Mr Soli Sorabjee said in a statement.

Reports quoted a Bajrang Dal leader from Brij region near Mathura as having alleged that Christians were "bigger enemies than Muslims" and that "his organisation was ready to fight wherever churches were active".

Mr Sorabjee said: "Such scurrilous statements cause immense damage to the secular image of our country and government, induce a sense of insecurity in the minds of minorities, and provide ammunition to hostile elements for anti-India propaganda," the Attorney General's statement said. — SNS

- Thackeray blasts Vajpayee, page 11
- Orthodox Church against forced conversions, page 7

leaders to stop "circulating anti-Hinduism literature and ... announce that all religions were equal".

PMO officials said a few weeks ago, the Archbishop and some church leaders had urged Mr Vajpayee to meet the Pope. The Archbishop had promised to get in touch with the Vatican and try to fix up a meeting.

After his sudden death, Church leaders again met the Prime Minister and repeated their request. They felt it would send "good signals" to Christians in the country.

PMO officials said India began its diplomatic efforts to fix the meeting only after that.

But the Sangh Parivar, particularly the VHP and SRM, refused to change their stance against Christians.

Acharya Kishore believes that Christians are facing problems because of their "aggressive stance". He, however, claimed that no Sangh Parivar unit was involved in the attacks.

Mr Singhal has a slightly different view. He said attacks against Christians were part of an international conspiracy spearheaded by the ISI. The ISI is trying to divide Hindus and Christians, to stop India from "getting financial aid from the West, especially the USA".

Mr Singhal too accused Church leaders of trying to "Christianise India by stepping up conversion". Such conversions will have to be opposed at any cost.

**PM wants probe:** Mr AB Vajpayee today asked state governments to thoroughly investigate every incident of violence against Christians and bring the culprits to book speedily, report PTI.

THE STATESMAN

25 JUN 2000

## Attacks on Christians only isolated acts, says PM

HO-1  
26/6  
ROME, JUNE 25. Attacks on members of India's Christian minority are only isolated acts and there is no organised campaign against them, the Prime Minister, Mr. Atal Behari Vajpayee, said today.

"There is no ethnic war being waged between Hindus and Christians," Mr. Vajpayee said in an interview with the Italian newspaper *La Stampa*. He said those attacking Christians were people who wanted to embarrass his Government and they would not remain unpunished.

"We are nationalists because we love our country which embraces Hindus, Christians, Muslims, Sikhs, Buddhists and so many others," he said.

Mr. Vajpayee, arrived to a warm welcome here today on a two-day visit to Italy, an important interlocutor for India both politically and economically.

Officials here attached significant importance to the visit, as Italy is a trading partner and the 11th largest investor in India with \$700 million approved investment since 1991.

The Prime Minister will call on the Italian President, Mr. Carlo Ciampi tomorrow and will later have a detailed discussion on regional and international issues with his counterpart Mr. Giuliano Amato followed by the signing of



The Prime Minister, Mr. Atal Behari Vajpayee, after his arrival at the Leonardo da Vinci airport at Rome. The Ambassador to Italy, Mr. K.P. Fabian, is at his left. — PTI

an agreement on cooperation in the field of tourism. During the talks, Mr. Vajpayee is likely to press for India's case for a permanent seat in an expanded U.N. Security Council. Mr. Vajpayee will meet Pope John Paul II at the Vatican on Monday morning.

The Italian Prime Minister will host a lunch in honour of Mr. Vajpayee, who is leading a high level delegation comprising the Finance Minister, Mr. Yashwant Sinha, and senior officials of the

Ministry of External Affairs. The Prime Minister will fly to the Portuguese capital Lisbon on Tuesday for the historic India-EU summit to be held on June 28.

"We have good relations with these countries and our aim is to further cement the bonds," he said at the New Delhi airport before embarking on his five-day visit. He described his meeting with the Pope as a "courtesy call." — PTI

**Pope and economics: Page 13**

26 JUN 2000



# E.U., a major factor for India

By K. K. Katyal

*If this week's summit meeting of India and the European Union in Lisbon creates an increased awareness of its collective character, it will serve a useful purpose.*

THE EUROPEAN Union functions as a single market; all 15 members have a common commercial policy and 11 of them have adopted a common currency, euro. A good number of them have open borders and a common foreign and security policy is in the making. Yet, to an average Indian, it does not conjure up the image of a single entity. This is partly due to the slow integrative process and partly because of inadequate projection. The E.U. is still in search of its future shape and a future agenda, which is bound to be extensive and ambitious. If this week's summit meeting of India and the E.U. in Lisbon — Portugal has the rotational presidency now — creates an increased awareness of its collective character, it will serve a useful purpose, to the extent possible in the given situation.

By any reckoning, however, the E.U. is a major factor for the rest of the world, India not excluded. It has the potential of emerging as a new pole — and thus of changing the unipolar order. The euro, though not in the best of health now, could pose a challenge to the supremacy of the dollar. The E.U.'s clout, both political and economic, now moderate, is certain to be increasingly felt in diverse forms in the future. Its dealings with countries outside its fold may be overshadowed by the bilateral dealings of the members with others, but the collective role is set for expansion in keeping with the steady trend of the past.

India started with a handicap in its dealings with the E.U. — during the cold war days when New Delhi's special ties with Moscow created suspicions, preventing an objective appraisal of its policies. After the disintegration of the Soviet Union, economic and political realities determined the nature and scale of India's relationship with the E.U.. This nearly coincided with the reforms and opening up of the economy. The twin development gave a fillip to the relationship — it registered a marked advance over the preceding period but remained limited in scope. The E.U. is the biggest trading and economic partner, accounting for nearly 30 per cent

of India's international trade and this will certainly go up with the expected increase of the union's membership. But India accounts for just 1.3 per cent of the E.U.'s external trade, most of it in low value-added products. Some of its members — the U.K., France, Germany, Italy, Belgium and Holland — are among the major sources of investment in India. However, the full potential remains untapped.

The World Trade Organisation provides the framework for economic contacts between India and the E.U., both at bilateral and multilateral levels. The two sides played an active role in its establishment and this helped them understand each other's positions better, though they were unable to sort out disagreements on some major issues. The political dialogue is of recent origin. It was in 1996 that specific mechanisms for this purpose came into being — six-monthly discussions between senior officials, annual meetings of ministers, creation of ad hoc working groups on issues of mutual interest, contacts between the planners of the two sides and a link-up of the think-tanks.

The political dimension of the relationship, as it developed of late, stands out prominently. As a matter of fact, the Lisbon summit signifies recognition of the political partnership which till now was restricted to two other Asian countries, China and Japan. There is no doubt about the maturity and stability of the ties — which enable them to interact not only on matters on which the two sides agree but also on issues of disagreement, without discomfort. On three major subjects — India's nuclear tests, India-Pakistan relations and terrorism, New Delhi could have the satisfaction of increased understanding of its concerns.

The July 1998 E.U. declaration severely indicted India (and Pakistan) — there was condemnation of the tests which were seen as posing a grave threat to international peace and security, and adding to

instability in South Asia. The two countries were urged to sign the Comprehensive Test Ban Treaty and to "enter into commitments neither to assemble nuclear devices nor to deploy such devices or delivery vehicles and to cease development and deployment of ballistic missiles, capable of carrying nuclear devices". India, naturally, was sore over what was regarded as a display of arrogance that was also reflected in the statements of the G-8 and the five permanent members of the U.N. Security Council. The approach now is realistic and, although the overall position of the E.U. remains unchanged, it has come to recognise the reality on the ground. This change has been facilitated by the signals from India, on the CTBT, a willingness to impose foolproof controls on the export of fissile material and related issues. On Kargil, the E.U. was appreciative of New Delhi's restraint (in not crossing the Line of Control in Jammu and Kashmir despite provocations) and critical of Pakistan's role in embarking upon a dangerous misadventure, and wanted Islamabad to take positive credible steps to create the proper climate for resumption of dialogue. The grouping as also its individual members support the move in the U.N. for an international convention on terrorism. New Delhi should, however, be prepared for criticism of the treatment currently meted out to Christians in India.

In the economic field, the E.U. is important because of the parameters it sets for its members for trade with others — on matters like quotas for imports, tariffs, prices and standards relating to child labour and environment. As noted by a former Secretary in the Ministry of External Affairs, Mr. A. N. Ram, who dealt with international economic issues, market access is a major constraint for Indian businessmen — the trading arrangements for India are highly restrictive as compared to those for Africa, Caribbean and the Pacific.

On its part, the E.U. is dissatisfied with the situation here on many counts — bureaucratic hassles and delays, corruption and lack of transparency, the slow movement towards the second phase of reforms, high tariffs and inadequacy of infrastructure. While taking care of these negative factors, India would do well to give wide publicity to success stories in collaboration with the European parties.

That the trade and economic relations have not kept pace with political warmth is evident from individual cases. Take the example of France. Its political ties with India could not be stronger — it was the only one from the P-5 to have shown an understanding of India's nuclear tests, announcing from the very beginning that it would have no difficulty coming to terms with India's nuclear reality. It disapproved of the sanctions mode and pleaded with other industrialised countries to moderate their approach to post-test India. And as the recent visit of the President, Mr. K. R. Narayanan, showed, it forcefully backed India's claim for a permanent seat in an expanded U.N. Security Council. But there has been no corresponding increase in the interest among French entrepreneurs and businessmen in India — so much so the captains of French industry were conspicuous by their absence during discussions on the occasion of the Commerce Minister, Mr. Murrasoli Maran's visit to Paris.

These challenges — tough no doubt — are not to be allowed to deflect attention from the opportunities. India's exports to the E.U. have shown a sustained growth — a good augury for the future. There is a vast scope for further increase, especially in software, information technology and the service sector. The high-cost, labour-intensive enterprises would be looking to India for sharing the benefits of cheap labour in joint ventures here. The spin-offs of the increased integration — covering defence, foreign, security and economic policies — as also of the enlargement would turn the E.U. into a still bigger force. India would do well to go about systematically to derive the maximum possible advantage from it.

# Pope takes up Christians issue with Vajpayee

By Vaiju Naravane

ROME, JUNE 26. The Prime Minister, Mr. Atal Behari Vajpayee, called on Pope John Paul II at Vatican city in what was described as a "private audience". The meeting lasted 15 minutes and the discussion revolved round the attack on Christians in India. The issue was raised by the Pope.

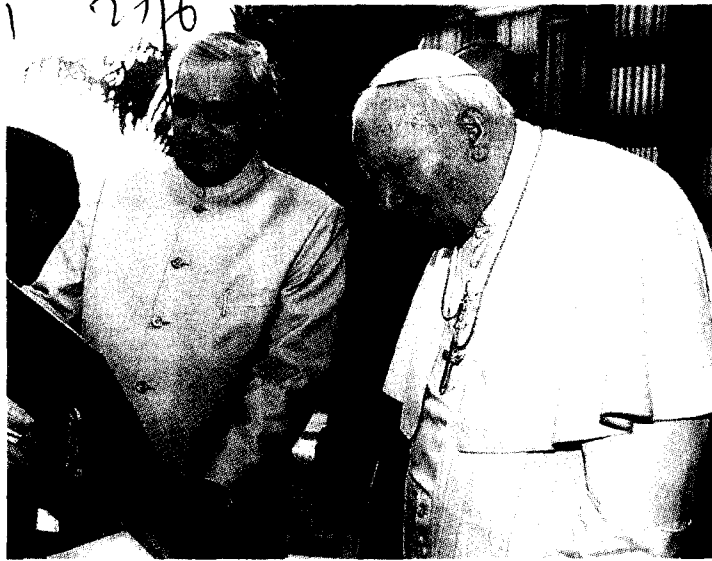
Dr. Joaquin Navarro-Valls, the Vatican spokesman, said, "During the course of the conversation, the Holy Father once again underlined the importance of religious freedom and appealed to the tradition of religious tolerance in India, gravely damaged in recent violent attacks where the victims have been Christians, particularly the Catholic church."

Indian officials described the meeting as having taken place in a friendly atmosphere. "It was not a combative session," they said.

Mr. Vajpayee in a statement released to the press said that the Government of India was "deeply concerned about the attacks which have taken place on Christians and their institutions". While all efforts were being made to prevent these incidents, it was necessary, the statement said, "to see the whole issue in its correct perspective in order to appreciate its magnitude and implications".

When pressed to reply on this specific point, the Principal Secretary to the Prime Minister and the National Security Adviser, Mr. Brajesh Mishra, said, "It must be made clear that this is not a situation where the entire nation is against the Christian community. Secondly, the Indian Government stands by the Constitution which is for a secular society.

"We will give protection to all



The Prime Minister, Mr. A.B. Vajpayee, and Pope John Paul II, at the Vatican on Monday. — AP

minorities. This is the perspective that we put forward".

Though tackling crime was the responsibility of the State Governments, the Prime Minister's statement said the Central Government has taken prompt measures to safeguard the interests of the minority communities. "The Government is resolved that perpetrators of violence should be firmly dealt with and exemplary punishment be awarded to them," the statement concluded.

Monsignor Felix Machado, Under-Secretary of the Vatican Council for Inter-Religious Dialogue, told *The Hindu*, "There is undoubtedly a problem which needs to be resolved, not aggravated or worsened. The Catholic community in India is made up of law-abiding citizens who are contributing to the country. We should not get on the defensive.

The Catholic church in India has issued a challenge asking anyone to bring to light cases of forcible conversion. Catholics do and must propose their religion. But we must not impose it. It should be proposed in a way which is respectful of human dignity.

"As His Holiness says, we propose, not impose our religion. The freedom to preach and practice one's religion must be guaranteed. The Church has to be calm. This problem of persecution must be resolved but it has to be done in a calm and enlightened way. Dialogue, and not debate, is the only way out."

Father Machado, who had a private meeting with Mr. Vajpayee, emphasised that in the view of the Vatican, freedom to practice and preach was of paramount importance.

Church attacked: Page 13

THE HINDU

127 JUN 2000

# Vajpayee, Amato discuss terrorism

By Alok Mukherjee

7-6-04  
HD-13  
27/6

ROME, JUNE 26. The Prime Minister, Mr. Atal Behari Vajpayee, in his interactions with the Italian political leadership here reiterated that India remained open to a composite dialogue process with Pakistan. However, the only essential ingredient was Pakistan's abjuring of violence and cross-border terrorism — principles that are integral to the peace process.

In fact, the Prime Minister made a specific mention of Pakistan during his address at a luncheon hosted in his honour by the Italian Prime Minister, Mr. Giuliano Amato, when he said "India today is a victim of cross-border terrorism sponsored by its neighbour." This was because the question of Pakistan and Afghanistan was raised during the bilateral discussions and both sides presented their viewpoints. According to Mr. Amato, who addressed the press in Italian after the meeting, "India feels strongly about the problem of Pakistan. We understand India wants a quick, specific and peaceful solution to the problem, but it should be founded on long-term stability."

Mr. Amato said that the issue of Afghanistan also figured in the discussions since the situation there was contributing to the problem of instability in the region. He told Mr. Vajpayee that Italy had already taken the initiative of trying to form a Government of national unity in Afghanistan since it was important to have a stable atmosphere and environment in that region.

The question of expansion of the United Nations Security Council did not come up during the talks, but Mr. Vajpayee made a mention of it in his luncheon address when he called for making the Security Council more democratic and representative of the realities of the 21st century by inducting members of the devel-

oping countries, including India. "On any objective criterion, India's credentials for permanent membership are persuasive," Mr. Vajpayee said.

India's nuclear tests and overall disarmament were raised by the Italian side. Mr. Vajpayee is understood to have listened to their views and reiterated India's position of total nuclear disarmament globally. The Italian Prime Minister told the press that he had raised the issue with regard to the whole world introspecting on the cost of maintaining nuclear arsenal which could otherwise be diverted for poverty alleviation programmes.

Earlier in the day, Mr. Vajpayee paid a courtesy call on the Italian President, Mr. Carlo A. Ciampi, but substantive discussions took place on issues such as Indo-Italian relations, economic cooperation and peace and security in the Asian region.

## 'Invest in click and brick economy'

By Alok Mukherjee

ROME, JUNE 26. There was substantial economic content to the Prime Minister, Mr. Atal Behari Vajpayee's visit to Italy, which though billed as a two-day visit, had all official engagement packed in one day. India and Italy today signed an agreement for cooperation in the field of tourism which the Finance Minister, Mr. Yashwant Sinha, inked on India's behalf.

The Prime Minister also addressed a meeting of Italian and Indian industrialists at a function organised jointly by FICCI and its Italian counterpart, Confindustria. The sum and substance of the Prime Minister's presentation was that Indo-Italian economic interaction was way below the potential of the two countries and that tremendous potential

existed for enhancing trade and investment which should be exploited by industrialists in both the countries.

Mr. Vajpayee emphasised that the second phase of economic reforms and opened up new areas of cooperation, such as information technology and other knowledge-based industries, apart from traditional areas of investment which Italy could exploit.

"India and Italy have a wide choice of both the 'click' and 'brick' economy in which Italian strengths could be combined with India's attitudinal skills, workforce and a large diversified industrial base so as to boost bilateral trade from the existing level of \$2 billion to \$4 billion by 2004," he said.

Mr. Vajpayee said India did not embrace globalisation in a blind manner, but was sequencing the pace of change to suit its own needs, particularly in sensitivity to social, cultural and human consequences so that traditional adjustments remain orderly.

"We also need to ensure that the focus of change affects all segments of economy and society and that the social sector did not get neglected." He said India was focusing on areas such as rural connectivity, drinking water, education, rural sanitation and primary health.

In his remarks, the FICCI president, Mr. G. P. Goenka, said India and Italy are now poised for a new vision of synergy.

During his meetings with the Italian authorities, Mr. Vajpayee was also requested to send about 1,000 Indian IT specialists to Italy to train the local population here. India was receptive to the idea, but pressed the fact what Indian industry was looking for was the involvement of Indian software engineers in Italian businesses and joint ventures.

JUN 2001

# The guilty will be punished, Vajpayee assures Pope

SAUBHIK CHAKRABARTI  
STATESMAN NEWS SERVICE

ROME, June 26. — Attacks on Indian Christians were discussed when the Prime Minister, Mr Atal Behari Vajpayee, called on the Pope at the Vatican. The Pope raised the issue, which was the only point of discussion. The Prime Minister, according to the official statement issued on the meeting, said that his government is resolved that perpetrators of violence should be firmly dealt with and exemplary punishment awarded.

The much-anticipated Vatican event started at 11:45 a.m. (local time), and lasted for 15 minutes. The Prime Minister's party to the Vatican included the finance minister, Mr Yashwant Sinha, senior officials and also Mr Vajpayee's family members. The one-to-one between

Mr Vajpayee and the pontiff lasted about 10 minutes, the rest of the time consumed by introductions and photo calls.

Briefing the media later, national security adviser and principal secretary, Mr Brajesh Mishra, said the PM-pontiff meeting was not a combative session but was conducted in a

**On page 5:**  
■ Graves desecrated near Hyderabad  
■ Christian attacks may figure at internal security meet

friendly atmosphere.

A senior PMO official later told *The Statesman* that the government was keen that adverse publicity arising out of the attacks on the Christians should have been countered, and that the PM's meeting with the Pope was, therefore in part,

to send out the message that New Delhi was concerned of the need for necessary action. He, however, declined to answer questions on whether the Vatican meeting would put the BJP in a difficult position with Sangh Parivar outfits, some of whom have been publicly unhappy over the issue.

The official statement on the meeting says the Prime Minister spoke of the necessity of seeing the Christian issue in correct perspective. Asked to clarify, Mr Mishra said the correct perspective, from the government's point of view, is that the attacks were not a part of a majority-minority confrontation. This was stressed at the meeting with the Pope.

The meeting, the highlight of the PM's Italian visit despite MEA insistence on its being a

■ See VATICAN: page 6

## VATICAN: Italians raise Pak issue

(Continued from page 1)

courtesy call, was preceded by the Prime Minister's talks with the Italian President, Carlo Ciampi, and followed by his discussions with the Italian Prime Minister, Giuliano Amato.

The two Prime Ministers, according to Mr Mishra, held discussions on not only bilateral issues but also on non-proliferation (the Italian position is that of the P-5) and south Asian security.

Interestingly, the Italian, and not the Indian, side had raised the Pakistan issue. But Mr Mishra refused to give any details of what transpired by saying in response to a question that India did not press

the case of declaring Pakistan a rogue state.

The Italian Prime Minister spoke of a quick solution to India-Pakistan problems at the post-meeting press conference.

He also said that his government was working towards bringing stable governance in that country. There was, however, no reference to either Pakistan or Afghanistan from Mr Vajpayee at the joint press conference.

Pakistan found direct and indirect reference in the PM's luncheon speech at Villa Madama, the Italian prime ministerial residence. Mr Vajpayee said that India today is a victim of cross-border terrorism sponsored by its neigh-

bour, and that any dialogue with Pakistan will hinge on the latter's abjuring of violence.

The luncheon speech also made reference to expanding the UN Security Council. Mr Vajpayee said India's case for being made a member is persuasive.

However, the Italian position on Security Council expansion is different from that of India. Rome prefers more rotating membership, and not more permanent members, as a means to changing the UN body's composition.

Significantly, Mr Mishra said that the Security Council issue did not come up in the Vajpayee-Amato meeting, the reference was only made in Mr Vajpayee's luncheon speech.

THE STATESMAN

# Vajpayee seeks greater FDI flow from E.U.

By Alok Mukherjee

LISBON, JUNE 27. The Prime Minister, Mr. Atal Behari Vajpayee, today initiated the process for faster inflow of Foreign Direct Investment (FDI) into India by proposing the constitution of a joint government-industry group to look into all aspects of project implementation.

The Prime Minister's decision came in response to the realisation that less than 25 per cent of the FDI approvals for investments from the E.U. have actually fructified on the ground in India. So far, total approvals of FDI from the European Union are worth \$13 billion, but actual inflows have been less than \$3 billion. "Clearly, the projects are not taking off. There are, no doubt, hurdles in the path of quicker implementation," Mr. Vajpayee told a meeting of industrialists here today.

Organised by the Confederation of Indian Industry on the eve of the first-ever E.U.-India summit tomorrow, today's meeting is being attended by chief executives of 250 top European companies. The India-E.U. Business Summit concluded today.

Probably keeping in mind the level of participation, the Prime Minister was more specific in his comments than he is generally known to be. He mentioned the National Highway Development project now on in India which envisages the creation of an additional 6,000 km of national highway within the next three years, followed by another 7,000 km by 2009. The Prime Minister informed the potential investors that 37 high-density corridors had been identified where private investment was welcome.

Next came the power sector where massive foreign investments are required. Here again,



The Prime Minister, Mr. Atal Behari Vajpayee, with the Deputy Minister of the Portuguese Republic, Mr. Armado Vara, on his arrival at the Lisbon International Airport on Tuesday. — PTI

the Prime Minister came straight to the concerns of foreign investors about the recovery of their dues and informed them that the Government was considering a new guarantee scheme for large-scale transmission projects as well as an improved power purchase agreement which would enable investors to achieve financial closure at the earliest.

Mr. Vajpayee, in his presentation, listed out all the major areas of the infrastructure where India is looking for investments. The list was exhaustive, covering areas of telecommunications, hydro-carbons, coal, civil aviation and some of the areas where the public sector was being privatised. The message that Mr. Vajpayee gave out to the European CEOs was that "E.U. stands to benefit from cooperation in the rapidly expanding and equally fast evolving areas of the Indian economy like information technology, crit-

ical areas of infrastructure and financial services. Both sides stand to gain from sharing their experience and expertise in the emerging knowledge-based industries like pharmaceuticals, biotechnology and research and development."

Mr. Vajpayee informed the European businessmen about the Government's disinvestment programme in leading public sector enterprises such as Indian Airlines and Air India, oil companies and other organisations spanning the economic spectrum. He also told the industrialists that "in the absence of social security and state-funded unemployment benefits, we will ensure that the interests of the workers are fully protected. We will do this through a combination of measures and suitable incentives like a generous voluntary retirement scheme and employees stock option plans."

# European Union welcomes India's voluntary n-moratorium

HD-13  
75  
By K. K. Katyal

**NEW DELHI, JUNE 27.** The agreed wording in the European Union-India Joint Declaration on sensitive nuclear-related issues is regarded significant, considering that the E.U. had sharply reacted to Indian nuclear tests two years ago (though there has since been an increasing recognition of the ground reality).

The relevant portion of the draft declaration is as follows: "We reiterate our unequivocal commitment to the ultimate goal of a complete elimination of nuclear weapons under strict and effective international control. The E.U. welcomes India's current voluntary nuclear moratorium on nuclear explosive testing and its willingness to move towards a *de jure* formalisation of this basic obligation of the Comprehensive Test Ban Treaty (CTBT). India is engaged in discussions on a range of issues, including the CTBT. India remains steady to bring these discussions to a successful conclusion based on the creation of positive environment as it works towards building the widest possible consensus domestically." The two sides, it says, "will work together to prevent the proliferation of nuclear weapons and their means of delivery. We stress our readiness to work with others for an early commencement of negotiations for a treaty ending the production of fissile materials for nuclear

weapons and reaffirm our commitment to stringent and effective export controls."

On terrorism — considered a major threat to regional and international peace and security and a serious violation of the rights of innocent individuals and of the integrity of States — the draft says: "We reaffirm our unreserved condemnation of terrorism in all its forms, wherever it occurs and whatever its motives and origin. We will strengthen our cooperation in preventing and combating terrorism, guided by the principles of international law and relevant U.N. Conventions. We will bolster joint efforts to counter terrorism and meet all other challenges arising from it both in the regional and international context. We agree therefore to strive for a Comprehensive Convention on International Terrorism."

Then there is joint recognition of the need to work together more closely to promote peace, stability and security in their respective regions and beyond through bilateral dialogue and confidence building measures among the countries concerned. The document contains reaffirmation of "their strong commitment to the settlement of disputes by peaceful means, in accordance with international law, bilateral agreements and the principles of the United Nations Charter. In this context, both sides agree to pursue regular contacts, within the framework of the political dialogue, to address

security issues of common concern." The two sides, "recognise the need to build a coalition of interests in order to meet the challenges of the 21st Century", it says and adds significantly: "The E.U. and India are important partners in the shaping of the emerging multi-polar world." The political dialogue is intended to be enhanced to improve coordination on political and economic issues of bilateral, regional and multilateral dimensions.

And coordinating efforts are to be undertaken to promote and protect all human rights and fundamental freedoms, taking into account their universal, interdependent and indivisible character. Cooperation in multilateral fora is to be one of the priorities — especially in the U.N. and Asian Regional Forum. Support is expressed for U.N. peace-keeping efforts.

The E.U., according to the draft, acknowledges and supports India's commitment to economic reforms and liberalisation and refers to the challenges and opportunities of globalisation — "We recognise that globalisation should take into account the development aspirations of developing nations." It hails the growth of information technology in India and speaks of mutual benefits of a substantial increase in flows of investment, technology, expertise and services and service providers.

THE HINDU

# PM hardsells power sector in Lisbon

K A Bedarinath  
Lisbon, June 27

IN A bid to realise larger private investments in power sector, the Vajpayee Government will shortly put in place a new guarantee structure for first few power transmission projects. This new structure would be akin to counter guarantees given to first eight private power generation projects offered in the past.

An upper cap on the wheeling charges would also be imposed on power transmission projects, which come under the purview of the new guarantee structure. Such guarantees would be available to only first few projects where the promoters are selected on a competitive bidding with tariff as the main deciding factor.

This new guarantee structure is expected to expedite foreign investments in the new transmission projects sought to be executed in association with Power Grid Corporation of India Ltd.

Addressing the first-ever Indo-Euro Summit at Lisbon today, Prime Minister Atal Behari Vajpayee announced that the Government was willing to consider this new guarantee structure for large transmission and power purchase systems. Immediate benefit would be for the UK-based National Grid, which seeks to develop major transmission net-

## Kashmir issue hits tour

AFTER THE attack on Christians and the meeting with Pope at the Vatican, the Kashmir issue has hit Prime Minister A B Vajpayee's European tour.

While the tour has been billed by his aides as a conscious attempt to "hardsell" India to European investors, reports of the J&K Assembly adopting an autonomy resolution has apparently dampened the mood of the Prime Minister and his team.

The response of investors' community to the conclaves organised by FICCI at Rome and CII has surprisingly been very positive with all eleven-member countries in European Union being represented by over 250 top chief executives of largest corporate houses.

But then, the Kashmir and the Christian issues seemed to be on the back of every one's mind. The Prime Minister himself has not uttered a word on the autonomy issue. And his aides are also underplaying the issue. But the uneasiness in the air is obvious.

Officials asserted the Indian democracy is strong enough to absorb such shock waves. It is believed that the resolution of Kashmir Assembly will not have any Constitutional sanction. They are not willing to even to acknowledge the fact that the resolution could open up a Pandora's box with a few others making such a demand.

*International Herald Tribune* picked up the story in a big way, sending the PMO officials into a huddle to formulate a calibrated and well-rehearsed response. But, none was forthcoming till late in the evening.

HTC, Lisbon

works in association with PGCIL as well as independently.

Finance Minister Yashwant Sinha and Power Minister Rangarajan Kumaramangalam will shortly finalise this new guarantee structure, which includes an escrow mechanism.

In an informal chat with newsmen, Secretary to Prime Minister N.K.Singh said that the proposed

guarantees will not be available to private transmission projects where the promoters are selected under the MoU route.

Competitive bidding for selection of promoters based on wheeling charges offered will be made mandatory for transmission projects enjoying guarantees.

Interestingly enough, Prime Minister announced these new

guarantees for transmission projects that would result in new liabilities for the Centre. The large liability component had forced the Government to limit the guarantees to first eight generation projects.

These guarantees are being offered at a time when cleaning up process of all the SEBs finances has been set in motion with Union Cabinet clearing the Rs 10,000 crore debt securitisation drive through issue of tax-free bonds.

Speaking at the Indo-EU business summit in the Portuguese capital, the Prime Minister announced constitution of a joint government-industry working group to realise foreign investments from the 15 member nations of EU. In this context, it was pointed out that project-wise bottlenecks would be sorted out by this group as the actual investments realised were just US \$ 3 billion as against approvals accorded to US \$ 13 billion worth projects.

