

Indo-French

By C. Raja Mohan

NEW DELHI, JULY 29. As they prepare to hold the seventh round of the strategic dialogue here on Tuesday, India and France will be looking for ways to impart greater political credibility and technological substance to their expanding bilateral relations.

Six rounds of talks over the last three years between Mr. Brajesh Mishra, Principal Secretary to the Prime Minister, and the French Special Envoy, Mr. Gerard Errera, have helped draw the two nations closer on a number of issues.

Nevertheless the two senior officials are conscious of the need to supplement the ongoing "process" of bilateral engagement with an emblematic "product" that can showcase the special relationship between India and France. They might want to clinch a high profile joint venture that will underscore the political bonhomie between the two nations.

In the context of a budding romance between India and the United States under the Bush Administration and the consolidation of Indo-Russian relations under the President, Mr. Vladimir Putin, defining the contours of the partnership with France has become a major foreign policy imperative for India.

The Indo-French strategic dialogue was initiated in the wake of the May 1998 nuclear

tests that drew harsh responses from much of the world. France, however, played a key role in fending off the efforts by the international community to isolate India in the post-Pokhran phase.

Paris also opposed attempts to impose sweeping international sanctions and excessive arms control demands against New Delhi. All this was part of conscious strategy in Paris that bet on India's emergence as a major power and the immense potential of bilateral cooperation.

At the political level, India and France agree on the need to promote "multipolarity" in world affairs. But as the context of that debate changes, there are interesting variations in the political postures of New Delhi and Paris.

As part of its new outreach to the United States, India has welcomed the controversial missile defence initiative of the Bush Administration. In Europe, France has led the charge against the American attempts to change the rules of the nuclear game.

At their last meeting in Paris in January, Mr. Mishra and Mr. Errera had discussed the implications of the U.S. proposals on missile defence. As they pick up the threads of that conversation, the two sides will have a lot to discuss on the impact of missile defences on the geopolitical equations among the U.S., Eur-

strategic talks tomorrow

ope, Russia and China. Besides looking at a stronger commercial relationship, France has sought to emerge as an important partner of India in the defence and high-technology sectors.

The Mishra-Errera dialogue has promoted an institutionalisation of contacts between the two defence establishments.

India and France have also begun to explore prospects for long-term cooperation in the production of weapons and military equipment. No major arms deal, however, has been finalised.

France has also been keen on supplying nuclear reactors to meet India's growing energy requirements. Despite the international restrictions on nuclear cooperation with India, France has opened a dialogue with India on atomic energy issues. Paris has also been supportive of India's hopes of joining the global club of nuclear exporters.

On the question of nuclear cooperation, Russia has scored over France by signing a new protocol with India, during Mr. Putin's visit here last November. The time is now for France to come up with unconditional proposals for civilian nuclear cooperation, that could concretise the idea of a special relationship between the two countries.

Russia, France keen to defuse India-Pakistan tension

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11.19
09/12

By Arun Mohanty

MOSCOW: Russia and France have expressed their keen desire to defuse the escalating tension between India and Pakistan following the attack on the Indian parliament.

In telephonic conversation with French President Jacques Chirac, his Russian counterpart Vladimir Putin also sought strong measures by Pakistan to liquidate terrorist groups in that country.

Mr Putin and Mr Chirac expressed their intention to continue their joint efforts along with the European Union to reduce tension between New Delhi and Islamabad, Russian news agency Itar Tass quoting a French official as saying.

Mr Putin spoke about the need to neutralise Pakistan-based terror groups.

India and Pakistan have deployed troops along their winding border after tit-for-tat sanctions imposed by them against each other in the wake of tensions sparked by the December 13 attack on parliament.

India says the five terrorists who stormed the complex but were killed were Pakistanis. The two leaders discussed a "number of urgent steps Pakistan should immediately take against terrorist groups operating on its territory."

Mr Chirac about the talks he had with Indian Prime Minister Atal Behari Vajpayee," a Kremlin source told IANS.

Mr Putin telephoned Mr Vajpayee twice after the attack on the Indian Parliament. He feels condemnation for the attack on parliament by the international community is "not enough". (IANS)



Vladimir Putin



Jacques Chirac

India, EU differences linger at WEF meet

HT Correspondent
New Delhi, December 4

SERIOUS DIFFERENCES between India and European Union on trade issues and Doha WTO ministerial declaration came to the fore on the third day at the India Economic Summit held by Confederation of Indian Industry (CII) and World Economic Forum (WEF).

At a wordy duel were Commerce Minister Murasoli Maran and his French counterpart Francois Huwart during a debate on post-Doha summit of WTO. On ticklish trade issues and TRIPs agreement which provides access to cheap medicines for poor countries without having to adhere to patent obligations, Maran virtually snubbed Huwart for terming this declaration as an 'ambiguity'.

While Maran chose to interpret the agreement on TRIPs and public health as a victory for the developing countries health concerns, Huwart preferred to call it an "ambiguity" as the patent regime put in

place at the Uruguay round of WTO was non-negotiable.

Huwart and Maran were also at their best on environment and labour issues. While India opposed inclusion of both these issues under new round of trade negotiations, France along with 14 other members of EU supports the view that core labour standards will have to be implemented.

Maran said that this was a ploy to 'take away the advantage' of cheap labour available to poor countries. He cryptically questioned the French Minister if any of the investors would put in money in Indian projects in case labour was as expensive as that back in France.

While accepting that all forms of child labour including "family labour" in US be removed, Maran made a fervent plea to leave labour issues to International Labour Organisation (ILO).

But, Huwart was convinced that core labour standards will not be implemented under aegis of ILO. France also justified the inclusion of all non-trade issues

under WTO, as it was the only body with implementation authority.

However, Huwart differed with US position on imposing sanctions against the country that does not stick to core labour standards. In this context, it was pointed out that while countries like India have ratified the international labour standards, there were several countries in EU who are yet to approve the same.

While France sought to allay fears of 'green protectionism' by bringing in environment issues under trade regime, Murasoli Maran appealed for not bringing everything under the sun under the WTO and dilute multi-lateral negotiations.

Meanwhile, Maran said that a decision on revision of export targets will be taken in a week or two after the export promotion councils submit their assessment. On the question of allowing foreign direct investment in retail trading, he ruled out the possibility of relaxing the norms on this front.

THE HINDU

- 5 DEC 2001

UK condemns ¹¹⁻¹³ attack on Indian Parliament ¹¹⁻¹³

By Rashmee Z. Ahmed
Times News Network

LONDON: Britain has condemned the attack on the Indian Parliament in the strongest possible language, with foreign secretary Jack Straw deploring the assault "on the heart of Indian democracy" while British MPs tabled a motion in the House of Commons affirming that that "this attack on the largest democracy in the world (is) an attack on the sovereign rights and freedoms of democratic peoples everywhere."

Mr Straw, who said he was "appalled to hear of the brutal terrorist attack on the Indian Parliament building in Delhi earlier this morning," offered condolences to "the victims and their families."

In an inflexible rejection of the theory that there are some good terrorists and some bad, Mr Straw said, "There can be no justification for what has happened." He said he "unreservedly condemned" those responsible for the attack.

Meanwhile, Barry Gardiner, who heads the governing Labour Party's Friends of India group, expressed shock and horror at the attack on the world's largest democracy.

The brutal attack on Parliament has transfixed the British media. News of the gunfight started to filter in through sketchy domestic radio and television reports as Britain made its way to work early on Thursday.

Even as reports of continuing gunshots came in, commentators started to focus on the recent arrest in India of Mohammed Afroz, who is alleged to be linked to the Al Qaida, known to have lived in Britain and was reportedly plotting an attack on both the Indian and British houses.

The arrest of Afroz and the Indian allegations were apparently dismissed as "untenable" by unnamed British intelligence officials, according to a section of the British media.

But now, commentators say that Thursday's bold assault on the Indian Parliament must give the Doubting Thomases pause for thought.

South Asia watchers said the attack underlined the seriousness of India's repeated problems with terrorist violence, even as the U.S.-led coalition looks further ahead to a "phase two of the war on terror."

Just two months ago, the U.S. and Britain had unreservedly condemned the attack on yet another symbol of Indian democracy, the Srinagar legislature, the sources said.

THE TIMES OF INDIA

14 DEC 2001

India
Europe
New

India, France to intensify ties

HD-12
S/12

By Our Special Correspondent

NEW DELHI, DEC. 5. India and France have agreed to intensify bilateral cooperation to achieve the full potential of trade and investment. Trade and industry of the two countries will increase cooperation through alliances, joint ventures and technical cooperation in agro-products, telecommunications, energy, transport and information technology.

According to a joint statement issued at the end of the 11th session of the Indo-French Joint Committee, the two sides discussed market access and have agreed to hold periodic consultations to minimise trade barriers. They noted that growth in bilateral trade was not commensurate with the actual potential. Two-way trade was estimated at \$ 1.65 billion and FDI approvals from France are \$ 1.53 billion over the last few years.

Earlier, addressing the inaugural session, the Commerce Minister, Mr. Murasoli Maran, said that market access for Indian goods and services was becoming increasingly difficult because of numerous and varying sanitary and phytosanitary, packaging and labelling requirements as well as trade defence measures in the European Union. He urged a higher flexibility in market access for Indian products and services through more transparent and predictable standards. In this context, Mr. Maran urged France to play a positive role as a leading member and opinion-maker in the EU on market access issues of concern to India. The French Foreign Trade Minister, Mr. Francois

Huwart, who signed the joint statement led a high-level official delegation to the talks and was also accompanied by a 30-member business team. He told presspersons that the new areas identified for foreign investment by French firms include urban development, transport and IT.

French companies have expertise in utilities, especially water and waste treatment, where public and private sector partnerships could be carried out. In IT, he said it had been decided to have a more effective working group to identify new perspectives.

India, Kenya sign MoU

By Our Special Correspondent

NEW DELHI, DEC. 5. India and Kenya today signed a Memorandum of Understanding on institutionalising a framework of cooperation and collaboration in the communication sector. The MoU, which formally brings into existence a Joint Working Group on communications, focuses on policy issues, exchanging relevant technologies and exploring the possibility of collaboration through joint projects.

Formally signed and exchanged by the Union Minister for Parliamentary Affairs, Information Technology and Communication, Mr. Pramod Mahajan, and the Kenya Minister of Communication, Mr. Musalia Mudavadi, the MoU also envisages cooperation between the two nations in the consultancy sector through experts for telecommunications, software, computers and related fields.

Strong case for enhancing India-EU relations

By K.K. Katyal

HD-15
24/11

The outcome of the second India-EU summit (in New Delhi last week) should take care of the criticism that the relationship between them lacks direction. The documents issued on the occasion — the joint communique, the joint vision statement on development of information society and information and communication technology — make concrete points in identifying areas of cooperation.

But whether the relationship would acquire depth and substance, the professed aim of the high-level exercise, will be clear only in the light of the actual experience. The judgment on this point will need to be reserved for the time being, especially because the development in the past have not been very encouraging. The proof of the summit pudding, to use a cliché, will lie in its eating.

