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SATURDAY, JULY 1, 2000

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## CLOSING GAPS IN TIES WITH E.U.

THE FIRST SUMMIT-LEVEL interaction between India and the European Union has helped to plug a gap in New Delhi's political relations with Europe, mostly lukewarm in the past for historical reasons. The welcome reiteration by the Prime Minister, Mr. A. B. Vajpayee, that his Government was moving in the direction of signing the Comprehensive Test Ban Treaty removed a major hurdle and set the climate for better relations with the E.U. By hailing India's voluntary moratorium on nuclear testing as a commitment to the basic obligation of the CTBT, the E.U., which has a strong anti-nuclear lobby and had vehemently criticised the Pokhran-II tests, responded adequately for the two sides to impart greater political content to the expanding economic relationship. The E.U. is the largest trading partner of India but this had till now never been matched by political ties. The decision to hold regular summit meetings and to create political mechanisms to intensify consultations ends a long drought and corrects a distortion that crept in with the absurdity of India's exclusion from a summit-level Europe-Asia consultation. The E.U. has regular meetings at the highest level with Japan and China in Asia, besides the U.S., Russia and Canada. Mr. Vajpayee's engagement with the E.U. and the joint declaration issued at the end of the parleys reflect acknowledgement of India as an important player in the region and the global arena.

There apparently was also greater understanding of India's concerns over cross-border terrorism and the threat to regional peace and stability that this posed. The joint statement was categorical on this point: "we (India and the E.U.) will bolster joint efforts to counter terrorism and meet all other challenges arising

from it both in the regional and international context." There was a strong message of support for whatever initiatives India takes to fight this menace, in particular New Delhi's vigorous campaign for a comprehensive convention on international terrorism. This broad support, an echo of the experience of some of the member-nations of the E.U. who have themselves been waging relentless battles against terrorism, did not extend to particular cases. There was no condemnation of the sponsor of the terrorism across India's border. As for the related issue of Kashmir, the E.U.'s position was even-handed and clear: it urged dialogue and "a cooperative attitude from both India and Pakistan".

New Delhi's dialogue with the E.U. caps a series of bilateral interactions with the major players on the continent, notably France, Germany and now Italy. Both multilateral and bilateral tracks matter in a situation where the E.U. is less than the sum total of its parts, as reflected in the absence of a response on the question of expansion of the U.N. Security Council and support for India's candidature for permanent member status. The warm reception that Mr. Vajpayee received in Lisbon and the outcome of his talks with the Portuguese leaders signal that at the bilateral level the two countries have shaken off the ghosts of the colonial past and the bitterness that followed the military action in Goa. The renewed Portuguese connection can serve India well during a time of flux in international relations. With the E.U. itself seeking to emerge from the shadow of the trans-Atlantic partner, there is room and scope for political partnership in the shaping of a just world order. In the search for that multipolar world, India and the E.U. can play important complementary roles.

THE HINDU

- 1 JUL 2000

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## PM's E.U. visit will bring economic benefits: BJP

By Our Special Correspondent

**NEW DELHI, JUNE 30.** The BJP is confident that the Prime Minister's just-concluded visit to Italy and Portugal has strengthened India's relationship with the European Union, and that this would help in the global political arena as well as bring in economic benefits. The party noted the release of 21 Indian peacekeepers in Sierra Leone.

The visit had not only gathered support for a permanent seat for India on the Security Council, but more and more countries had also appreciated India's stand on the need to condemn global terrorism in all its forms, whatever its motives and origin, it said. The senior party vice-president, Mr. Jana Krishnamurthi, today congratulated the Prime Minister, Mr. A. B. Vajpayee, on the visit and said that the decision to hold regular summit meetings between India and the European Union would strengthen links through existing diplomatic channels and help further a meaningful dialogue.

He saw the Lisbon agreement as a "milestone in our international economic relationship" which had opened opportunities for economic prosperity, increased exports, investment in infrastructure development and more employment.

The BJP said the visit by the Union Home Minister, Mr. L. K. Advani, to France and Israel was significant as they had demonstrated their readiness to join India in fighting international terrorism. Keeping in mind Israel's "expertise" in countering terrorism, the party felt this high-level contact between the two countries would strengthen cooperation and prove to be of "immense value" to India in its fight against terrorism. Some party leaders are not too sure whether the country is as yet ready to sign the Comprehensive Test Ban Treaty (CTBT) as indicated by the Prime Minister. He has talked about a consensus on it by the end of the year, but the BJP leaders know that let alone the opposition there is no consensus on this issue within the BJP and the Sangh Pariva-

# Korean pact on reuniting kin

SEOUL, JUNE 30. South and North Korea signed an accord today to reunite relatives separated by the division of the peninsula more than half a century ago, officials said.