The actual realisation has been as modest as just 25 per cent, it was stated.

While pointing to immense investment potential by EU investors, Prime Minister said that India's share was just about 1.5 per cent of total EU market at US \$ 20 billion. Vajpayee said that India targeted about \$ 30 billion worth bilateral trade by 2005 and \$ 40 billion in next ten years.

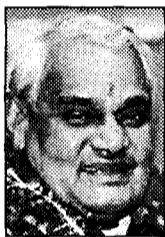
THE HINDUSTAN TIMES

28 JUN 2000

# PM's visit may help boost manpower export to Italy

By Vinay Pandey  
The Times of India News Service

ROME: The meeting between Prime Minister Atal Bihari Vajpayee and his Italian counterpart Giuliano Amato here on Monday brightened the prospects of manpower exports from India



A.B. Vajpayee

to Italy, especially in the field of knowledge-based industries, such as information technology and biotech.

The Italian side also sought India's help in training its people in these hi-tech areas. "IT, biotechnology and pharmacological products are the resources that are transforming the Indian economy and will help the economy in many other countries around the world.

We talked about a possible co-operation between our two countries in this field, also taking into account the need that we in Italy have for highly qualified people in these areas," Mr Amato said in a statement after his meeting with Mr Vajpayee.

Mr Vajpayee said India was particularly impressed by the strength of Italy's services and industrial

sectors and hoped for more foreign direct investment from India.

Mr Vajpayee, who also met President Ciampi of Italy, later addressed a meeting of businessmen jointly organised by FICCI and its Italian counterpart Confindustria. The two countries signed an agreement on tourism co-operation.

The meeting with the Italian PM, which took place on the eve of the first-ever EU-India summit beginning in Lisbon on Wednesday, assumes special significance in view of the fact that Italy is going to assume the EU presidency next year. Italy is also slated to be the next head of the Group 8 of economically advanced countries. The nuclear issue too figured during the Vajpayee-Amato meeting. The discussions were on expected lines with Italy asserting the known Western position wanting India to sign the NPT and the CTBT, and India pointing out its security imperatives and the need for a nuclear deterrence.

The issue of peace and security in the South Asian region in the context of the tense Indo-Pakistan relations was brought up during the meeting. Mr Vajpayee told Mr Amato that India was keen on arriving at a peaceful solution to the problems with Pakistan within a bilateral framework.

The Times of India

1998



## ECHOES:

(Continued from page 1)

But here again, a contradiction is apparent. Whether or not Islamabad is able to exploit the J&K resolution should be irrelevant for New Delhi, which is insistent on viewing the Farooq Abdullah-shepherded legislative event as part of domestic problem resolution.

There are, however, hints that Mr Abdullah's status as the primary interlocutor on Kashmir may not remain unaffected by his 'volte face' — the chief minister had made statements earlier indicating the autonomy resolution may not come to pass, only to preside over its passage later.

Sources emphasised that Mr Abdullah's earlier statements had come on his own initiative and prior to his New Delhi meeting with the PM on the issue. The officially desired implication is that, first, no blame should be attached to the PM for failing to persuade Mr Abdullah and, second, to shift the focus on the Kashmiri politician's credibility. But again, a contradiction. If Mr Abdullah is fighting, and none too gently, for political space via strategies like the autonomy resolution, how effective and/or reliable a partner will he be in the Kashmiri dialogue?

That question brings up the Hurriyat. Sources said that Hurriyat is not talking. However, with the J&K chief minister arguably talking too much, a change in the hierarchy of talking parties in the Kashmir dialogue may have been hastened.

## Kashmir

### echoes on PM tour

STATESMAN NEWS SERVICE

LISBON, June 27. — Christians in Rome, Kashmir in Lisbon. The second and arguably more powerful round of reverberations from domestic politics hit the Prime Minister's European tour today after the Jammu and Kashmir Assembly passed the autonomy resolution.

The Rome edition of the International Herald Tribune ignored the PM/pontiff meeting at the Vatican but front-paged the Kashmir story. The PM's party will be expecting questions on Kashmir from Western media representatives present at the India-EU summit. But as of now the official reaction seems a contradictory mixture of dismissiveness and confidence.

Highly placed sources dismissed the J&K resolution as having no legal sanctity under the Constitution.

But at the same time, they also maintained the resolution was but another step in Centre-state dialogue over the issue. The Indian political system, they felt, would be able to handle the implications and fallout of this dialogue. Included in this scenario are possible domino effects on other states seeking more autonomy.

Significantly, New Delhi sees Hurriyat's response — that the autonomy resolution is not worth much — as effectively weakening any Pakistani triumphalism on the issue.

The official logic seems to be that if Hurriyat, which is considered a moderate compared to other, overtly Pak-backed Kashmiri groups, deems the resolution as not going far enough, Pakistan can only take a harder line, which is what it does anyway.

■ See ECHOES: page 8

THE STATESMAN

1990

29/6  
Atal appeal  
for Security  
Council seat

FROM DIPTOSH MAJUMDAR

Lisbon, June 28: Prime Minister A.B. Vajpayee today pleaded strongly for India's claim to a permanent seat in the United Nations Security Council.

He suggested that India's nuclear capability should be taken into account as the world body addresses the need to acknowledge a multi-polar world and expand the permanent membership quota.

Addressing the plenary session of the Indo-European Union summit, Vajpayee said: "India, as the world's largest democracy and a rapidly growing economic power, has a natural claim to a permanent seat in the Security Council."

The forceful argument of India's case assumes significance in the context of the EU's changing perception of India. India recognised the emergence of the EU as a "new pole in a multi-polar world order". Playing upon subtle differences between the EU countries and the US, Vajpayee said: "Both India and the EU, thus, have a historic role to play in the evolution of such a world order."

The context and the venue provided the right backdrop for the Prime Minister's standpoint. Both France and Germany have been sympathetic to India's plea for entry to the council though they insist on India signing the Comprehensive Test Ban Treaty.

Apart from Italy, which, too, wants a place in the council, India is lobbying with several EU members for its inclusion. But differences among EU partners need to be resolved before a step is taken in the right direction.

Stressing on multi-polarity, Vajpayee said both India and the EU have a historic role to play in the evolution of such a world order. He said multi-polarity, to be

effective, "must be reflected in the forums of the international system. Reforming the UN, therefore, is a crucial element in this movement towards multi-polarity".

Arguing how multi-polarity is directly linked to a "plural security order", the Prime Minister said it is in this context that the development of "our nuclear capability should be seen."

Voicing his concern over terrorism, Vajpayee said: "Plural and open democracies have, in particular, borne the brunt of terror that strikes at the root of tolerance, the mainstay of civil society." India has been voicing this concern at all international forums and is subtly isolating Pakistan in the process.

The Prime Minister said: "Terrorism seeks to undermine democracy because multi-religious, multi-ethnic, secular and free societies are anathema to the practitioners of criminal acts of violence. There is also a close nexus between them and narcotics smuggling, arms trafficking and religious extremism."

He stressed that India has been the victim of cross-border terrorism that has taken the lives of thousands of its citizens.

On terrorism, Vajpayee argued that it posed as much a threat to the EU countries as India. "Huge amounts of narcotics are today finding their way into the EU. Some terrorist groups have sought sanctuary in the West. They will one day threaten the fabric of those very societies that have given them shelter today." He said that there was need for greater coordination between India and the EU.

In an indirect reference to Islamic fundamentalism, he said: "We must collectively expose and reject attempts to cloak terrorism as jihad."

THE TELEGRAPH

# EU agrees to revive quota for textile imports from India

By Vinay Pandey  
The Times of India News Service

LISBON: In a major breakthrough for India, the European Union on Wednesday agreed to release immediately a 3,500-tonne per annum quota for textile imports from India.

The two sides also agreed to set up a joint working group on information technology. An agreement on cooperation in the field of civil aviation was signed by external affairs minister Jaswant Singh and EU commissioner for external relations Chris Patten.

Under the agreement, a \$32 million project will be launched for EU-India cooperation in areas like air traffic management, airport activities, airline management, technology and pilot training. The EU will provide a grant of \$18 million over the next three years.

The textile import quota which, according to a 1994 MoU between India and the EU, was 8,000 tonnes, was reduced to half in 1997 and nil in 1998 and 1999 as the EU had wanted India to lower tariffs on a host of items it exports to India.

"Differences still remain on 71 tariff lines. These will be resolved in the next three months following which the EU has agreed to release the entire quota of 8,000 tonnes a year until 2004," commerce minister Murasoli Maran said. The quota system will come to an end in 2004 under the WTO regime.

Another important commercial issue raised by India during the discussions pertained to the import of basmati rice by the EU. At present, the EU provides a duty derogation under which Indian and other exporters get a higher price but the rice is sold at a lower price to consumers in the EU. In line with WTO requirements, the EU is moving towards abolition of this system, which entails a subsidy burden on member countries of the EU.

Mr Murasoli Maran argued that the EU must consult India before taking a decision on the matter as it would adversely affect Indian farmers. According to him, the EU has agreed to this. Mr Maran has also pleaded for restoration of the sugar import quota from India to the EU, which had been cut down

to less than 10,000 tonnes a year, to the original level of 25,000 tonnes. EU officials only assured him that the quota for India could be enhanced if there was a shortfall in supplies from the African, Caribbean and Pacific countries with which the European Union has agreements.

The joint declaration issued at the end of the India-EU summit recognised the significant growth achieved by India in the field of IT. It called for a substantial increase in the flow of investments, technology, expertise and service providers between the EU and India in the new knowledge-based economy, especially in the fields of IT, telecom and biotechnology.

The two sides also agreed to intensify discussions on rapidly concluding an agreement on cooperation in science and technology.

In addition, the European Union also extended its full support to India's initiative for a comprehensive convention on international terrorism.

India has submitted a draft convention to the UN and has already secured the backing of the U.S., Russia, France and Australia.

# PM lures EU investors, dangles power guarantee bait

**P** Shibi Alex Chandy  
LISBON 28 JUNE  
PRIME MINISTER Atal Behari Vajpayee has begun a determined bid to woo investment from the European Union (EU) with the announcement of several sopps for European companies.

In his address to the plenary session of the EU-India Business Summit here at the Dom Pedro hotel Tuesday evening, Mr Vajpayee said the Indian government was working on a "new guarantee scheme" for the power sector, especially for companies in the transmission business.

The summit, organised by the Confederation of Indian Industry (CII), is a precursor to the first-ever EU-India Summit.

The Prime Minister also announced the setting up of a Joint Working Group (JWG), comprising representatives of both government and industry, which, officials said, will go into the specifics of problems being faced by companies in Europe that have committed investments in India.

Addressing a gathering of over 250 businessmen from across the EU, M Vajpayee dwelt at some length on the power sector. He



**PUTTING THEIR HEADS TOGETHER: (From left to right in front) Portuguese PM Antonio Guterres, Prime Minister A.B. Vajpayee, Portuguese foreign affairs minister Jaime Gama and EU chairman Romano Prodi with other officials at the EU-India Meeting in Lisbon on Wednesday** AFP

said: "We are willing to consider a new guarantee structure for large transmission and power purchase systems as well as accelerating the competitive bidding process for renovation and modernisation of our power generating companies." Counter-guarantees were hitherto extended only to power

generation companies, officials pointed out. They added that the move had been initiated on the request of several European transmission companies which are interested in investing in the country, but are unwilling to do so without a sovereign guarantee. The power ministry, they added, will soon outline the roadmap for the scheme.

The JWG is being set up to address problem of projects not actually taking off because of various bottlenecks. Though projects worth \$13 billion have been approved from the EU member-states, the actual inflows have not topped \$3 billion or are under 25 per cent of the approvals.

The sops apart, the Prime Minister's speech — an inspired effort compared to the two he delivered in Rome during his two-day official visit to Italy — was to lure EU businessmen.

He highlighted the strengths of Indian industry, especially its prowess in the information technology (IT) sector, spoke about the second generation reforms and enumerated the areas that are likely to interest companies operating in the EU.

The stress was on sectors like IT, infrastructure, telecom, phar-

maceuticals, biotechnology and financial services — areas on which the delegates to the summit had been deliberating for the past two days.

These are sectors in which collaboration between the India and the EU can be mutually beneficial, Mr Vajpayee said. "While the EU stands to benefit from cooperation in the rapidly expanding IT sector, India looks toward European investment in critical areas like infrastructure and financial services. Both sides stand to gain from sharing their experience and expertise in emerging knowledge-based industries," he pointed out.

Infrastructure projects like Vajpayee's own ambitious, \$11 billion road project — linking the four corners of the country — the massive investments required for ports, airports, telecommunications and the hydrocarbon sectors were held out as opportunities for European business by the Prime Minister. Mr Vajpayee is accompanied by a high-profile delegation, including finance minister Yashwant Sinha, external affairs minister Jaswant Singh, commerce and industry minister Murasoli Maran and IT minister Pramod Mahajan.

The Economic Times  
29 JUN 2002

Summit clears bottlenecks in ties with New Delhi

# Europe speaks India's language

FROM DIPLOMAT MAJUMDAR

Lisbon, June 28: The first-ever Indo-European Union Summit declared a convergence of views on combating international terrorism, showed an understanding of the Indian position of deferring a dialogue on Kashmir with Pakistan and appreciated India's ongoing efforts to evolve a broad consensus on signing the Comprehensive Test Ban Treaty.

The meet also paved the way for removing curbs on Indian textile exports, though subject to certain conditions.

The summit, a rare privilege so far restricted to only five other major powers, set in motion a process of future diplomatic exchanges. The next summit will be held in New Delhi in 2001.

There was also substantial progress in talks on increasing trade volumes, but this was the first step as India explained its need to cut down on red tape to ease foreign direct investment.

Though the summit did not provide major breakthroughs, Indian

officials in the Portuguese capital reasoned that nothing was expected to happen overnight.

They pointed out that despite Prime Minister Atal Behari Vajpayee's impassioned plea for India's inclusion as a permanent member of the Security Council, the EU replied that it could do little as a collective body.

"The EU per se can do little about it," Portuguese Prime Minister Antonio Guterres said. "Portugal is in favour of expansion of the permanent membership quota. But particular states within the union have different views."

Pressed on the CTBT issue, Vajpayee told a Portuguese reporter at the crowded press conference that his country was waiting for a consensus to emerge.

"We are having talks. Parliament will discuss the issue in July. (and any) effort is on to evolve a broad national consensus," he said.

CONTINUED ON PAGE 6

## Summit of right atmospheric

FROM PAGE 1

Guterres said though his country was in favour of every country banning tests, he did realise that India was evolving a mechanism to be in a position to sign the CTBT.

The joint declaration was an affirmation of India's stand on international terrorism. It said: "We share the conviction that terrorism remains a major threat to regional and international peace and security, and constitutes a serious violation of the rights of innocent individuals and of the integrity of states."

The declaration reaffirmed the EU's "unreserved condemnation of terrorism in all its forms" and promised to cooperate "in preventing and combating terrorism, guided by the principles of international law and relevant UN conventions". To achieve that end, it agreed "to strive for a Comprehensive Convention on International Terrorism".

The statement welcomed India's voluntary ban on nuclear explosive testing and its willingness to move towards a de jure formalisation of this basic obligation of the CTBT. "India remains ready to bring these discussions to a successful conclusion based on the creation of a positive environment as it works towards building the widest possible consensus domestically," it said.

In another significant development regarding textiles, the union agreed to allow Indian imports of 3,500 tonnes with immediate effect. According to an agreement signed between the two sides in 1994, Indian exporters were supposed to send over 8,000 tonnes annually.

Curbs on the remaining quota would be lifted within the next three months, once India slashes import duties on 71 specific items from the subcontinent by countries.

The EU also appreciated India's progress in the info-tech sector, agreeing in principle to assist India in key areas of telecommunications, energy, transport, roads, airports and ports.

It recognised "the mutual benefit of a substantial increase in the flow of investment, technology, expertise and service providers between the EU and India in the new knowledge-based economy, particularly in the areas of information technology, telecommunications and biotechnology".

A joint working group on information technology was created to facilitate cooperation. The EU said it was important to address all obstacles blocking its investments in India.

It was a meet designed to send out the best signals of the newfound camaraderie between India and this collective body of nations.

Though few major breakthroughs had been made, definitely it was a significant diplomatic achievement registered in the new millennium.

# EU to restore full quota of textile exports from India

K.A. Badarinath  
Lisbon, June 28

THE EUROPEAN Union has agreed to restore the full quota of 8,000 tons of textile exports from India with in next three months.

As a precursor to this, the European Union today released quota worth 3,500 tons Indian textile exports to the member countries.

A firm commitment has been made by the EU on this count after the officials led by EU's trade representative Pascal Lamy had a meeting with Commerce Minister Murasoli Maran and other Indian Government representatives.

Lamy, during his visit to India last month, had assured restoration of the textile quota to enable the Indian small and medium scale enterprises to export to European destinations. EU's decision to restore the full quota of textile exports till 2004 is seen as a major breakthrough for the domestic textiles industry, which is going through harrowing times.

While in 1997, 50 per cent of this quota was available, during last two years, Indian textiles could not be exported due to non-release of the quota under the "exceptional

flexibility" arrangement.

The delegation led by Prime Minister Atal Behari Vajpayee has also resisted pressure from European Union to remove Basmati rice from the minimum support price, considered as subsidy being provided to domestic industry. It was argued by the Indian delegation that removal of MSP for Basmati rice to gain access in EU would tantamount to collapse of the livelihood for the farming community back in India.

On the sugar front, European Union has rejected India's request to restore the exportable quota to 25,000 tons per annum as against prevailing zero level. However, India would be allowed to export sugar to EU if the African, Caribbean and Pacific countries failed to meet their quota obligations. On issues like transparent market access linked with standards being prescribed by the Union, "these personal irritants" would be resolved at the highest level.

EU also agreed to help India in revamping the civil aviation sector, which includes improving airworthiness of aircraft, traffic management, product support and undertake pilot and instructor training and airport activities.

THE HINDU

## ~~LS~~ team to visit Czech Republic

**HT Correspondent**

New Delhi, June 28

A NINE-member parliamentary delegation led by Lok Sabha Speaker G. M C. Balayogi will visit the Czech Republic on a goodwill mission from June 29.

This is the first visit of an Indian parliamentary delegation since the Czech Republic came into being in 1993 following the dissolution of the former Czechoslovakian Federal Republic.

The delegation will hold talks on issues of mutual concern with Czech Prime Minister Milos Zeman, Foreign Minister Jan Kavan and chairpersons of both houses of Czech Parliament, according to a Press release.

The visit of the Indian parliamentary delegation assumes significance in light of the fact that the Czech Republic is set to become a member of the European Union. The Czech Republic has expressed concern over the underground nuclear explosion carried out by India in 1998 while also adopting an ambivalent stand on India's case for permanent membership in the United Nations Security Council.

## E.U. SHARES CONCERN OVER TERRORISM

# India striving for consensus on CTBT, says Vajpayee

By Alok Mukherjee

LISBON, JUNE 28. India today utilised the first-ever summit with the European Union to convey its reasons for acquiring nuclear capability and reaffirmed its commitment to sign the Comprehensive Test Ban Treaty (CTBT) once a political consensus was achieved at home. *J-BMN*

The Prime Minister, Mr. Atal Behari Vajpayee, told the top leadership of the E.U. that India believed that for an effective multi-polarity in the world today, it was necessary to create a plural security order that accommodated and acknowledged the growing strength and confidence of the emerging economic and security players. "In an increasingly interdependent world, a plural security order alone can deal with the challenges of the new era. It is in this context that the development of our nuclear capability should be seen." "It is part of our resolve to build a multi-polar world where we have strategic space and autonomy in decision-making. Our view of regional security goes beyond the passive absence of conflict to the active building of confidence with our neighbours," he said at the plenary session of the India-E.U. summit.

Later, at a joint press conference with the Portugal Prime Minister, Mr. Antonio Guterres, and the President of the European Commission, Mr. Romano Prodi, Mr. Vajpayee, to a question about India signing the CTBT, said the matter was under consideration and Parliament was expected to consider it in the next session. "Efforts are on to evolve a broad



The Prime Minister, Mr. A.B. Vajpayee, with the European Commission president, Mr. Romano Prodi, at Lisbon on Wednesday. — Reuters

political consensus on the issue. We hope to succeed."

India's concerns over terrorism also got an endorsement from the E.U. leadership. Mr. Vajpayee brought up the issue in his presentation at the meeting when he said that for more than a decade India had been subjected to cross-border terrorism, which claimed the lives of thousands of its citizens. India had been fighting this terror with the weapons available to a democracy, he said, and noted the positive position taken by the E.U. when it was subjected to premeditated aggression in Kargil and during the hijacking of an Indian Airlines plane.

"Kargil was a violation of trust,

a rude setting aside of the hand of peace that I had extended in February 1999 when I travelled to Lahore. The journey was a demonstration of our commitment to peace, a commitment betrayed by Kargil."

Response from the E.U. was not lacking. The joint declaration at the end of the summit stated that the two partners "share the conviction that terrorism remains a major threat to regional and international peace and security... We will bolster joint efforts to counter terrorism and meet all other challenges arising from it both in the regional and international context. We agree, therefore, to strive for a comprehensive convention on international ter-

rorism." The convention at the U.N. level has been proposed by India.

Referring to Pakistan in this context, the Portugal Prime Minister, who is the current President of the E.U., made it clear that whatever he said was on behalf of the 14 other members of the grouping. "We support India's stand on this issue. We believe that dialogue, and a cooperative attitude from both India and Pakistan, are necessary. We heard about the measures taken by India in this regard and we appreciate them."

Mr. Vajpayee said, "There is no room for any third-party involvement, however well-intentioned." To a question from the foreign press quoting Pakistani officials about India setting preconditions for talks, the External Affairs Minister, Mr. Jaswant Singh, said India had always encouraged dialogue and there were no preconditions. "But Pakistan must stop cross-border terrorism and abandon 'jihad' as a matter of foreign policy."

On changes to the Anti-Ballistic Missiles Treaty, Mr. Singh clarified that the matter had figured at the level of Foreign Ministers and India reiterated that it did not support "militarisation of outer space as it could only enhance tensions rather than diminish it".

India also made out its case for membership of the U.N. Security Council. The E.U. normally does not take a position on such issues collectively; it is left to individual members to take a view.

The next summit would be held in India in 2001, it was announced.

Trade Issues: Page 13

19 JUN 2000



# India, European Union resolve trade differences

29/6 By Alok Mukherjee 40-13

LISBON, JUNE 28. India and the European Union today managed to iron out some differences in trade-related matters, particularly in the case of textiles. Under a memorandum of understanding signed in 1994, E.U. was expected to release an export quota of 8,000 tonnes of textiles to India every year. However, it released only 50 per cent of the quota, pending differences on tariff issues, especially on those pertaining to exports from E.U. to India.

The matters was resolved today during the summit meeting where the Minister for Commerce and Industry, Mr. Murasoli Maran, met the E.U. Trade Commissioner, Mr. Pascal Lamay. At this meeting, it was decided that 3,500 tonnes quota would be immediately released while differences over 71 tariff lines would be resolved within three months. These 71 items are for exports from the E.U. to India and the E.U. expects India to lower tariffs on them.

There was a discussion on the reduction in India's sugar export quota as well. Over the years, the quota has been reduced from 25,000 tonnes to 10,000 tonnes and India today sought restoration of the full quota. Apparently, the E.U. response was that any quota unutilised by other sugar exporting countries would be released to India.

During the meeting, India also



The External Affairs Minister, Mr. Jaswant Singh, with the European Commissioner for External Relations, Mr. Christopher Patten (right), signing a joint declaration after the E.U.-India meeting in Lisbon on Wednesday. — Reuters

proposed the setting-up of a committee to look into bilateral trade irritants. However, Mr. Lamay went further to suggest that the two should directly communicate on such matters as a committee would take time to resolve pending issues.

Apart from trade matters, India and the E.U. also signed an agreement on cooperation in civil aviation. This agreement was signed by the External Affairs Minister, Mr. Jaswant Singh, and the E.U. Commissioner for External Relations, Mr. Chris Patten. The

agreement envisages a grant of \$32 millions for upgrading and training Indian personnel in areas such as airworthiness, airline management, air traffic management, product support, cooperation in technologies for aerospace industry, pilot and instructor training and airport services.

Two other agreements signed today pertained to the setting-up of a joint working group on information technology and the setting up of an Indo-E.U. round table for wide-ranging bilateral cooperation.

**PORTUGAL PARLEYS: PRIME MINISTER PROPOSES BUT OPPOSITION DISPOSES**

# Vajpayee goes on the offensive with nuke programme, regional security

Shibi Alex Chandy  
LISBON 29 JUNE

**I**N A clear indication that India was no longer defensive about its nuclear programme, Prime Minister Atal Behari Vajpayee has used the first-ever European Union (EU)-India summit to explain the rationale behind New Delhi's nuclear tests, its regional security concerns as well as its commitment to democracy and human rights.

"Our view of regional security goes beyond the passive absence of conflict to the active building of confidence with our neighbours," he said in his address on Thursday to the plenary session of the summit here. He described the country's nuclear programme as a means of achieving "effective multipolarity."

"Having strategic space and autonomy in decision-making" was the aim of the country's nuclear programme, Mr Vajpayee said at the session, which was attended by Portuguese Prime Minister Antonio Gueterras in his capacity as President of the European Union and former Italian Prime Minister Romano Prodi, current president of the European Commission.

"Effective multipolarity is the need to create a plural security order that accommodates and acknowledges the growing strength and confidence of the emerging economic and security players," he said, adding: "In an increasingly interdependent world, a plural security order alone can deal with the challenges of a new era."

Mr Vajpayee's strong defence of India's nuclear programme at a forum, most of whose members have been strong critics of the nuclear tests, clearly conveyed the message that India would not be dictated to about its security requirements.

Later, in response to a question at a joint press conference with the two EU leaders, Mr Vajpayee said his government would discuss the signing of the Comprehensive Test Ban Treaty (CTBT) in the coming session of Parliament. He said an attempt was underway to arrive at a "broad national consensus" on the issue.

In his address as well as in the Joint Declaration issued at the end of the summit, issues such as human rights, fundamental freedoms and democracy found



**GIVING THINGS A HEAD-START: Prime Minister Vajpayee with Portuguese President Jorge Sampaio at President Palace in Lisbon on Thursday** PTI

repeated mention, lending credence to reports that the EU would touch upon these subjects, especially in the light of recent attacks on the minority Christian community in India.

Mr Vajpayee, in his speech, said it was "no surprise" that EU-India relations were on a firm footing, for the two "share a common commitment to democracy, rule of law, fundamental freedoms, tolerance and secularism. We derive our strength from our civilisation heritage of diversity and plurality. Individual liberty and freedom for all from fear and discrimination is inherent to this."

The term "fundamental freedoms" found mention in the Joint Declaration as well, not once, but in several places.

Vajpayee also made a determined pitch for India's claim to a permanent seat in an expanded United Nations Security Council. He referred to the rapid global changes in recent years and said: "These changes are not reflected in the structure of the UN Security Council. The Security Council must reflect the new realities, thus enabling the world to function purposefully."

"India, as the world's largest democracy and a rapidly growing economic power, has a natural claim to a permanent seat in the Security Council," Mr Vajpayee asserted.

— IANS

30 JUN 2000

# To CTBT via Lisbon

A world of opportunity awaits India after the signing

INDIA took a major step forward on the Comprehensive Test Ban Treaty at the first-ever India-European Union summit. It was the most important outcome of an event otherwise marked by hard bargaining on bringing down trade barriers and Indian hard-sell on investment opportunities in the infrastructure sector. The India-EU summit, intended to strengthen the political relationship and enlarge trade and investment prospects, effectively begins a new chapter in the relationship between the world's largest trading block and the world's largest democracy. Both sides have made efforts to put behind them the differences and misunderstandings of the period immediately after India's nuclear tests in Pokharan in 1998. At the time, European states were very much in the forefront of international condemnation of the tests and calls for India and Pakistan to step back from the brink of nuclear confrontation. Today, the tone of EU statements on non-proliferation is no longer hectoring but measured and encouraging of the Vajpayee government's efforts to move towards signing the CTBT.

Several things have brought about the sea-change. Apart from the prolonged Jaswant Singh-Strobe Talbott talks, separate dialogues on nuclear issues have been conducted with the EU and some of its member states during which India's entirely defensive posture has been emphasised. India's voluntary and unilateral moratorium on nuclear testing, which gets appreciative mention in the Lisbon declaration, has been a major factor in overcoming European qualms. More importantly, the prime minister and external minister have in-

dicated several times the government is favourably inclined towards the CTBT. When Atal Behari Vajpayee said during his address to the United Nations General Assembly that India would not stand in the way of the CTBT coming into force it was widely interpreted as a commitment to sign. Jaswant Singh has also said that a political consensus was necessary and was being pursued. It may be that the government has not worked hard enough to build political support for the treaty. But there were extenuating circumstances such as the infructuous US stance — with the White House in favour and Congress against; and there was also domestic preoccupation with the economy.

Now the prime minister has said categorically at a joint Press conference with the Portuguese prime minister in Lisbon that the CTBT will be discussed during the next session of Parliament. It is good the government has made up its mind at last to hold a political debate. It will provide a long delayed opportunity for the government to clarify its own position and explain why signing the treaty is in India's interest. If, as is apparent, India has much to gain and little to lose, delaying accession to the treaty makes no sense. Once the contention over the CTBT is got out of the way, there will be quick progress on matters of vital importance to India. One is access to advanced technology, including advanced military surveillance systems. Another is a permanent seat at the Security Council. Indian prime ministers will not have to make strong pleas for support as Vajpayee did in Lisbon only to receive a lukewarm response.

INDIAN EXPRESS

1998

## EURO SHOW

There was a certain predictable tameness about the first summit between India and the European Union. There were no security issues to be addressed — other than Brussels urging India to sign the comprehensive test ban treaty and India urging the EU to agree that terrorists are nasty people. There were no political issues to be discussed — the bulk of India's links with the continent is with the United Kingdom. The key concern in such bilateral powwows is always economics. The prime minister, Mr Atal Behari Vajpayee, was unable to go beyond framing an agenda for future Indo-EU summits. But at least the agenda — which includes information technology, European direct investment in India and a variety of trade issues — holds out a promise of substance overtaking symbolism. However, there should be no illusions India is making progress in institutionalizing bilateral economic links with its main trading partners. New Delhi is far behind most major third world countries in both the breadth and depth of such economic agreements.