The various formulations in the joint communique are, no doubt, unexceptionable but what will matter is their application to specific situations or problems both in the bilateral and international context, both in political and economic areas.

Take, for instance, the joint resolve to be partners in promoting global peace and security — “We reiterate our unequivocal commitment to the ultimate goal of complete elimination of nuclear weapons and to general complete disarmament under strict and effective international control. We will continue to work together for the complete eradication of chemical and biological weapons. We will begin to address the issue of ballistic missile proliferation in all its aspects”.

If followed in letter and spirit, it should ensure against the situations of the type that arose after India's nuclear tests in May 1998. As is known, the EU as a whole, and most of the member-countries reacted sharply and

bitterly against New Delhi's action. Their response took various forms — the extreme stand of the Scandinavian countries and not-so-extreme but nonetheless the angry reaction of Germany. France was an exception — it lost no time in declaring that there would be no difficulty in coming to terms with a nuclear India but even it could not persuade itself to cooperating with New Delhi in establishing nuclear power plants.

Does the primacy accorded now in the joint communique to the “goal of complete elimination of nuclear weapons” and of “general and complete disarmament” mean that the EU accepts New Delhi's stand against discriminatory approach to nuclear non-proliferation?

NEWS ANALYSIS

The answer may not be in the affirmative but the EU and most of its members do not want the development of relationship with India to be held hostage to a single issue.

As regards terrorism, the communique makes the following valid point — “we support the international coalition in the fight against terrorism, wherever it occurs and regardless of its motives.”

Does it mean the EU's acceptance of India's position that terrorist activities in the garb of freedom fight need to be suppressed equally ruthlessly and that there are other areas, besides Afghanistan, the epicentre of terrorism, which deserve close attention or, to be precise, the terrorist violence in Jammu and Kashmir will need to be suppressed with the same determination, if not now, in the second phase of the operation?

The communique speaks of the joint determination to step up efforts to “promote democracy and to address human rights issues at the international and bilateral levels”. How does it square up with the conduct of the EU countries (as part of the international coalition against terrorism) to hug military rulers, responsible for ousting democratically-elected rulers? Is it not a case of preference of expedience over principles?

The definition of human rights, as was made clear by Ms. Mary Robinson, the U.N. High Commissioner for Human Rights, in her speeches here last week, has been widened to include the right to development, right to food, shelter and healthcare. It is to be hoped that the EU policies and its dealings with India would reflect adherence to these sentiments.

On economic issues, the document mentions how the dialogue has helped to build mutual understanding. Given this approach, the two sides should not be taking conflicting positions, contrary to what was witnessed at the recent Ministerial meeting of WTO. It seems too good to be true.

The caveats and ifs and buts notwithstanding, there is a strong case for enhancing cooperation in economic (EU is India's largest trading partner) areas.

It is the largest economic entity in the world, accounting for 40 per cent of the global trade, with the prospect of increase after the planned eastward expansion. At the political level, support to and cooperation with the EU could help the cause of multipolarity.

However, one is not to put too much emphasis on this point, as most EU members are on the same side of the fence as the U.S. on key issues and in major crises and, on its part, India has taken major policy decisions to strengthen its ties with Washington.

THE HINDU

20 NOV 2001

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SEARCHING FOR GROWTH

10-12

THE EUROPEAN UNION is India's largest trading partner, but considering the history of India's economic links with the members of the E.U. the volume of two-way economic flows is a very small proportion of Europe's trade with the rest of the world. Besides, there has also been an occasional prickliness in recent years between the Government of India and the European Commission on bilateral and multilateral trade issues. The second annual India-E.U. summit in New Delhi last week was an occasion to cement the foundations of a longstanding economic relationship and at the same time to air, if not settle, the differences on trade and investment.

The high point of the meeting was the business summit which discussed the high-level "India-E.U. Initiative to Enhance Trade and Investment." This initiative, launched during the Lisbon summit in June 2000, is meant to boost economic flows, especially E.U. investment in India. While E.U. foreign direct investment in India since 1991 is well above that of the U.S. and Japan and the majority of the E.U. investors have expressed satisfaction about their investment decisions, capital inflow from individual countries — including the majors like Germany, France and the U.K. — has been quite small. The first step of the new initiative has been to commission and discuss studies of the opportunities and bottlenecks in four sectors. But it is disappointing that the business summit saw little more than a listing of the familiar suggestions and complaints. In telecom, for instance, the demand is for India to raise the ceiling on FDI from 49 to 74 per cent. In information technology, where Indian exports to the E.U. lag far behind the U.S., the problem is a different one — stemming only in part from the Indian unfamiliarity with all but one of the E.U. languages. The Prime Minister, Mr. Atal Behari Vajpayee, in his speech to the summit, raised one issue holding up Indian software exports to the E.U.: the restrictive visa practices that dis-

courage Indian software personnel from doing business with the E.U. An initiative by Germany last year to attract IT workers has had to be modified because the restrictions in the first offer found few takers.

The gaps between India and the E.U. are wider in trade issues. Last week's summit came on the heels of the ministerial conference of the World Trade Organisation where the two were poles apart on what they wanted included in the negotiating agenda, though the E.U. attempted to don the robes of a friend of the developing countries. The multilateral issues have been settled for now, many would say more to the satisfaction of the E.U. than India, but a large number of bilateral differences are still on the table. The Indian complaint is that the E.U. falls back all too easily on the use of non-tariff instruments like anti-dumping duties and opaque import standards to keep a lid on India's labour intensive exports. The E.U., in turn, points the finger at India's high import tariffs, especially on textiles and liquor, which it says have neutralised the impact of the abolition of quantitative restrictions last April. Mr. Pascal Lamy, E.C. Commissioner for Trade, has offered to negotiate a bilateral agreement that by relaxing textile quotas would give Indian exporters greater access to the E.U. markets — the catch is that India will have to lower its tariffs on textile imports so as to give greater opportunities to European clothing exporters. While this would be similar to a deal that the E.U. recently struck with Pakistan, the problem is that it unfairly places non-tariff barriers (E.U. quotas) on the same plane as tariffs (India's import duties). Considering that one of India's longstanding complaints has been about the reluctant manner in which the E.U. has been meeting its commitments to remove quotas, the Government may have to think twice about responding with enthusiasm to yet another E.U. offer to accelerate the dismantling of its non-tariff barriers on textile imports.

THE HINDU

26 NOV 2001

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Heal the World

EU and India Have a Moral Duty

11-10 22/11

By ROMANO PRODI

THIS week will see the second annual summit between India and the European Union (EU). This is my first visit to India as president of the European Commission, but I have been here several times before — most recently as prime minister of Italy.

On each occasion, I have been impressed by the unique and brilliant civilisation that has been the treasure of India for over 4,000 years. The spectacular diversity of this civilisation is one of its great riches — and the same is true of Europe. We, too, are a very diverse continent, with a lively variety of languages and of religious and cultural traditions.

Europe's diversity has, in the past, been the source of ruinous wars and conflicts. But over the past half century, our nations and peoples have, at last, been coming together in peace, building friendship and mutual respect. We are discovering the real unity in our diversity — the essential values we share. Values such as freedom, democracy, social justice and respect for human rights.

With 15 member-states at present and 12 more negotiating accession, we are an expanding union of a myriad minorities, enjoying the benefits of free movement across the continent and the efficiency of a large frontier-free economy.

Europe greatly values its strong and longstanding partnership with India. The EU is India's primary source of foreign direct investment, and last year trade between us increased 26 per cent. It is still growing, despite the current global slowdown.

Nevertheless, we are convinced there is still a huge untapped potential for bilateral trade and investment flows between us, and one of the purposes of this summit is to find ways of tapping it.

At the same time, the EU wants to continue supporting the government of India in its efforts to promote development. Perhaps the greatest challenge of this new century is to root out the cancer of poverty that blights so many lives. Europe is deeply committed to helping India in that battle. Each year, the European Commission alone grants India about 100 million euros in aid, the bulk of which is aimed directly at alleviating poverty.

We are very much involved in programmes to improve primary education and child health. Such programmes have a ripple effect on development, as the whole world now recognises. This week, we will be signing an agreement to provide

200 million euros to the Sarva Shiksha Abhiyan programme for promoting universal elementary education in India. It will be the biggest grant ever given by the European Commission to an education programme, and it will bring our total involvement in health and education here to 550 million euros.

But the EU's partnership with India is about more than aid and trade. It is also a political partnership. One of the goals of the European Union is to promote stability and democracy around the globe. India, as a stable, mature and vibrant democracy, is a key partner in this process and the natural cornerstone of the EU's relationship with South Asia.

Our political partnership has acquired very special importance in the wake of the dreadful events of September 11. India has long been a target of terrorism, and has often warned Europe of the danger of this plague spreading to the rest of the

Challenges such as climate change, sustainable development and the need for a fair, rules-based system of world trade.

The proper response to globalisation is not to build protective walls around our economies and societies but to harness the forces of globalisation and make them work for the good of all countries — poor as well as rich.

That means devising an effective system of global governance — a genuinely multilateral decision-making system based on agreed rules and transparent, accountable institutions.

A key multilateral, rules-based institution we have at present is the World Trade Organisation, and the EU is committed to making it work in an open, accountable way. I am encouraged by the decision recently taken in Doha to launch a new round of multilateral trade negotiations, because this will enable us to further reduce obstacles to trade and investment flows while taking into account the vital and special interests of developing countries. It sends a much-needed message of confidence at a time when economies the world over have entered troubled waters.

As the two largest democratic entities in the world, India and the EU share a common respect for ethnic, linguistic and religious diversity, a vibrant civil society and a commitment to sustainable development. These are values we can jointly promote in all parts of the world.

Modern democracies such as ours must not fall into the trap set for them by terrorists who want to spark a conflict between civilisations. Instead, we must strive to spread an attitude of openness and tolerance and to promote respect for human dignity. This is our moral duty.

If some good can come out the present crisis it is surely the quest for closer co-operation and dialogue between all regions of the globe. The terrorists want to sow hatred and world disorder. The most fitting response we can make — the best memorial to thousands of victims — is to help draw the world closer together.

I am, therefore, greatly looking forward to this second EU-India summit. We certainly have our work cut out, because the challenges have never been greater. But never have we been better prepared to tackle them and to emerge as still closer partners.

(The author is president, European Commission)

IN BRIEF

- EU-India partnership goes beyond aid and trade; it is also political
- India's warnings about the spread of terrorism should have been heeded
- The Doha summit will reduce obstacles to trade and investment flows
- A fitting response to terrorism is to draw the world closer

world. The attacks in the US have shown how well-founded these warnings were. We in Europe will listen more closely to India in future. India and Europe must be poles of stability in an unstable world.

The EU salutes India's prompt and unconditional support for the international coalition against terror, and will support every effort by India to promote peace and stability in the region. We support a peaceful solution in Kashmir and we call upon all parties to engage in a sincere, constructive dialogue on this issue. We urge India and Pakistan to resume the dialogue they began at the Agra summit and to reduce the terrible risks of nuclear proliferation. Signing the Comprehensive Nuclear Test Ban Treaty and the Non-Proliferation Treaty are essential steps in this direction.