"They signed the agreement at 7:30 p.m. (1030 GMT)," said the South Korean Unification Ministry spokesman, Mr. Lee Kwan-sei.

The accord, which also covered repatriation of long-term communist prisoners in the South, was reached at the end of five days of talks at North's scenic Mt. Kumkang, he said.

It was inked by Mr. Park Ki-ryun, head of South Korea's Red Cross and his North Korean counterpart, Mr. Choe Sung-chol.

The accord was the first concrete follow-up to the historic June 13-15 summit between the South Korean President, Mr. Kim Dae-jung, and the North Korean leader, Mr. Kim Jong-il, in Mr. Pyongyang.

The Ministry spokesman said two groups of 100 relatives would be allowed to visit the North and South Korean capitals between August 15 and 18.

The South agreed to repatriate the released pro-North Korean long-term prisoners, if they wanted to return, around early September, he said.

The North agreed to hold another round of Red Cross talks with the South on reunions immediately after the repatriation. — AFP

## U.S. funds for N. Korean power

WASHINGTON, JUNE 30. The President, Mr. Bill Clinton, unlocked \$20 millions in U.S. funds for an energy programme for North Korea, saying Washington

was making good progress in eliminating Pyongyang's missile threat.

The money will go toward an international consortium building two light water reactors in North Korea, under a 1994 deal under which the poverty-stricken Stalinist state promised to freeze its nuclear weapons programme.

Mr. Clinton yesterday said in a memorandum to the Secretary of State, Ms. Madeleine Albright, that an operation to extract spent fuel from a North Korean reactor, which experts suspect could have been adapted to military use, had been successful.

The Government in Pyongyang was also complying with agreements that allow inspection of underground sites the U.S. suspects could be used for weapons development, he added.

"The United States has made and is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and ballistic missile experts," Mr. Clinton said in the memo, which will also be sent to the U.S. Congress.

In order for funds to be released under the programme, Mr. Clinton must certify that North Korea is complying with its obligations under the agreement.

Despite continued cooperation with North Korea on the energy project, Mr. Clinton on Wednesday said that Pyongyang's missile programme still posed a potential threat to the United States. — AFP

THE HINDU

1 JUL 2000

# Czech support for India's claim for U.N. seat

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**BERLIN, JULY 5.** The Czech Republic supported the expansion of the Security Council and believed that India as a big world power was "fully entitled" to be a permanent member in it, the Prime Minister, Mr. Miles Zeman, told a visiting Indian parliamentary delegation, led by the Lok Sabha Speaker, Mr. G.M.C. Balayogi, in Prague on Tuesday.

The Czech republic is one of the leading countries in east Europe and is one among the first wave of six countries seeking entry into the European Union.

An Indian embassy statement in the Czech Republic at the end of the five-day visit of the nine-member delegation said Mr. Zeman expressed appreciation for India's principle of mixed economy and welcomed Indian investment in Czech companies like Tatra and cooperation in Information Technology.

Mr. Balayogi noted the recent ventures established by Czech companies like Skoda Auto and Tatra in India and urged for more Czech investment in infrastructure, industry and power sector, the statement said.



**The Lok Sabha Speaker, Mr. Balayogi, with the Czech Prime Minister, Mr. Miles Zeman, in Prague on Tuesday. — PTI**

Mr. Zeman told Mr. Balayogi that he was looking forward to his visit to India later this year and expressed the hope that the trip would help in the development of bilateral cultural and economic relations.