The Indo-EU summit is a case in point. It was cobbled together because India was refused a seat at the annual Asia-Europe economic meetings. It was not the Europeans who objected to India's presence but the Asian representatives. At a time when countries like Mexico and South Africa are signing full blown free trade agreements with the EU and the United States, India is still setting up working groups and other bureaucratic talking shops. Given the heartburn New Delhi experienced in signing a free trade pact with tiny Sri Lanka, its slow progress on this front should raise no eyebrows. The Confederation of Indian Industries has outlined free trade agreements with the EU and the US. Even some developing countries have offered to negotiate free trade agreements with India. All such proposals are hanging fire. Underlying this dismal state is a continuing unwillingness on the part of the Indian government to embrace free trade. Asians refused to allow India into the Asia-Europe summits because New Delhi was seen as too protectionist, prone to obstructing forward movements on the economic front. Proposed free trade arrangements involving India die stillborn.

The result is that for all New Delhi's talk of global economic integration, India has little tangible to show for its trade diplomacy. It is not a member of any of the major free trade blocs like the Asia Pacific Economic Cooperation forum. It has no free trade agreements with any of its major trading partners. Its main contribution to the World Trade Organization is to obstruct its expansion. In other words, undermine the only multilateral trading grouping which it is part of. Meetings like the Lisbon summit are little more than consolation prizes. They represent a standard of economic diplomacy that made sense about two decades ago. Today, such developments are petty when compared to the rapid pace of trade diplomacy elsewhere in the world. Where diplomacy fails to open doors, trade and investment will not follow. The EU sends only 0.6 per cent of its total overseas investment to India. Only 1.3 per cent of the EU's total goods imports come from India. Mr Vajpayee's summits help put such matters in the spotlight. However, New Delhi needs to show a lot more courage on the trade front if India is to go beyond the photo opportunity.

THE TELEGRAPH

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# EU-funded infotech projects launched

HT Correspondent  
Calcutta, May 4

TENDERS INVITING applications for participating in infotech programmes funded by the European Union will be published by the end of this month, according to Nandan Bhattacharya, who is in charge of implementation of the programme in Asia.

The Asia IT&C programme was launched last November with 17 Asian countries and 15 EU member states joining hands to support and advance mutually beneficial economic cooperation between EU and Asia. The programme plans to use European information and communication technology for applications in agriculture, education, health, transport, society, tourism and electronic commerce. The total budget allocated for the project is around 19 million euro for a period of five years.

According to the programme literature, the ultimate goal of the programme is to create a "long-lasting, intense and broad IT&C technological relationship between Europe and Asia in which balanced partnerships and joint innovation in field of mutual relevance will flourish".

The management of the project has been handed over to the Sema group that has extensive operations in Europe as well as in Asia. The Indian headquarters of Sema in Calcutta is currently the temporary project management office of

the programme in Asia. The Asian PMO will be finally shifted to Bangkok. The European base of the programme is in Brussels.

There are six programme contents under which funds can be released. These are programmes that would help in developing contacts between EU and Asia, practical demonstrations, interconnectivity, understanding different regulatory environments, short university level courses etc.

The intended beneficiaries of the programme are governmental, industrial and research organisations, universities, NGOs, professional associations, chambers of commerce and private enterprise.

Applications must come from a consortia, involving one Asian country and two European countries with certain expertise on any particular application domain.

THE HINDUSTAN TIMES

2.5 MAY 2000

# EU and India: A union of mutual interests

BY CHRIS PATTEN

On the historic occasion of the 50th anniversary of Europe Day, I am delighted to be able to address the readers of *The Times of India*, on the growing bonds of partnership and cooperation between the 15-member European Union and India. It was on 9th May 1950 that the then French foreign minister, Robert Schuman, outlined the plans that led to the creation of the European Coal and Steel Community, and later the European Economic Community (EEC), precursor of the European Union (EU). It is a happy coincidence that India is also celebrating the 50th year of her republic this year.

As the two largest democratic entities in the world, partnership and cooperation between the European Union and India is of key significance to world peace and prosperity.

EU-India relations go back to the early 1960s when India was amongst the first countries to set up diplomatic relations with the then six member EEC. EU-India relations have been based on a series of bilateral agreements signed in 1973, 1981, and 1994. The last one was accompanied by a joint statement on political dialogue and has since led to regular meetings at the level of foreign ministers. At the turn of the new millennium we have a real possibility to upgrade the relationship between the EU and India in all its dimensions - political, economic, social and cultural.

At the EU-India ministerial meeting in Luxembourg in 1997 it was decided to deepen our bi-

development and economic cooperation, by holding annual meetings at the level of ministers and senior officials, as well as organising regular dialogue between representatives from both sides. The idea led to the proposal to establish an EU-India Think Tank Network, and an EU-India Round Table on bilateral relations.

The upcoming EU-India summit in Coimbra, Portugal, on 28 June will mark the highpoint of EU-India relations where the Indian Prime Minister will meet the Portuguese Prime Minister, representing the EU presidency, and the president of the European Commission.

The driving force behind the development of EU-India relations has been trade and investment. The EU remains India's largest trading partner accounting for one-fourth of her total imports and exports and the largest source of actual foreign direct investments (FDI). But for the EU the figures are relatively modest, accounting for just over one per cent of the EU's total trade and investment. This means that there is a vast potential for EU-India trade and investment to grow further. The EU's economic cooperation programme can assist India in upgrading its standards and quality. Other such initiatives have been taken to provide business facilitation, business and technology information, as well as sectoral cooperation in areas such as information technology, maritime transport and civil aviation. The EU-India Economic Cross-Cultural Programme is a major initiative to forge institutional links in three selected areas: Media, academia and business enterprises.

The best way to increase our bilateral trade

al trade would be for India and the EU to cooperate in promoting the launch of a new multilateral trade round. This would enable us to harness the globalisation process in such a way that economic growth is accompanied by social justice and protection of our common environment.

Apart from the development assistance from our member states, the EU also has a development cooperation partnership with India through the European Commission. The EC aid is channelled through the central and state governments as well as through non-government organisations. Since 1976, the EC has provided assistance worth more than 2 billion Euro (approx. Rs 8,600 crore) in such areas as dairy development, irrigation, community forestry and horticulture. Today, the biggest EC-supported programmes are sector investment programmes in health (Euro 200 million) and education (Euro 150 million). The European Community Humanitarian Office (ECHO) extended Euro 7.2 million (Rs 33 crore) for victims of the terrible super-cyclone that hit Orissa last October. We are aware of current concerns about the potential effects of drought in various Indian states and would be ready to assist the people of those regions with humanitarian relief if need be.

Regarding the information deficit that bedevils further growth of our bilateral relations, promoting awareness and understanding of the EU remains a tough task at the best of times. The more our two peoples understand the modern India and modern European Union, the richer our relationship will become.

• *Chris Patten is member of the European*

THE TIMES OF INDIA

9 MAY 2000

MAY 2000

# Atal set for EU summit debut

FROM OUR SPECIAL  
CORRESPONDENT

**New Delhi, May 12** Prime Minister Atal Behari Vajpayee will lead a strong Indian delegation to Lisbon for the first Indo-European Summit in June. Portugal now holds the six-month presidency of the European Union, a bloc of 14 nations.

Preparations for the summit have already begun. According to sources, officials on both sides will begin preparatory talks in Delhi on Monday for the forthcoming session.

The trip is significant. It gives India the platform to resolve its differences — both on the diplomatic and trade fronts — with some leading European countries like the UK, France and Germany and the EU as a whole.

Although the EU has held talks with powerful nations like the US, Japan, China, Canada and Russia, it has never gone beyond this core ambit to include other countries. Now that India has earned the privilege, it should be a harbinger of a number of advantages, sources said. The decision to hold the summit was taken last December, when foreign minister Jaswant Singh dropped in at the Portuguese capital and grabbed the offer.

Earlier, Singh — as foreign minister — had been holding talks with the EU troika (its decision-making trio) every six months. But now that the Prime Minister has taken on his shoulders the responsibility of leading a delegation, India can thrash out a number of pending issues with its largest trading partner. India's total volume of trade with this

bloc is about US\$ 22 billion.

Several EU heads of state are expected to attend the June 28 summit. British Prime Minister Tony Blair, his French counterpart Lionel Jospin and German Chancellor Gerhard Schroeder are expected to be there. Even if not all of them turn up, they could be represented by some important government functionaries.

On May 15, foreign secretary Lalit Mansingh and the director-general for external policy in the Portuguese foreign ministry, João Salgueiro, will meet for the official preparatory session for the summit. Emiliano Fossati, director of the Asia Directorate of the EU Commission, will also attend the talks.

For India, the EU collectively is the biggest source of foreign direct investment and a major contributor of developmental assistance. It is also a major partner in technical collaborations, though India has not always been happy with its anti-dumping laws or protectionist policies which stand in the way of exports and create trade deficits. The summit also gives India the chance to voice its stance on the World Trade Organisation.

According to sources, one area where Indians can benefit from the summit is information technology.

Lagging behind the US in this sector, EU nations might be interested in forging a partnership with India, which is fast emerging as a global player in infotech territory. This could open up opportunities for Indian IT companies intent on doing business in Europe.

THE TELEGRAPH

13 MAY 2000

# India, France likely to finalise crucial defence agreements

PARIS: French defence minister Alain Richard will embark on a two-day visit to India this week during which both countries are expected to finalise some crucial defence deals besides further working on a common strategic agenda.

Official sources said, the French defence minister's visit, starting from May 18, comes at a time when India and France maintain excellent bilateral relations with both sides pledging to convert their political ties into long term defence co-operation.

Some key defence deals, including 10 additional Mirage-2000h jets for the Indian Air Force (IAF) and naval co-operation would come up during the defence minister's talks with the Indian officials, the sources said.

Mr Richard would meet Prime Minister Atal Behari Vajpayee and defence minister George Fernandes during his visit besides holding negotiations with top defence ministry officials. Mr Fernandes had vis-

ited Paris in January 1999 and held extensive talks with the French officials on establishing a long-term defence ties.

Apart from concrete proposals on defence deals, the French defence minister's visit would give direction to the Indo-French high committee on defence, now aiming for service-to-service co-operation and to establish contacts between defence scientists of the two countries.

In addition to Mirage-2000-H jets, France has also offered to sell its latest Mirage 2000-D fighter jets, capable of carrying nuclear war heads, Alpha jet trainer for the accident-prone IAF and assistance in manufacturing indigenously-designed submarines at the Mazagon Docks in Mumbai.

Naval co-operation between the two countries assumes significance as India envisages a bigger role in the coming years to protect its sea lines in the Indian Ocean region, official sources said. (PTI)

THE TIMES OF INDIA

15 MAY 2000



# Delhi sets up EU talks agenda

FROM PRANAY SHARMA

**New Delhi, May 15:** India and Portugal today finalised the agenda for the first summit-level meeting between New Delhi and the European Union, scheduled for June 28.

The Indian side at today's discussions was led by foreign secretary Lalit Mansingh while the Portuguese were led by Jao Salgueiro, director-general for external policy in Lisbon. Portugal is the current chairman of the EU. Mansingh described the forthcoming summit as an important event because EU is India's largest trading partner and a major world player.

Salgueiro said the meeting will provide the two sides an opportunity to make fast progress in de-

veloping bilateral relations at the highest political level. He added that though a loose structure for the talks has been agreed upon — it includes bilateral, regional and global issues — at the summit, the leaders can talk about anything they think is important.

The EU had strongly criticised the Pokhran II tests in 1998 and wanted Delhi to dismantle its nuclear programme. But it has now made it clear that the EU will not hold its relations with India hostage to the nuclear issue or other areas of disagreement.

"We stand together with India for the elimination of nuclear weapons in the world and we want to cooperate with each other on non-proliferation efforts," Salgueiro said.

Human rights is another area

where there are differences between the two sides. The EU wants India to improve its human rights record, particularly in Kashmir, and take more steps to ensure religious freedom.

India believes it has no reason to be apologetic about its human rights record and wants to discuss the issue under the United Nations charter.

On religious tolerance, too, Delhi feels it has a pretty good record. It argues that the attacks on Christians and other minorities in the recent past were stray incidents which should be seen in the context of the country's size and diversity.

Terrorism and ways and means to combat it will come up for discussion at the summit. The two sides will also exchange their

views on democracy in their respective regions.

The EU joined the world in condemning the military rule in Pakistan and wants democracy to be restored in the country.

In its own backyard, the EU has felt threatened by the far-right Freedom Party leader Haidar who has come to power in Austria through elections. The EU took punitive measures on Austria to force it to drop Haidar from a proposed coalition to rule the country.

These contradictions and the new challenges being thrown up in a democracy are likely to come up for discussion during the summit-level talks between the two sides next month.

Prime Minister A.B. Vajpayee will attend the Lisbon summit.

THE TELEGRAPH

16 MAY 2000

# Ready to discuss all issues: Fischer

By K.K. Katyal

**BERLIN, MAY 16.** A highly positive approach to India is reflected during the 50-minute exclusive interview to *The Hindu* here by Germany's Foreign Minister, Mr. Joschka Fischer. Speaking on Monday, a day before his departure for his very first visit to India, indeed to Asia, he gave plenty of clues to the shape of Germany's engagement with India. It did not mean there was a change in Germany's stand against the Indian nuclear tests but it did mean that there was ample willingness for intensive interaction on all matters of subjects, sensitive ones not excluded, with a view to strengthening mutual understanding and cooperation.

Particularly notable was Germany's support to India's claim for a permanent seat in the enlarged U.N. Security Council. In its publicly stated position till re-

cently, Germany regarded India as a natural candidate while adding that it needed to enlist the support of the Asian region. Going beyond that he categorically stated: "We are strongly in sup-

port of India, it is one of the biggest powers in the world." And with a wink he added: "We rely on your support (for Germany's candidature for a Security Council seat.)" However, he stuck to the regional support criterion for the aspirants.

Mr. Fischer did not mince words in condemning "terrorist attacks in India and anywhere in the world," recalling how his Government got in touch with New Delhi at the time of the hijacking Indian Airlines plane and enquired if any help was needed. Asked whether Germany would emphasise the sanctity of the Line of Control in Jammu & Kashmir, he said that neither his country nor the European Union had, at any time, questioned the Line. This, in his view, was not a theoretical question revolving around the LoC but a substantive issue that there could be no peace in the midst of armed infiltration or

terrorist activities. Germany, according to him, fully supported the Lahore process, because this was considered the most effective track for dialogue.

At the same time, he did not give the impression of being oblivious to India's concerns as also to the problems which, according to New Delhi, had not been created by it.

What was it that led Germany, which had taken a tough line against India on nuclear issues, to think in terms of a strategic dialogue with New Delhi and to begin a process of engagement? What was the turning point? He did not believe that there was any such point, saying that the change was a steady process.

It was clear that Germany's judgment was influenced by increasing evidence of India's stature, the visit of the U.S. President, Mr. Clinton, and similar factors.

**Text of interview: Page 14**



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17 MAY 2000

# French Minister to discuss defence contracts

By Vajju Naravane

**PARIS MAY 17.** The French Defence Minister, Mr. Alain Richard, begins a two-day official visit to India on Thursday during which he will discuss strategic matters and defence contracts with his Indian counterpart and top officials. Mr. Richard who is accompanied by a high-level delegation is also scheduled to meet the Prime minister Mr. A.B. Vajpayee and the President Mr. K.R.Narayanan. He will also meet the External Affairs Minister, Mr Jaswant Singh, the three chiefs of staff and deliver a lecture on European Defence at the USII.

Contrary to reports appearing in the Indian press, there is unlikely to be any announcement on either the sale of 10 additional Mirage 2000 H jets or the Alpha Jet Trainer. It is likely, however, that the Minister will tie up the 2 billion franc deal for the Mirages and explore avenues for further cooperation, especially concerning the needs of the Indian Navy. The problem with French equipment, as usual, remains its prohibitive cost.

Mr. Richard is accompanied by his diplomatic adviser Mr Audibert, his military adviser General Thorette and Mr Bernard Ouvrieu, who represents France on the Indo-French

High Committee on Defence.

India and France first established a blueprint for defence cooperation in 1988. It was signed by the former election commissioner T.N. Sheshan, who was then the Defence Secretary. The idea was to inaugurate a strategic dialogue, project the country's defence needs and increase cooperation both in terms of direct contacts between the armed forces and technological and scientific collaboration. But France's decision to sell Mirage jets to Pakistan put paid to that project and for seven years defence cooperation between India and France was low. Interest has now been revived with the setting up of the High Committee on defence.

The French have been keen to go during Mr. Narayanan's recent visit to France. Mr. Richard reiterated his desire to visit India "soon". Renewed cooperation is also a result of the "understanding attitude" adopted by the French immediately following India's nuclear explosions.

"While France is attached to the question of non-proliferation, we do not lay down any pre-conditions where India is concerned," Mr Jean Francois Bureau, one of Mr. Richard's senior advisers told *The Hindu*. It has been

erroneously reported in the Indian press that France insisted that India accede to the Comprehensive Test Ban Treaty in order to develop "a full-fledged defence cooperation" with India. "We have gone over the question thoroughly and we understand each other's positions. There is no precondition on our side," Mr Bureau explained.

While India had taken the decision to buy 60 Advanced Jet Trainers, the French at this stage do not appear to be in the running. It is learnt that although there have been discussions on the purchase by India of the AJT, (the deal includes full transfer of technology with the possibility for Hindustan Aeronautics Limited to export the aircraft), France has not responded to the tender, which was floated by the Indian government.

Sources here say that there were several constraints which prevented the French responding to the tender, one of them being the time factor.

The Indian side, it has been hinted, is in a hurry to make these acquisitions and has set deadlines which the French would find difficult to meet. France's direct and only competitor for the AJT is the British Hawk 100.

THE HINDUSTAN TIMES

THE HINDUSTAN TIMES

MAY 18 2000

18 MAY 2000

# India, France begin strategic talks

## Deal for 10 Mirages to be inked during Richard's visit

New Delhi, May 18 (WNS) — INDIA AND France today opened a strategic dialogue on bilateral military cooperation, security situation in Asia and Europe and on armaments and nuclear issue. The first-ever high-level dialogue was initiated when visiting French Defence Minister Alain Richard held a long meeting with Indian counterpart George Fernandes here.

The two sides will start official delegation-level talks tomorrow. Richard is accompanied by a nine-member team including his diplomatic adviser Aubibert, military adviser Gen Thorette and Bernard Ouvrieu, who represents the French Defence Ministry on Indo-

French Joint Committee on Defence.

A Defence Ministry spokesman did not give details of the meeting but sources said Richard's visit would lead to signing of the deal for sale of ten additional Mirage 2000-H multirole aircraft to India to bring up the Mirage squadron of IAF to full strength.

The French minister, who landed at Agra this morning in a special French Air Force plane, visited the Taj Mahal before beginning his hectic two-day schedule.

Richard's visit follows high-level defence exchanges between the two countries. Army Chief Gen V P Malik had visited Paris earlier this year and it was followed by a visit to New Delhi last month by

the French Chief of Defence Staff. The French Minister's visit here assumes significance in the wake of recent statements by Fernandes that India would soon give a go-ahead for a number of defence acquisitions like AJTs' weapon locating radars, (WLRs), main battle tank and high altitude unmanned aerial vehicles (UAV).

The Franco-German Cobra weapon locating radar is bidding for the Indian contract along with WLR Systems from Ukraine. A high-level Indian defence team recently witnessed Cobra trials in Germany.

The French minister will call on President K R Narayanan, Prime Minister Vajpayee and External Affairs Minister Jaswant. (PTI)

# India, Germany to work for U.N. reforms

By C. Raja Mohan <sup>40-1</sup>

**NEW DELHI, MAY 18.** India and Germany today affirmed their claim to become permanent members of the United Nations Security Council, and agreed to work together for an early revamping of the UN system. The two countries, which have already announced their candidature, emphasised here "the need for reform and balanced enlargement" of the Security Council in order "to make it more representative".

Proclaiming a natural partnership between the two nations, the visiting German Foreign Minister, Mr. Joschka Fischer, and the External Affairs Minister, Mr. Jaswant Singh, outlined an agenda for bilateral relations in the new century. At a joint press conference after their talks this evening, Mr. Fischer said India "is on its way to becoming one of the most important powers in the 21st century".

Suggesting that this reality must be reflected in a reformed Security Council for the new century, Mr. Fischer indirectly backed India's case for a permanent seat in the UNSC. Declaring India as a "force for regional stability," Mr. Fischer praised India's restraint during the Kargil conflict last year.

The two sides also discussed the unfolding situation in Sri Lanka and the prospects for a peaceful settlement there. Acknowledging the complexity of the Sri Lankan conflict, Mr. Fischer welcomed India's stabilising role in the island nation.

The new Indo-German bonhomie is part of the growing political and economic interaction between India and Europe in the recent years.

Mr. Fischer's visit follows the recent trips to India by the French Foreign Minister, Mr. Hubert Vedrine, and the British Foreign Sec-



**The Prime Minister, Mr. Atal Behari Vajpayee, with the German Foreign Minister, Mr. Joschka Fischer, in New Delhi on Thursday.** — Photo: Anu Pushkarna

retary, Mr. Robin Cook. The two Foreign Ministers stressed the importance of institutionalising the dialogue between India and the European Union, after the first ever summit between the two next month.

Mr. Fischer arrived here this morning from Bangalore for a one-day visit to the capital. He called on the President Mr. K. R. Narayanan, and the Prime Minister, Mr. Atal Behari Vajpayee, and had substantive consultations with Mr. Jaswant Singh. Mr. Fischer's visit comes amidst the altering public perceptions in Germany about India's new technological prowess in the information technology sector, and the contribution Indian professionals could make in helping Germany catch up with the "new economy".

As part of their agenda for future cooperation, India and Germany resolved to deepen their cooperation in combating terrorism and organised crime and will "strive for close coordination" in

the United Nations. Skirting the contentious nuclear issues, the agenda proclaims that both governments are "committed to the aim of global disarmament and non-proliferation despite differing opinions on how this goal is to be achieved".

At the press conference Mr. Fischer said the two sides exchanged their views on the current impasse in global nuclear arms control negotiations. Germany, Mr. Fischer said, would be pleased to see India support the Comprehensive Test Ban Treaty.

On the question of continuing German restrictions on aid to India imposed after the May 1998 nuclear tests, Mr. Singh said Indo-German cooperation should not be measured by any one factor.

India and Germany have agreed to promote sustained bilateral dialogue at many levels — from regular meetings between the heads of state and government to greater interaction between the two civil societies.

HD-13  
20/5

# India, France discuss strife in Sri Lanka

By Our Special Correspondent

**NEW DELHI, MAY 19.** Keen on expanding strategic cooperation, India and France today discussed the situation in strife-torn Sri Lanka and identified common threats to maritime security in the Indian Ocean area.

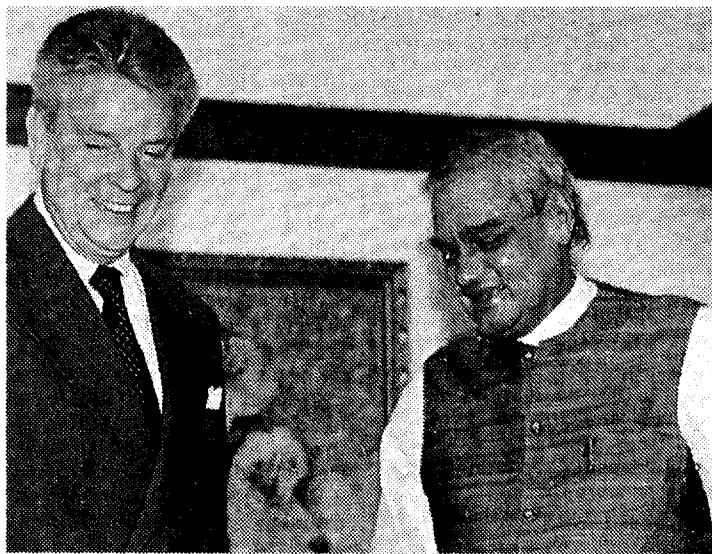
While declining to comment on the unfolding situation in the island nation, the visiting French Defence Minister, Mr. Alain Richard, said that he "listened carefully" to the Indian views on the recent Sri Lanka crisis.

Mr. Richard, who made these observations at a press conference, was earlier briefed by the Chief of Army Staff, Gen. V.P. Malik, on the security situation in the region. He also called on the Prime Minister, Mr. A.B. Vajpayee, and the President, Mr. K.R. Narayanan.

Mr. Richard described his "mainly political" visit to India as fundamental for building an Indo-French strategic partnership.

The exchange of views on Sri Lanka between the two sides assumes importance in the light of the France's prominence in the European Union (E.U.), one of the key players in resolving the Sri Lankan crisis. France very shortly will also hold the E.U. Presidency. The visiting Minister said that the first E.U.- Indian summit in Lisbon next month will be a "turning point" in the evolving relationship between the two sides.

The recent naval exercises between India and France in the Indian Ocean were a reflection of



**The French Defence Minister, Mr. Alain Richard, with the Prime Minister, Mr. A.B. Vajpayee, at the latter's residence in New Delhi on Friday.**

the growing strategic bonds between the two countries, Mr. Richard said. France, he said, recognised that India had a key role to play in preventing disruption of trade between Europe and Asia along the maritime highways of the Indian Ocean.

Speaking at a seminar on European defence this afternoon, Mr. Richard said nearly three million European jobs were directly associated with Euro-Asian trade conducted through these waters.

Fully realising the importance of maritime security, France has a naval presence of some significance in the Indian and Pacific

rims. This, Mr. Richard said "enables us to play a permanent and active role in this region."

**'No military ties with Pak'**  
PTI adds:

France today ruled out any fresh military contract with Pakistan. However, Paris would honour old commitments it has given to Islamabad, a major user of French military hardware, visiting the French Defence Minister, Mr. Alain Richard, told *Star News*.

"There is no proposal to have military contracts with Pakistan," Mr. Richard, who held talks with the Defence Minister, Mr. Fernandes, said.

**THE HINDU**

**20 MAY 1991**

# Building the French connection

By C. Raja Mohan

**NEW DELHI, MAY 20.** Since the brilliant French general Duplexis was outmaneuvered by England's Robert Clive in the Carnatic wars of the mid 18th century, France hardly bothered to challenge the Anglo-Saxon primacy in India.

But that is no longer true. In a short span of three years, France has begun to loom large over the Indian strategic calculus as a partner of great significance.

Whether it is in breaching the global nuclear blockade against India or enthusiastically backing New Delhi's case for a permanent seat in the United Nations Security Council, it is France that leads the charge. It is small wonder that Paris is now at the top of India's pecking order. Although India may yet be drawn into a love affair with the United States after the recent visit by its President, Mr. Bill Clinton, it has come to value the French connection as something very special.

Much of the credit for making Paris a preferred geopolitical choice of New Delhi goes to Mr. Claude Blanchemaison, Ambassador of France, who leaves India after a relentless drive to create a new liaison between the two nations.

As New Delhi looked for new friends and partners after the Cold War, it was only nat-

ural to expect a fierce competition among the great powers to fill the political space vacated by Moscow. Leading this competition were Washington and Paris. The full story of the diplomatic rivalry between the U.S. and France in India during the recent years is unlikely to be ever told.

In a conversation with *The Hindu* today, Mr. Ambassador Blanchemaison was unwilling to go into the details of Franco-American rivalry in India — from bitter battles on aerospace contracts to nuclear gamesmanship. France is seen by its Anglo-Saxon rivals "as a bigger danger than we actually are," Mr. Blanchemaison said. "We are not too big and we are a bit far" and this makes it easy for the Indians and French to get along comfortably.

While the U.S. is bigger than everybody else and more directly involved in the region, it remains constrained by the historic baggage of Indo-U.S. relations. And unlike the U.S., France was more willing to part with high technologies that India has set its eyes upon.

That Indo-U.S. relations were tense despite the efforts to build a new relationship was of no comfort to France. When Mr. Blanchemaison arrived here nearly four years ago, there was hardly anything going on between New Delhi and Paris.

After a brief honeymoon in the mid 1980s, India and France had drifted apart, not by conscious choice, but by lack of interest. Mr. Blanchemaison's brief was to restore normal relations between the two countries and create the ground for sustainable cooperation. This, he did with great aplomb and against great odds.

Mr. Blanchemaison, who has been appointed as Ambassador to Moscow, is going back with the satisfaction that India has been put firmly on the French radar screen.

Mr. Blanchemaison seems to defy the conventional wisdom that Ambassadors these days cannot make much of a difference to the state of relations between any two countries.

Thanks to modern communications, the theory goes, it is the foreign offices that set the tone for diplomacy. The embassies abroad, it is argued, are no more than post offices. How did Mr. Blanchemaison achieve such a quick turnaround in Franco-Indian relations? The French Ambassador points out that foreign offices indeed lay down the policy. "Although the margins for an Ambassador are really small, there are a many things he or she can move."

The first thing for an Ambassador is "to recognise the constraints that cannot be altered in the host country," Mr. Blanche-

maison said. "Once you figured out the boundary conditions, there is a lot of room for play," he added.

How did he make the Americans and Anglo-Saxon run for their money in India? Pointing to the French cartoon strip character Asterix, Mr. Blanchemaison said the trick lay in demonstrating the charms of "Gallic specificity."

For India, the French exception, went beyond its great traditions in fashion, cinema and its cuisine. It was the French readiness to depart from the mainstream Western positions that drew New Delhi in to an embrace with Paris.

The French opposition to Western sanctions in the wake of Pokharan II, its efforts to dilute the U.N. resolutions against India, its willingness to risk the wrath of its Western allies in getting the world to accept India as a *de facto* nuclear weapon power are what convinced India of the merits of "Gallic specificity."

Mr. Blanchemaison is wistful when he says the French business in India remains an "unfinished one." While Duplexis failed to beat the Anglo-Saxons in the Carnatic Mr. Blanchemaison will long be remembered here for initiating a *pas de deux* between India and France.