Finally, both India and Europe face common challenges of a global scale which require us to work together as global partners.

THE TIMES OF INDIA

23 NOV 2004

EU-India summit to discuss report on FDI

By Sushma Ramachandran

NEW DELHI, NOV. 18. India may get left behind in the global competitive "economic catch up" process unless it makes efforts to improve the climate for trade and foreign investment flows. This is the assessment of a study carried out under the Indo-European Union Joint Initiative on Trade and Investment.

The recommendations of the study will be presented at the second EU-India summit here on November 22 and 23. The summit is expected to push forward the process of expanding economic and political ties with the EU. Afghanistan will be the focus of discussions on the political side between the Prime Minister, Mr. Atal Behari Vajpayee, and the Belgian Prime Minister, Mr. Guy Verhofstadt, but ways to deepen bilateral trade and investment flows will dominate the economic side. In this context, proposals made in the report on FDI flows are likely to be taken up for quick implementation.

The study notes that when ob-

served from a macro-economic and market point of view, India offers a "very attractive performance" with sustained economic growth applied to a very large market. However, it reflects that these successes have not yet translated into a similarly favourable integration of the country in world flows of trade and foreign investment. "Therefore there is a risk of India being progressively left behind in the competitive economic catch up process, at a time when employment pressures as well as external balance uncertainties would warrant a more pro-active policy for international integration," it says.

Examining the four sectors of engineering, telecom, IT and food processing, it shows that industry-specific measures would bring a significant boost to bilateral trade and investment flows. The EU is already the largest trade partner as well as the largest foreign investor, at par with the U.S. thus any substantial growth in bilateral flows is likely to have a significant macro-economic impact.

The study has been finalised by experts appointed by Asia Invest on the European side and on the Indian side by CII for engineering, telecom and IT and by FICCI for the food processing industry. It includes a survey of European companies operating in this country and shows that over half of them are "very satisfied" or "satisfied" while 41 per cent are "moderately successful". Only four per cent declare "failure". In addition, the average after-tax return on equity invested was 13 per cent for 1999-2000 with net profits up 17 per cent over the previous year.

The dominant perception of EU companies about the country is "you have to be in India but you have to know the rules".

Identifying the positive competitive factors in their Indian operations, European companies mention favourable labour costs, productivity and low cost of locally sourced inputs. Conversely, they cite lack of infrastructure, especially transport and energy, as well as the high costs of imported

inputs as major negative factors. Asked to highlight the major factors impacting future investment, they point to economic and political stability, growth of the Indian market, reduction in bureaucratic hurdles and improvement in energy infrastructure.

The study finds that the total FDI inflows from 1989 to 2000 are about \$18 billion with an annual inflow of about 2 to 3 billion dollars in recent years. This amounts to 3.6 per cent of GDP, a much smaller share than in almost all large developing countries despite the increase since the beginning of the 90s.

In the information technology sector, the report points out that the EU receives only 25 per cent of the country's IT exports mainly because of lower conversance in European languages other than English. It stresses the need to introduce initiatives to enable greater participation in languages other than English as well as to develop suitable strategies to tap the substantial non-English European market.

THE HINDU

19 NOV 2002

PM for greater market access

By Our Special Correspondent

NEW DELHI, NOV. 23. The Prime Minister, Mr. Atal Behari Vajpayee, today called upon developed economies to provide greater market access in areas where India enjoys an advantage. Since there was pressure on India to open its markets to foreign goods and services in which the developed world had a comparative advantage, he said it was only fair that developed economies provide matching market access.

In this context, he pointed out that the comparative advantage of India's software professionals was being hindered by visa restrictions in European countries. Noting that information technology should be one of the priority areas for deepening the India-EU partnership, he said the expertise of Indian software professionals was in great demand in the international market including many European countries. But due to visa restrictions, "the comparative advantage of our professionals is not allowed to be harnessed in full measure to the loss of both India and the E.U."

Addressing the concluding session of the second India-EU Business Summit, he attributed the current global economic slowdown to the continuing and widening divide between developed and developing countries. "There can be no sustainable and qualitatively superior recovery in the developed economies unless they effectively respond to the needs and concerns of the developing countries."

He said the key words to achieving results were partnership and collective action. Referring to the concerted global action to end terrorism in Afghanistan, he said collective and concerted international action was needed to eliminate poverty worldwide. "A selective or piecemeal approach will not work."

On the impact of terrorism on economic growth, he said the fallout of events of September 11 had worsened the slowdown in the global economy. Many sectors of industry around the world, including Europe and India, had felt

its direct impact. Tens of thousands of people had lost their jobs since then and more job losses were possible.

Therefore, he said, it was the responsibility of businessmen to make contributions to defeat the forces of terrorism and extremism. Among other things, this could be done by promoting initiatives in education and arts, culture and mass media.

Stressing India's commitment to a more open trading regime and greater integration with the global economy, he said, "there is a strong perception among developing countries that they have not got all the anticipated gains from globalisation." This was the perspective that guided India's

participation in the WTO Doha conference.

India was among the five fastest growing economies in the world, but the need for consensus in a democracy might entail some compromise on the speed of reforms. But once accepted, these changes had the advantage of being more durable.

Conceding that India had to lower its growth projections this year due to cyclical factors and slowdown of the world economy, Mr. Vajpayee was confident that the slowdown would be temporary. India's focus was on faster implementation of policies and programmes with emphasis on the infrastructure sector.

India, EU accord on S&T

By Our Special Correspondent

NEW DELHI, NOV. 23. India and the European Union today initialed an agreement to upgrade bilateral cooperation in science and technology to advanced technology sectors as part of the second India-EU summit, which is now on here.

A major highlight of the accord is that it would secure Intellectual Property Rights (IPRs) for Indian partners, who were so far getting paid only as sub-contractors for certain EU research assignments.

The agreement comes at the end of three years of negotiations. The bilateral collaboration is being upgraded considering the Indian R&D strengths in areas such as information technology, biotechnology and energy and fuel alternatives and in the wake of the EU recognising India as an emerging economy among the developing countries.

Besides security patent rights for the Indian partners, the accord provides for reciprocal access to research entities in research and technology development projects operating in the EU and Indian scientific institutions.

It envisages implementation of joint research projects between scientific centres of excellence on

a cost-sharing basis, and shared use of advanced research facilities, in particular the access of Indian scientific community to large scale S&T facilities that are available in the member countries of the EU.

The agreement is expected to pave the way for catalysing economic competitiveness, finding scientific solutions to problems of mutual interest and global relevance and creating favourable conditions for sustainable and equitable socio-economic development, said an official press release.

The pact was signed by the Union Science and Technology Minister, Dr. Murli Manohar Joshi, and the Belgian Minister for Trade and Agricultural Policy, Ms. Annemie Neyts, along with the European Commission's Commissioner for Trade, Mr. Pascal Lamy.

India-EU cooperation in S&T has been growing steadily from 1985 largely in the form of joint research projects, training fellowships and joint workshops. Till now, joint research projects were confined to only developmental sectors — agricultural sciences, biomedical sciences and natural resource management and environmental sciences.

India may make euro its reserve currency: Vajpayee

Indo-EU trade to double

STATESMAN NEWS SERVICE & PTI

NEW DELHI, Nov. 23. — India and the European Union today decided to double bilateral trade to 50 billion euro in five years, by removing barriers and promoting sector specific investment.

The second Indo-EU summit has further deepened dialogue on economic development, the EU President, Prof Romano Prodi said, adding "We have decided to increase bilateral trade from present level of 25 billion euro to 50 billion euro in five years.

Meanwhile, against the backdrop of an increasingly sensitised Indian opinion on the incommensurate trade balance between India and EU member countries, and a mutual appreciation of the need for concerted global efforts to combat the fallout of the 11 September attacks, the Prime Minister, Mr Atal Behari Vajpayee, today said selective and piecemeal approach in international action to eliminate poverty worldwide will not work. He also called for concerted efforts to transform the shared determination to widen EU-India bilateral ties into focussed action.

Mr Vajpayee assured efforts to remove obstacles on the way of Indo-EU trade at a

press conference later and hinted that India could consider making euro its reserve currency.

Addressing the special plenary session of the second India EU business summit, organised jointly by Ficci and CII earlier, Mr Vajpayee pointed out that though India had opted for a freer trade regime and abolished most of the quantitative restrictions on imports in keeping with the WTO commitments, it was under duress to open the markets to foreign goods and services in which the developed world had a competitive advantage.

Though investment and technological agreements involving an investment of over \$15.1 billion have been approved with EU firms, the actual flow of FDI from EU is \$3.66 billion, which is 24.38 per cent of the total FDI approved for EU.

A major anomaly of the bilateral trade was in information technology, which despite the potential to be a priority area for India and EU to deepen their economic partnership, is constrained by visa restrictions, which prevent professionals from proving their expertise, Mr Vajpayee regretted.

Expressing concern over the persisting division between the developed and the de-

veloping nations, the Prime Minister said sustainable and qualitatively superior recovery in the developed economies was contingent on their response to the needs and concerns of the developing countries.

Mr Vajpayee said he was optimistic, that his 'positive' talks with the Belgian Prime Minister, Mr Guy Verhofstadt and the EU President, Prof Romano Prodi, as well as the constructive dialogue between the business leaders on various issues related to expanding trade between EU and India, will help to forge stronger economic partnership.

However, that expansion of economic ties between India and EU would need ironing out the incompatibilities — constraints weighing on investment and trade and limited market access of the least developing countries — was acknowledged by both Mr Guy Verhofstadt and Prof Romano Prodi in their addresses.

India has given specific proposals to the EU trade commissioner, Mr Pascal Lamy, on enhancing the export potential of Indian goods, including the GSP regime of EU, which needs to recognise the paltry share of India in the basket of EU imports, said the Union commerce minister, Mr Murasoli Maran.

THE STATESMAN

24 NOV 2002

Indo-EU summit to clear trade tangles

Times News Network

NEW DELHI: The second India-EU summit, the first in India, will be held here on November 23. The event is expected to provide a boost to the relationship and clear some of the logjams on trade and economic issues.

Flying in for the meeting are Belgian prime minister Guy Verhofstadt, representing the EU presidency, Romano Prodi, president of the European Commission and Pascal Lamy the EU Trade Commissioner.

Addressing a joint press conference on Tuesday Belgian Ambassador Guy Trouveroy and Ambassador of the European Commission Michel Caillouet said the partnership was an important one. While terrorism is expected to be on the agenda of the summit meeting in view of the ongoing war against terrorism, economic ties will

be the main focus with a business summit involving 250 companies preceding the political summit.

The summit will also see the two sides signing a scientific and technological cooperation agreement that has been hammered out over three years, and a joint vision statement on the IT sector. The EU will pledge Euro 200 million in aid to primary education in India. The summit will see a meeting between the Prodi, Verhofstadt and prime minister Vajpayee followed by delegation level talks. Amongst the ticklish issues that will come up for discussions will be the Doha round on WTO and Lamy is also expected to have a separate round of meetings with Commerce Minister Murasoli Maran.