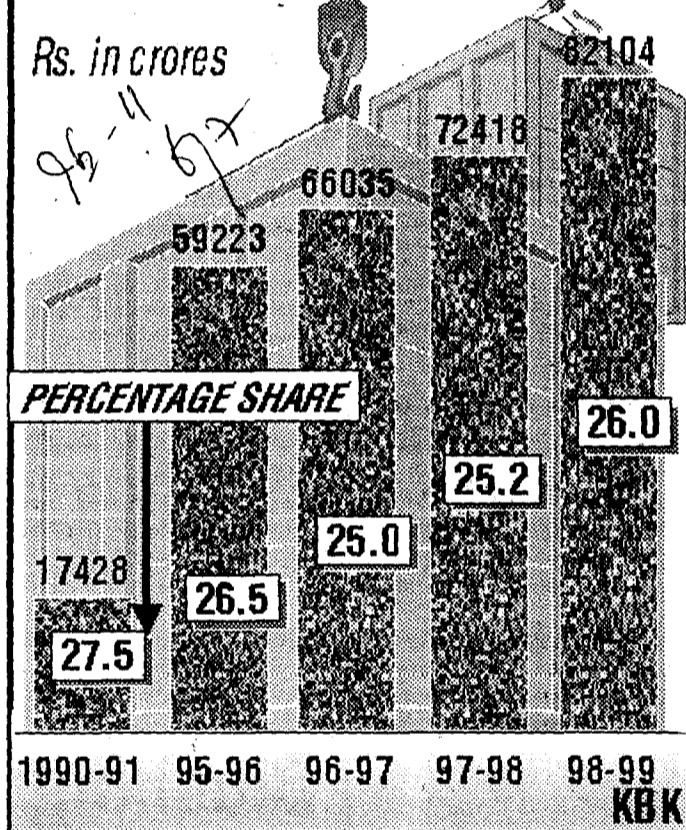
The delegation during its five-day visit to Prague also met the President (Speaker) of the Czech Chamber of Deputies, Mr. Vaclav Klaus and President of the Czech Senate, Ms. Libuse Benesaova. — PTI

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# INDIA'S EXPORTS TO EU COUNTRIES

Rs. in crores

96-11 67



INDIAN EXPORTS

6 JUL 2000

## Cooperation with Europe

# Market and more

**P** RIME Minister Atal Behari Vajpayee's recent visit to Italy and Portugal evoked interest for two reasons. First, this was his first visit to Italy and to the Vatican. Secondly, his visit to Lisbon was to lead the Indian delegation to the first formal European Union-India summit-level dialogue with the United States, Japan, Russia and China.

The visit to Italy was a reciprocation of former Italian Prime Minister Romano Prodi's visit to Delhi two and half years ago. It was a positive coincidence that Prodi now happens to be the Secretary-General of the EU.

Parallel to the Prime Minister's visit, a business delegation from India was also there, both in Rome and Lisbon. So both the discussions and results went beyond the agreement on cooperation in the field of tourism which was signed in Italy and India during the Prime Minister's visit.

Politically, the most significant event during the visit to Italy was the Prime Minister's call on His Holiness the Pope. His meeting with Pope John Paul II took place in the context of violence which had occurred against Christians in India perpetrated by certain extremist Hindu organisations. The international church hierarchy, in particular, and Western democracies, in general, were becoming incrementally critical of the Indian government's handling of the situation. There was even some uncertainty on whether a meeting with the Pope would take place. Vajpayee's desire and willingness to meet the Pope was to put the situation in perspective and to assure His Holiness that his government remained committed to the ideals of secularism and respect for all religions and religious communities. The Prime Minister gave the necessary assurances underlining that the perpetrators of violence would be dealt with firmly. There were, however, different impressions about the results of the exchanges between the Pope and Vajpayee.

The bilateral agreement with Italy on

tourism is all to the good as far as it goes. The point to remember is that tourism and related services in Italy, as in other European countries, is essentially managed by the private sector. The government only plays an encouraging role. This category of cooperation can only mesh if India also gradually lets the private sector take over tourism expeditiously. A governmental stranglehold on tourism and civil aviation in India inevitably reduced the capacity of foreign partners to interact effectively with us because of the contrast between the working methods of the institutions involved in tourism in Europe and in India.

The EU-India Sum-

mit was the culmination of a process which commenced in 1992, when the EU-Troika came to India to initiate the first high-level EU-India dialogue. The political, economic and security interaction between India, on the one hand, and Europe as a collectivity, on the other, has been increasing over the last eight years, except for a brief period of six months or so in the immediate aftermath of the Pokharan II tests.