THE HINDU

21 MAY

**C**LAUDE Blanchemaison has been Ambassador of France in India since 1997, a tenure which saw the visit of French President Jacques Chirac, foreign minister Hubert Vedrine, defence minister Alain Richard and some others, and the corresponding visits made by Prime Minister Atal Behari Vajpayee and President KR Narayanan to France. Excerpts of an interview:

**What would you consider to be your significant contribution as ambassador?**

This is a difficult question. What has happened is that there has been a building up of confidence, but what I would have liked are more long-lasting effects. Institutions have been established. There is a high level committee on strategic matters and on defence cooperation which meets every year. Discussions take place on geopolitical issues, military training and industrial cooperation. There is the Indo-French Forum that brings together 12 eminent personalities each from France and India, representing civil society in both countries, scientists, artists, business people. The problem is that, in the past, relations between India and France used to be good, but with ups and downs. We want to give this relationship a more permanent basis. Something happens for a while and then nothing happens for two or three years. So, I hope channels of dialogue have been opened up between main decision-makers in all important sectors, and also in civil society.

**What is the principal interest of France in India within the evolving global order, with reference to things such as the free market, democracy, etc?**

Well, at the political level, it is obviously what we call multipolarity. This is a political concept which applies to all the sectors, including economy and culture. Preservation of cultural diversity which means boosting the capability of invention and creation. I think that is one main feature we have in common between India and France. We can elaborate on that and build up projects and areas of cooperation.

**What does multipolarity mean, in concrete terms? Your foreign minister spoke of the United States as a hyper power. What is the principal threat emanating from this hyper power?**

I would say the principal threat is cultural. French and Italian cinema are being destroyed by Hollywood. You can say that Indian cinema is safe because it is specific to the culture here. But Hollywood can come and do the same thing.

**Can you point out one strategic situation in which the French have disagreed with the Americans in the post-Cold War context?**

The biggest instance is India's nuclear tests in 1998. France used its influence to prevent collective sanctions being imposed on India at the G-7 meeting. We had, of course, no say in the decisions made by the United States or other countries, individually, or by the IMF and the World Bank which are controlled, more or less, by American policy. Besides, we have used our influence within Nato to change American plans during the campaign in Kosovo and during the bombardment of Belgrade.

**Your foreign minister said that as long as India does not sign the CTBT, relations between India and France in the nuclear field would not be normal.**

I would say that relations are normal. We have signed certain treaties and France being a serious country there is no way it can breach its commitments. So what we can be seeing is in what conditions India could become a mem-

# 'It's not possible to forget about India anymore'

SOUMITRO DAS speaks to the French Ambassador in India about his experience in this country and about the state of Franco-Indian relations



Claude Blanchemaison: 'France used its influence to prevent collective sanctions being imposed on India at the G-7 meeting'

ber of the Nuclear Suppliers Group. Of course, according to the present rules it is not possible. To be a member you have to be a member of the NPT. India's de facto situation is of another kind and the United States and France and others are thinking about this subject, what to do with this de facto situation and how to make it *de jure*, make it possible for India to be a member of the NSG. It will take time.

**After that, there won't be any more problems?**

Well, what my minister said was if the rule is to be changed, it would help if India gave some positive signals. Help us to help you.

**Can India be recognised as a nuclear-weapons country?**

If you are proposing a revision of the NPT, there is no way the NPT can be revised. We are trying to take into

account the de facto situation and confer some ad hoc status for India. That is the way some countries are trying to manage the issue.

**Would that help India's position within the global nuclear regime? It would help.**

**Could you tell us what are the areas in which India has shown interest? You have spoken about telecommunications, about aeronautics and, maybe, the nuclear field. Could you tell us a little bit about that?**

The progress in the field of science and research has been very good. We have great familiarity with scientific work in almost every sector. Our minister for research came here two and a half years back and I was very keen to push that, because it is obviously a big happening in our relationship. Of course,

India is also interested in France as another gateway to Europe. India has to balance the influence of North America with a good relationship with the European Union, of which France is an important component. I would say that our understanding is pretty good because we think in the same way. I would also like to say that the French realised too late that India was going through a process of decentralisation. If you want to have a significant presence in India, you have to be familiar with a lot of cities and a lot of states.

**Can you talk about some of the important deals between India and France?**

Well, there have been discussions, for a number of years, about buying additional Mirages. The plane is manufactured by Dassault, which is a private company. The French government can help, but cannot force Dassault to conclude the deal. Thomson has been discussing, for some time, the sale of some submarine equipment.

**What about the nuclear field?**

I think before we talk about the nuclear question, we have to talk about aeronautics, whether civilian or military. Because what is at stake is whether 25 years down the line we have competitive entities in a multipolar world or a monopoly. As far as we are concerned, we want to have a strong French and European aeronautic industry. India has the same interest. Let's see what happens.

**Do you foresee any common projects in this area?**

We are looking at the ATR and also Airbus.

**Are there manufacturing projects?**

HAL is making doors for Airbus. These are, of course, very hi-tech doors.

**Where would you place India in the hierarchy of French concerns in Asia?**

Well, I would say that the French have had the greatest respect for Indian culture. But, from time to time, they have forgotten about India. So, what we have tried to achieve, during this period of time, with the visits of President Chirac and other Cabinet ministers, is to make that impossible. We want to make sure that India is on our radar screens, that it is not possible to forget about India anymore. That would be foolish, because India is a big player in the 21st century and we want to see it take its place in the new international order.

**Is it difficult for the French to do business with India?**

It is no more difficult for the French than it is for the Germans or the Dutch. There may be subjective difficulty, someone may not know the country. Also, maybe, India has an image problem. The image of India in French business circles is not clear, sometimes positive. Maybe there are explanations to be given. That gap of understanding does not exist with our scientific community which has had good, close relations with Indians for the last 50 years.

French scientists know the quality of research done in India and most of them have correspondents in India, a network. This gap of understanding exists in the business sector, for historical reasons. It is not common for a medium-sized French company to bother about India. Of course, the big players, in telecommunications, in aeronautics and nuclear power, have to, because they have an eye to their international competitors.

But there is a lack of knowledge in all modern economic sectors, I would say. Language problem is an excuse. I mean, we have been doing business in China.

(The author is Senior Leader Writer, The Statesman.)



# India, France & Germany

By K. K. Katyal

*The engagement with France and Germany opens up new vistas for cooperation in areas of agreement and for containing disagreement.*

NEW DELHI has reason to be heartened by the outcome of the interaction with two major European nations, France and Germany, which intensified of late through contacts at different levels. Filing in the discussions in the two cases were not only the issues arising out of India's nuclear tests, but also the entire range of bilateral matters and the happenings in their respective regions, South Asia and Europe. In the case of France, the President, Mr. K. R. Narayanan's visit to Paris last month climaxed a series of positive developments. As regards Germany, the visit of its Foreign Minister, Mr. Joschka Fischer, to New Delhi last week confirmed the recent evidence of increased interest in dealings with India. The cases of bilateral warmth, a matter of satisfaction as against the worrisome situations of strains, nonetheless, call for continuous attention and care.

Though New Delhi had dealt with the two powers for decades, at times intensively, there is a significant cut-off point for the current contacts — Pokhran II in May 1998. The context of the interaction has since changed materially, posing new challenges to India. As regards France, the problem was not intractable; in the case of Germany, there were downs and ups. This was evident from the first reactions of the two Governments to the Indian tests. France lost no time in announcing that it would have no difficulty in coming to terms with a nuclear India. Germany, however, made known its pique, by cancelling a scheduled round of discussions on development cooperation aid, for which an Indian delegation had arrived in Bonn. In the G-8, the group of industrialised countries, France — going by its version — adopted a comparatively moderate line though it could not bring around the rest of the members to its viewpoint. Germany, on the other hand, advocated a tough posture, which was reflected in the collective decision. Mr. Narayanan, who visited Bonn four months after the tests, became aware of the strong sentiments in the ruling establishment against the Indian action — That was just before Germany's federal elections, which led to a change of

guard, from the conservative Kohl Government to a Red-Green coalition. It was not easy for the new set-up to change the hard line of its predecessor. The Greens, the junior partner which provided the Foreign Minister, Mr. Fischer, were wedded to an anti-nuclear doctrine and pacifism. Gradually, however, they changed their line.

The engagement with India took different routes in the two cases — it flowed smoothly and effortlessly from the French stand on the Indian tests, but as regards Germany, it was the result of persistent efforts. The Prime Minister, Mr. Atal Bihari Vajpayee's transit halt in Paris was used for substantive talks, followed by the visits to New Delhi of a special envoy of the French President, Mr. Jacques Chirac, the visit to Paris of the National Security Advisor, Mr. Brajesh Mishra, and the External Affairs Minister, Mr. Jaswant Singh, and the return visit of the French Foreign Minister to New Delhi — all this topped by a successful trip to France by Mr. Narayanan. As regards Germany, the contacts proceeded incrementally. Mr. Mishra's talks in Germany on substantive matters and Mr. Jaswant Singh's philosophical conversation with his counterpart in Berlin paved the way for Mr. Fischer's trip to India, the first to this country (and to Asia). The positions of the two countries have crystallised as a result.

The change in the German stand in the course of two years makes a fascinating study. There was no particular turning point, according to Mr. Fischer. He called it a case of steady change. His explanation of the how and why of the new stance tallies with the Indian assessment — that, it is the result of (1) the change of Government in Germany, (2) gradual awareness and the consequent recognition of India's role in Asia and the world (3) economic opportunities, offered by India, and (4) the U.S. President, Mr. Bill Clinton's visit to India, representing as it did a serious American bid to improve relations with

pend the development aid, though whatever was in the pipeline was not stopped. The German Foreign Ministry, it appears, is for resumption of the aid, but has not been able to persuade those in charge of development cooperation. The Foreign Minister, though a Green, sees merit in changing the earlier hard line, but his colleague in the Development Cooperation Ministry, a member of the Social Democrats, ironically, sticks to the tough line. However, Germany does not attach the same importance to sanctions now as it did initially.

On the nuclear issue, the gap in the positions of Germany and India has not narrowed because of the former's continued adherence to the G-8 line. However, Berlin has permitted itself some flexibility, as evidenced by Mr. Fischer's recent remarks — (1) that Germany expected a productive dialogue with India, and (2) that it would like New Delhi to realise its responsibilities for international order as a nuclear power. Both Germany and France want India to sign the CTBT — France adding that this would remove a major impediment in helping India in the construction of nuclear power plants. Another assuring pointer from Paris — France will keep up its efforts to induce moderation in the position of the industrialised countries in regard to India.

On terrorism, Germany is forthright in denouncing the cross-border variety and seems to appreciate India's problem. To repeat Mr. Fischer's observation, "condemnation of terrorist acts is a part of our policy. We understand not only the concerns of our Indian partners but also their commitment to the dialogue and the problems created in this process which India was telling us were not created by it".

With France, the dialogue on defence matters added an additional dimension to the bilateral ties — highlighted during the President's talks in Paris and the follow-up discussions, notably that of the French Defence Minister, Mr. Alain Richard, in New Delhi last week.

All in all, the engagement with France and Germany opens up new vistas for cooperating in areas of agreement and for containing disagreement.

India. What are the latest positions of France and Germany on some of the concrete issues — India's claim to a permanent seat in an expanded Security Council and the reform of the U.N., cross-border terrorism, sanctions, India-Pakistan problems, issues arising out of India's nuclear tests, the Comprehensive Test Ban Treaty (CTBT), in particular? As regards the U.N. Council seat, France is now categorical in its public commitment of support to India. Its stand has evolved gradually — initially, it confined itself to saying that India has the "vocation" or "qualifications" for this role. Its backing now is firm and unequivocal.

The present stand of Germany is firm too — "We strongly support India. It is one of the biggest and the most important powers of the world and we rely on its support." Germany, however, would like India to become the candidate of its regional group (of Asia), saying it, too, would approach the European nations for support to its candidature for a permanent slot. India is not happy with this criterion, for it could open the door for all manner of competitive claims and bring into play extraneous matters, arising from mutual animosities, not from the merit of claims. Being already a permanent member, France could, according to analysts in Berlin, afford to take a categorical line, while Germany, itself being an aspirant, had to adopt a cautious approach, keeping in mind other factors, that may have a bearing on its claim.

As regards the sanctions in the wake of tests, France had been consistent in opposing the sanctions route, because it regarded the punitive approach counter-productive. Formally, Germany sticks to the G-8 line (of sanctions), but, in practice, its stand has somewhat softened, there being cases where it remained neutral in the IMF in the voting on proposals for aid to Indian projects. There is no change in its decision to sus-

# India to take up dumping issue with EU

Ethirajan Anbarasan

PARIS 23 MAY

INDIA WILL hold discussions with France and other European Union nations on biased anti-dumping measures against Indian imports and, if needed, New Delhi, in turn, will impose similar restrictions on European goods, commerce and industries minister Murasoli Maran said here on Tuesday.

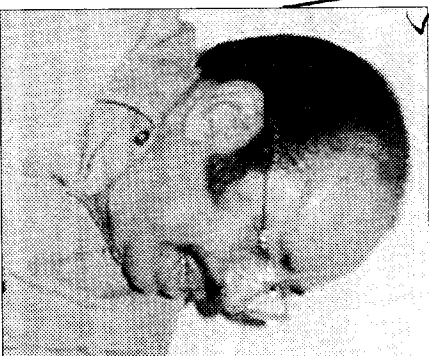
"There are about 22 cases of anti-dumping measures (against Indian goods). We will take up the issue with France and EU. If the need arises, we will impose quantitative restrictions as per World Trade Organisation (WTO) rules," Mr Maran said in an interview on Tuesday.

He hoped the forthcoming Indo-EU summit to be held in Portugal next month will present the right background for a clarification and understanding

of the two sides' positions. "If anybody is affected we've got enough weapons in our armoury."

The minister said the re-imposition of duties as per WTO safeguards will come at the last stage and both sides can set up an early warning mechanism to clear misgivings before reaching a state of countering with retaliation.

Mr Maran arrived here on Monday on a four-day visit aimed at giving a boost to Indo-French bilateral trade as well as to attract French investments to



MARAN: talking tough

waiting in India and about the reforms process," the minister said. Mr Maran also allayed fears about the recent decision to scrap import curbs on more than 700 items as per WTO norms. Domestic industry expressed fears that the move

India. He is accompanied by a 26-member delegation of officials and industrialists.

On Indo-French trade relations, the minister admitted that French investments in India were not picking up. "There is an information gap here about the conditions prevailing in India and about the reforms process," the minister said. Mr Maran also allayed fears about the recent decision to scrap import curbs on more than 700 items as per WTO norms. Domestic industry expressed fears that the move

would suddenly expose some long-protected industries to global competition.

As per WTO rules, India must remove quantitative restrictions on the remaining 729 products by April 2001.

"The fears are nothing but false notions and exaggerated anxieties. Some may be true but we will take adequate measures immediately. For this, we are going to strengthen the Tariff Commission," Mr Maran said.

On the recent decision to set up special economic zones (SEZs), the minister said the proposed zones would come up in Gujarat and Tamil Nadu to give a lift to exports.

"The response has been favourable. Now Orissa, West Bengal and Maharashtra have applied for setting up SEZs and we are planning to sanction them." — IANS

# France to set up Mirage shop in India

By K. K. Katyal

NEW DELHI, MAY 24. France has offered to establish a part of the manufacturing facility for the latest generation of its prestigious aircraft, Mirage, in India in a package for cooperation in the defence-related field. Envisaging labour-sharing, the French proposal is intended to bring down the cost and to make the aircraft attractive price-wise.

The proposal was made by the French Defence Minister, Mr. Alain Richard, in his talks with the Indian side during his visit here last week. During last month's trip of the President, Mr. K.R. Narayanan, to France, there was a general discussion on the supply of aircraft, both civilian and military, to India.

Mr. Narayanan visited Toulouse, described as a major hub of the aviation industry in the world, and went round the manufacturing complex of aerospace and airbus industries. The specifics of the defence supply proposals, it was stated then, would be taken up during the French Defence Minister's visit to India.

In discussions both here and in Paris, Indian officials

drew the attention of the French authorities to the high price of their aircraft. This, the French said, was because of the high quality of their products. As for the aircraft, they cited its superior performance and lower incidence of accidents. Also, they related the price to various elements of the cost of manufacture, such as high wages for the workforce.

The labour-sharing arrangement with India, it was explained, could bring down the cost. The purchase of the aircraft could also be helpful because of the economy of scales, according to the French view.

Mr. Richard's talks here were not confined to the offer of defence items, but focussed on broader politico-strategic issues as well. The shared view of political and strategic matters was considered essential for a stable defence supplies arrangement.

In a way, this was an ongoing exercise, with the two sides briefing each other on the developments in their respective regions. Unlike in the past, the French supply of Mirage aircraft to Pakistan does not cause any problem with India. That, it is realised, was part of the contractual obligations of the past.

**GE PRICE DIFFERENTIAL**

# India, France to focus on Mirage deal

Ranvir Nayar  
PARIS 3 MAY

**A** LONG pending deal to purchase 10 Mirage 2000 aircrafts is likely to top the agenda when French defence minister Alain Richard visits New Delhi in May.

The deal has been hanging fire for the last 15 years since India first expressed interest in purchasing the aircraft. The negotiations have dragged on for years, partly due to successive government indecision about the deal. The purchase had been cleared by the Cabinet of former Prime Minister P.V. Narasimha Rao in 1996 but the government was unable to finalise it due to shortage of funds.

The major hurdle now is the price. After all these years, the two sides are believed to be sticking to their guns and neither India nor Dassault, the manufacturer of the Mirage, has made any move to bridge the price differential, believed to be around 20 per cent.

The 40 Mirage 2000s purchased by India were inducted into the Indian Air Force (IAF) in 1985. Subsequently, the IAF projected a need for 10 additional Mirages to create a "war reserve", that would be deployed only if any of the Mirages already

relations that the two countries have been building.

Even on the commercial and business fronts, the deal is crucial since Dassault — the leading defence aircraft manufacturer of Europe — has been keen to expand its presence in the Indian Air Force since the sale of the first batch of the Mirage 2000s in the early eighties.

At that time, during the heady days of the Indo-French festival of the Rajiv Gandhi regime, Dassault had hoped to become a strong rival to the Russians, the traditional suppliers of hardware to the IAF.

It was with that aim in mind that in the early 1990s the French company began pushing the Indian defence ministry to go in for the newer range of Mirages — Mirage 2000D — which had just joined the French Air Force. It has campaigned for the sale of Alphajet advanced jet trainers for almost 15 years. Both campaigns, however, have been stuck at various stages over the past decade. The Alphajet seems to be jinxed. Though Dassault has over 500 Alphajets in service in 10 countries, it has not been able to make much headway in negotiations with India. — IANS



in use were lost during hostilities or sent for routine repairs and maintenance.

Mr Richard's two-day trip, beginning on May 18, is expected to mark a significant turning point in these negotiations with highly placed sources saying the contract could be concluded either during the visit or soon afterwards.

The need for an urgent conclusion of this defence purchase was publicly amplified during the recent state visit of President K.R. Narayanan to France.

According to sources, on the political front France is keen that the deal is concluded as it sees the contract to be a firm commitment by India to the strong bilateral

## German 'green card' for IT Indians

*G.A.S.*  
Berlin, May 3 (PTI): German green cards would be issued within six weeks to computer specialists from India and other non-EU countries as part of an overall strategy of the government to woo foreign talent.

The time-frame to issue the special work permits was decided during a final round of refinements on the details of a government proposal designed to override immigration rules and expedite the arrival of foreign computer specialists, who companies say are "desperately needed" in Europe's largest country.

"Speed is one of the key elements in our plans," said Hans Martin Bury, chief of staff for German Chancellor Gerhard Schroeder after an official meeting here late last night.

Bury said though the goal is to issue a work permit within six weeks, in practice only two weeks may be necessary.

German officials said the Cabinet is expected to pass the green card proposal this month and that the rules could take effect on August 1.

THE TELEGRAPH

APR 2001

# India, Ireland to set up IT working group

By Our Special Correspondent

NEW DELHI, APRIL 7. Ireland and India will sign an agreement tomorrow for setting up a working group on information technology, the visiting Deputy Prime Minister of Ireland, Ms Mary Harney, told a meeting organised by Confederation of Indian Industry today. The agreement to be signed by Ms. Harney and the Minister for Information Technology will see the first digital signature in India. Ms. Harney, is here with a high-level, information technology business delegation.

She said the world's first digital signature took place in Ireland in 1998. As India was a rising power in IT and Ireland one of the largest exporters of software, there was scope for cooperation and the working group would explore the possibilities.

Ms. Harney said the key driving force of Ireland's economy, which enjoys a 9.5 per cent growth a year, was investment in education. Foreign Direct Investment (FDI), of which Ireland was one of the world's largest recipients, had also powered economic growth. In fact, 75 per cent of the exports originated from the FDI sector.

On the factors needed to attract FDI, Ms. Harney said it was sensitive to regulation. Thus, foreign investors must be subject to minimum regulations and given the freedom to have full ownership of companies and repatriate profits.

A low level of corporate tax and skilled manpower were also important. A few Irish companies had already invested in India, and hopefully there would be more.

Ms. Harney urged Indian corporates to consider investing in Ireland, which was the gateway to a combined EU and African market that would eventually reach \$ 500 million in size. These markets were not easy to penetrate. Hence, Indian investors should consider joint ventures in Ireland in order to access market knowledge which Irish corporates had.

On labour market policy in Ireland, she said Ireland had devel-

oped a special fast track work visa clearance procedure for critical sectors such as infotech and nursing, where the country lacked skilled personnel. Work permits for a year could be issued by the Irish consulate in the applicant's home country.

## Calls on Mr. Sharad Yadav

PTI reports:

Ms. Harney has called on the Civil Aviation Minister, Mr. Sharad Yadav and discussed cooperation in civil aviation and tourism. Mr. Yadav expressed India's keenness to expand airport infrastructure through joint ventures.



The Deputy Prime Minister of Ireland, Ms. Mary Harney, presenting a crystal bowl to the President, Mr. K.R. Narayanan, at Rashtrapati Bhavan on Friday.

— Photo: V.S. Sudershan

THE HINDU

28 APR 2000

# 'Ireland welcomes Indian IT professionals'

By Sandeep Dikshit

**NEW DELHI, APRIL 8.** Ireland is relaxing visa regulations for the information technology, nursing and engineering industry in a bid to attract talent in these sectors. However, Indian software professionals are especially welcome in that country which has become a hot destination for global IT leaders. Ireland is also wooing Indian corporates in other areas for joint ventures in order to rekindle bilateral trade.

The visiting Deputy Prime Minister of Ireland, Ms. Mary Harney, told *The Hindu* today that she was confident that bilateral trade and investment would get a boost with the signing of a double taxation avoidance treaty during the forthcoming visit of the Indian President, Mr. K. R. Narayanan, to Ireland later this year.

Ms. Harney also said that Ireland could be used by Indian companies as a gateway to the European Union, particularly because the investment climate there

was quite conducive for Indian companies. Most investors tended to begin with small investments and then expanded operations rapidly taking advantage of the investor-friendly environment. Companies in Ireland were loosely regulated, corporate tax was the lowest in Europe and the rate of return after tax was four times higher than in many European countries, Ms. Harney added.

About relaxations in visa regulations, Ms. Harney said that the Irish Government had recently decided on the three areas—information technology, nursing and engineering—where work visas would be liberally granted.

Indian professionals in these areas were welcome, she said and added that many Indian doctors and some software professionals were already working in Ireland. Indian professionals would also find the work environment quite conducive, she felt.

Dispelling the general perception among Indian corporate

houses that strife-torn Ireland was unsuited for stable business relations, Ms. Harney said violence in that country was confined to north Ireland and even there no significant political violence had taken place since the peace process got underway. There had also been political stability in her country, she added.

The Irish economy was also the most successful one in Europe in the last decade with the country recording the highest growth rate in the past five years and most of the people who had left the country earlier in the wake of violence had returned, Ms. Harney said.

The advent of a large number of world leaders in the IT sector had provided added credibility to the Irish economy. Microsoft's European headquarters was based in Ireland and half of Intel's Pentium chips were manufactured in that country. As of now, more than 1,000 foreign companies were operating in Ireland, she added.

Commenting on the Indian

economy, Ms. Harney said that apart from continuing with the reforms process, India would have to go in for competitive de-regulation and improve the response of the public administration to the needs of investors who could not afford long delays in decision-making. This was particularly true of the software sector where products have a shelf life of just six months or so, she pointed out.

Sharing the experience of Ireland in controlling its national debt, Ms. Harney said that at one point the country's national debt was 125 per cent of its gross national product.

To address the situation, the Government controlled public spending, put a freeze on public sector recruitment, made cuts in essential services and entered into agreements with trade unions and employers which facilitated a consensus on tough decisions.

If India wanted to improve its fiscal situation, it would have to take the same route, she felt.

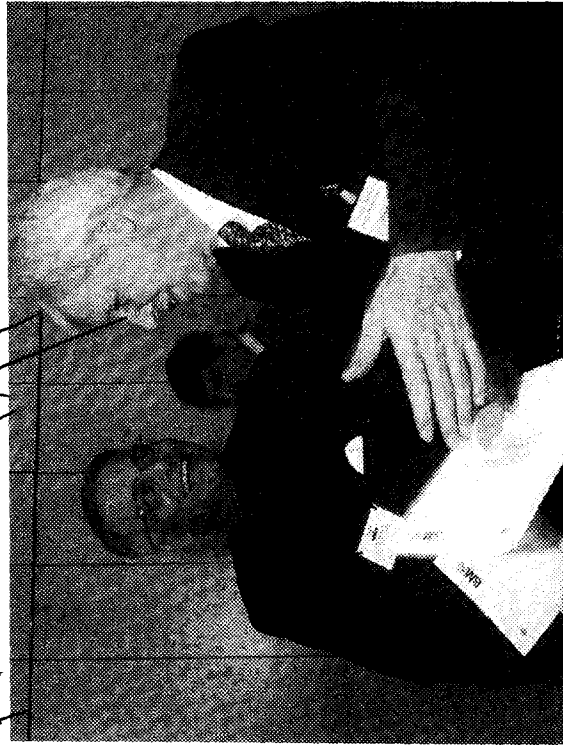
# India, Germany to step up trade

**BERLIN, APRIL 11.** India and Germany today discussed wide-ranging economic issues and steps to increase bilateral trade, which has remained almost stagnant for the past two years at about \$ 4 billion each year.

The discussion took place during the 14th session of the Indo-German joint commission on industrial and economic cooperation co-chaired by the Union Finance Minister, Mr. Yashwant Sirha, and Germany's Economics and Technology Minister, Mr. Werner Mueller. They had a one-to-one meeting before the delegation level talks were held.

Mr. Sirha, who is on a four-day visit to Germany, had an one-hour long meeting with the German Finance Minister, Mr. Hans Eichel, last evening and issues relating to the forthcoming IMF/World Bank meetings figured.

Mr. Sirha had also launched the first of the four India investment promotion roadshows in Berlin yesterday and the second initiative will be held in Frankfurt tomorrow. Two roadshows are due to be held later this week in New York and Washington when Mr. Sirha visits the U.S.



**The German Economics Minister, Mr. Werner Mueller, (right) talking to the Union Finance Minister, Mr. Yashwant Sirha, after signing an agreement on economic and technological cooperation in Berlin on Tuesday. AP**

Reports of the bilateral working groups on coal, tourism, energy, infrastructure and vocational studies outlining the contours of future cooperation were submitted at the joint commission meeting.

Indian officials said the meeting would lead to a "forward movement" in bilateral economic relations. "Economic cooperation which had remained frozen for the past couple of years is now beginning to thaw."

While the Foreign Minister, Mr. Joschka Fischer, is due to visit India in May, the Union Commerce Minister, Mr. Murasoli Maran, is expected here in June.

The joint commission has brought together a wide body of economic interests including a high-level inter-ministerial delegation and a private sector team from the two countries. The German delegation has top representatives from Deutsche Bank, Commerz Bank, Thyssen, Mannesmann and Siemens.

It is expected to press the Indian side to take an early decision on the long-pending demand by the Lufthansa Airways to increase its frequencies on the India-German route from 15 to 21 each week. A Lufthansa board member, Mr. Carl Siegel, is part of the German delegation.

The German side will be briefing its Indian counterpart on the "fine-tuning" being done by the German Government to recruit 20,000 information technology experts in the next few months from non-E.U. countries including India. "The Indian side will raise issues such as non-tariff trade barriers on some of India's exports to E.U." — PTI



# India, Germany set for strategic dialogue

STATESMAN NEWS SERVICE

NEW DELHI, April 12. — The Foreign Secretaries of India and Germany have set about elevating their diplomatic links to the level of a strategic dialogue in an atmosphere rendered conducive by Germany's "considering" the resumption of development aid to India (suspended after Pokhran-II).

Moves are also afoot to initiate measures to facilitate a large number of Indian information-technology professionals to secure employment there.

Areas of much commonality were found during the talks here today between delegations led by State Secretary in the Federal Foreign Office, Dr Wolfgang Ischinger, and India's Foreign Secretary, Mr Lalit Mansingh. That both nations are seeking places in a reformed Security Council has given them a common platform

51-5 12/4  
on which to base joint action in international affairs.

Both Dr Ischinger and Mr Mansingh identified combating international terrorism, checking the drugs traffic, arms control, security and stability, as areas on which positions converged.

Dr Ischinger stressed that their talks were part of a larger process, almost simultaneously were economic affairs being discussed at the ministerial level in Berlin.

The German Foreign Minister, Mr J Fischer, would be here next month and in September the Federal President would launch a six-month festival of German culture in India.

Dr Ischinger said his government was considering lifting its embargo on development aid.

The next round of dialogue will be held in Berlin before the end of this year.

THE STATESMAN

13 APR 1974

# Narayanan visit may help boost ties with France

By K. K. Katyal

NEW DELHI, APRIL 13. India counts on the six-day visit of the President, Mr. K. R. Narayanan, to France for a further consolidation of the understanding between the two countries. His discussions with the French President, Mr. Jacques Chirac, and the Prime Minister, Mr. Lionel Jospin, are certain to have both political and economic content. The media coverage, it is expected, would help in enhancing India's image, improving awareness of the economic reform, and inducing direct investment inflow. An agreement on bilateral investment promotion is due to be signed. It is intended to remove obstacles to the flow of capital from one side to the other.