Other issues on the table include demands for greater access to each other's markets and tariff reductions, textiles and agriculture subsi-

dies.

While trade between India and EU has increased by 25 per cent in the last year, officials are saying it is well below the mark. Some of the problems arise out of the unfriendly business atmosphere in India with a recent study reporting that European businesses reported 55 per cent satisfaction with the conditions in India. The Ambassadors identified some of the difficulties are taxation policies, ceiling on investment and the disinvestment process and its transparency.

The flow of FDI is also conceded to be fairly low by the two ambassadors who said the partners had to think of ways of increasing this.

Other programmes on the anvil include a cross-cultural programme and a think tank interaction. The senior leaders will leave Delhi for Islamabad in view of the developments in the region.

THE TIMES OF INDIA

21 NOV 2007

EU wants *quid pro quo* on textiles access

Times News Network

NEW DELHI: The European Union may give greater market access for Indian textiles if New Delhi enters into bilateral agreements with the bloc and cuts high tariffs, EU Trade Commissioner Pascal Lamy said on Wednesday.

"If India is ready to open more of its markets for our textile and

even better, tariff concessions in the European market under the new (GSP) Generalised System of Preferences scheme being formulated by the EU. The EU also expressed its willingness to engage in bilateral dialogues at various levels to address outstanding issues of trade and investment.

India and the EU are expected to sign agreements on science and technology co-operation and on a 200-million euro funding of primary education in India by the EU after the summit talks on Friday. They are also likely to issue a joint statement on terrorism and a vision statement on IT co-operation.

Mr Lamy said the approach to improving India-EU trade and investment ties will be two-pronged: "First pushing out the negatives out of the way and

pulling on the positives." He said he will discuss and if needed, negotiate with Mr Maran to remove the "negatives" such as complaints of tariff and non-tariff barriers that Indian exporters face in the European market and the European exporters face in Indian market. Mr Lamy said Indian and



Union minister for commerce and industry Murasoli Maran (R) shares a laugh with EU trade commissioner Pascal Lamy during the second India-EU Business Summit in New Delhi on Thursday.

clothing industry which Pakistan did, then we are ready to go in that direction," Mr Lamy, who is in India for a high-powered EU-India business summit said.

On eve of the second India-EU political summit here, EU also assured India that its products will continue to enjoy, as much and



Prof. Romano Prodi, left, president of the European Commission, shakes hands with Bimal Jalan, governor of the Reserve Bank of India (RBI) in Mumbai on Thursday. Mr Prodi and Mr Jalan met and discussed bilateral relations of the 15-member EU with India, which is being seen as a signal of the growing importance the EU attaches to its relations with India.

EU businesses have also carried out detailed studies on potential areas for increased co-operation and have recommended measures needed to sort out "every day" problems they faced in those sectors. "We will carefully look at

these recommendations being finalised under the joint initiative set up at the last India-EU summit," Mr Lamy said.

The proposed textile deal, according to Mr Lamy, will essentially allow higher quota for

Indian textiles in the EU market in return for some reduction in tariff and non-tariff barriers in India for EU textiles.

He said the EU first made the offer to India in December 2000, but India did not show an interest.

THE TIMES OF INDIA

23 NOV 2001

New GSP may be in India's favour: EU trade commissioner

Indo-EU textiles pact mooted

STATESMAN NEWS SERVICE

NEW DELHI, Nov. 22. — European Union today said it will consider a bilateral agreement with India on textiles, akin to that with Pakistan and Sri Lanka for granting additional export quota, but commented that the new Generalised System of Preferences (GSP), which is currently being worked out, may turn out to be in India's favour.

The Union minister for commerce, Mr Murasoli Maran, had raised issues of easier market access for Indian textiles, extension of benefits under GSP and standstill facility, for sectors such as marine products, transport equipment and tobacco. India also sought parity in EU tariff structure for gherkins and floriculture.

Responding to the requests, the visiting EU trade commissioner, Mr Pascal Lamy, told reporters that since India does not come under the category of African and Caribbean nations and least developed countries which have been given special tariff preferences, it did not have a favourable regime for its exports of gherkins and

cut-flowers.

However, EU could consider including a special provision for these products under the GSP system. In general, he assured that the new GSP would in no way be more unfavourable to India, if not lesser. He also clarified that food processed items like milk and eggs would not allowed to be exported to EU, if they did not meet the specific sanitary and other stipulated standards.

On textiles, Mr Lamy said exploratory talks with India will begin soon. He pointed out that though EU had offered to enter into a bilateral agreement as early as December 2000, India was unwilling to even consider the proposals. This situation had now changed, with New Delhi agreeing to get into negotiations.

"Under an asymmetrical trading arrangement, India, however, will have to reduce its tariffs on EU's textile products, in exchange for increasing its export quota in the sector," Mr Lamy, who had a meeting with Mr Maran said.

Identifying three crucial areas, namely bilateral relations, multilateral trade and regional issues like Saarc for renewing and

enhancing Indo-EU relations, Mr Lamy said "there is great scope for maximising GSP benefits within regional trade framework like Saarc".

Regionalisation is a feature of the EU trade policy and it will prefer negotiation with Saarc if its members are found willing to make the body an active regional trade bloc.

"We are willing to put our bet on Saarc, but can do so only if its members themselves bet on Saarc," he said.

At present, the complexities of rules of origin can be overcome and trade concessions and quotas can be matched if the South Asian region is treated as one.

Mr Lamy said red-tape and infrastructural bottlenecks were the major impediments for India in attracting foreign direct investment, but those EU businessmen who have succeeded to penetrate this have been quite happy in doing business with India.

Earlier, the Indian commerce minister had acknowledged that though India had opened up the economy to make it an attractive investment destination, more progress has to be made.

THE STATESMAN

23 NOV 2001

India, EU target doubling of trade, but fail on action plan

Times News Network

NEW DELHI: India and the European Union (EU) on Friday endorsed at the highest political level the ambitious target of doubling the two-way trade and investment flows in the next five years set by their business leaders in their two-day meeting, but showed little urgency in action towards realising these goals.

Speaking at the India-EU business summit, prime minister Atal Bihari Vajpayee, European Commission president Romano Prodi and Belgian PM Guy Verhofstadt, who is the president of the European Council, were in complete agreement that the present two-way trade volume of \$25 billion and the minuscule investment flows were out of sync with the potential of the two huge economies.

At the joint press interaction after their summit talks, Mr Verhofstadt also acknowledged that the targets for doubling trade and investment flows were indeed "achievable", but cited no concrete steps other than expressing a general commitment on both sides to smoothen the road for private businesses to reach the goals.

Action towards removing the numerous market access irritants such as tariff and non-tariff barriers facing exports of Indian textiles, agro-products and floriculture items was deferred till the next meetings of the sub-commissions on trade in the first quarter of 2002 and of the joint commission some

time next year. The two sides merely agreed to commence negotiations for a customs co-operation agreement and to actively pursue talks on the feasibility of an agreement on maritime transport.

No early deliverables are expected in textiles, although EU trade commissioner Pascal Lamy and commerce minister Murasoli Maran discussed the matter on Thursday. After the summit meeting, however, Romano Prodi could only report that the two sides had agreed to hold "exploratory talks" on a possible textile agreement that will increase India's export quota in the EU market in return for some concessions to EU's textile products in India.

Even the scores of recommendations generated by the Indian and European businesses after jointly studying specific sectors in the framework of the "India-EU joint initiative for enhancing trade and investment" have now been assigned to the joint commission to examine. In the meantime, a second round of joint studies have been ordered in sectors of financial services, textiles, biotechnology, energy and power.

Also, India and the EU signed a framework agreement for co-operation in science and technology and issued a joint vision statement on IT cooperation. But these general statements, although significant from the point of view of fostering a closer long-term relationship, do not address the immediate problems affecting economic ties.

India, EU pen sci-tech accord

Times News Network

NEW DELHI: India and the European Union (EU) signed an agreement on science and technology on Friday for upgrading cooperation to advanced technology sectors in addition to normal developmental areas.

The accord was signed by Union science and technology minister Murli Manohar Joshi and Belgian minister for trade and agricultural policy Annemie Neyts on behalf of EU, along with the EU's commissioner for trade Pascal Lamy.

Officials said the agreement will "pave the way for catalysing economic competitiveness, finding scientific solutions to problems of mutual interest and global relevance, and creating favourable conditions for sustainable and equitable socio-economic development".

The accord provides for reciprocal access to research entities in research and technology development projects operating at EU and Indian scientific institutions, as well as securing Intellectual Property Rights for Indian partners.

Times News Network

THE TIMES OF INDIA

The Schroeder visit

By K. K. Katyal

Despite differences, there is scope for enhanced economic cooperation between India and Germany.

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THE RECENT visit of the German Chancellor, Mr. Gerhard Schroeder, to India was significant from several angles, particularly for the signals it conveyed that there is life after September 11; that it is business as usual for the two countries. This was evident from the Chancellor's decision not to change the plan for the trip, scheduled well before the terrorist attacks in the U.S., from the way he stuck to the priority, as decided earlier, for long-term economic cooperation. His was not a one-issue visit, contrary to those of Mr. Tony Blair, Britain's Prime Minister, Gen. Colin Powell, U.S. Secretary of State, and Mr. Hubert Vedrine, France's Foreign Minister.

This did not mean the terrorists' challenge to civil society did not get the desired attention. It was dwelt upon at length, with the German side appreciative of India's partnership in the coalition against terrorism and its role in specific areas. What engaged their attention was not only the course of the military operations but also the political issues that would need to be tackled along with it and after its conclusion. They were on the same wavelength on the shape of the post-Taliban dispensation in Kabul.

The two sides, however, could not reconcile their views on Pakistan-related matters. India drew attention to the importance of pursuing the anti-terrorism campaign in its entirety, with suitable attention to Islamabad's contribution to terrorist violence in Jammu and Kashmir. Mr. Schroeder, however, wanted India not to be impatient and to wait for the benefits of the current campaign against terrorism in Afghanistan. The point was not spelt out but what was meant was that the collapse of the epicentre of terrorism in Afghanistan was certain to have a positive effect in other areas. India was not satisfied with this ambiguity. This German line formed the crux of the rationale of the exhortation to India for self-restraint in dealings with Pakistan and to take steps to improve relations with it for, so went the argument, this could contribute to settlement of the Kashmir issue. Germany, as was known, accepted at face value the Pakistani ruler, General Pervez

Musharraf's "desire" for amity with India. As with other interlocutors, India wanted Germany to be clear about the mismatch between the General's professions and actions. India, it was pointed out, was for resumption of the dialogue but would like to use its discretion as regards the timing. The plea for activating the Agra process was not accepted but the views of Germany and others appear to have weighed with New Delhi in its decision on talks at the Foreign Ministers' level.