The factors which contributed to the disappearance of inhibitions and limitations affecting relations between India and West European countries, were the end of the Cold War and the resulting strategic and political changes in India's relations with East European countries. Secondly, the economic reforms and liberalisation policies initiated by India. Thirdly, compared to the countries of the

ASEAN and China, India was still an unexplored market for investment opportunities for European countries. Fourthly, the countries of the European Union collectively were perceived by India as a major area of economic, investment and technological interest in its foreign policy initiative to diversify relations with important countries. Fifthly, India's

acknowledgement that Europe collectively is and will be a power centre in the multipolar world which India wishes to structure in the post-Cold War era.

Europe's significance for India is in the fact that it is a market of nearly 300 million people. As a source for investments and technologies, its po-

over the last eight years.

By 1996, these arrangements were institutionalised with six-monthly discussions being held between Indian officials and their EU counterparts and annual meetings at the ministerial level. Exchanges between the apex economic organisations of the private sector like the CII, FICCI and the ASSOCHAM and their European counterparts have been on the increase. So have contacts between think-tanks and research organisations. The agreement arrived at between Vajpayee and the EU during the Lisbon meeting is only a culmination of the processes of eight years.

Having referred to the positive aspects, we must take note of the limitations and inhibitions which still exist. Though the volume of foreign investments flowing from Europe to India is calculated at 13 billion dollars, only three billion dollars are actually in the operational pipeline. The reasons are both procedural delays on our part and political assessments about India's complementarity to the economic stipulations of Europe in investment matters. Transfers of technology from Europe remains subject to political and strategic restrictions structured under the leadership of the US global non-proliferation and dual use technology policies. India's access to the European market in textiles, certain categories of agricultural goods and services remain subject to undercurrents of protectionism and European import policies.

These are the issues which were addressed by the Prime Minister's delegations with their counterparts during the Lisbon meeting. Even if no conclusive agreements were arrived at, there are signs of greater understanding of Indian interests and concerns and willingness on the EU's part to respond. The European countries' general acknowledgement of the legitimacy of the claim of India to be a permanent member of the UN Security Council and the gradual acceptance of India's nuclear weaponisation are symptomatic of this process.



J.N. DIXIT

**Among the factors helping an Indo-EU dialogue is the indication that Europe will constitute a power centre in the multipolar world India is committed to strive for**

tential matches that of North America and Japan. The European Union's influence, in not only the regional but the global security arrangement, is and will become incrementally significant, both in terms of its own collective regional identity and through the United Nations.

Europe's economic and strategic interests in Central Asia and the Gulf impinges on our parallel interests in the same region. The European Union is India's biggest trading partner accounting for nearly 30 per cent of India's international trade, though in overall terms India only accounts for 1.3 per cent of the European Union's foreign trade. There are clear possibilities of expansion of trade with the expanding membership of the EU. It is in this context that there have been regular meetings between the European Troika and Indian delegations

INDIAN EXPRESS

19 JUL 2000

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## India, Finland to strengthen cooperation in power sector

By Our Special Correspondent

**NEW DELHI, JULY 10.** The Finnish Trade Minister, Mr. Kimmo Sasi, will be visiting India in September. This was disclosed during the 12th meeting of the Indo-Finnish Joint Economic Commission held recently at Helsinki.

India and Finland also expressed their keenness to increase the level of trade and economic cooperation beyond the present level of \$ 200 millions. The two sides decided that an agreement for promotion and protection of bilateral investments between the two countries would be signed soon. They also considered the feasibility of signing an agreement for cooperation in the field of science and technology and another in the environment sector.

The Indian delegation was led by Mr. Nripendra Misra, Additional Secretary, Department of Commerce, and the Finnish side was led by Mr. Jorma Julin, Director General in the Foreign Affairs Ministry of Finland.

Both sides noted the ongoing cooperation in energy and power sectors and emphasised the need for more cooperation in this area. The Indian side sought Finnish participation in modernisation of Indian ports and shipping sector. Exchange of delegations in the Information Technology sector was also suggested.

Finland is a member of the European Union (EU) and its trade and commercial policies are regulated as per EU regulations. The meeting of the Commission assumed importance as it was held immediately after the conclusion of the India-EU summit held in Lisbon on June 28. During the second half of 1999, Finland held the presidency of the EU.

An official release says Indo-Finnish bilateral trade is presently of the order of about \$ 200 millions annually. The trade is, however, in favour of Finland from where India imports paperboard, newsprint, organic chemicals and non-ferrous metals. Major exports from India are garments, carpets, metal manufactures, handicrafts, gems and jewellery.