Briefing the media today on the visit, beginning April 16, the Foreign Secretary, Mr. Lalit Mansingh, said France had in recent years emerged as one of India's most important interlocutors in the international community. The strategic dialogue, initiated during the Prime Minister, Mr. Atal

Behari Vajpayee's Paris visit in 1998, provided depth to the bilateral relationship, apart from helping to enhance understanding between India and the European Union.

This will be the first-ever trip by an Indian head of state to France — a return visit, in protocol parlance, to the visit in 1998 by Mr. Chirac (he was the chief guest at the Republic Day parade). There had been four presidential visits from France to India — by Mr. Valery Giscard d'Estaing in January 1980, by Mr. Francois Mitterrand in November 1982 and February 1989, apart from the one by Mr. Chirac two years ago. Mr. Narayanan would be accompanied by the Union Urban Development Minister, Mr. Jagmohan, the co-chairman of the Indo-French Forum, Mr. Ramakrishna Hegde, and four MPs — Mr. Kuldeep Nayar, Mr. Sangha Priya Gautam, Ms. Chandra Kala Pandey and Mr. M. O. Farook — and a 21-member media delegation. After spending three days in Paris, Mr. Narayan would go to Toulouse, where he would visit the

French aerospace facilities, and Marseille in South France on the Mediterranean.

Exchanges in the last two years between India and France, Mr. Mansingh, said, reflected their closeness, supported as it was by important structures — the joint economic commission, the joint groups on energy and defence and the Indo-French Forum. Trade and investment, though registering a steady increase, is far below the potential. The investment since 1991 totalled \$1.4 billion while the trade break-up in the first 10 months of last year was: exports to France \$900 million, imports \$680 million. The trade volume in 1998 was of the order of \$2 billion.

Will the recent visit here of the U.S. President, Mr. Bill Clinton, affect Indo-French ties? Mr. Mansingh was emphatic that "getting closer to the U.S. was not at the cost of others". Will India take up with the French arms supplies to Pakistan? If there is a worry it would be conveyed — was the brief reply.

14 APR 2000

# India may curb imports from EU

PRESS TRUST OF INDIA

FRANKFURT, April 13. — The Union Finance Minister, Mr Yashwant Sinha, has asserted that India would be forced to resort to protectionist measures in its trade with the European Union if the latter did not desist from imposing non-tariff barriers.

"The government cannot resist a demand in India to turn to protectionism if the EU continued to follow restrictive trade practices," said Mr Sinha in hard-hitting comments during the second India investment promotion road show' at the Commerzbank headquarters here yesterday.

Mr Sinha made these comments while countering a question by a German businessman as to whether India was taking necessary steps to reduce import tariffs to honour WTO commitments.

The President of the Confederation of Indian Industry, Mr Rahul Bajaj, joined Mr Sinha in a forceful assertion that India will be an 'open economy' once quantitative restrictions on imports of remaining items are removed from 1 April 2001 while Europe will be a 'closed economy' by resorting to quota system and anti-dumping duties on European imports.

Mr Sinha said that India was 'far ahead' of its commitments to the WTO to bring down import tariffs. "On the contrary, if India had stuck to its WTO commitments it would have had a tougher duty regime."

The issue raised by the Germans included status of venture capital, funds in the information technology industry, import duty structure, measures to increase foreign direct investment inflows and the huge gap between investments in India and China.

THE STATESMAN

14 APR 2001

SF-5

# France backs India's concern 15/4 on terrorism

PRESS TRUST OF INDIA *g. kerr*

PARIS, April 14. — France today said India's specific concerns on cross-border terrorism are justified and the growing threat to New Delhi has prompted Paris to reinforce its dialogue with Pakistan on the subject.

"We fully understand India's concerns on cross-border terrorism. I raised this subject during my discussions with General Pervez Musharraf in Paris on 10 April," the French foreign minister, Mr Hubert Vedrine, said in an interview.

Pakistan's chief executive, General Musharraf, en route to Havana for the Group of 77 nations conference, was given a "frank" briefing by the French authorities on the need to restore democracy in Pakistan and they also expressed concern over the country being a haven for terrorist outfits.

Talking on a wide range of bilateral issues, ahead of the Indian President Mr K R Narayanan's state visit next week, Mr Vedrine said France has been a victim of terrorism hence it oppose all forms of terrorist activities.

France, a permanent member of the Security Council, was instrumental in pushing for the international convention for the suppression of the financing of terrorism at the UN last year.

Appreciating India's support in bringing consensus among the world community for the convention, the minister said, "We are also interested in the global convention against terrorism proposed by New Delhi."

Indo-French relations have warmed up in recent years with Paris strongly condemning violation of the line of control in Kashmir last year and holding Pakistan directly responsible for the violence that followed.

THE STATESMAN  
THE STATESMAN

THE STATESMAN

15 APR 1971

## France backs India's concerns on terrorism

Paris, April 14

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(PTI)

THE HINDUSTAN TIMES

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THE HINDUSTAN TIMES

# France backs India's claim for UN Security Council seat

PARIS: France has said that India's emergence as a power centre in a multipolar world is inevitable there- by giving New Delhi the right to be in the United Na- tions Security Council as a permanent member.

"India as an emerging power is evident from the in- terests it creates in the European Union, United States and other Asian countries. In the changing internation- al order, India has a right to be in the enlarged Security Council," French Foreign Minister Hubert Vedrine said in an interview ahead of President K.R. Narayanan's five-day state visit to France beginning on Sunday.

Elaborating on tomorrow's multipolar world, the French minister said the European Union, India, Chi- na, Japan and Russia along with others would emerge as power centres paving the way for an equitable rela- tionship in world affairs.

Highly commending the new momentum in Indo- French relations, the minister insisted that the ongoing dialogue between the two countries would be very valuable both at the bilateral and global levels in a mul- tipolar world and would benefit each other. Indo- French ties warmed up in the last two years. While France refused to impose any sanctions against India following New Delhi's nuclear tests during the Kargil crisis, it condemned the violation of the Line of Control and held Pakistan responsible for the Kargil conflict.

Despite the closeness in relations between the two

countries, Mr Vedrine, however, said it would be diffi- cult for Paris to assist India in the civilian nuclear field unless New Delhi accedes to international nuclear control regimes. "We understand India's energy needs and favour developing its civil nuclear energy but we have to respect our international commitments. To de- velop cooperation in this field, India has to show that it is ready to abide by international instruments of non- proliferation," Mr Vedrine remarked.

In essence, the French minister wants New Delhi to sign the Comprehensive Test Ban Treaty (CTBT) and the Nuclear Non-Proliferation Treaty (NPT) to get as- sistance in civil nuclear technology. The first step, Vedrine said, would be for New Delhi to sign the CTBT and aid in finalising the talks on Fissile Material Cut-off Treaty (FMCT) followed by accepting controls by the International Atomic Energy Agency (IAEA).

When asked whether the five official nuclear pow- ers or the P-5 nations — the United States, Russia, Britain, France and China — would give the status of a nuclear power, Mr Vedrine clearly stated that that as per Article 9 of the NPT, India cannot become a nucle- ar state. But we understand that India has the capable nuclear military power. That is a fact. Together we have to see the consequences of it without weakening the international instruments of non-proliferation, Mr Vedrine said. (PTI)

THE TIMES OF INDIA

THE TIMES OF INDIA

1 APR 2000

## President arrives in France

*J. K. K. Katyal* K. K. Katyal *KD-13*

**PARIS, APRIL 16.** The first Indian President to set foot on French soil, Mr. K. R. Narayanan, arrived here this afternoon for wide-ranging talks over the next two days, seeking to confirm the new warmth in the bilateral relationship.

Among the highlights of his programme are a meeting with his French counterpart, Mr. Jacques Chirac, tomorrow and talks with the Prime Minister, Mr. Lionel Jospin, on Tuesday. During his stay, the two sides will exchange the letters of their Foreign Ministers, confirming the entry into force of the bilateral investment promotion and protection agreement.

Mr. Narayanan was received at Orly airport by the French Defence Minister, Mr. Alian Richard. Paris has just come out of the throes of winter, with a drizzle serving as a reminder that spring has been delayed. A few trees here and there with flowers may not quite make the spring but do promise its onset.

17 APR 2000

THE HINDU



The Congress (I) president, Ms. Sonia Gandhi, being greeted by a Jain woman Mahavir Jayanthi on Sunday. Photo: M. Lakshmanan

## Award for Chennai cancer in

By Our Special Correspondent

**CHENNAI, APRIL 16.** This year's Bhagwan Mahaveer Foundation awards will be given to Dr. K. M. Gangwal of Pune for excellence in the sphere of non-violence and vegetarianism, Ms. Anurupma Mukherjee of the Tripura Adivasi Mahila Samithi for her social and community service and the Cancer Institute of Chennai for its pioneering work in the sphere of education and medicine.

Announcing the awards at a press conference here today, Mr. C. Subramaniam, head of the co-

ism through exhibitions, lectures and slide shows.

His campaign had resulted in the closure of a number of abattoirs in the country.

The Cancer Institute was a premier institution providing over 400 beds for treatment, of which nearly 300 were being utilised for the treatment of poor.

Ms. Anurupma Mukherjee had done an excellent job in promoting the welfare of tribal women in an underdeveloped tribal area.

The award carries a cash component of Rs 5 lakhs a year.

naging Trust said the seal was given on April 13 in Chennai. The awardees were: Dr. K. M. Gangwal, Pune; Ms. Anurupma Mukherjee, Tripura; and the Cancer Institute, Chennai.

The Foundation awards are given for work done in the field of non-violence and vegetarianism. The Foundation awards are not covered by the Government.

**Pawa**

**PUNE, APRIL 16.** Dr. K. M. Gangwal, a prominent agriculturist and brother of the late

**THE HINDU**

**17 APR 2001**



HD-13  
19/4

# We have a stake in Pakistan's stability, says Narayanan

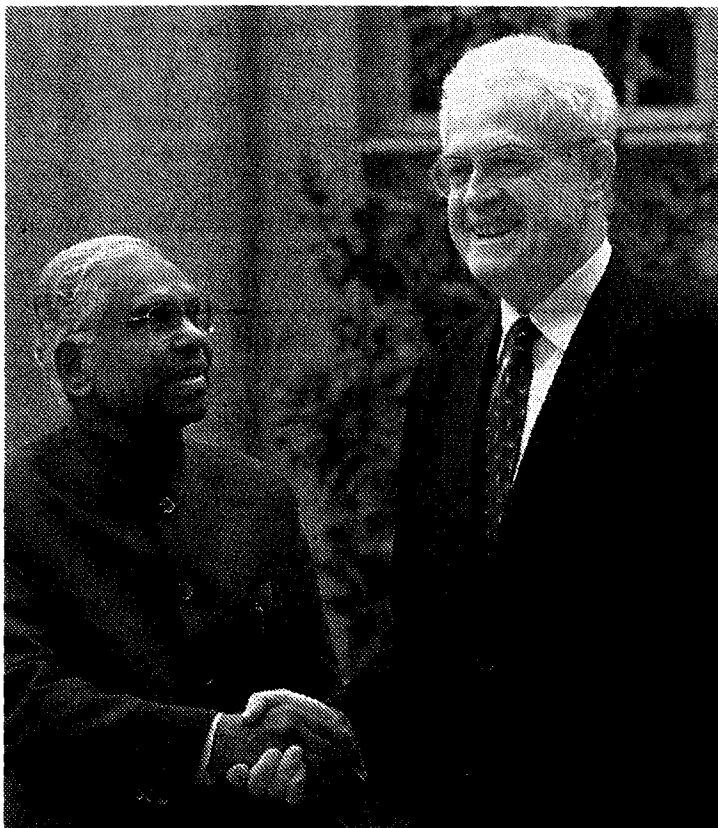
By K. K. Katyal

PARIS, APRIL 18. It was a blend of the scholar and political scientist, besides, of course, the President, that stood out as Mr. K. R. Narayanan interacted with some 15 French intellectuals, fielding questions with aplomb and ease. In the process, he yielded quite a few newsy points (in journalistic parlance), apart from reflecting conceptually on the problems of the day. First, the newsy aspect. How will the Indo-French relations be in the wake of the U.S. President, Mr. Bill Clinton's visit to India? His reply — India is essentially non-aligned in its approach, and friendship with one country does not affect its relations with others. The Clinton visit will not come in the way of friendship with France. On the contrary, it may get strengthened.

What is his long-term vision of India's ties with Pakistan? It is one of cooperation and friendship, not of wars, he said, quoting Nehru, (at a time when Partition was imminent) that there were thousands of ways of cooperating.

Pakistan, as a stable State, is as important to us as to the Pakistanis. We have a stake in its stability. The current problems are to be ascribed to Pakistan's policies and the world view of India-Pakistan relations.

Is China a status quo power? It is not. It would like to change through peaceful means. How relevant is the Japanese model to India? We admire their industrialisation and hard work. We could borrow from them the zest for work and capacity to work together. But theirs is a capita-



The President, Mr. K. R. Narayanan, being greeted by the French Prime Minister, Mr. Lionel Jospin, in Paris on Tuesday. — Reuters

istic, feudal set-up and we would not like to imbibe these qualities.

His view on the concept of a Russia-China-India triangle? He saw a case for cooperation among the three but not for the bloc-like functioning. India had meaningful relations with China (and Russia), but it is open, not exclusive. We can reconcile our good relations with these two countries

with our ties with the U.S.

His view of France and his expectations of the current visit? Its freedom of thought and capacity to experiment (are worthy of emulation). The visit was a historic event, reviving as it did mutual relationship. Ideologically, relationship with France is important. Now we get together for multi-polarity. How does he perceive his

role as the head of state? The President in India is a Constitutional head. I have an agenda of my own and, as President, could influence indirectly. Does he see internal threats to democracy in India? There are many stresses but he did not see any threat. We could resolve crises through democracy. It is feasible if the political parties, and more than that, the people, believe in democracy: it gives them a sense of pride and it is the biggest guarantee of success.

As against this situation, the intellectual experiment of democracy was absent in the areas now constituting Pakistan, or in Jinnah's ways. They got Pakistan by playing the national movement against the British rulers.

Is globalisation a positive or a negative factor for India? Every country has to consider the consequences of globalisation. We do not believe it is the end of the nation-state or sovereignty. Every unit should retain its characteristics and cooperate with others.

What about religion — is it a source of harmony in India? Yes, it is but elements of disharmony have crept in. But cases of violence are an exception rather than the rule. India is harmonious so far the religion is concerned.

And yes, Nehru is relevant today as he was in his days — especially in his vision of India and the world. And Gandhi is more relevant — Nehru, after all, was an extension. Engaged in the interaction were authors, writers, members of various think-tanks, political scientists, social scientists and experts on strategic affairs.

# Cook remarks on J&K show Clinton influence

Foreign Secy abandons old Labour line that UK has responsibility to mediate in India-Pak dispute

JYOTI MALHOTRA  
NEW DELHI, APRIL 18

THE spirit of Bill Clinton appeared to be peering over the shoulder of British Foreign Secretary Robin Cook at Hyderabad House on Monday afternoon, when he announced that the "modern world does not permit boundaries to be redrawn in blood".

Minutes later, answering a series of questions on Kashmir, Cook finally abandoned a 1995 Labour Party assertion that it was Britain's responsibility as a former "imperial power" to mediate between Pakistan and India on Kashmir.

Only saying that London will have to be "asked for help before (it) can be of assistance", Cook went on to say that "any serious dialogue (between India and Pakistan) will have to be accompanied by restraint". He added that "restraint, yes, included the need for respecting the Line of Control".

Clearly, Clinton's remarks — in India last month and since — on Kashmir, as well as castigation of Pakistan's attempts to cross the LOC during war and peace, have



British foreign secretary Robin Cook with his wife and NRI industrialist Lord Swraj Paul being welcomed by school children at Apeejay School in Noida on Monday — PTI

made an enormous impact on USAs closest ally, Britain.

The impact was there to see on Monday afternoon at the press conference. Cook, a shadow of his combative self during the visit of the Queen of England in 1997, went

out of his to speak of how "Jaswant Singh and I found a common approach and mutual interests in so many issues of foreign policy".

"As President Clinton said, the modern world does not permit boundaries to be redrawn in blood.

External Affairs Minister Jaswant Singh appeared to be willing to play his part of a welcoming host, from receiving him back home in Jodhpur over the weekend to announcing that India's efforts had been to "transcend history, to convert the 250-year relationship, previously considered alibi, into an asset."

Singh announced the setting up of a formal bilateral dialogue on nuclear non-proliferation issues, on the lines of interactions with other permanent-five countries, as well as reiterated an invitation to British PM Tony Blair to visit India.

But even as Cook made an obvious effort to lay at rest some of the ghosts of the past, he made a reference to the "unfinished business" of the Security Council resolution 1172, which in the wake of the Pokharan tests had insisted that India (and Pakistan) return to its non-nuclear status.

Here too, there wasn't the faintest metaphorical equivalent of wagging a finger in India's face, an image that has remained vivid in the minds of many Indian journalists from the 1997 trip.

"Parts of 1172 remain relevant

today, for example, adherence to the CTBT, and I hope the Indian side will take this forward. There is work to be done on confidence-building measures. Much in resolution 1772 represents unfinished business. The system has to go through a dialogue," Cook said.

Nevertheless, some foreign policy analysts pointed out that the British Foreign Secretary (the British equivalent of foreign minister) refused to condemn Pakistan outright for its support for cross-border terrorism, preferring to let his comments on Kashmir and dialogue with Islamabad speak for themselves.

Sources in the Ministry of External Affairs, however, said they were reassured by their British counterparts on the quality of London's changed position in favour of India. They pointed out that Cook had not only spoken of the burgeoning trade and economic relationship with India, but also of the fact that Pakistan's continuing absence of a real road map back to democratic rule will be a matter of deep disappointment to those of us who meet in the Commonwealth Ministerial Action Group in two weeks' time."

# Germany backs India's demand for seat in UN Security Council

PRESS TRUST OF INDIA  
CALCUTTA, APRIL 18

GERMANY on Monday backed India's demand for a permanent seat in the United Nations Security Council saying the Asian country deserved its claim for global leadership.

"India demands a permanent seat in an enlarged United Nations Security Council. A claim for global leadership by India is not disputed by any country," German Ambassador to India Dr Heinrich Deickmann said at a joint meeting of three city-based Chambers of Commerce here. "We do understand India's aspirations," Deickmann said.

The German Ambassador said India had become a member of the G-20 group of nations very much on German initiatives.

"Equally, we have welcomed India's presence as dialogue partner at last year's Organisation for Economic Cooperation and Development (OECD) ministerial conference. We also

count on India as a major partner in the World Trade Organisation," he said.

Deickmann said having worked for quite a few years as one of the Sherpas preparing the G-7 and G-8 Summit, he felt that international mechanisms had to be adjusted to new realities in search for a broader consensus on international economic matters.

"The world faces global challenges asking for global answers... these are issues of security in a broader sense for the future of mankind and in particular for the future of upcoming generations," he said.

On the East-West divide, Deickmann said the threats to mankind like population growth, poverty, mega-cities, new diseases, migratory pressure and environmental degradation were talked about in Europe but felt in India.

"We need India as a global partner in tracing those challenges," he said.

The German Ambassador said India and Europe wanted a multi-polar world and the final objective of the whole process of European integration was to make Europe one of those poles.

"Unilateralism is not in our interest," he said.

Stating that the introduction of the Euro as a global currency was a revolutionary process, he said it brought together nations on the key elements of sovereignty in monetary issues.

"The key element of the introduction of the Euro lies in the political resolve of the European nations to continue this process, including in the areas of foreign and security policies... Will Asia become Europe's partner in a multi-polar world?," Deickmann asked.

"In my opinion Asia as such will remain a multi-polar world, based upon the triangle India-China and Japan or even the Rectangle, which would include ASEAN countries," Dr Heinrich Deickmann observed.

INDIAN EXPRESS

19 APR 2000

# France backs India for Council seat

By K. K. Katyal

PARIS, APRIL 18. The French President, Mr. Jacques Chirac, has announced — categorically and without ambiguity — his country's support to India's claim to be a permanent member of an expanded U.N. Security Council. "India is naturally destined to become a permanent member of the U.N. Security Council. France supports and will support your candidature," he said in his address at the banquet hosted in honour of the President, Mr. K. R. Narayanan, on Monday night. France, according to Mr. Chirac, wished to see India occupy its rightful place on the international scene.

France, thus, became the <sup>2nd</sup> ~~second~~ major power to back India's case for a permanent slot in the Security Council, Russia being the first to do so. Equally significant was the French President's rationale. "This prospect gives full meaning to our common determination to the construction of a harmonious, multipolar world," he said. France had been a leading crusader for a change in the current unipolar world order, dominated by one power, the United States. India, too, had been of the same view — and this commonality had found expression in the past on many a forum — as, for instance, at a seminar on "India and France in a multipolar world," in New Delhi in February under the auspices of the Indo-French forum, to which Mr. Chirac referred pointedly.

France, as was known from its public statements, regarded the European Union as one of the new poles and India as another. This was how Mr. Chirac elaborated the theme: "France is absolutely committed to the construction of Europe, an undertak-

ing without precedent in history. By building a powerful sense of solidarity among our peoples, we have enabled democracy and peace to take root in our continent. Today, the European Union is the world's premier economic powerhouse, and we are establishing the political means to make our voice heard in the concert of nations and even now, India is emerging as one of the foremost centres of power in the world of tomorrow."

The international balance of power, Mr. Chirac said, needed a strong relationship between India and the European Union. India, he assured, could count on France, which would take over the presidency of the union on July 1, "to give full weight to this special relationship." Mr. Narayanan reciprocated this sentiment, saying: "that India, France and the E.U. had to embark upon" a new voyage of cooperation, no less exciting than the earlier discoveries of the continents. Mr. Narayanan today held talks with the French Prime Minister, Mr. Lionel Jospin — a continuation of the process that began on Monday with 70-minute discussions with Mr. Chirac. The peculiar French dispensation is marked by "co-habitation", with a Conservative President working with the Socialist Prime Minister.

Earlier, speaking at a reception, organised by the Governing Mayor of Paris, Mr. Jean Tiberi, the President spoke of fascination the city had for Indians. "Paris is more than a city: it is the soul of France and paradigm of civilisational aspirations. Its vibrant spirit is propelled by energy, the energy of perpetual discovery of that which is worth conserving, cultivation and creating in life."

Talks with Jospin: Page 13

# India, France for closer strategic ties

Paris, April 18

**I**NDIAN PRESIDENT K. R. Narayanan has held talks with French President Jacques Chirac, reaffirming a mutual desire for closer strategic and commercial ties between their two countries.

Mr Narayanan, the first Indian head of State to pay an official visit to France, was yesterday welcomed by a military band and red-carpet welcome to the Elysee Palace, where he was guest of honour at a state banquet along with his family.

The two leaders, who met when Chirac visited India two years ago, discussed commercial exchanges, including transport, energy and agricultural projects, as well as India's volatile relations with neighbouring Pakistan and Afghanistan.

Mr Chirac encouraged India, which last year came close to its fourth war with Pakistan, to ratify the global nuclear test ban treaty, telling Mr Narayanan the international community would read New Delhi's signature as a strong signal it shared its goal of containing weapons of mass destruction, Mr Chirac's office said.

Reaffirming France's support for India becoming a permanent member of the United Nations Security Council, Mr Chirac told Mr Narayanan that non-proliferation was an "essential pre-requisite of international security".

"France wishes to see India occu-



President K.R. Narayanan raises a toast with his French counterpart Jacques Chirac at a state banquet at Elysee Palace in Paris on Monday. Photo: PTI

py its rightful place on the international scene," he said.

"The international balance of power needs a strong relationship between India and the European Union. You may count on France, which takes over the presidency of the EU on July 1, to give full

weight to this special relationship."

Mr Narayanan said India hoped that the South Asian Association for Regional Co-operation (SAARC) would follow the same

path as the EU in reinforcing economic co-operation in the region.

"In spite of all the obstacles and

setbacks, we believe in and work for such co-operation following the example of Europe," Mr Narayanan said.

The Indian President, on a five-day visit, is due to meet Prime Minister Lionel Jospin for talks on Tuesday.

(Reuters)

# Belgium looks to India for trade opportunities

**The Times of India News Service**

PANAJI: Children in Belgium play with Chinese toys, the British take a two-hour flight from London to drive back in cars purchased in Belgium because they are cheap. The prince of Mewar ordered Belgium glass in the 17th century and the famous chandelier in the Gwalior palace is from Belgium.

"Ours is a small country of little over 10 million people. The country has had to redirect its priorities after the coal mining industry and related 'dinosaur industries' died down some 30 years ago. But in a never-say-die approach, Belgians tried hard to establish the economy on a growth track and become world leaders in chemicals and dredging," said the loquacious consul general of Belgium, Nancy Rossignol.

The Mumbai-based consul said Surat was a known name in her country because of the diamond trade in Antwerp. "Maybe there are memories which families once thriving on the trade, would like to abandon. But it is a reality that the Indians, rather the Gujaratis, excelled in the cut and finish trade of diamonds and drove out the Belgians. But nobody is complaining," Ms Rossignol said in a matter of fact manner.

Belgium wants to hard sell its industries in the Indian market. The trade commissioner of Flanders (the northern area of Belgium), Raj Khalid said in terms of trading partners, India would be ranked tenth. A proposal of developing IT parks, dredging operations and alternative processing technologies, particularly for plastic, are some of the areas where Belgium seeks investment opportunities in India.

"We are here to look at industries that would grow for the next 15 years. There have been certain success stories and we are hopeful of expanding trade relations between the two countries."

And as it had to have a sweet experience of what her country could begin with, the world famous Belgium chocolates are already being distributed in Mumbai. "I must say Belgium chocolates are the best.

You will have to taste them to believe how good and different they are," said the consul general with a chuckle.

Ms Rossignol told *The Times of India* on Tuesday that ties with India would have to be a two-way traffic. If the particle accelerator in the nuclear reactor at Bhabha Atomic Research Centre (BARC) is from Belgium, the Tata Consultancy Services (TCS) have changed the face of telecommunication in their country. "I must say the Tata's have done a remarkable job in our country. Telephones in Belgium now work much better," she said.

"I must say there is a lot of incorrect information about India. This is not good. I have had a different experience altogether and will try and change perceptions the best I can," the consul general said. It is also wrong to say that everything is hunky dory with Belgium, she said candidly.

Located centrally in western Europe with three official languages—Dutch, French and German—the country has had to contend with seething differences between the Dutch and French-speaking populace. The differences accompanied with the economic crises of the 70s and 80s was combated by new government employment schemes, a change in monetary policies, and tax reductions aimed at encouraging private investment.

The country, described as "heart of Europe", now is making efforts to reduce its national debt in the coming years in order to take part in a common European monetary system.

"The smallness of the country and the hazards faced by us, however, did not prevent us from becoming a major exporter," said Ms Rossignol. Diamonds (the finished product has a major centre in Antwerp), carpets, chocolates and comics—calling cards from all over the world—are rather a limited view of the dynamic nature of Belgium's export activities.

And in their endeavour to make Indians have a flavour of their life, the Indian bazaar could be flooded with Belgian beers.

THE TIMES OF INDIA

11-13 1914

# France keen on defence supplies to India

By K. K. Katyal

PARIS, APRIL 19. France has again conveyed its keenness on defence supplies to India. The response, as given by the President, Mr. K. R. Narayanan, is highly positive. However, issues such as the price factor have to be sorted out.

This became clear after Mr. Narayanan's talks with the French Prime Minister, Mr. Lionel Jospin, on Tuesday which focussed on specifics. France would also like to sell airbuses to Air India and Indian Airlines. Here again, India is agreeable but details will need to be negotiated. According to the French side, their products are excellent, their technology the most advanced and to cite one instance, they say their aircraft may be costlier but the accident rate was markedly low.

Mr. Narayanan is now in Toulouse, premier European centre for aeronautics — second only to Seattle in the world in this sector — because of the presence of Aerospatiale, Airbus Industrie and related ventures. The President visited the facilities of the first two and was given detailed presentations on the sites. This visit was considered significant in view of the French anxiety to push their relationship in the aviation sector.

Mr. Narayanan's talks with Mr. Jospin completed the top-level discussions, which began with the meeting with the French President, Mr. Jacques Chirac, on Monday. The French leaders were anxious to

know the details of India's relationship with Pakistan and China. Mr. Narayanan explained New Delhi's approach to Pakistan — there was a willingness to resume the dialogue with the military regime in Islamabad but a proper climate needed to be created, with the cessation of cross-border terrorism which continued to take a heavy toll of innocent lives in Jammu and Kashmir. The French side, in the recent past, had exhorted India to re-start substantive contacts with Pakistan but, did not press the point this time, after the President explained the Indian position. India, the French side was told, was at ease with China, the bilateral ties being stable.

Interestingly, the French leaders wanted to know India's assessment of the situation in Russia, especially of the newly-elected President, Mr. Vladimir Putin. He, to them, was an unknown quantity and hence the anxiety to get India's perspective because of its special relationship with Moscow. Then there were inquiries about the recent visit of the U.S. President, Mr. Bill Clinton, with Mr. Narayanan saying it would have a beneficial effect on Indo-U.S. bilateral relations.

Mr. Chirac repeated the French view that it was in India's interest to sign the Comprehensive Test Ban Treaty. Such a step, it was pointed out, would help France extend cooperation to India in the civilian use of nuclear energy, especially in meeting India's needs of nuclear power, an area in which France possessed high expertise.

THE HINDU

20 APR 2001

## French daily says sorry to Narayanan

Paris, April 19 (PTI): Leading French daily *Le Figaro* has apologised to President K.R. Narayanan for describing him as an "untouchable".

"I apologise personally for this blunder and I assure you that it was certainly not our intention to hurt or be disrespectful to you; in fact, quite to the contrary, in as much as the relations between your country and the *Figaro* are old and friendly," editor-in-chief of *Le Figaro*, Michael Shifres, said in a letter to Narayanan, who was on a state visit to France.

Reiterating his apology, Shifres said, "Please accept, Mr President, the expression of my highest consideration."

India had slammed the French media for describing Narayanan as an "untouchable".