There was not much discussion on Mr. Schroeder's talks in Islamabad — during his "working visit" there as against the "official visit" to New Delhi — but Germany's desire to engage Pakistan in the new changed context had been known even before the Chancellor's arrival. The German position was "We welcome Pakistan's contribution to the coalition. We are conscious of the difficulties it finds itself in within the country because of this decision. We understand the immensity of its economic problems." Germany, it was clear, would take concrete steps to strengthen its economic links with Pakistan. Some of the business leaders who were part of Mr. Schroeder's delegation on the trip to the subcontinent went with him to Islamabad (for interaction with their counterparts). This was the first contact at that high level.

Though Germany's stand on issues arising out of Pakistan's role remained a point of divergence, the two sides agreed upon specific measures in pursuance of their joint commitment to the struggle against terrorism. This was evident from the talks between the Union Home Minister, Mr. L. K. Advani, and his German counterpart, Mr. Otto Schilly. (It had not been the normal practice for the Chancellor to take the Home Minister along with him on his foreign trips, and, as such, the very fact of Mr. Schilly's inclusion in the delegation was significant). The two countries do not have a working group on counter-terrorism of the type India has with the U.S. and some other countries.

They, therefore, agreed on other mechanisms — and, to that end, Indian experts will go to Germany soon. The two sides will expand the scope of the expert-level talks initiated three years ago for joint efforts to deal with illegal immigration and drug trafficking. This exercise will cover cooperation in matters related to intelligence services, working of special police forces and flight security. Then there was the joint resolve to implement the U.N. Security Council resolution to block the flow of funds to terrorist organisations. And Germany will support the Indian proposal for a convention against terrorism, now before the U.N. Mr. Advani hoped for an end to the sophistry which made a distinction between terrorists and "freedom fighters". India also was keen on quick progress on its proposals for an extradition treaty with Germany.

The pronounced economic dimension of the visit was emphasised by the inclusion of Germany's top business leaders in the Chancellor's delegation and his visit to Bangalore. Infrastructure seemed to emerge as a major item of cooperation — especially Railways, urban transport, port management and power projects. The presence of the Siemens Group chairman in the Chancellor's team signified the end of the hitch in Germany's small but highly technical cooperation in the Tehri dam project. It had been withheld because of domestic pressures — the opposition of the Greens, a partner in the ruling coalition, to big dams. The presence of the Chairman of the Board of Railways reflected the German interest in the development of this branch of infrastructure.

Bilateral trade, which had shown a downturn, has picked up now — it totalled Rs. 20 billion (the figure looks particularly impressive in Indian currency). German investment, however, refuses to move up. The reasons identified by the German side were the same as had been mentioned by potential investors from other countries. One, bureaucratic red-tapism, and two, lack of transparency about the economic reforms. The Indian

6711

side made the valid point that these factors were operative in the past as well but the investment was not affected.

The two countries differed on the scope of the Doha WTO ministerial-level conference. India was opposed to the inclusion of social issues and environment in any round of trade negotiations. In fact, India was against a fresh round till the problems thrown up by the earlier exercise were sorted out. Germany was firm on inclusion of these two items and, as Mr. Schroeder told the joint FICCI-CII meeting, his country would try hard to ensure that the new linkages did not degenerate into protectionism. Despite the differences, there is scope for enhanced economic cooperation. Germany's trade with China is 15 times that with India. But in the near future, the lure of China will wear off. That is the feeling one gets from conversations with German industrialists. Hence the importance of new initiatives with India.

The New Delhi dialogue was fairly detailed — a culmination of revival and revitalisation of the relationship that suffered a setback in the wake of the 1998 nuclear tests by India. Germany is an important partner of the coalition against terrorism and is fully supportive of the U.S. But it has its own insights. Its equations with Muslim and Arab countries could be useful when the political dimension of the current crisis has to be tackled.

It is a pity geography has helped Pakistan re-establish its relevance to the world community which has forgotten about the military coup in Islamabad, till recently a major irritant in the West's dealings with Pakistan. Germany is no exception to this phenomenon. It has to reconcile itself to this queer turn in global politics. India has reasons to feel aggrieved that its concerns about terrorism, the very focus of the coalition's operations, are not understood, much less addressed by the world community, Germany not excluded. New Delhi will need to step up its diplomatic efforts. But there is the satisfaction that the required attention has been paid to establishment of a long-term cooperative relationship between India and Germany.

INDIA-EU BUSINESS SUMMIT / GENERALISED SYSTEM OF PREFERENCES

India seeks better market access

By Our Special Correspondent

NEW DELHI, NOV. 22. India today urged the European Union to take a series of positive steps to improve market access such as granting benefits under the generalised system of preferences (GSP) and reducing non tariff barriers. It also sought revisiting of the anti-dumping and anti-subsidy initiatives in the EU market.

According to the Commerce and Industry Minister, Mr. Murasoli Maran, "It is our understanding that the injury to the EU trade and industry is minimal and within tolerable limits".

Addressing the second India-EU Business Summit here today, he said in order to access the developed markets like the EU, there is a need for deeper appreciation of large but developing economies like India. "It calls for a series of positive steps in terms of granting GSP, reducing non-tariff barriers and also significant reorientation of contingent remedies," he said.

On the non-tariff barriers, he said some of these are sanitary and phyto-sanitary (SPS) or technical barriers to trade (TBT) standards in agro or organic products, environment related barriers for marine products and tariff rate

quotas for agricultural products.

Referring to the World Trade Organisation's ministerial conference at Doha, Mr. Maran expressed the hope that the additional time of two years will allow developing countries to study the implications of any possible negotiations on the so-called Singapore subjects before taking a considered view on such negotiations which are to be taken up only on the basis of an explicit consensus. He felt it is important that all outstanding developmental concerns raised by developing countries on implementation are duly and urgently addressed and form the prime objective in the next WTO initiatives.

Mr. Maran said India looks forward to working with the EU and other countries in carrying forward the work programme. "It is very important that the needs and concerns of the developing countries are fully integrated into all aspects of WTO activities," he said.

On bilateral relations, he said though the bilateral trade with EU at over \$20 billion annually was growing steadily, India's share in the EU's global imports was just about one per cent. He suggested diversification could be achieved by addressing growth sectors like

food processing, pharmaceuticals, software and electronics.

Regarding efforts to make India an attractive investment destination, he conceded that more progress has to be made. "India is less a tiger than an elephant — a sleeping elephant just awakened. Its steps are measured and steady. But we agree that an elephant also can walk faster and we need to increase our pace to keep steps with the fast moving world," he said.

Earlier, addressing the summit, the EU Trade Commissioner, Mr. Pascal Lamy said the Doha WTO ministerial last week had put the multilateral trade relationships between developing countries like India and the EU on the right track. The achievement of Doha would help developing countries reap the benefits of the global economy.

Mr. Lamy stressed that the EU supported India on several issues at Doha such as the TRIPs health declaration, implementation, anti-dumping, geographical indications or non-trade concerns in agriculture where India secured its ambitions. India on its part accepted that environment, competition and investment are no

longer "no go" areas for the WTO.

He underlined the need for economic and regulatory reforms to boost India's low share in EU imports and investments as compared to China and the Asean countries.

Mr. Lamy also highlighted the results of the foreign investment study by the EU Indian joint Initiative which showed that there was a stunning absence of urgency among the international community of investing in India.



The President of the European Commission, Mr. Romano Prodi (left), greets the Governor of the Reserve Bank of India, Dr. Bimal Jalan, prior to a meeting during which they discussed the EU's single currency the Euro in Mumbai on November 22. Mr. Prodi's visit to India is to promote infrastructure reforms and attract increased foreign investment from Europe. — AFP

RECEIVED

Maran seeks a better EU deal

HT Correspondent
New Delhi, November 22

COMMERCE AND Industry Minister Murasoli Maran today urged the European Union to take a fresh look at anti-dumping and anti-subsidy initiatives taken against India to give a boost to trade between the two partners.

Addressing the second India-EU business summit, the minister said injury to the EU trade and industry will be minimal and within tolerable limits if the anti-dumping measures are reviewed.

"There is a need for deeper appreciation of large, but developing economies like India. It calls for a series of positive steps in terms of granting GSP, reducing non-tariff barriers and also contingent remedies," he stated.

He lauded the role played by

EU representatives at the Doha WTO ministerial conference. "India looks forward to working with EU and other countries in carrying forward the work programme. It is very important that the needs and concerns of the developing countries are fully integrated into all aspects of WTO's activities.

Agreeing with EU Trade Commissioner Pascal Lamy that the commercial ties with India did not fully reflect the true potential, he said there was need to undertake initiatives in development of the infrastructure sector.

"There is ample scope for diversification and further expansion of trade as India's share in EU's global imports is just about 1 per cent. Diversification could be achieved by addressing growth sectors like food processing, pharmaceuticals, software, electronics

etc," he added.

Maran dwelt at length on the difficulties faced by the Indian trade and industry in EU market in the form of non-tariff barriers. He also referred to slow pace of inflow of EU investments into India and pointed out there was a need for immediate remedial action on the part of all concerned.

Earlier, Pascal Lamy said the developing and developed countries together made major strides in order to overcome obstacles and divisions at the Doha WTO meeting.

"What we have achieved now is a good balance between regulation and market access, underpinned by a clear commitment to development in all areas. A WTO ministerial is not a football match where you have a clear score and only one winner in the end," he remarked.

Referring to the Indian

reforms process, he said the impact of this is already felt in telecommunications, insurance, foreign exchange control and removal of caps on FDI. He said the legislative agenda in the area of competition, fiscal responsibility, labour reform and infrastructure funding would be the key to second generation reforms.

Belgian Minister for Trade Policy and Agriculture Annie Neyts said the privatisation process has been slow and limited to only handful of public companies. Important legislation remains pending before Parliament.

Power Minister Suresh Prabhu outlined the reforms planned in electricity generation and distribution systems. He said the Government has an ambitious plan to raise power generation in the next Plan period.

THE HINDUSTAN TIMES

23 NOV 2007

'Terrorism anywhere should be rooted out'

By Our Special Correspondent

NEW DELHI, NOV. 23. India and the European Union (E.U.) have decided to initiate a structured political dialogue even while calling for decisive measures against states harbouring or financing terrorism. They have also urged that the new Afghanistan government should be "independent, broad-based, multi-ethnic and truly representative" of the Afghan people.

In a declaration against international terrorism signed at the end of the second India-E.U. summit, the two sides said all states had a responsibility to refrain from providing moral, material or diplomatic support to acts of terrorism and preventing the use of their territory for sponsoring terrorist acts against other states. "There can be no religious, ethnic, ideological or any other justification of terrorism," it stated.

The Belgian Prime Minister, Mr. Guy Verhofstadt, who led the EU delegation, said the two sides would henceforth start a political dialogue in a structured rather than an occasional manner, as in the past.

The two sides also issued a joint communique committing support to the central role of the U.N. in a wide framework to promote peace, stability and reconstruction.



The Prime Minister, Mr. Atal Behari Vajpayee, with his Belgian counterpart, Mr. Guy Verhofstadt (left), and the president of the European Commission, Prof. Romano Prodi (right), at the special plenary session of the second India-EU summit at Vigyan Bhavan in New Delhi on Friday — Photo: Anu Pushkarna

Addressing a joint press conference at the conclusion of the summit, the Prime Minister, Mr. Atal Behari Vajpayee, said the declaration against terrorism underlined the common commitment to counter the grave threat faced especially by open, democratic and multicultural societies such as India and the E.U.

The India-E.U. Joint Working Group on international terrorism would help coordinate a response to the menace. "We agreed that terrorism anywhere and in any form must be rooted out resolutely."

On Pakistan being a member of the coalition against terrorism, Mr. Vajpayee said, "it is true." Terror-

India - Europe relations
ist activities were continuing but "we would like cross-border terrorism to stop completely. We hope this will take place as soon as possible."

'No downgrading of summit'

Mr. Verhofstadt said the E.U. fully supported India's initiative for a comprehensive convention on international terrorism at the U.N. He denied suggestions that the summit had been downgraded, pointing out his presence along with that of the E.C. president, Prof. Romano Prodi. Besides, he said, the E.U. Commissioner on Foreign Affairs, Mr. Javier Solana, and the Belgian Foreign Minister, Mr. Louis Michel, had to be despatched to Central Africa on an "urgent mission" owing to continuing conflict there.

Prof. Prodi highlighted the economic dimensions of the summit during which the two sides decided to double bilateral trade from 25 to 50 billion euro in five years.

A joint vision statement on information technology issued at the end of the summit included a six-point road map to step up IT cooperation by creating appropriate environment through improved infrastructure, policy and regulatory framework.

THE HINDU

24 NOV 2002

Pak twist in PM terror roster push

FROM PRANAY SHARMA

New Delhi, Nov. 23: In an attempt to curb Pakistan's manoeuvrability, India today urged world leaders to bring in force a global list of individual terrorists so that any organisation they join would automatically be outlawed.

The formal proposal came along with a joint declaration by India and the European Union. The statement urged all states to "refrain from providing moral, material or diplomatic support to acts of terrorism, and prevent the use of their territory for sponsoring terrorist acts against other states".

The declaration has come barely a day before the EU delegation leaves for Pakistan for talks on the regional situation, particularly in Afghanistan.

Some sections in the Indian leadership were disappointed after the delegation clubbed a visit to Pakistan with the second India-EU Summit. But the wordings of the declaration, which states that "even moral and diplomatic" support to terrorists will not be tolerated, must have raised their hopes about the West's seriousness in combating global terrorism.

Islamabad has often justified its involvement with the Kashmiri movement by saying that it provides only diplomatic and moral support to groups engaged in "the freedom struggle". But the growing international opinion, reflected in the joint declaration adopted today, makes it clear there will be few takers for such justifications.

At today's meeting, Prime Minister Atal Bihari Vajpayee welcomed the EU decision to harmonise national legislations on financing and sponsorship of terror. "We should also suggest internationally recognised global lists of terrorist organisations based on objective criteria," he said. "Perhaps, we should go one step further and prepare a global list of individual terrorists, so that any organisation which they join would automatically be labelled a terrorist organisation."

The Prime Minister said Pakistan, despite its decision to join

the international coalition against terror, was continuing cross-border terrorism in Kashmir. "We want cross-border terrorism to stop completely and hope that it be sooner than later," he added.

Another significant document signed by the two sides was on scientific and technological cooperation. Though it has not been said in as many words, the agreement may also take care of India's quest for access to dual-use and other sophisticated technology.

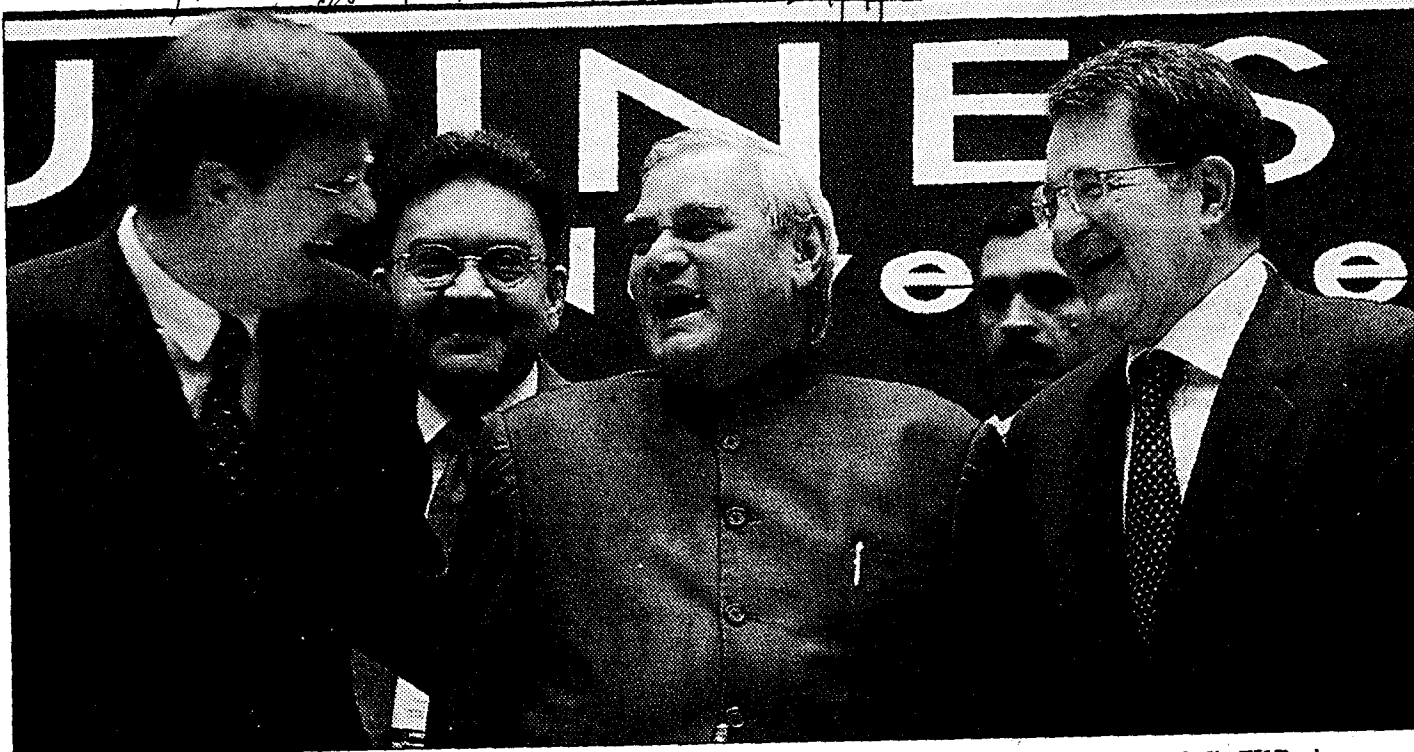
The EU is India's largest trading partner and accounts for nearly one-fourth of its exports and imports. Though the special emphasis at today's summit — the second of its kind after the one held in Lisbon last year — was on economics and trade, none can deny the European body's importance as a political entity.

Two of its major players — the UK and France — are among the permanent members of the United Nations Security Council, while Germany may well become the third member once the council comes up for restructuring and expansion. But unlike in the past, this was a truncated India-EU summit. Some of the EU's important members like Chris Patten, its commissioner for foreign affairs, and Javier Solana, the representative of the European Commission, were absent, forcing the two sides to do away with the second day's interactions.

But Belgian Prime Minister Guy Verhofstad, who is the current president of the EU and led the delegation along with Romano Prodi, president of the European Commission, said the absence of some members should not be seen as an attempt to downgrade the summit's importance.

Asked whether it signified that there was less political content in this year's summit, Verhofstad shot back: "Does it mean that neither I nor Mr Prodi have no political role to play?"

He said Patten and Solano had recently met the Indian foreign minister, Jaswant Singh, in New York but could not be present here as they were sent on an important mission to central Africa.



Prime Minister AB Vajpayee shares a joke with Belgian counterpart Guy Verhofstad (left) during the second India-EU Business Summit in New Delhi. (AFP)

Decree meet moves to Round 2

FROM SEEMA GUHA

New Delhi, Nov. 23: The meeting of the consultative committee of the home ministry, called to iron out differences between the government and the Opposition over the controversial anti-terror Ordinance, was a damp squib and took neither side an inch closer to resolving their differences.

Another round of consultations, however, are due on Monday, though with the battlelines already drawn there is little chance of a breakthrough. The government has promised to listen to the Opposition and modify some clauses in the Ordinance.

Much of the blame for the mess the government finds itself in over the anti-terror Bill is primarily because of its failure

to correctly assess the political mood in the country, coupled with the arrogance of power.

Depending largely on the terror phobia, which gripped the US after the Black Tuesday attacks, the government just went ahead with an Ordinance without consulting the Opposition.

So poor has been the government's planning that it has not been able to carry its National Democratic Alliance partners along. The allies, like the Opposition, want substantial changes before extending support.

Marxist MP Somnath Chatterjee, a member of the committee, dubbed this morning's meeting "totally unproductive". "It was basically a reiteration of old positions by various parties," he said.

The Opposition is in no mood

to bail out the government. "The ball is definitely in their court, let them tell us what are the clauses they are willing to change," Chatterjee said.

The Congress party's Jaipal Reddy wants the government to scrap the current Ordinance and start afresh.

The Congress feels the current Ordinance needs too many changes and that it would be better for the ruling party to begin on a clean slate.

There is no opposition to an anti-terror law, but all parties believe that a crucial and sensitive Bill of this kind, which may veer on the side of suppression of human rights, demands wider consultations.

The parties are furious with home minister L.K. Advani and

the BJP for trying to brand those who do not support the Ordinance, as anti-national. Much of the BJP's executive meeting in Amritsar was spent in trying to psyche the Opposition into submission. Some BJP leaders challenged the Congress to make it a public issue.

That campaign more than anything else raised the hackles of the politicians.

Advani and the BJP believed that the September 11 terrorist attacks on the US, and the horror it evoked worldwide also created a fear psychosis in India.

Riding the terror wave, the government quickly brought in the anti-terror Ordinance without any consultations with the Opposition and announced that it would be placed in the winter session of Parliament.

India's views do count for France

By Vaiju Naravane

PARIS, NOV. 1. The French Foreign Minister, Mr. Hubert Vedrine, today becomes another Western personality in a long line of international leaders to visit India and Pakistan amid continued efforts to maintain stability in the region and find a viable solution for Afghanistan.

In an attempt to reassure India and underscore the "special nature" of the relationship Paris enjoys with New Delhi, officials here are at pains to point out that Mr. Vedrine is visiting first India and then Pakistan, not the other way around.

But Mr. Vedrine will have some explaining to do over France's continued political and financial support to Pakistan, especially in the wake of a visit to Paris by Pakistani Finance Minister, Mr. Shaukat Aziz, who was promised French help, both on a bilateral basis as well as within the Paris Club, which brings together western creditor-nations and international financial institutions.