The President, in an informal chat with newsmen on board the special aircraft en route Toulouse, said yesterday: "I don't feel anything in particular except that Europeans have a fixation."

But, he felt that the Indian mission in Paris could have properly briefed the French media.

THE TELEGRAPH

20 APR 2000



# France hails Narayanan's visit as 'historically significant'

PARIS: France on Friday hailed President K.R. Narayanan's visit, first-ever by an Indian head of the state to the country, as "historically significant" and said a strong relationship between the two nations is an essential aspect of the multipolar world.

Describing the meetings between Mr. Narayanan and French leaders earlier this week as "friendly and productive," a foreign ministry statement said, "the visit confirms the resolve on both sides to develop a close partnership."

Mr. Narayanan held talks on multi-faceted ties involving France and India with President Jacques Chirac and Prime Minister Lionel Jospin before winding up his five-day state visit. "The meetings enabled us to address the respective concerns, especially with regard to non-proliferation. France sees this as one of the core conditions of international security, and we believe India has the most important role to play in this area," the statement said.

Indian diplomats said the "unusual gesture" from French side re-

flected the "extraordinary warmth in bilateral ties."

French defence minister Alain Richard will visit India next month to hold talks with senior Indian officials on defence deals, official sources said here Friday.

The two-day visit by Richard from May 18 will be preceded by the trip by French joint chief of armed forces General Jean-Pierre Kelche, who is expected to begin his four-day tour from April 23, they said.

India and France are holding crucial negotiations over the purchase of 10 additional Mirage-2000 fighter jets for the Indian Air Force (IAF) and the Dassault Aviation's Alpha Jet is a key contender for the IAF's search for an Advanced Jet Trainer (AJT).

Meanwhile, President Narayanan had a feel of the history as he went around the famous sites of this city of middle ages, which has been designated as the "city of the millennium" and is the pride of the French province of Provence.

In this quaint township, located

on the banks of Rhone river, Mr. Narayanan was presented a gift by Jean De Loisy, commissioner of the exhibition "Beaute En Fabula". Driving through the countryside to this city, which was the seat of Christianity after a schism in the Holy See at Rome from 1305 to 1370, Mr. Narayanan was accorded a reception at the Papal Palace.

Avignon, classed by UNESCO as a World Heritage Site, saw seven Popes who were all French and held court here.

This city had its first cultural contact with India during the Festival of India held in France in 1985-86 when the Festival D'Avignon staged novelist Peter Brooks' famous play *Mahabharata* which was a tremendous success.

The people of this city strongly favoured more cultural exchanges with India and said the proposal to open an Indian cultural centre in Paris "would boost Indo-French cultural ties and bring closer the people of these two great countries possessing rich history and culture." (Agencies)

THE TIMES OF INDIA

22 APR 2000

# President back with specific gains

By K. K. Katyal

**NEW DELHI, APRIL 22.** According to the President, Mr. K. R. Narayanan, the two specific gains of his "very productive and fruitful visit" to Paris were: 1) the French Government's categorical public assurance of support to India's candidacy for a permanent seat in the U.N. Security Council, and 2) its reiteration of the resolve to establish a defence relationship in a big way.

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Talking to mediapersons who accompanied him during the six-day trip to France, in the course of the return journey last night, Mr. Narayanan expressed satisfaction over both the atmospherics and substantive discussions with the French leaders. The atmosphere, all through, was excellent, the French side showed unusual interest in India, and there was a genuine desire to cooperate and understand New Delhi's positions, he said. Both the French President, Mr. Jacques Chirac, and the Prime Minister, Mr. Lionel Jospin, had been associated with India in the

past and had shown keen interest in its culture. Intellectually, Mr. Chirac was akin to India's cultural concepts.

As for the U.N. seat, the unqualified support to India's claim had found expression both in the talks with Mr. Chirac as also in his address at the state banquet, according to Mr. Narayanan. On his part, the President said, he had explained that the admission of Germany and Japan would only preserve the power structure of the 1930s and, as such, would not be a practical proposition. As regards the defence area, the supplies of various items, it was clear, were under active consideration, though no deal was finalised. The French Defence Minister and the Chief of Staff, who will come here on separate visits shortly, will carry forward the discussions on specific matters.

The shared commitment to the concept of multipolarity was another notable feature of the special relationship, that had been in the making of late.

**France against sanctions: Page 11**

THE HINDU

23 APR 2000

# India, France keen on 'global defence ties'

By Our Special Correspondent

**NEW DELHI, APRIL 24.** India and France have begun a new round of defence talks which could lead to their joint participation in global trouble spots.

The visiting French Chief of Defence Staff, General Pierre Kelche, and his Indian counterpart, General V. P. Malik, today held an intensive brainstorming session to identify a common strategic agenda.

After the discussion aimed at building a "global partnership", the French General is now heading for major Indian defence establishments for a first hand look. These include the naval base in Mumbai, the headquarters of the Southern Army Command, the Pune air base and the paratrooper school, Agra. He will also visit the unit specialising in long haul air lifting of troops. On his return, he will hold another round of talks with General Malik. Both sides have already decided to institutionalise an annual dialogue at the level of their defence chiefs.

Earlier in the day, Gen. Kelche called on the Defence Minister, Mr. George Fernandes, who stressed that terrorism had to be countered globally. Pakistan had declined to step down the level of violence in Kashmir, despite appeals for easing tension from international quarters including the United States, he added.

At a press conference in the evening, Gen. Kelche said his visit would help identify the agenda and concretise proposals for the visit of the French Defence Minister, Mr. Alain Richard, next month. Mr. Richard's visit will also give direction to the apex Indo-French High Committee on defence, which will hold its third meeting in July. The Committee

revolves around the conduct of a "strategic dialogue." It also identifies the nuts and bolts of service-to-service cooperation as well as the possible areas of cooperation between the defence scientists of the two countries.

Gen. Kelche pointed out that joint participation of Indian and French troops in global trouble spots under the U.N. flag was one of the thrust areas of cooperation. Troops from the two countries had already worked together in Lebanon and Yugoslavia.

To a question, he said the two navies also shared a common strategic vision in the Indian Ocean area. Opposed to single power domination, the two sides, not surprisingly, conducted joint naval exercises in Indian waters recently. "We have common strategic interests in the Indian Ocean. We have a common commitment towards a multipolar world and a common strategic vision," the French General said.

THE HINDU

25 APR 2000

# Western Australia eyes India for investments

By Sushma Ramachandran  
**PERTH, APRIL 25.** The prospects of Australia becoming a strategic economic partner of India appear to be brightest in Western Australia, the huge state overlooking the Indian Ocean. It is here that giant mining and hydrocarbon companies are located, most of which are eager and willing to business with India. No wonder then that the Deputy Premier, Mr. Hendy Cowan, led a business delegation to India in early February. Moreover, it is the only Australian state to have a permanent trade office in Mumbai.

Mr. Cowan indicated during a meeting with Indian journalists that Australian investments in the mining sector alone could run into billions of dollars over the next few years. Talks are also being held with the Punjab Government on the possibility of reducing post-harvest foodgrain losses. The Australia-led consortium, Australia LNG, has entered into a preliminary agreement with the Orissa Investment Promotion Agency for a five years contract to supply LNG (liquefied natural gas).

Giving an overview of the possible investments in the mining sector, Mr. Cowan said the major areas of interest were gold, mineral sands such as ilmenite and zircon, iron ore, coal and precious stones such as diamonds.

According to Australian companies, India had the potential of becoming a major mineral exporter in the long run.

In the case of gold, for instance, Australia currently produced 280 tonnes of gold annually as against only 2,800 ounces by India. Proper exploitation of the resources which had been described as occurring in a "golden triangle" in central India could raise gold out-

## TIES WITH AUSTRALIA — II

put to Australia's level, he said.

Mr. Cowan also noted that India had extensive deposits of heavy mineral sands. Tamil Nadu had the largest deposits but Kerala and Orissa also seemed good prospects. Iron ore and coal were the two other minerals where Australian expertise could be used for extraction as well proper utilisation. As for precious stones, he said there was scope for mining of diamonds, rubies and emeralds.

The Western Australian Deputy Premier, who will face elections later this year, assured that the interest in investing in India was not short term. India would be a regular port of call for any newly elected government because of the intensity of interest in the indus-

try. The state's resource-based economy revolved around minerals and agriculture with investment possibilities in these areas as well as in hydrocarbons such as LNG.

The cooperative bulk handling agencies had offered transfer of technology in the area of post-harvest grain handling to the Punjab Government. Studies have shown that grain quality could be vastly improved while huge annual losses of 10 to 15 per cent could be reduced. In financial terms, the annual losses work out to a revenue loss of \$ 500 millions every year.

On roadblocks in the way of Australian investments, Mr. Cowan referred to access to geological data and elimination of sovereign risk. One major issue relating to full control of India-based companies had just been resolved with the Government allowing 100 per cent foreign-owned companies in the mining industry.

The fact that Western Australia, with its avowedly "Look West" policies is keen to exploit the Indian market is evident from aggressive marketing by State Government agencies. The aim is to achieve an increase in trade and investment flows proportionate to the size of the Indian economy. Currently, the state's trade with Asia comprises 12 per cent of its total trade and India's share is quite low.

26 APR 2000

26 APR 2000

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## European Union praises India for reforms

Berlin, March 2

THE EUROPEAN Union has praised the Indian Government for ending ad-hocism in the fundamental economic reforms carried out in the last five months and asserted that the 'second generation' economic reforms would be

the 'key factor' for the growth of Indo-EU economic and trade relations. "We have every admiration for the bold approach (of the Indian Government) in putting on track a series of fundamental reform projects which no longer simply are adhoc in nature but follow a definite strategic plan," EU

Trade Commissioner Pascal Lamy said on phone from Brussels before leaving for a week-long visit to India starting today.

Lamy said a "stable and predictable" economic environment in India could boost EU's investment there and lead to an inflow of technology and know-how. (PTI)

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THE HINDUSTAN TIMES  
- 3 MAR 2000

# EU for review mechanism between WTO, ILO

By Sushma Ramachandran

**NEW DELHI, MARCH 6.** The European Union today distanced itself from the U.S. position on linkage of trade with core labour standards. Describing the EU stand as being a "middle ground," the visiting EU Commissioner for Trade, Mr. Pascal Lamy, said it was opposed to sanctions as a way of enforcing core labour standards.

The EU, instead, wanted a review mechanism to be set up between the World Trade Organisation (WTO) and the International Labour Organisation (ILO), as part of which a trade angle would be linked to the reviews conducted by the ILO. The EU does not want the developing world to perceive the linking of trade and labour standards as the "new protectionist agenda." But, there was a need to demonstrate that trade liberalisation was not resulting in labour standards being "dumped." This was necessary to further advance the cause of liberalisation. Even within the EU, it had not been easy to convince various groups that sanctions were not the right approach.

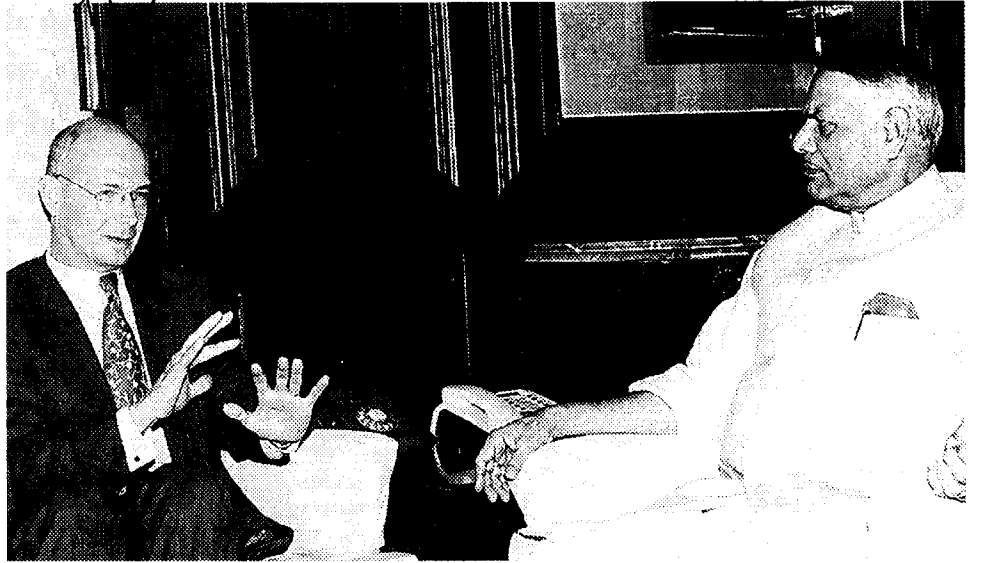
Addressing a meeting organised by the Confederation of Indian Industry (CII), Mr. Lamy emphasised the need to restore basic confidence in the WTO following the debacle in Seattle. This could be made possible through a short-term package being worked upon to answer some needs of the developing countries.

Mr. Lamy said the EU wanted a comprehensive new round of negotiations, as this was the only way to represent concerns of the vast cross-section of countries in the WTO. The new round needed to adopt an all-inclusive approach, with far greater participation from the developing countries. Also, he argued, without a new round, the negotiations on the built-in agenda of services and agriculture would be difficult and slow because in these sectors, there was limited scope for trade offs and balanced results.

The lessons from Seattle showed that the WTO workings needed to be amended in order to ensure better participation and transparency. But it was important to not let "institutional reform" detract from launching a new round. A new round needed to include market access. In the case of India, reduction in textile tariff peaks and better access to service providers would be beneficial.

He said the WTO also needed to update its rules to respond to the effects of globalisation, and basic rules on investment and competition were necessarily part of this process.

On investment rules within the WTO, Mr.



**Mr. Pascal Lamy, EU Commissioner for Trade, with the Union Finance Minister, Mr. Yashwant Sinha, in New Delhi on Monday.— Photo: Sandeep Saxena**

Lamy clarified that the EU was not asking for national treatment pre-entry. However, they did want rectification of the anomaly wherein a services investor knew his rights as under the GATS, but there was no such agreement for goods. Regarding competition policy, he said the EU wanted a dialogue to see if a basic framework of competition rules could be reached. In this respect, the EU was willing to try and find a solution to India's concerns about public sector enterprises.

On linking environment and the WTO, he said the stand of the EU and India were fundamentally not very disparate. The EU wanted an agreement to be arrived at within the WTO on this issue, and believed that the developing countries should be assisted in meeting environment standards through transfer of technology, capacity building and assistance.

Earlier, delivering a special lecture on "Issues concerning Indo-EU trade", Mr. Lamy said the EU and India have agreed to launch two initiatives this year, which go beyond the relations of official level to embrace civil society concerns. The establishment of EU-India Think Tank Network, which would seek to sensitise the policy makers on both sides to the viewpoints of the other; and the launch of an EU-India Round Table on Bilateral Relations, which would consist of senior persons of civil society and would identify political, economic and cultural areas where further ini-

tiatives could be carried out jointly.

Mr. Lamy met the Finance Minister, Mr. Yashwant Sinha, and discussed issues concerning bilateral trade relations. During the discussions, Mr. Sinha told Mr. Lamy that EU was an important trading partner and India's trade growth depended to a large extent on India's performance in the European market. He said that after two years of slackening of global trade, things have improved.

Mr. Sinha said there was plenty of scope for European finance companies in the insurance and non-banking sectors. The Finance Minister also spoke about the difficulties being faced by the Indian exporters due to hard decisions such as anti-dumping duties. During his coming visit to Germany, roadshows would be organised for showcasing India as an investment destination.

**THE HINDU**

**- 7 MAR 2000**

# Ireland for software tie-ups with India

By Thomas Abraham

**DUBLIN MARCH 6.** Ireland and India have begun efforts to link their dynamic software industries, with a planned visit to India by the Irish Deputy Prime Minister, Ms. Mary Harney, and a delegation of around 40 businessmen from various software companies. Ireland is the world's second largest exporter of software after the United States, and Irish companies have been keeping an eye on the speed with which the Indian software industry is developing.

The Irish Taoiseach (Prime Minister), Mr. Bertie Ahern, in a conversation with this correspondent and a group of visiting journalists, said that Ireland was "very conscious of the strides that India has made in software" and said he hoped it would be possible to build up a "healthy cooperation" between the companies of both the countries.

Mr. Ahern, who has visited India some years ago when he was an opposition leader, commented that the "three I's": Ireland, India and Israel, had made enormous strides in technology, and felt there was room for cooperation.

Ms. Harney, who will be visiting India in April, said she hoped her visit with a trade delegation would allow companies from both the countries to talk to each other, and explore the possibilities for collaboration. Irish companies would be looking for Indian partners who would help them to do business in India. Indian companies could consider teaming up with Irish businesses who would help them to penetrate the European market.

The Irish Deputy Prime Minister is expected to visit New Delhi, Mumbai and Bangalore with the trade delegation in April, before taking a short break in Kerala. Ms.

Harney said she intended her visit to be more than just a trade visit. She hoped to help build a broad relationship between the two countries.

Among the companies which will be represented on the delegation are giants such as Baltimore Technologies, one of the world's leaders in internet security systems. The company sees India as a major market, and it is already in partnership with an Indian company. "I met the Prime Minister and the Information Technology Minister, and am very impressed with the Indian Government's IT policy," said Mr. Tom Comerford, Business Development manager at Baltimore Technologies. *110-12 JB*

The company has pioneered cryptographic techniques which would, for example, allow users to send authenticated documents such as contracts through e-mail. "The Irish software industry is built around products, while the Indian software industry is based largely on providing services," said Mr. Declan Murphy of the National Software Directorate in Ireland. *9-Europe*

At present, Britain is the favoured destination for Indian businessmen who want to do business in Europe, largely because it is English speaking and an easy place for Indians to work in. But those doing business in Ireland say that it has several significant advantages over London as a base for Indian businesses. "The main thing is that Ireland is already part of the Euro, the European single currency, it is in fact the only English speaking country in the single currency," said Mr. M.N. Kutty Nair, an Indian entrepreneur living in Ireland. This has significant advantages for anyone doing business in Europe.

THE HINDU

- 7 MAR 2000

# EU House asks India, Pak to show restraint

By Ethirajan Anbarasan

PARIS: European Union's parliament on Friday adopted a resolution asking India and Pakistan to refrain from any provocation along the Line of Control (LoC) and if necessary to consider mediation by the U.N. to solve their outstanding issues, including Kashmir.

Adopted by a 171-1 vote, the resolution said the EU parliament was concerned about the recent rise in tension in the region which has been aggravated by the fact that both India and Pakistan are nuclear powers.

The parliament, based in the French city of Strasbourg, called on both countries "to refrain from any provocation and to respect strictly the LoC in order to create an atmosphere conducive to talks about all outstanding issues, including Kashmir."

Stressing the need to "recapture the spirit" that led to the Lahore Declaration, the European MPs asked both parties to create condi-

tions for meaningful bilateral talks and "involve the U.N. for mediation if necessary."

The MPs asked their own delegation to visit India and foreign affairs commissioner Chris Patten to formulate an EU policy towards South Asia to make every effort to promote the process of reconciliation between India and Pakistan.

The joint resolution condemned continuing violation of human rights in Kashmir "due in part to activities of cross-border terrorists who systematically attack defenceless civilians."

Once a peaceful settlement of the Kashmir issue has been reached, the resolution said, "The EU should commit itself to contribute to an economic upturn in the region." The resolution asked its committee on foreign affairs, human rights, common security and defence policy to report on the current situation in Jammu and Kashmir, including an historic account of the issue. P (PT)

THE TIMES OF INDIA

18 MAR 2000



## E.U. thwarting India's market access: Maran

By Sushma Ramachandran

NEW DELHI, MARCH 7. The Commerce and Industry Minister, Mr. Murasoli Maran, today said India's market access was being thwarted by various non-tariff and trade restricted measures in the European Union (EU).

He stressed the point at a meeting with a European Commission delegation, led by the E.U. Trade Commissioner, Mr. Pascal Lamy.

Mr. Maran highlighted the concerns of the Indian trade and industry which felt that market access for Indian goods and services to the EU was increasingly becoming difficult because of the numerous sanitary and phytosanitary as well as packaging and labeling requirements imposed without adequate notice. "We feel that the EC could demonstrate a higher flexibility in extending better market access to Indian products and services by laying down more transparent and predictable standards and requirements".

On the problems faced by the Indian exporters because of repeated anti-dumping and anti-subsidy action, Mr. Maran said while Indian exports accounted for less than 1.3 per cent of the overall E.U. imports, the action against Indian products was disproportionately high, as in terms of cumulative cases since 1994, India accounted for 13 per cent of the total number of cases in which action had been taken by the E.C.

"The Indian industry feels that the E.U. action in regard to anti-dumping and anti-subsidy is nei-

ther rational nor fair. Any anti-dumping action which impedes trade based on comparative advantage creates disincentives for restructuring and ultimately leads to the detriment of the community interest," he said. Referring to the Memorandum of Understanding on textiles with the E.U., Mr. Maran said while India had taken steps to meet its obligations and bound its tariff, the exceptional flexibility as expected had not been made available by the E.U., despite assurances.

He also raised the issue of countervailing duties imposed on stainless steel bright bars and the problems faced by the Indian manufacturers of hot-rolled coils.

Mr. Lamy expressed satisfaction over the growth rate of India's exports to the E.U., which was in the range of 15 per cent of the last few years. However, it was still too low and the two sides should take measures to further increase trade and investment. He said the EU legislation was not specifically targeted against India. On granting additional flexibility in textiles, he said he would move legislation and hoped that EU members would ratify it.

He mentioned a few irritants in bilateral relations such as India's automotive policy, ban on exports of hides and skin and imposition of a special additional duty on imports.

In the area of multilateral issues, Mr. Maran said while India was committed to labour standards and had ratified most ILO conventions, it was of the firmly view that the WTO was not the forum for labour issues.

THE HINDU

- 8 MAR 2000

# India can be exempt from WTO obligation on export subsidies'

STATESMAN NEWS SERVICE

NEW DELHI, March 18. — India can enjoy exemption from the WTO obligation to discontinue the use of export subsidies because the per capita income here is below \$1,000.

This was stated by Mr Anwar Hoda, former Deputy Director-General, WTO, while addressing a seminar on small-scale industries here today. He also said that the exemptions that have been given to exports from indirect taxes such as duty drawback scheme, will not go against WTO norms. Even the fiscal concessions being extended to export-oriented units (EOUs) are compatible with the WTO principles and norms, he added.

He contended that the policy of reservations of small-scale sector was not against WTO rules. Though the rules generally prohibit the QRs on imports and exports, however, it is neutral on the issue

whether the Centre can impose any limitation on the size of industry for the manufacture of any particular product.

Meanwhile, the ministry of small-scale industries and agro and rural-based industries will soon announce a policy for the small-scale sector and set up a special cell to provide SSI units with the latest data and policy information. "The ministry is aware of the problems of the SSI units and we would be coming out with a policy addressing their problems like delayed payments, credit availability," the minister for small-scale industries and agro and rural based industries, Mrs Vasundhara Raje, said at a seminar on implications of the WTO on the SSI sector, organised by the Federation of Indian Chambers of Commerce and Industry here today.

The ministry is also in the process of setting up a special cell in next three months which would provide the much need-

ed data and policy information to the individual SSI entrepreneurs, she said, adding the ministry was awaiting feedback for the creation of the cell from district and small-scale associations around the country.

On the impact of the WTO on the small-scale industry, Mrs Raje said the biggest challenge would be increased competition due to removal of quantitative restrictions (QRs) from both the domestic and international market.

Mrs Raje said the ministry had urged the Centre to give adequate representation to the SSI sector during WTO negotiations and impressed upon them that no government policy should be made without SSI representation or consultation.

On the issue of subsidies she said, "the government is carefully reviewing the subsidies in place and taking all measures to re-orient them to make them WTO compatible."

THE STATESMAN

19 MAR 2000

# Call to improve Indo-Japan economic ties

By Sushma Ramachandran

**NEW DELHI, MARCH 30.** The man known as "Mr. Yen" in the global financial community, Prof. Eisuke Sakakibara, says the International Monetary Fund (IMF) has to give greater weightage to emerging economies such as India, China and Japan. "It (the IMF) does not reflect the changes of economic power in the last 25 years," he said.

Prof. Sakakibara, nominated by Japan as a candidate for the IMF Managing Director's post, told *The Hindu* that there was lack of transparency in the system of appointment. "The purpose of my candidature was partly to show that the process of selection needs to be made more transparent," he said. The former top Japanese civil servant pointed out that one of the reasons was quota distribution. If the European countries and the U.S. got together, they get the majority, he said.

Prof. Sakakibara, who is now Special Adviser to Japan's Finance Minister, felt that the economic strength of emerging economies needed to be taken into account especially in the case of India and China while Japan's economic status has to be recognised.

He was also critical of the IMF's rigidity in imposing policy prescriptions based on only one

model. He felt it was this rigid approach that made it difficult for the IMF to tackle the East Asian crisis, where Keynesian policies were needed. But the IMF, because of its monetarist inclinations, found it difficult to change its approach. In addition, he felt the IMF needed to have more flexible regional prescriptions and for this the staff needed greater understanding of individual country's culture, history and economic systems. As one who had been involved in making recommendations for Indonesia, he found the IMF staff did not really know much about the country barring macroeconomics.

## Prof. Eisuke Sakakibara

Prof. Sakakibara is presently a strong advocate for development of "strategic alliance" between India and Japan. He sees it as becoming a counter-weight to China's influence in the region. "We

can combine forces in developing a new Asia from the Far East to South East," he said. At the same time, he adds, this is not meant to be antagonistic to China. He describes it as a strategic relationship because both countries have "delicate" relations with China.



But the Japanese official is looking more at economic relations which could be strengthened because of complementarities especially in the IT sectors. He noted that structural changes in the Japanese economy were throwing up a host of telecom and IT ventures. Similarly, India had become a front-runner in computer software. Japan could fill the gap in this country for telecom and IT hardware while India could provide its strengths in the software category.

In this context, Prof. Sakakibara said the Japanese economy was in the process of revival and would be looking at overseas investment once again. But this time around, he felt Japanese industry would not invest aggressively in China as in the past. Japanese companies have had bitter experiences since the rule of law did not exist there, he said. Increasingly, they were looking at India because of the consistent and stable reforms in this country. There was also a legal infrastructure here and these factors could prompt much greater investment in India.

As for the recent chill in Indo-Japanese relations following the nuclear tests, he said this could be set aside and economic ties built up. The Japanese people had a very emotional reaction to any nuclear issues, but personally, Prof. Sakakibara felt India's independent attitude was justified. The softening of the U.S. stance on this question, could also have a major impact on the Japanese position. "With the U.S. changing its stance, it is high time for Japan to strengthen economic relationship with India," he said. On the state of the Indian economy, he commended the present Government for having continued on the path of reforms. This was welcome since the BJP-led coalition had been viewed with some concern initially and there were fears that it might backtrack on reforms.

10-14

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# India, Italy explore cooperation areas in tourism

HD-19/11/2  
J. George

**By R. Gopalakrishnan**  
**CHENNAI, FEB. 10.** India and Italy are holding discussions on a cooperation agreement in respect of tourism, whose bilateral potential has not been adequately tapped, according to Mr. Benedetto Amari, Italian Ambassador.

"It will essentially be a framework agreement, delineating possible areas of cooperation, like restoration of monuments and infrastructure", while experts would have to work out the details after it is signed, Mr. Amari said.

In an interview to *The Hindu* on economic issues on Wednesday, Mr. Amari said Italy's tourism earnings, exceeding \$30 billion last year, were the second highest in the world. Italy had therefore much to offer to India, ranging from management of cultural patrimony including architectural restoration to tourist services and infrastructure.

He said India and Italy were "cultural superpowers" and the scope for interaction was enormous. Next spring, Italy would commence work on a new Cultural Centre in Delhi. "This does not mean Italian culture has so far been absent in India. We have one of the best track records in bringing events featuring the best of cinema, music, design and cultural exhibitions. But sure we intend to do more and better in future," he said. To bridge the language gap, Italian learning centres had been set up in several cities, including Chennai.

## SMEs' potential

Mr. Amari's primary emphasis on the role of small and medium enterprises in bilateral cooperation arises from his perception of

a 'synergy' in the "capacity for meeting emergencies" or crisis management which existed among entrepreneurs in India and Italy.

"Flexibility in dealing with lacunae and lack of rigidity in negotiating terms of cooperation" were common traits, he said, adding that "Italians have neither a superiority complex nor an inferiority complex". (It looked from Mr. Amari's remarks that the much-criticised lack of a perfec-



**Benedetto Amari**

tionist approach to planning, quality and delivery in Indian business culture is no hurdle to finding partners in a country known for its technological strength in several areas and leadership in design and fashion).

The Ambassador said \$50 million was available for extending soft loans to SMEs in India, though he had declared an initial outlay of only \$20 million. His concerns about successful utilisation of the credit were reflected

when he said, "India's (product) reservation policy (for SSIs), meant to promote labour-intensive production, should be progressively adjusted to the need to encourage economies of scale and vertical integration."

Moreover, ceilings on investments, far from protecting units in the SSI sector, would place them at a great disadvantage once quantitative restrictions on imports were lifted by April 2001. Italy had also assisted some Indian businesses through the European Union's (EU) programme for cross-cultural adjustments, he said. (Case studies of successful Indo-Italian ventures and lessons learnt by them from mistakes made were presented later in the day at a meeting by Graziella Shoes, Sela Synergy, a software unit, and Technip India, engineering consultants and contractors.)

## Economic reform

Mr. Amari felt that the government in Delhi was serious about pushing reform further. Observing that he did not envisage any situation of having to choose between determined pursuit of reform on the one hand and survival of democracy on the other in Indian conditions, he said opening up of the insurance sector and the move for expansion of the automatic approval list were positive signals. However, privatisation of Modern Foods and Indian Airlines, while welcome, had been unduly delayed.

Mr. Amari said it would be "suicidal" to resurrect the "swadeshi" approach, particularly when India would face competition from China within the framework of the World Trade Organisation. "Re-

forms will deliver the best results, not when they are pursued to please the U.S. or the European Union but when implemented in the light of convergence of national and international interests".

The Ambassador said he saw no "recipe" yet in India for containing the fiscal deficit which put "enormous burdens" on the economy. Serious pursuit of privatisation would help reduce the deficit and finance building high-quality infrastructure.