India would also like to receive some assurances on the recent appointment by Mr. Vedrine of Mr. Pierre Lafrance as his special envoy to the region. While Mr. Lafrance, a former Ambassador to Saudi Arabia and Pakistan, could be seen as a good choice because of his familiarity with both the region and its languages (he speaks fluent Arabic, Persian and Urdu), his pro-Pakistan positions have caught New Delhi off guard.

Indian embassy sources in Paris told *The Hindu*:

"By the way this visit has been scheduled, with New Delhi as the first stop, the French are definitely giving the signal that India has an important role to play and that its views and opinions count."

French diplomats point out that Mr. Vedrine's visit should not be compared to that of the British Prime Minister, Mr. Tony Blair, or the German Chancellor, Mr. Gerhard Schroeder. "Mr. Blair is acting as the U.S. President, Mr. George W. Bush's personal ambassador. Mr. Schroeder's visit has been on the cards for a long time and he has, because of the present situation, merely added Islamabad to his schedule. Mr. Vedrine's visit could be compared to the visit to the region by the German Foreign Minister, Mr. Joschka Fischer, and therein lies the difference. Mr. Fischer did not visit New Delhi. The French Foreign Minister is visiting New Delhi first, before going on to Pakistan," a French official told *The Hindu*.

Reliable sources say the French are extremely worried about Pakistan's nuclear arsenal falling into wrong hands. "The reason Paris feels it has to bail out Gen. Musharraf at this point in time is because of the deep concern surrounding Pakistan's atomic weapons. I do not think India should be worried about French arms sales to Pakistan. There is no doubt Pakistan will set off a new arms race in the subcontinent with a part of the aid package it has received. However, I think it will opt for American weapons."

THE HINDU

2 NOV 2001

Govt chews on sweeter EU trade-off

FROM OUR SPECIAL CORRESPONDENT

New Delhi, Nov. 22: The European Union is offering India trade terms similar to those given to Pakistan earlier — an increase in textile export quotas and zero duty on Indian textiles sold to the continent.

In return, it wants India to relent by providing easier market access on several high-value consumer products such as upper-end garments and liquor, jewellery, paper and printing by lowering tariff and other barriers on them.

Those were the terms of trade on offer at the negotiation tables drawn up at New Delhi's Udyog Bhawan today, where the two sides talked business. However, India has yet to agree to EU's terms as it wants to bargain for a package that not only involves more textile trade but also the removal of non-tariff barriers erected by the EU on its exports.

Officially, EU maintains that negotiations are still on and they cannot spell out what they will finally give India. "We are not there yet," EU trade commissioner Pascal Lamy said here this evening after a meeting with Indian officials. However, officials confirmed that EU was willing to grant India terms similar to those given to Pakistan last month.

Lamy almost indicated this earlier in the day on the sidelines of the Indo-EU business meet being hosted here by CII and Ficci, stating, "I have a mandate from the EU Council to negotiate bilateral agreement for increasing the (Indian) textile quota for the European market... we can have a pact similar to that signed with Pakistan, Sri Lanka and Ukraine."

Commerce minister Murasoli Maran, who led the talks from the Indian side, is concerned about anti-dumping and anti-subsidy moves against Indian steel, quotas

being imposed on farm products like basmati rice and environment standards being imposed on marine exports like shrimps.

Among other things, India is extremely unhappy about an EU policy decision to curtail rice imports, simply because European farmers in Italy and Spain have been over-producing. India is also angry about EU stopping imports of several consignments of Indian cut flowers on the ground that they have insecticide residues.

With typical diplomatic elan, Lamy and his team made it clear they could do little on this last issue beyond passing on Indian complaints about unfair treatment to their health inspectors. Indians see this as another evidence of the EU trying to drive a hard bargain in the current round of trade talks.

The offer to have bilateral discussions on easing textiles trade was first made by the EU in October 2000 but India, at that stage, did not show much interest. However, with Pakistan being given a quota hike of 15 per cent and allowed zero duty on its exports, Indian officials realised they had to talk turkey with the EU.

Indian officials also let the Europeans take a peek at the competition policy it has drawn up to show them that India was taking care of EU's concerns about giving foreign investors a level-playing field. Although the EU is also willing to relent on its earlier stand that there should be no separate rules governing foreign investments, and investment from abroad should be treated at par with domestic investment.

The EU and the US have, in fact, filed cases against India before the WTO on its auto policy, claiming that clauses that call upon foreign investors to bring a minimum amount of FDI and indigenise within a specified period are discriminatory.



Commerce and industry minister Murasoli Maran with EU trade commissioner Pascal Lamy during the second India-EU business summit in New Delhi on Thursday. (AFP)

Jalan talks up gilt prices

FROM OUR CORRESPONDENT

Mumbai, Nov. 22: Reserve Bank (RBI) governor Bimal Jalan today sent the prices of government securities soaring when he said the decline in yields on bonds — the higher the price, the lower the return and vice-versa — in recent weeks was in line with the central bank's stated policy of tamping down interest rates.

He was talking to reporters after his meeting with EC President Romano Prodi, who made a presentation on the nitty-gritty of introducing euro notes and coins from January 1. Jalan said the launch of the currency that will replace the 12 existing currencies of the members of the European Union will help boost trade and investments between India and the monetary union.

"The introduction would help smoothen transactions in trade and investment. Instead of dealing

with 12 currencies, the exporters could benchmark their transactions to just one," Jalan said.

A staggering 14 billion euro notes and 55 billion euro coins will sloshed around in the markets early next year, fundamentally changing the lives of over 300 million people in Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal, Finland and Greece. Existing currencies of these countries would gradually be withdrawn over two months.

Extolling euro as the first major initiative of the EU in the 21st century, Jalan said: "The dominance of the dollar as a means of exchange for all international transactions would change and dependence on it would come down over a period of time."

The meeting with India's top money manager happened on a day Prodi indicated a possible softening of the European Commission's stand on India's textiles exports.

Foreign banks find the going tough

FROM OUR CORRESPONDENT

New Delhi, Nov. 22: Foreign banks are finding it harder to do business in India because of the tough Reserve Bank of India regulations that straitjacket their operations. Speaking at the EU-India business meet, BNP Paribas CEO Jonathan Lyon said the future for foreign banks in India had turned bleak. "There were 42 foreign banks in India. The new regulations that were put in place last year have forced three of these banks to close down their operations. Another five are expected to shut shop in the next two years," Lyon said, adding that RBI itself expected only 12-15 foreign banks to continue operations in India by 2005.

Lyon said the problems that foreign banks are facing arose because of the guidelines laid down in this year's credit policy which redefined capital guidelines in an attempt to promote best practices.

"The practice since 1991 has been to allow the inclusion of external commercial borrowings (ECBs) in the definition of working capital. The new rules have excluded ECBs from being considered as part of working capital thus crimping their capital adequacy," he said.

The RBI has also mandated that as per Basle II limits, foreign banks cannot give more than 15 per cent of total advances to a particular company and not more than 40 per cent to a group as against the earlier limits of 25 per cent and 50 per cent respectively.

The RBI also does not recognise bank branches as subsidiaries of the foreign banks which hampers their functioning. Besides, the foreign banks are not allowed to raise Tier II capital from the market in the domestic currency unlike Indian banks in EU which are allowed to raise money in the host country currency.

"We have voiced our concerns but have made no headway," Lyon said adding that there has to be a level playing field between Indian banks and foreign banks. Foreign banks operating in India should be given the same benefits that are accorded to branches of Indian banks abroad, he added. C. M. Vasudev, secretary, economic affairs, said the matter will be looked into and all efforts will be done to ensure a level-playing field.

Insurance stake

IRDA chairman N. Rangachary today fobbed off pleas by foreign insurers for an increase in the foreign equity in insurance ventures from 26 per cent to 49 per cent with the observation that they would have to start showing results first before such a relaxation could be considered.

The foreign insurers have been demanding an increase in the foreign stake in order to scale up to meet the capital requirements to ensure greater market penetration. Speaking at the EU-India business meet, ING Vysya Life Insurance CEO Tom Van der Star said the case for enhanced equity participation arises mainly due to the needs of higher market penetration and the investments in technical knowhow which require huge cash investments.

THURSDAY, NOVEMBER 1, 2001

BOOSTING INDO-GERMAN TIES ^{gndra} _{Europe}

GERMANY'S READINESS TO assume a bigger global role was in full evidence during the Chancellor, Mr. Gerhard Schroeder's two-day visit to India when he proved an impeccable spokesman of the U.S.-led alliance against terror. He had the right mix for his hosts. His remark that terrorism "cannot, must not and will not win" and that it should be fought everywhere would have gone down well with New Delhi which feels that its own battle against the menace has remained largely unacknowledged. Balancing this was an appeal to India to resume the bilateral dialogue with Pakistan and continue its policy of restraint over Kashmir. These carried a familiar ring about them: two VVIPs, the British Prime Minister, Mr. Tony Blair, and the American Secretary of State, Gen. Colin Powell, had made similar appeals during visits to Delhi earlier. Germany, which joined the battle and the bandwagon somewhat late, jolted by the discovery that some of the perpetrators of the September 11 terror attacks had trained in Hamburg, has launched an active campaign of its own in support of the U.S.-led war. If, in the final analysis, Mr. Schroeder's visit appeared to be part of that alliance campaign, his stance during the visit to India as well as the stopover in Islamabad reflected the proactive role that Berlin has decided to take in the international arena, breaking from its self-denial of the past half a century. The nation remains a responsible advocate of continued European integration and a strong champion of the Atlantic alliance.

The aftermath of the terror strike shifted the focus of Mr. Schroeder's planned visit to Delhi somewhat away from bilateral relations. Also, for the first time perhaps in the relationship, business took a back seat to global politics. The traditional ties, long lasting and firmly founded but lacking the glamour of India's bilateral rela-

tions with some of the other Western powers, have retained solidity and steadiness, not shaken by peripheral happenings in the region. While following the European Union policy of slapping sanctions against India for the nuclear tests of the 1998 summer, Germany refrained from resorting to the type of strident hostility that marked the reaction of some of the other countries in the Western camp. Quiet diplomacy, characteristic of the German nation itself, has ensured that there are no major hiccups nor great expectations roused on either side that can prove difficult to fulfil. The ties have in recent years been reinforced by the demands of the new economy.

For India, the visit of the Chancellor, the first after the historic reunification more than a decade ago, marks a watershed. Any warmth in the dormant political ties, besides ushering in greater cooperation in fields like the fight against militancy and terrorism, can provide a needed incentive for reviving the economic relationship. German investment and interest in India compares shamefully unfavourably with the German presence in China, which began with the opening up under Deng Xiaoping in the late 1970s. German industry has two complaints: one about the all-too-known bureaucratic red tape and the other about a certain lack of transparency over the reforms programme. German chamber spokesmen have talked of the end of the "China euphoria" in their country. India can benefit by this if the complaints are addressed. By exploiting the emerging warmth in relations, the two countries can go beyond the current intensive focus on information technology and telecommunications. New areas of promise include biotechnology. The interaction during Mr. Schroeder's visit can prove beneficial during the E.U.-India summit, scheduled to be held in Delhi by the end of the year.