Reform strategies would also have to be adopted by the States, whose own weaknesses in fiscal management got reflected in the national deficit. Updating of Centre-State relations, including financial powers, would be helpful in this regard, Mr. Amari observed.

Asked whether Italy had any stance independent of the EU in multilateral negotiations, the Ambassador said the growing globalisation of economic and commercial relations impacted on so many aspects of the socio-economic life of nations that it would be difficult not to reach mutually beneficial agreements on at least some of the issues.

"The EU's view of the WTO negotiations - which Italy, as a member of the EU, fully supports - originates precisely from this logic: the approach should be a global and comprehensive one, so that it will be easier to strike a balance between different interests. In this spirit, for example, the EU had expressed in Seattle its readiness to discuss trade-defensive measures in the framework of the so-called implementation issues," Mr. Amari said.

# Delhi sends French signal to Clinton

FROM PRANAY SHARMA

New Delhi, Feb. 13: In a sign of growing closeness between the two nations and their desire for a world order not dominated by any single country, French foreign minister Hubert Vedrine will be in New Delhi on a two-day visit next week.

It will be followed by the arrival of three French frigates in Mumbai for a joint exercise with the navy later this month. In the first visit by an Indian President, K.R. Narayanan will tour France in April.

The intense activity between the two sides starts with a meeting of the Indo-French forum tomorrow where policy-makers are expected to toss up ideas to bring the

countries closer.

Vedrine, who arrives on February 17, will — along with his Indian counterpart Jaswant Singh — address the concluding session of a two-day seminar on “multipolarity” at the India International Centre.

Last week, national security adviser Brajesh Mishra spoke on the subject at the French Institute of Foreign Relations in Paris. India’s decision to join hands with France to highlight multipolarism is also being seen as a signal to Washington.

The French government’s decision to allow three frigates to hold joint exercises with the Indian Navy indicates that the dust of the May 1998 Pokhran nuclear tests has finally settled.

The US has also invited the Indian Navy to participate in its millennium Independence Day celebrations at New York harbour on July 4.

But France, which played an active role in not only blocking sanctions from the European Union and the Group of Eight after the nuclear tests but also projected its point of view at these fora convincingly, has beaten the Americans in renewing defence ties with India.

Narayanan’s proposed visit, scheduled from April 20 to 24, is also significant because both India and France are dominated by coalition politics. According to sources, President Jacques Chirac, who was here in January 1997, will be keen to exchange

notes with Narayanan on coalition governments.

Though Vedrine’s visit is part of a series of high-level exchanges over the past two years, it will not culminate in the signing of agreements. However, it shows the confidence in bilateral relations that the two sides have developed in recent times.

Sources say Vedrine will probably discuss with the Indian leadership its relations with Pakistan and China.

Paris, which has been playing a supportive role for the Indian cause, will, however, make it clear that since the South Asian twins are nuclear powers, any development in the region that has the potential of escalating into a military flare-up will cause serious

alarm in the West.

The possible cooperation between the two sides on defence and civilian nuclear energy will also come up for discussion.

But the main thrust of the growing Indo-French relations and their stress on multipolarity can be interpreted as New Delhi’s desire not to put all its eggs in the American basket.

The Clinton administration’s off-repeated remarks on the Kashmir problem and the US President’s desire to play peacemaker in South Asia has forced India to fall back on other key players like France to assert that it is in no mood to oblige Washington on issues which are purely bilateral.

# Hard bargain for French defence connection

KEITH FLORY  
STATESMAN NEWS SERVICE

NEW DELHI, Feb. 14. — Displays by the French air force's aerobatics team and two rounds of joint passage exercises at sea in coming weeks would point to the Indian and French tricolours fluttering in a common security breeze. Yet on the more critical aspects of the defence ties — sale or technology transfer of hardware — the French are not playing for peanuts.

The re-launch of the indigenous submarine construction programme at Mazgaon Dock has been delayed because of the inability to tie up supply of M-39/M-40 missiles that would constitute the main weaponry of the boats giving them decidedly more punch than the four SSKs already in service.

While the French have not closed the door on the missile supply, they are understood to

have dropped enough hints that it would be opened wide if the deal was to form part of a much larger package. The possibilities would include the Alphajet as the IAF's Advanced Jet Trainer, perhaps a couple of additional squadrons of the Mirage-2000, or a tie-up to select the Scorpion submarine when a second construction line is cleared.

The Navy is clearly unhappy at this linkage, and its senior officers have finally decided to recommend that the submarine programme be re-started with wire-guided torpedos as the main armament, the missile capacity would be built into the modified HDW design and a retro-fit/upgrade be undertaken should the missile deal eventually work out.

The importance of early revival of the submarine line at

the Mumbai's Mazagon Dock cannot be overstated, the Navy maintains. Already some of the skills acquired when constructing two of the HDW-1500 boats could have dissipated. The line has been closed for four years now, the hands-on experience the workers had acquired could be wearing off.

The programme to acquire six HDW boats ran into trouble after allegations of kickbacks surfaced when after two had been bought outright from Germany, and another two were built at Mumbai. The option to build the fifth and sixth (under the initial contract) was never exercised.

After waiting in vain for quite a few years for the kickbacks affair to resolve itself, the Navy decided to modify the design and came up with what is designated the Type-75 submarine.

Though based on the HDW design (and for which royalties will have to be paid to the German firm) its production would be an essentially domestic operation. Government approval was accorded, a letter of intent to build two boats was issued. But little further progress is evident.

It is understood, the Navy will not confirm it officially, that a key modification planned is to convert the escape hatch that is unique to the HDW-1500 into a missile storage bin. The missiles would be fired through the torpedo tubes.

The lethality of the boat would be considerably enhanced and since the Navy's experience of the stealth, silence, and other aspects of the HDW design is highly satisfactory, a powerful weapon system would have resulted.

Now it all hinges on the French missiles being made available.

The government has approved a 30-year programme for building 24 submarines. The Navy plans another line in which it would hope to involve a construction facility in the private sector. It has considered both the French Scorpion and the Russian Amour as possibilities. But it does not want to commit itself at this stage, hence its desire that the M-39/M-40 arrangement goes through without any linkages.

One reason why the Navy does not want to tie itself down to a specific long-term commitment now are reports of steady progress having been made on that hush-hush project, euphemistically dubbed the Advanced Technology Vessel (a nuclear-propelled sub). Should that project eventually come good, the Navy would certainly desire to include those mighty boats into its 30-year plans.

## PARIS SEEKS TO LINK NAVAL MISSILE DEAL TO LARGER PACKAGE

# Indo-French Forum meet begins

Hegde succeeds Karan Singh as the body's co-chairman

HT Correspondent  
New Delhi, February 14

THE FOURTH meeting of the Indo-French Forum began here today as part of an exercise to expand bilateral ties.

Set up in 1998 following President Jacques Chirac's visit, the Forum is a high-level body of eminent non-governmental individuals. The co-Chairmen of the Forum are Mr Ramakrishna Hegde and M. Jean Francois Poncet.

Dr Karan Singh, who was the first co-chairman, was succeeded by Mr Hegde after the expiry of his term, an External Affairs Ministry spokesman said.

The Forum held its first meeting in Paris in July 1998, the second meeting in New Delhi in February 1999 and the third meeting in September last.

While the meeting of the Forum ends tomorrow, an Indo-French seminar on multi-polarity will be held here on Feb.16-17. The concluding session will be addressed by External Affairs Minister Jaswant Singh and his French counterpart Hubert Vedrine.

Both countries are enthusiastic proponents of the multi-polarity of the post-Cold War world and the seminar is expected to yield significant analyses of the current trends in international relations.

India and France will hold bilateral talks on Feb.18 to explore an expansion of trade, cultural, educational and other relations. New Delhi will be interacting

tural exchange programme, a memorandum of understanding (MOU) on tourism and another MOU on agriculture are expected to be signed.

The Ministry will be holding consultations with the Russian Government on Feb.21-22 on East Asia at the level of Joint Secretary-Head of the Department, followed by a day-long consultation on

Central Asia on Feb.24. Foreign Office consultation on United Nations matters will take place in Moscow a little over a month later.

It is around this time that the first-ever Prime Ministerial visit from Morocco will take place (Feb.21-24).

Prime Minister Abderrahmane Yousoufi will be paying a state visit at the invitation of Prime Minister Vajpayee who visited Morocco a year ago.

The spokesman said that the visit would be within the framework of strengthening friendship and cooperation between the two countries.

The trade is heavily in favour of Morocco with Indian exports to the country accounting for Rs 122 crore last year against imports worth Rs 1680 crore.

Both countries are enthusiastic proponents of the multi-polarity of the post-Cold War world and the seminar is expected to yield significant analyses of the current trends in international relations.

with Cambodia at around the same time with Prime Minister Samdech Hun Sen paying a state visit (Feb.17-19) at the invitation of Prime Minister Vajpayee, primarily to revive and revitalise bilateral relations.

During the visit, agreements on setting up a Joint Commission on Trade, Economy, Science and Technological Cooperation, a cul-

THE HINDUSTAN TIMES

15 FEB 2000

HD 1  
15/2

## 'Signing CTBT will help'

By C. Raja Mohan *g. bharaj*

**PARIS, FEB. 14.** In the first signs of an easing of the global nuclear blockade against India, France says it is ready to consider civilian nuclear energy cooperation if New Delhi adopts a positive approach towards the Comprehensive Test Ban Treaty.

In an exclusive interview to *The Hindu* here, the French Foreign Minister, Mr. Hubert Vedrine, said "We are ready to increase our cooperation in the field of civilian nuclear technology. That would meet and satisfy a great need in India."

But pointing to many rules of the global order that obstruct nuclear energy cooperation between India and France, Mr. Vedrine insisted that "to be able to make progress in this field of cooperation, India has to show it is ready to go along with the international (nuclear) regimes."

This is the farthest anyone in the West has gone in suggesting that if New Delhi signs the CTBT, India could begin to benefit from nuclear technology transfers that have long been denied to it.

The United States, too, is calling on India to sign the CTBT, but has offered no relief in return on the nuclear technology sanctions.

India has been looking for international tie-ups to breathe new life into its nuclear energy programme. But the present rules of the so-called Nuclear Suppliers Group, that includes all the West-



**The Foreign Minister of France, Mr. Hubert Vedrine.**

ern nations and Russia, demand that India accept international controls over its entire nuclear programme.

New Delhi has refused to accept this condition.

Speaking through an English interpreter, Mr. Vedrine says he believes that India and France have to be "pragmatic," if they have "to overcome this apparent contradiction" between India's nuclear weapons and the global non-proliferation regime.

The answer, he says, lies in India accepting "new responsibilities" that come along with the possession of nuclear weapons and moving closer to the CTBT and other arms control regimes.

"Any step that you take in the direction of the non-proliferation

regime will support this civilian nuclear cooperation and will enable us to help you in this regard," Mr. Vedrine said.

The essence of the French message to India is this: help us to help you overcome the nuclear blockade by signing the CTBT.

Implied in the message is the proposition that a positive Indian approach to the CTBT could facilitate a change of international rules on nuclear technology transfers to India.

In the hour-long conversation, Mr. Vedrine also touched on the importance of building a multipolar world. Arguing that the dominance of the world by one power is not a "healthy situation," Mr. Vedrine proposed a "greater geopolitical balance" that could take into account the "richness and diversity of the world."

Mr. Vedrine said the absence of good relations between India and France over the decades had been a "historical abnormality" and must be corrected. Looking beyond bilateral relations, he hoped New Delhi and Paris would "reflect together" on various global issues.

Mr. Vedrine, who arrives in New Delhi on Thursday for an international conference on a "multipolar world," conceded India's right to be a permanent member of an expanded and more representative United Nations Security Council.

**Detailed interview: Page 12**

**THE HINDU**  
15 FEB 2000



# India, France explore n-cooperation

By C. Raja Mohan

NEW DELHI, FEB. 15. India and France are carefully exploring the prospects for expanded bilateral cooperation in the area of nuclear power generation despite a number of political difficulties.

The Foreign Minister of France, Mr. Hubert Vedrine has suggested in a recent interview to *The Hindu* that if New Delhi adopts pragmatic arms control policies, Paris could contribute in a big way to the Indian civilian nuclear energy programme.

This theme came up for discussion at the fourth round of the Indo-French Forum - a group of eminent persons from the two countries - that concluded its deliberations here today.

The French Co-Chairman of the Forum, Mr. Jean Francois Poncet, told reporters here that there was no discussion of India's signature on the Comprehensive Test Ban Treaty.

Mr. Poncet, who is a former Foreign Minister of France, said the CTBT is a political issue and beyond the scope of the Forum.

The Indo-French Forum is a non-official body that proposes

various initiatives to the two Governments to improve their bilateral relations.

However, Mr. Poncet said the Forum did discuss civilian nuclear energy cooperation. He pointed out that "there was already some work going on", probably in a reference to the current bilateral interaction in the area of nuclear safety and basic atomic research.

Mr. Poncet said the Indian and French scientists in the Forum believe it is important to "focus to the current dispersed efforts" in the nuclear area.

Participating on the French side is the Nobel Laureate in Physics, Prof. Cohen Tannoudji, and from the Indian side, Dr. P.K. Iyengar, a former chairman of the Atomic Energy Commission.

The big prize the two countries want is the sale of French nuclear reactors to boost nuclear power generation in India. Mr. Poncet, however, pointed to the "difficulties" in getting there.

He was probably referring to the rules of the so-called Nuclear Suppliers Group that currently bar nuclear cooperation with India.

Even if India becomes more

flexible towards the CTBT, France will have to get the other members of the NSG, in particular the United States, to agree to liberalise the current rules against India.

India's nuclear diplomacy in the next few weeks and months could be focused on overcoming these obstacles.

The Indo-French Forum, set up in January 1998 when the French President Mr. Jacques Chirac visited India, has an agenda that looks way beyond the nuclear issues.

In its latest round, the Forum is calling on the two Governments to promote greater cooperation in the areas of Information Technology, in which India has begun to carve out a niche, and food processing where French industry has excelled.

The Forum is proposing serious efforts to improve the "image" of each nation in the other, so that there is wider appreciation of mutual strengths. It is also suggesting ways to enthuse medium sized French firms to participate in the Indian economy.

THE HINDU  
16 FEB 2000

# First India-EU summit in June

By C. Raja Mohan

**NEW DELHI, FEB. 16.** Aimed at imparting greater political content to their expanding economic relationship, India and the European Union (EU) have decided to hold their first ever summit level meeting in Lisbon by June end.

The summit, taking place at the initiative of Portugal (which now holds the Presidency of the EU), is expected to plug a big gap in bilateral relations between India and the Union. The EU is the largest trade partner of India. But political dialogue between the two has lagged way behind. Although India has excellent ties with key European nations at the bilateral level, the engagement of the new institutions of an integrating Europe has left a lot to be desired.

At the summit on June 28, the Prime Minister, Mr. Atal Behari Vajpayee, will confer with the Prime Minister of Portugal and highest functionaries of the EU.

The summit is likely to create mechanisms to intensify the political consultations between India and the EU.

A day before the summit with the EU, Mr. Vajpayee will hold talks on bilateral relations with his Portugal counterpart. This will be the first visit to Portugal by an Indian prime minister.

With the political personality of the EU taking shape in the 1990s, Portugal believes there is big imbalance in the European engage-

ment of Asia.

The EU has regular summit level meetings with China and Japan. But this will be the first time such a meeting is being held with India.

The EU-India summit in Lisbon is a one-off meeting, but prospects do exist for making this a regular feature of EU's foreign policy agenda.

Mr. Manuel Marcelo Curto, Ambassador of Portugal, says that the summit reflects the "recognition of India as an important player on the Asian and global scene."

India and Portugal are gearing up to make the summit a success. The External Affairs Minister, Mr. Jaswant Singh, is expected to travel to Lisbon in March to be followed by Mr. Brajesh Mishra, Principal Secretary to the Prime Minister in April.

There will be a host of meetings at the level of senior officials of both the countries and the EU. The agenda for the summit is expected to be a broad one, covering a wide range of subjects.

As it turns out, the first India-EU summit has also become an occasion to give a boost to bilateral relations between India and Portugal. Having shaken off the political ghosts from the Portuguese colonial past in Goa, New Delhi and Lisbon have rapidly expanded their bilateral relations in the last few years in the economic, cultural and political fields.

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# India, France stress multipolar world

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 17. — India and France today emphasised the need for building a multipolar world to replace the unipolar US-centric order. Following a seminar on the subject here today, the visiting French foreign minister, M Hubert Vedrine, and the external affairs minister, Mr Jaswant Singh, spoke of the need to cooperate on this issue which has emerged as a major component of the bilateral relationship.

In his address at the conclusion of the seminar, M Vedrine said it was regrettable the world had moved from a bipolar to a unipolar world. A more equitable system needed to be built, he said.

Describing the USA as a "hyperpower," the minister said the USA had concentrated all forms of power and influence from the conventional such as military power to the softest, and there was a risk now of ultimate cultural uniformity.

Referring to India's perceptions on this issue, M Vedrine recalled that the National Security Adviser, Mr Brajesh Mishra, had put forward the concept of 'global unilateralism' to describe the relationship between the USA and the rest of the world.

While saying the USA remained a central and major factor in international stability, M Vedrine cautioned that an overly unipolar system was excessive, questionable and had negative implications including for the USA itself.

Identifying the conditions necessary for a multipolar world, he said a strong Europe was necessary as was a cooperative rather than a confrontationist approach.

Towards this, he said, France had embarked on a wide-ranging dialogue with several countries including the USA. India's full participation in this endeavour was a pre-requisite. In Asia, where tensions and uncertainties remained, it was necessary for a large state to contribute to stability. Emerging groupings like the Asean must consolidate in the area of security.

Stressing on the need for international rules, M Vedrine also spoke of the need to organise and circumscribe sovereignty. While sovereignty must be preserved, limits must be established to the abuse committed by certain states and steps taken to make it easier for necessary humanitarian interventions.

Speaking on the occasion, the external affairs minister Mr Jaswant Singh, said France and India should come together for an early convening of a global congress of cultures.

THE STATESMAN  
18 FEB 2000

# Rediscovering France

## EXPRESS FOCUS DIPLOMACY

France's value lies in the fact that in the post-Cold War world, it is the first western power to support Indian ambitions. JYOTI MALHOTRA writes about Indo-French ties as French Foreign Minister Hubert Vedrine arrives in New Delhi

**T**HE diplomatic signals are out. French Foreign Minister Hubert Vedrine arrived in the Capital today to a reception of broad smiles and power handshakes by Indian officials, sending the message at home and abroad (read Washington) that New Delhi is preparing to raise the Indo-French relationship to a new level. Vedrine's joint presidency over a seminar on "multipolarity" along with External Affairs minister Jaswant Singh in the capital today — perhaps more symbol than substance — nevertheless has, in the pre-Clinton season given New Delhi the opportunity to reiterate its own view of the new world order. That there's a much larger world beyond the US President's current obsession with Kashmir and the "dangerous fragility" of the situation in South Asia.

Vedrine's France, on the other hand, is being "rediscovered" by New Delhi, at least since the Pokharan tests in May 1998, when Paris was the only Western power to react with minimal criticism.

The US Secretary of State Madeleine Albright, India remembers, had in colourful contrast described New Delhi as having "dug itself into a hole," a phrase that her deputy Strobe Talbott has since striven hard to transform into manageable diplomatese.

In the last two years, then, the Indo-French relationship has steadily grown to encompass areas from aids to water, as well as a defence relationship that goes beyond a "buyer-seller" syndrome. The visit by Defence minister George Fernandes in mid-1998 to Paris established the bottomline that India would be interested in pursuing a long-term defence relationship with France, if Paris would in turn commit itself to being a sustainable and reliable partner.

Government sources say they are not unduly upset by the recent delivery of three French Agosta-B class submarines to Islamabad, in pursuance of an old 1988 contract nor a few other fighter aircraft. Since Kargil, however, New Delhi has made it clear that Paris will have to make a "strategic choice" on the sale of defence equipment in the subcontinent.

Things have obviously moved ahead, what with Vedrine telling a newspaper this week that France would be willing to explore cooperation on civilian nuclear technology to India, if New Delhi could show courage and sign the

**Things have obviously moved ahead, what with Vedrine telling a newspaper this week that France would be willing to explore cooperation on civilian nuclear technology to India, if New Delhi could show courage and sign the CTBT as well as the fissile material convention.**

CTBT as well as the fissile material convention. Vedrine's statements may well be the first indication that the mutually eternal vows of the nuclear club — that nuclear technology can only be sold to recipient countries who accept full-scale safeguards — may be fraying at the seams.

Implicit in the French foreign minister's comments is the acknowledgement that while India may not be a member of the nuclear-five, the fact that it is a nuclear weapon power cannot be wished away.

To be sure, France will have to work its way around the Nuclear Suppliers Group — a key member of which is the

US — before any such nuclear technology supplies can begin. Nor is Paris likely to very soon dare to cross the "lakshman rekha" circumscribed by Washington after it so successfully dismantled the Soviet Union in end-1991.

But the fact that the US openly flaunts its sole superpower status grates on French — and Indian — nerves, since both these nations themselves have aspirations to at least being the dominant power in their respective

India in 1993, Russian scientists had already transferred most of the technology wanted by ISRO. Later, Moscow invoked a 1988 agreement to contract two civilian nuclear power plants at Kudankulam in Tamil Nadu, arguing that it predated the NSG regime of 1992. Washington did not mince its unhappiness, but Moscow nevertheless went ahead — if only because the deal would give it the much-needed hard cash to plough into its economy.

In contrast, the Americans seem to have decided not even to entertain the thought of selling dual-use technology to India, because US analysts say, that would be "dangerous" in the currently "fragile" South Asian situation. US Energy secretary Bill Richardson dismissed the thought in so many words during his trip to the Capital some months ago, saying Washington was intending to focus instead on non-conventional energies.

Clearly, Vedrine's trip to India this week — topping a week of the French invasion of Delhi — is significant, not because of any pathbreaking agreements Paris and New Delhi are about to undertake, but because France's support allows the Indian foreign office greater manoeuvrable space in the international order. Russia's acting president Vladimir Putin has already indicated that Moscow can continue to be counted as an ally. But Russia's economy continues to be in a shambles, and moreover, Moscow needs time to put its own house in order.

France's value lies in the fact that in the post-Cold War world it is the first western power to support Indian ambitions. Not for nothing, though, have the French been known as the masters of realpolitik.

French observers point out that it takes at least two sides to cut a deal and that Paris expects New Delhi to substantially return the compliment for all the effort it has undertaken so far. Such as, an Indian decision to buy made-in-France Airbus civilian planes made in France, rather than US-manufactured Boeing aircraft.

So who will New Delhi plug for? In the answer will lie the seeds of India's own view of the new world order.

# France too says situation in Kashmir 'dangerous'

HT-1 19/2  
HT Correspondent  
New Delhi, February 18

FRANCE TODAY echoed the US characterisation of the situation over the Kashmir issue as dangerous and welcomed any US move to defuse it.

Foreign Minister Hubert Vedrine said in response to a question at a Press conference that France appreciated US efforts in trying to help defuse the situation over the Kashmir issue. "They (the US) are worried by the situation which is dangerous," he said. "We are worried too." If the US could shift this (situation) in the right direction, France would be pleased.

The official spokesman for the External Affairs Ministry (MEA), however, denied that Mr. Vedrine had described the Kashmir situation as dangerous in today's bilateral talks with his Indian counterpart, Mr Jaswant Singh. "The Jammu and Kashmir issue was not discussed," he said.

Pointing out that President Bill Clinton had himself ruled out any US role in the Kashmir issue unless asked by India and Pakistan to mediate or facilitate, the spokesman said that the Indian view on

the issue was well known. India was steadfastly against any third-party mediation or facilitation on the issue.

He pointed out that the two sides had exchanged their views on bilateral,

## 'No special envoy'

PRESIDENT BILL Clinton has rejected suggestions by some pro-Pakistani American lawmakers to appoint a special envoy for Kashmir. The appointment of a special envoy for Kashmir "would not contribute to a resolution of the problem", Clinton said in a letter to Congressman Gary Ackerman. Expressing concern over "the lack of dialogue between India and Pakistan", he said the two neighbours should "work to resume that dialogue with the goal of resolving all the issues dividing them, including Kashmir".

PTI, Washington

regional and international issues. The two foreign ministers discussed the developments in their neighbourhood and shared their concerns about terrorism and narcotics, and arms trafficking.

Mr. Vedrine, however, replying to another question on Kashmir, said that the current situation was dangerous. "We hope it would be possible to contain and even overcome this situation." India and Pakistan would have to have a "reasonable and responsible" attitude to achieve this. He said, "Having a weaker Pakistan would be in nobody's interest."

His attention was drawn to Prime Minister Atal Behari Vajpayee's interview to *Le Figaro*, asking France to make a "strategic" choice between "India, the great democratic power, and Pakistan, a small country under military dictatorship". To this, Mr. Vedrine said he was not aware of Mr Vajpayee's comments and defended his country's "traditional and old" relationship with Pakistan.

He replied in the negative when he was asked if France had decided to stop new military supplies to Pakistan. No new decision had been taken in this regard, he said. The MEA spokesman, however, said that every country had its sovereign right to develop its relations "with India and other countries". But attempts had been made at times to establish parity between India and Pakistan. "This is bound to have a negative resonance with Indian public opinion."

THE HINDUSTAN TIMES  
19 FEB 2000

# France wants India, Pak. talks resumed

By C. Raja Mohan HO 1

**NEW DELHI, FEB. 18.** Urging that India follow pragmatic regional and nuclear policies, France today expressed its hopes for a resumption of the Indo-Pak. dialogue and an Indian decision to sign the Comprehensive Test Ban Treaty.

The two-day visit to India by the Foreign Minister, Mr. Hubert Vedrine, has given a new intensity to the unfolding ties between New Delhi and Paris.

But India's reluctance to engage Pakistan and its continued dithering on the CTBT are clearly beginning to frustrate even India's "new best friend" — France.

Addressing a press conference here, Mr. Vedrine insisted that it was not up to France to prescribe solutions to India and Pakistan. However, he made it clear that France "wishes for a resumption of Indo-Pak. talks in the spirit of the Shimla and Lahore agreements".

Expressing concern at the current situation in the subcontinent, Mr. Vedrine hoped that "it was possible to contain" the tensions between India and Pakistan and "overcome" them.

"We feel the need to see confidence-building measures between India and Pakistan to prevent crises in the region," Mr. Vedrine added.

On Washington's efforts to resolve differences between India and Pakistan, Mr. Vedrine said "if the U.S. could shift things in the right direction, France would cer-

tainly be pleased". Arguing that a "weak Pakistan" was in no one's interest, Mr. Vedrine said France's long-standing relationship with Islamabad was "a factor of stability" in the region.

Mr. Vedrine said he had come to New Delhi at an "intense moment" in the relations between India and France, and give a political push to the emerging partnership. Today Mr. Vedrine called on the Prime Minister, Mr. Atal Behari Vajpayee, and also had discussions with the External Affairs Minister, Mr. Jaswant Singh. An External Affairs Ministry spokesman said the talks were held in an atmosphere of "cordiality, warmth and trust".

Seeking to expand their own room for manoeuvre in a world dominated by the U.S., India and France have unveiled a new political platform in search of a "multipolar world".

While France is determined to build a new relationship with India, the message is quite clear: "Help us to help you". France wants to see India get out of its post-Kandahar sulk and begin to adopt responsible positions.

Mr. Vedrine declared that pragmatic nuclear signals from New Delhi would make it easier for France to breach the current global technology blockade against India. Among the signals that France is looking for are Indian decisions to sign the CTBT and place some civilian nuclear facilities under international safeguards.

# France lays down CTBT condition for N-help

## STATESMAN NEWS SERVICE

NEW DELHI, Feb. 18. — Mr Hubert Vedrine today said nuclear cooperation between India and France was dependent on New Delhi signing the Comprehensive Test Ban Treaty and allowing international monitors greater control over its nuclear activities.

The French foreign minister told a press conference here, was interested in "developing cooperation with India in nuclear high technology," but Indo-French N-cooperation in the civilian field would depend on India sending "positive signals."

He mentioned two such signals: signing the CTBT and accepting increased controls on the part of the International Atomic Energy Agency.

"At a bilateral level," he said, "standards of nuclear safety

must be met. It all depends on India."

Mr Vedrine iterated today that France and India agreed on the state of the world and multipolarity: different poles cooperating to offset and counterbalance the overwhelming domination of the hyperpower USA.

At the press meet organised by the French embassy, Mr Vedrine saw much promise for French companies in India. Working groups and committees had been established to meet regularly and deal with all sectors of cooperation, he said.

The minister who described his Indian visit as "short and intense," spoke of the strategic dialogue initiated with Mr Jacques Chirac's visit in January '98 and of the Indo-French Forum for Initiative established to bring together personalities in both countries

and promote cooperation.

Asked if France supported the Indian stand on J&K (no talks till cross-border terror continues), however, Mr Vedrine said: "France is not involved in this problem, we cannot take over the role of one of the partners and say what should be done and what shouldn't be done." But dialogue should resume under the Simla Agreement.

The minister saw no link between multipolarity and humanitarian intervention. He described the UN Security Council as an instrument for giving concrete shape to multipolarity, although, according to him, "this is something for the future."

On humanitarian intervention, Mr Vedrine said the concept of a state or a group of states interfering in the affairs of another is outlined in Chapter 7 of the UN Charter

which authorises use of force against a state — as in the case of Iraq in the Gulf War. Nato's intervention in Kosovo had come under exceptional circumstances, he said.

He clarified that although Europe and the USA shared many positions, there were disputes on trade and economy. "If you look at foreign policy it is a bit more complex". The French are not "aligned" with the US, though they are "friends and allies."

So should the USA have a role in Kashmir? M Vedrine repeated he couldn't speak for India and Pakistan.

On the Indian maid allegedly beaten by her employer in Paris, Mr Vedrine said the subject did not come up since "nobody he had met considered this a Franco-Indian problem. This is a sad business, but it is something for the courts to decide."

MONDAY, FEBRUARY 21, 2000

## THE FRENCH CONNECTION

GEOPOLITICAL COMPULSIONS AND free market forces are helping to bridge the gap between India and France. Where France's inability to step out of the non-proliferation regime and its reluctance to acknowledge India's adherence to the basic principles of non-proliferation and self-restraint continue to cast a shadow on the bilateral relations, recognition of the renewed opportunities for partnership and cooperation in diverse fields is now bringing in a necessary warmth. The opening provided by high level interaction in the past two years, aided by deliberate efforts by the scientific and business communities, has just been firmed up by the two-day visit of the French Foreign Minister, Mr. Hubert Vedrine, to Delhi. Mr. Vedrine's talks with government leaders and his remarks, both in Delhi and during an interview to this newspaper in Paris on the eve of his visit, signify a desire for closer interaction between the two nations. The decision to forge substantive cooperation in the fields of defence and security and the increasing realisation of the mutuality of interests in science and technology must place the relations on the threshold of a new era.

For the lack of political will, the potential for mutually beneficial cooperation on a wide range of issues has remained largely unfulfilled. One area of promise and potential was civilian nuclear cooperation but an emerging partnership in this important field was cut short after France acceded to the non-proliferation treaty and abided by full-scope safeguards, consequentially forcing it to opt out of its obligations to India. The atomic power station at Kalpakkam, just north of the former French territory of Pondicherry, must by now have become a stellar example of Indo-French

cooperation in harnessing nuclear energy for human development. Instead, it became a symbol of the surprising French disinclination to pursue an independent path. India's regret must be that France's demonstration of independence in its foreign policy pursuits did not extend to this country and that when it came to relations with India, France was more than willing to follow the leader, first Britain and later the U.S. Bilateral ties remained in this sterile mode till the thaw of two years ago heralded by the visit of the French President, Mr. Jacques Chirac. The Indo-French Forum has since sought to restore the balance. The impetus that has now been given must move French business and industry, which had for historical reasons remained focussed elsewhere, to seize the opportunities opening up in key areas like the infrastructure sector.

The bilateral relationship, driven by the forces of the market, will be powerfully supplemented by warming political ties founded on an identity of views on the need for a just, new international order and French recognition of the global role that India can play. French support for a permanent seat for India in an expanded, democratised United Nations Security Council will be welcomed in this country. Mr. Vedrine's unambiguous remarks on the dangerous imbalance of the unipolar world will find an echo in Delhi. In a Europe where France's centrality is being restored, thanks to developments around, India will readily acknowledge the powerful voice of peace that Paris has always represented. A multipolar world is a guarantee against hegemonic tendencies and France, India, China and Russia, among others, must coordinate their efforts to achieve this goal.

THE HINDU  
21 FEB 2000



# 'There is no European position

**as such on Kashmir'**

A few hours before he left for home after a high profile visit to New Delhi last week, France's minister of external affairs, **Hubert Vedrine**, discussed a wide range of issues of mutual concern to India and France in the course of an exclusive interview with The Times of India. Excerpts from the conversation with **Dileep Padgaonkar**.

## Q & A | Hubert Vedrine

**Q: India is puzzled when some countries, including France, call upon it to sign the CTBT so soon after the US Senate has refused to ratify the treaty. To us, it sounds like a diktat. Can India not be allowed some time to enable the international community to address its concerns about the CTBT?**

**A:** It is not for the international community to say whether or not to give India time to do so. India alone decides what it should do, and how much time it requires. We must distinguish two things: the American Senate did not ratify the treaty for domestic political reasons. Its refusal did not emanate from an analysis of the international situation. However, we have no reason to follow this domestic argument. We believe that the treaty is useful for the strategic stability of the world and that we need to implement it as if it were already ratified. For all you know, the next Senate could ratify it. In any case, to say that it is a bad treaty because it was not ratified would not be correct.

From India's point of view, we would like say the following in a spirit of friendship and with due respect to India's sovereignty: India's nuclear tests have created a new de facto situation. This entails new responsibilities for India. They obviously include India's continuing engagement against non-proliferation. It is for India to reflect on its responsibilities. India is a great democracy and conducting such a reflection is entirely logical.

**The Helsinki Declaration of 1975 explicitly stated that no border, no line of control could be altered through the use of force. Can this principle not be applied to other parts of the world, including South Asia?**

It is difficult to make such comparisons. The Helsinki Declaration spoke about the inviolable character of frontiers. The use of force was not allowed. Let me point out that borders were indeed changed in a democratic manner on account of developments later on. Bear in mind, too, that this principle was championed by the Soviets at that time. They wished to consolidate their grip in their part of the world. Hence, Helsinki was not meant to safeguard the intangible nature of borders, but rather their inviolability.

As a quid pro quo, the Soviets had to accept the famous "third basket" on human rights. Doubtless, the Soviets thought that this issue would not be raised soon, but history took another turn due to the gigantic economic and political fiasco (in the Soviet bloc).

Is the principle of inviolability applicable elsewhere? We can stick to certain principles which are equally set out in the UN Charter. The essential idea is that there ought to be peaceful coexistence between countries which face border conflicts - or others, for that matter. Everything must be done to prevent the resolution of such conflicts through the use of force, and escalation must be avoided at all costs. Solutions must be found for each region, for each situation, to reduce tensions. If the Soviet Union and the West succeeded in having a policy of coexistence and of detente even when their ideological conflicts had reached their apogee, there is no reason why this cannot happen in other parts of the world. No other case was as complicated as this one. Elsewhere, too, we can find examples of modalities that were worked out for peaceful neighbourliness. We can find ways and means to prevent escalation and conduct bilateral or other dialogues to overcome obstructions.

**France has a great deal of experience of combating terrorism. She has extended co-operation to countries which have had to face this menace. Do India and France have something to share on this count at both the operational and technological levels?**

France is indeed engaged in the fight against terrorism, if only because France has been a victim of terrorism. It has co-operated with other countries to exchange analyses, information and, by and by, much else besides. This is one aspect. There is another. Terrorism almost invariably arises from a badly managed political situation. At the genesis is a tragedy, a problem. This in no way means that terrorism can be excused. It cannot, because terrorism is blind in the way it strikes at people. But there can be an explanation. It is, therefore, for the political class to examine the source of terror-

ism, its causes, its roots. We are ready to exchange analyses with India which will enable us to overcome terrorism in any part of the world.

**Madeline Albright has been quoted as saying that Pakistan is now the transit point for terrorists. Many observers are also alarmed by recent developments in that country. How do the French evaluate this situation?**

We have already expressed our concerns about the situation in this entire region. Pakistan's support to the Taliban, its policy vis-à-vis Afghanistan, and developments within that country, are a source of worry for us. However, it is in the interest of everyone - the big five, India itself - to see that nothing is done which could aggravate the situation in Pakistan.

As far as relations between India and Pakistan are concerned, we feel that the Shimla agreement and the declaration adopted in Lahore - especially the spirit in which it was adopted - opens an extremely encouraging path, despite what happened later, particularly Kargil. We hope that the process, which began in Lahore, continues. The responsibility for breaking the impasse lies, first and foremost, with India and Pakistan together. This alone will minimise the consequences of the situation and help to take confidence-building measures and eventually to settle the fundamental issue. We are equally well disposed to all other forms of actions and initiatives, which can improve matters. Meanwhile, let me repeat, it is in nobody's interest that Pakistan be further destabilised.

**Has there been any reflection in Europe about the fundamental issue between India and Pakistan?**

There is no European position as such on this issue. There is no European initiative. Howev-

er, there is an exchange of information and analyses. We share the same concerns. Obviously, we hope that things do not deteriorate further. If India and Pakistan both desire a European initiative, we would obviously be open to the idea. But no such desire has been formulated in these terms so far.

**Both India and France are committed to building a multipolar world, even if the concept of multipolarity is still at a formative stage. Both believe that international institutions need to be suitably restructured to regulate the emerging world order. Along which lines should the dialogue begun in New Delhi proceed?**

India and France are particularly well placed to have an exchange at the intellectual, political and diplomatic levels on this subject. It is not enough to speak about an aspiration for a multipolar world. We must reflect on how such a world can emerge. Significant in this regard was the seminar just held in New Delhi. The seminar itself, as well as the speeches that my Indian colleague and I made on that occasion, testifies to our decision to move further along this path. A multipolar world would not automatically be a better or more stable world. We must think about ways and means of creating conditions in which the world can become better balanced and more co-operative.

India and France, I believe, should continue to think together along these lines.

Another subject which has not been touched upon until now relates to relations within a multipolar world. When one speaks on this, one has in mind a certain number of poles. You cannot pinpoint them in advance because such things are not decided by decree. Ground realities, history and geo-politics will be the arbiters. At any rate, the poles will be few in numbers. But here is the rub. There are close to 200 countries in the world, hence, one would need to find a harmonious balance between these few poles of tomorrow, on the one hand, and, on the other hand, multilateral functioning, i.e., relations between all countries taken together. This, too, was a somewhat new subject which had not been entirely addressed so far.

We must now carry forward thinking along these lines. France and India are well placed do so on account of their intellectual and geo-political affinities. This reflection could be useful to other poles as well, including, in the first place, the United States. I would like to emphasise that whatever we say on this subject of multipolarity is never inspired by a spirit of animosity or aggressivity. We have also conducted discussions with the United States on the subject. No matter what happens, the United States will remain a predominant country. The interest of the United States is to find a place for their international policy in the wider policy of a multipolar world.

**Do you think the time is right to bring together the existing poles and the potential poles to deepen the dialogue on multipolarity that was just conducted in Delhi?**

I do not think that this is possible in its present form. It is difficult to draw up a list of participants. In some cases, the choice is obvious.

In many others, it is not. There are no institutions, which can conduct the two exercises simultaneously. One exercise concerns the reform of the UN Security Council. The Council appears to be a bit disjointed in relation to today's world. It needs to be made more effective, more responsive to present day realities.

The other exercise is to pursue reflection on international financial institutions, and on geo-political issues. Some day, these various initiatives are bound to converge.

**France has been deeply attached to her sovereignty and has defended her capacity to take decisions in an autonomous fashion. How has she reconciled this with the construction of the European Union? It could not have been brought about without a certain amount of erosion of sovereign prerogatives.**

The construction of Europe is an altogether novel experience. It has no parallel in the history of the world. It involved ancient countries such as France and Great Britain which have been proud of their sovereignty. But these countries reached the conclusion in the light of their tragic history that it was absolutely vital to abandon the narrow nationalist approach. Such an approach always leads sooner or later to violence and conflict.

There was also a collective awareness in these countries that they needed to come together at the economic and monetary levels. And it is on this score that they had to face the question of sovereignty. However, the question did not arise quite in the way it did in the past - that is to say, that the issue was not whether sovereignty had to be preserved or abandoned.

At stake was to find out the best possible way to exercise sovereignty. Take the monetary issue. Given the evolution of the world, the equation of economic forces and the key role of the American dollar, it was clear that sovereignty from the European point of view was a formal one. It was a make-believe sovereignty. This was true even for Germany. It is to the credit of Chancellor Kohl that he acknowledged the limitations of maintaining the Mark zone. All of this did not add up to abandoning sovereignty. Quite the reverse was the case. The endeavour was to find ways to exercise in common real, as opposed to formal, sovereignty. Hence, the Euro. Each country found a bit of its sovereignty reflected in this common European currency. Such, however, is not the case in all fields. There are areas where national sovereignty still matters. If European countries sought to exercise it in common in all matters, they would operate at a low common denominator. The French do not wish to do so. We do not wish to cede our sovereignty for the sake of a poor synthesis.

For all these reasons, European construction is a novel experience. You find elements in it which are almost of a federal nature. This is reflected in the Euro. In other areas, states have kept all their prerogatives to themselves. It is on this basis that they cooperate with one another.

Finally, you have several intermediary levels of co-operation. This novel experience, far removed from the classical categories of constitutional law, could be of some interest to other groups of countries in the world.

# Re-enter the first colonizers

Vajpayee's proposed summit in Lisbon will smoothe the way for India to be perceived as a global partner by the EU

Portugal knows not just India; it knows Asia for well over five centuries

**A**midst all the hype about the imminent trip to India by the United States president, Bill Clinton, and the attention showered on visiting leaders of two emerging democracies — Indonesia and Nigeria — a curious, but potentially historic diplomatic initiative has been largely lost sight of.

All roads from Raisina Hill are leading to Lisbon. One and a half years ago, the president, K.R. Narayanan, launched this initiative when he visited Portugal, the very first Indian head of state to set foot on Portuguese soil. Only four months had then elapsed since the Bharatiya Janata Party-led government openly declared that India was no longer a closet nuclear weapons power.

But the major effort to build bridges with Lisbon had to be interrupted because of the fall of the Atal Behari Vajpayee government, Kargil and the Lok Sabha elections.

Indian diplomacy is replete with instances of well-meaning initiatives which have fallen by the wayside even before these could unfold. It is to the credit of South Block under Jaswant Singh's stewardship that the effort to create a new partnership with Portugal was once again picked up after political stability in New Delhi was restored through fresh elections last year.

**I**n a few weeks, Singh will travel to Lisbon in what promises to be the first in a series of high level exchanges culminating in a trip at the end of June by the Indian prime minister himself. Between visits by Singh and Vajpayee, the prime minister's national security advisor, Brajesh Mishra, will visit Lisbon and senior officials of India and the European Union, now under the Portuguese presidency, will meet in New Delhi.

The last of the above events will set the stage for the first India-EU summit, which is what Vajpayee's visit to Lisbon will be all about. The idea behind the summit is that it will place India on par with two other Asian powers, Japan and China. But will it?

The EU has annual summits with both Japan and China and in the run-up to its presidency of the EU, Portugal proposed that a similar exercise should be undertaken with India as well. This suggestion by Lisbon met with stiff opposi-

tion, not unexpectedly, from nuclear evangelists within the west European bloc.

It is an irony that while some European governments which have a duplicitous record of nuclear non-proliferation and disarmament fiercely opposed the proposal for a EU summit with India, the idea itself came from Portugal, which is totally non-nuclear.

Portugal does not allow nuclear weapons to be stationed on its territory and does not allow North Atlantic Treaty Organization's nuclear weaponry-related acts on Portuguese soil. Portugal has no nuclear programme of any kind: it does not even have a nuclear power station.

If anyone, therefore, deserves credit for the first India-EU summit which has already raised high expectations, it is the foreign ministry of Portugal. But having arranged Vajpayee's potentially landmark summit with the most dynamic economies of Europe, Portugal's fight on behalf of India is only half won.

Those European governments which are opposed to the idea of deepening ties with India have given in to Portugal, but only temporarily. They have agreed to

the proposal to have Vajpayee over in Lisbon to meet EU leaders, but only as an exception. They insist that this should be a one-time event and that it should not be institutionalized like the annual EU summits with Japan and China.

The impression is unavoidable that European nuclear evangelists have merely indulged Portugal and those in the EU who have been supporting Lisbon's proposal for an India-EU summit. At the first opportunity, they will scuttle the initiative.

Actually, if India is keen on consolidating its links with the EU, South Block has a year to follow up on the initiative by Lisbon. Portugal will be followed into the EU presidency by France, which can be counted on by New Delhi for support.

The test of EU's institutional commitment to India will come under the Swedish presidency, which will begin in January next year. Sweden is one of the countries which have taken a hard line on the Indian nuclear tests, notwithstanding its own record in arms proliferation through its huge defence conglomerates.

**H**owever, to look at India-EU ties merely through the prism of nuclear non-proliferation is self-defeating. Already, Europe is India's biggest trade partner. India and Europe also share common interests in areas such as anti-terrorism, environment and the drive to check drug-trafficking, to mention a few areas of common interest. In a sense, it is fortuitous that the ini-

tiative to further institutionalize India's relations with Europe has come under the Portuguese presidency of the EU. Portugal knows not just India: it knows Asia for well over five centuries.

To fully grasp Portuguese sensitivity towards Asia, one only has to compare Macau's transition from Portuguese sovereignty to that of China with the way Britain handled — or mishandled — the return of Hong Kong to Beijing. China and Portugal agreed to end the latter's rule in Macau in 1987 and subsequently completed the process of transition without acrimony over a 12-year period.

Unlike the British, the Portuguese never interfered, throughout history, in the internal affairs of China. Nor did they mount expeditions to the mainland. A more recent example of Portuguese maturity in dealing with Asian problems was its role in East Timor.

Thanks to Lisbon's perseverance and its deft diplomacy, the United Nations recognized Portugal as the administrative power in East Timor till the end of the long dispute over the territory's future.

**N**o doubt, this helped, but the ease with which the peacekeepers were put in place in East Timor after the referendum had a lot to do with the way the Portuguese, with their intimate and deep knowledge of Asia, handled their role in the crisis. It took only 15 days for a peacekeeping force to be created for East Timor. It took a year for some sort of force — albeit not UN — to be deployed in Kosovo and even longer in Bosnia.

The Portuguese successes in Asia actually have a lot to do with their study and understanding of Asian history. Unlike in the rest of Europe, the work of Portuguese historians on Asia has not been Eurocentric. Many of them have lived a lifetime in Asia to gain a deep understanding of what makes Asians tick.

Based on such understanding, Portugal — and the EU under Portuguese presidency — is now addressing the key question of why Europe's relations with Asia are not assertive enough. Indeed, that has been the logic of Lisbon's unremitting campaign to host the India-EU summit.

No doubt, India has excellent bilateral relations with a number of European countries. But at a time when Europe is well on the way to total integration, it is important for New Delhi to have the EU view this country as a global partner.

Vajpayee's proposed summit in Lisbon with the EU offers an unprecedented opportunity to achieve just this. The way towards such an objective is smoother with Portugal in Europe's driving seat than it would have been under the EU presidency of any other country. It is for the top-level Indian visitors who will be travelling to Lisbon in the coming months to seize this opportunity.

# 'Exercise aimed at strengthening Indo-French military ties'

The Times of India News Service

MUMBAI: Thirty-seven-year-old aircraft carrier 'Foch', which is a part of the French nuclear force, will be among the French naval ships to participate in a major Indo-French naval exercise scheduled to be held in the Arabian Sea on Monday and Tuesday.

Although French naval officials refused to discuss the ship's nuclear capability, a brochure distributed to mediapersons on board the aircraft carrier on Thursday said it had what was known as a "prestrategic nuclear capability and was also a part of the French Strategic Nuclear Dissuasion."

Addressing mediapersons on board the aircraft carrier, flag officer commanding of the French naval task force Rear Admiral Francois Cluzel said the primary aim of the two-day exercise was to strengthen military co-operation between India and France. "It will also lead to an exchange of knowledge between the naval personnel of both the countries," he said.

According to him, the French naval task force would consist of the anti-aircraft frigate 'Duquesene', anti-submarine frigate 'Tourville', repair and maintenance ship 'Jules Verne', and the aircraft carrier 'Foch'.

Indian Navy will be represented by three ships and a submarine. Describing Indian Navy as one of the major navies in the Indian Ocean, Rear Admiral Cluzel said the exercise

would provide an opportunity to both the navies to demonstrate their anti-submarine and anti-aircraft warfare capabilities and evaluate the performance of their aircraft.

Aircraft carrier 'Foch', which will be phased out of the French navy this year, was part of the Kosovo operations last year. "Foch has served as an important instrument of French diplomacy during numerous national crisis," he said.

On board are 12 super-Etendard fighter bombers equipped with laser-guided bombs, three Etendard reconnaissance aircraft which are used for gathering intelligence and assessing battle damage, six Alize surface patrol aircraft and assault helicopters and two Alouette helicopters.

It is a virtual city with 2,000 men on board. The ship has facilities like post office, saloons, libraries and laundry services. It has a TV studio which is capable of producing and broadcasting programmes made on the ship. About 300 tonnes of fresh water are consumed everyday in the ship which is produced by desalinating sea water.

According to Rear Admiral Cluzel, the French task force had set sail from Toulon in France on January 15 and would be deployed in the Indian Ocean and South Atlantic Ocean till April 30. He stated that one of the aims of the deployment was to train the naval aviation group to project power overseas for long periods of time.

# French aircraft carrier's joint exercises with Navy

**EXPRESS NEWS SERVICE**  
MUMBAI, FEB 25

FRANCE'S sole aircraft carrier, the 32,700 tonne Foch (pronounced Fosh) arrived in Mumbai harbour this morning, at the head of a flotilla of four warships, the largest symbol of the new-found defence coziness between France and India.

These ships are to conduct joint exercises with warships of the Indian Navy on February 28 and 29, the largest of its kind between the two navies. Escorting the Foch was the air defence destroyer 'Duquesne', ASW destroyer 'Tourville' repair ship 'Jules Verne' and replenishment ship 'Tourville'.

Super Etendard fighter-bombers from the Foch are to 'clash' with their counterparts in the Indian Navy in a series of exercises simulating shipping strikes, protection of the coastline and anti-submarine warfare.

"These are indeed the biggest exercises between the two navies

and we're proud to have them," said Rear Admiral Francois Cluzel told visiting presspersons onboard the warship.

The exercises will offer the Indian Navy a fresh look at the Breguet Alize, a turbo-prop aircraft that once operated off the deck of the Vikrant for over three decades before being retired in the mid-80s. The Foch continues to operate a dozen of the trusty aircraft in the anti-submarine and electronic warfare. It will also give them an idea of what the French-designed but indigenously aircraft carrier the Air Defence Ship (ADS), to be built in Kochi, will eventually look like. The ADS is said to be near-identical to the Foch.

The French Task force comprising the ships had sailed from Toulon in France on January 15 and would be deployed in the Indian Ocean till April 30, he said.

The ageing Foch, which was commissioned into the French Navy in 1963, will be retired soon after the commissioning of the

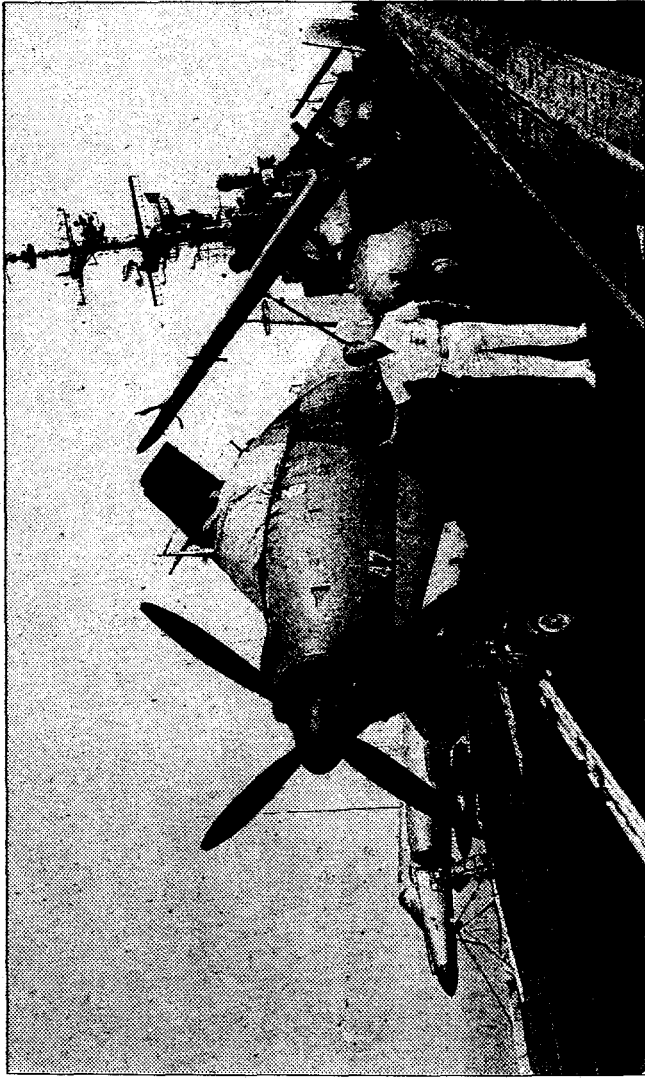
nuclear-propelled carrier Charles De Gaulle in September this year. It will be put up for sale, as the French navy lacks the resources to field two carriers.

And as Rear Admiral Cluzel revealed, the French navy seems beset by the problems facing the Indian Navy. For starters it's been on convincing the government on the need for a two-carrier navy amidst a series of deep budgetary cuts and declining force levels.

Something that the Indian navy has been saying for a decade and especially since the decommissioning of its first carrier Vikrant in 1997.

"Riechlieu, the sister ship to the Charles De Gaulle, is still under consideration. The government agrees we need two carriers, but they're saying not so quickly."

The Foch, which is only 4000 tonnes heavier than the IN's sole carrier the Viraat, has a flight of nearly 40 aircraft including Super Etendard fighter bombers and turbo-prop Breguet Alize aircraft and a flight of helicopters includ-



**The French aircraft carrier FNS Foch, which is anchored at the Mumbai port. Photo by Kevin D'Souza**

ing, Alouettes, Super Frelons and Super Pumas.

On March 15, ace French aerobatic team, 'Patrouille De France', consisting of eight Alpha jets and pilots will stage an aerobatic demonstration over Pune, as part of a renewed sales pitch by (AJT).

# EU, India set to intensify bilateral contacts via meets

Ranvir Nayar

BRUSSELS 10 JANUARY

INDIA AND the European Union (EU) are set to intensify bilateral contacts with a string of meetings of the working groups on agriculture, textiles, telecommunications and customs cooperation expected to be held in early February.

The working groups were set up by the Indo-European Commission (EC) joint commission. The working group on agriculture already has a full agenda for the inaugural meeting.

While India is keen to bring up issues like gelatine and buffalo meat exports into the EU, the Europeans are keen to discuss the ban on exports of raw hides and skins from India.

India also wants to raise the issue of market access for its tea, coffee, honey and chocolate. It wants the EU to increase the quota of Indian sugar exports to the Union members.

India is competing with sugar imports from the Africa-Caribbean-Pacific or ACP countries which are favoured by the EU in farm imports.

The Europeans also want to

bring up the issue of mushroom and garlic exports from India, which reportedly registered unusual gains last year. The exports of garlic from India were up 300 per cent in 1999, three times as much as the quota for Indian garlic, prompting the Europeans to suspect that the growth may be more due to re-exports from China than India's own production.

The textiles working group too will have its plate full. India and the EC, the EU's executive

## GROUP DISCUSSION

arm, are yet to recover from the debacle over the EC's failure to extend exceptional flexibilities for Indian textile exports earlier in December.

The issue is expected to rattle the Indians during the working group meet even though the EC claims that it did everything in its power to convince the 15 E.U. member states to grant the flexibilities to India.

At the working group meeting, EC will raise the issue of renegotiating the memorandum of understanding (MoU) which has governed the bilateral textile

trade for the last four years. The EC says the fiasco over the exceptional flexibilities would not have happened had the MoU been renegotiated. It is hoping India would agree to a renegotiation since after the notification of the bound import tariffs by India on December 1, the structure of the current MoU would need to be updated.

The two sides will also look for better market access for their textile products as well as a further reduction of import tariffs by either side.

The telecommunication working group will hold a video-conference at around the same time as the working groups on agriculture and textiles. The other working groups, including on environment and customs cooperation, are also expected to hold their first meetings before the joint commission meets in New Delhi in early April.

The joint commission is expected to discuss the results of the meetings of the working group and consider and approve some of the decisions made during those meetings.

— IANS

THE INDIAN AGE

The Economic Times  
11 JAN 2000

# India, Italy discuss menace of terrorism

HT Correspondent  
New Delhi, January 13

**I**NDIA AND Italy yesterday discussed the situation in Afghanistan, where a civil war has been waging indefinitely, identifying it as a factor strengthening international terrorism.

External Affairs Minister Jaswant Singh, en route to London, met his Italian counterpart Dr Lomberto Dini in Rome and reviewed the global menace of terrorism in the context of the December 24 IC 814 hijack.

While Dr Dini congratulated the Indian government for its handling of the hijack crisis, he pointed out that at a time when even states earlier identified as promoters of terrorism were dissociating themselves, the scourge was getting

strengthened by the situation in Afghanistan.

Intriguingly, the discussion on Afghanistan took note of the presence of the former King of the country in Rome. The King, it was reported earlier, was taking considerable interest in bringing about a broad-based government in order to terminate the internecine civil war.

It was agreed that the lack of ministerial-level contacts between India and Italy should be corrected with the two countries engaged more actively with each other. In this context, Dr Dini was invited to visit India at the earliest opportunity.

In the talks, Italy supported India's candidature for a permanent membership of an expanded Security Council (SC).

The support was extended when Dr Dini told Mr Singh that India should get its rightful place in the context of criteria like population and contribution to the world economy.

Interestingly, Italy, which has staked a claim for a European seat in an expanded SC, is advocating rotational representation, proposing that the new European seat should be occupied by Germany, Italy and Spain in rotation.

India is opposed to rotational representation in Asia in principle and has staked its claim on its own merits.

Germany's candidature as a permanent member of an expanded SC, as well as that of Japan, is being backed with full vigour by the US.

The two ministers also discussed

the situation in the Mediterranean and Africa and agreed that the problems of Africa should not be forgotten and that key countries like Egypt, South Africa and Nigeria should play a key role in keeping the continent on the "international radar screen."

Dr Dini said that Italy looked forward to India playing a greater international role as a big power.

While international security issues including export controls on sensitive materials and technology were discussed, Mr Singh briefed his counterpart about the effective and stringent controls India maintained and its nuclear posture.

The two governments will continue to interact on issues relating to UN reforms through their Permanent Representatives in New York.

THE HINDUSTAN TIMES  
14 JAN 2000

## German team scouting for tie-ups in high-tech ventures

By Our Special Correspondent <sup>22/1</sup> Economics, Transportation and <sup>10/13</sup> Agriculture, said at a news conference here today.

**NEW DELHI, JAN. 28.** A high-level economic delegation from Rheinland-Pfalz, a German State, is here on a week-long visit to assess opportunities and enter into tie-ups in high-tech areas.

The delegation met officials from the Ministries of Industry and Information Technology to discuss the difficulties faced by the business community of the State in entering the Indian market, Mr. Guenter Eymel, State Secretary of the Ministry of

The State is also keen on bilateral trade and investment between small and medium companies. To provide impetus to the move, a delegation of these companies is planning a visit next year, Mr. Eymel said.

According to the European Union's statistics office, Rheinland-Pfalz ranked among the EU's top 10 regions as far as high technology and leading-edge technology was concerned, he added.

THE HINDU  
29 JAN 2000