THE HINDU

1 NOV 2001

India, Pak. must exercise restraint: France

119-17

24
India
Europe

By Atul Aneja

NEW DELHI, NOV. 1. While focusing its attention on the developments in Afghanistan, France today urged India and Pakistan to exercise restraint in Jammu and Kashmir and restart their stalled dialogue. The French Foreign Minister, Mr. Hubert Vedrine, who was here on a day-long visit to discuss the rapidly changing Afghanistan scenario said that India and Pakistan, while demonstrating a "sense of responsibility", should start talking to each other. "The problem is that the dialogue does not start even when attempts are made," Mr. Vedrine said at a press conference at the French embassy this evening.

The French leader had earlier addressed a joint press conference with his counterpart, Mr. Jaswant Singh, shortly after concluding talks with him, which lasted for nearly an hour at the Hyderabad House. "We want India and Pakistan to take steps to stop deterioration of their ties," he asserted.

Mr. Vedrine's remarks assume importance as the U.S.-led coalition against terrorism is opposed to any diversionary military tensions between India and Pakistan in Jammu and Kashmir. The Minister hoped that India and Pakistan will deal with each other over Kashmir with a "cool head" as this was necessary for ensuring stability in the region.

Mr. Vedrine's observations



The French Foreign Minister, Mr. Hubert Vedrine, with the External Affairs Minister, Mr. Jaswant Singh, at a press conference in New Delhi on Thursday. — Photo: Shanker Chakravarty

come at a time when the Indian defence authorities have reported a Pakistani troop build-up in the Akhnoor sector in Jammu and Kashmir and a segment of the Indo-Pakistan border in Rajasthan.

The French Minister made two additional points at the press conference: the campaign against terrorism should cover "all possible areas" and India has a "legitimate interest" in the future of Afghanistan.

In fact, Indian and French views strongly converged on the key dimensions of the Afghan problem. India now wants that around 15 countries, besides itself, including all the five permanent members of the U.N. Security Council, should spearhead a new post-conflict initiative in Afghanistan. The two

countries also shared a common perception on the role of the former Afghan monarch, Mr. Zahir Shah. France is of the view that Mr. Shah should become the "catalyst" for promoting the Loya Jirga — a traditional Afghan political body for determining the country's political future.

Unlike Germany, with whom India recently concluded talks, France is not averse to the involvement of the Northern Alliance in a future government in Afghanistan.

Sources attribute the lack of French hostility towards the Northern Alliance to the close links the French intelligence had developed with the slain Northern Alliance Commander, Ahmad Shah Masood.

RECEIVED

2 NOV 2001

PM, Blair mull Afghan future

Vijay Dutt
London, November 12

PRIME MINISTER Atal Bihari Vajpayee and his British counterpart Tony Blair focused on the future political set-up in post-Taliban Afghanistan during their working lunch meeting at 10 Downing Street which lasted a little over an hour.

The two Prime Ministers have agreed that efforts should be made for an arrangement in Afghanistan, which would be acceptable to the people there and the neighbours. Concern was expressed over any political vacuum. They said that any such vacuum would be undesirable and agreed that there should be a strong joint fight against global terrorism.

There was no specific discussion on Kashmir. But Blair impressed upon the desirability of holding a dialogue with Pakistan President Pervez Musharraf. Vajpayee responded that public dialogue over the issue has been going on. No private dialogue is happening. Brajesh Mishra in response to a question said that it was known to Britain



Tony Blair greets Atal Bihari Vajpayee at 10 Downing Street on Monday.

as well as everybody else that terrorism had been exported to various countries by the extremists networks in Afghanistan.

In the late afternoon, the UK Home Secretary David Blunkett called on Vajpayee. Senior Indian officers have had meetings with their counterparts. It is interesting that today British Government has declared public emergency through a Home Office

order. It empowers the Government to detain anyone suspected of being a terrorist for up to six months without any trial. The order also covers persons suspected of planning or abetting terrorism overseas.

In the evening, Vajpayee met the Deputy Prime Minister John Prescott, Margaret Thatcher apart from nearly 100 MPs and corporate heads.

THE HINDUSTAN TIMES

THE HINDUSTAN TIMES

India
Bangalore

Terrorists must not win, says Schroeder

HD-13
31/10

By Our Special Correspondent

BANGALORE, OCT. 30. Continuing his tirade against global terrorism, the German Chancellor, Mr. Gerhard Schroeder, today said the fight against terrorism was not just a State task, but had to be carried out by society at large. "They cannot win, must not win, and will not win."

Participating in the 45th anniversary celebrations of the Indo-German Chamber of Commerce here, Mr. Schroeder referred to the framework of the anti-terrorist alliance following the September 11 attacks on the World Trade Center in New York. The framework, he said, was intended to uphold values of freedom and give breathing space for economic activity. It was here that organisations such as the Indo-German Chamber came into play by integrating people and bringing about tangible benefits in their lives.

Mr. Schroeder said globalisation was inevitable and enabled societies to open up and face new challenges. Now, it was not just economic challenges that countries had to face, but also political challenges.

The Chancellor said his talks in India had enunciated the need for bringing about integration and this was possible as there was a degree of understanding of cultures between the countries. This was a good basis for a future network and it was not limited to the field of science or industrial produc-

tion, but extended to effecting exchange between the two countries. Talking about the prophets of doom of the old economy, he said he was unable to understand those who prophesied that the information technology sector would guarantee a brilliant future. In Germany, this myth had been exploded, where modern technology had been integrated into production processes, he added.

On bilateral relations, Mr. Schroeder said areas such as telecommunication and biotechnology had to be tapped and not just computers. It was for this reason a high-ranking economic delegation had accompanied him on his visit. On his visit to Bangalore, he said he was in a place which Nehru had referred to as a "city of the future".

The Karnataka Chief Minister, Mr. S.M. Krishna, recalled the State's association with Germany by mentioning how German missionaries had played a key role in the State's development. Now with the Siemens consortium for the proposed international airport at Devanahalli going ahead with its project, it would represent the largest German investment in infrastructure in India. The project would enhance economic potential in the region. Mr. Krishna said that the Siemens consortium was finalising the various contractual agreements to ensure the financial closure by June 2002 and the project completion within 30 months. The airport should be operational in early 2005.

THE HINDU

31 OCT 2001

Germany backs India on J&K terror

STATESMAN NEWS SERVICE

NEW DELHI, Oct. 29. - Germany today supported India's stand on cross-border terrorism in Jammu and Kashmir.

German federal interior minister, Mr Otto Schilly, who met the home minister, Mr LK Advani, today said the global war against terrorism must target the menace from all aspects.

An official statement, issued after a meeting of the two leaders, said: "They recognised that the situation in Jammu and Kashmir can't be left out in the international fight against terrorism."

Berlin "condemned" the blast outside the Jammu and Kashmir Assembly on 1 October. "It is our common view that terrorist attacks have to be condemned", Mr Schilly

India - Europe
said
The former Japan Prime Minister, Mr Yoshiro Mori, also met the home minister for about an hour at his office in North Block. Mr Mori said India and Pakistan should exercise restraint and the Kashmir issue should be solved through a dialogue.

Mr Mori, on a three-day visit to India as a special envoy of the Japanese premier, Mr Junichiro Koizumi, said India and Japan were two superpowers in South Asia and should work closely to find solutions to emergent problems in Afghanistan.

A joint statement said the new form of terrorism has an international network of logistic links and operative structures at its disposal. In the fight against terrorism, increased global action by the security authorities was needed. The UN Security

Council Resolution of 28 September, 2001 makes an essential contribution to this.

Both sides discussed issues relating to cyber crime.

The German interior minister agreed to have a mutual legal assistance treaty to step up the transfer of know-how between the two countries to fight terrorism, cyber crime and drug trafficking.

Asylum and migration policy was also discussed between the two leaders. Mr Schilly said a team from India, which has a Joint Working Group on Terrorism with Germany, will visit his country to exchange information and "look at our system on how we are tackling the problem."

■ Another report, photograph

THE STATESMAN

30 OCT 2001

India, Germany will review security concerns

By K.V. Krishnaswamy

9.10.10
29/10

BERLIN, Oct. 28. India and Germany will in all probability exchange intelligence and information on their anti-terrorism strategies and the tougher legislative measures on the anvil in both countries when the visiting Federal Minister of the Interior, Mr. Otto Schily, meets Government leaders and officials in New Delhi on Monday.

Mr. Schily, a founding member of the Green Party now sharing power at the federal level who had defected, to the Social Democratic Party of Chancellor Shroeder, is accompanying the Chancellor. He is apparently returning the visit earlier this summer of the Home Minister, Mr. L.K. Advani, to Berlin. A meeting between the two is not listed in the schedule given here by officials, with the focus trained on bilateral economic relations, but this will most certainly take place, if necessary away from public gaze.

The terror strikes in New York and Washington have added an extra urgency to the security concerns of both countries. Officials in the Interior Ministry here would neither confirm nor deny whether during his visit Mr. Advani gave Berlin a list of suspected terrorists that New Delhi may want extradited. The contours of a bilateral extradition treaty had taken shape during Mr. Advani's visit.

In the disturbed post-September 11 scenario, both Governments have seen the need to tighten security legislation. While the BJP Government does not appear to take it easy for its own draconian measures to arm itself with extra powers to tackle terrorism, the Shroeder Government has during the weekend won broad Parliamentary approval for accretions to its muscle. The initial opposition from the Green Party, a coalition partner, to these moves has obviously been overcome. In this endeavour, Mr. Shroeder's Social Democrats have ready support from the conservative former rulers, the Christian Democrats. The fact that at least some of the suspected September terrorists had established links with Germany smoothed the path for the police and paramilitary forces to be granted more powers.

Seven weeks after the terror strikes in the U.S., this European economic giant is still to get over its anger and disgust at the finger pointing, deeply hurt as it is

that the September 11 carnage is traced in the main to Hamburg, the elegant German town. Interior Ministry officials repeatedly cited the fact that of the 11 suspected terrorists, eight hailed from across the continent in Britain. And yet, it is Hamburg that is prominently mentioned in Western countries, at least in the media, as the home of these men. "The American media," snorted a senior official at the Ministry when asked what steps the German Government was taking to tighten security so that the country ceases to be a haven for terrorists. The anger of the trained professional remained unconcealed. One wondered whether he was ready to show us, too, the door, for raising the Hamburg connection of the main accused.

The official explained the difficult task on hand, with the Government having to strike the correct balance between the country's own long-standing liberal asylum laws and the post-September 11 requirement of enhanced security. The then West Germany's harrowing experience with anarchist violence in the Sixties and the recent surge of neo-Nazi extremism notwithstanding, the country and the people have for decades felt a compelling self-imposed obligation to keep the borders open to victims of political and ideological biases. The immediate post-war years wrote down the pattern which has remained nearly unchanged. It is the clutch of post-war laws on asylum and related issues which have come in for some reluctant review.

The Communist threats during the Cold War era followed by the chaos that accompanied that collapse have taught some lessons and caused some rethink but the overwhelming national determination not to allow any erosion of liberal democracy is ensuring that there is no abuse of draconian laws whatever are in place. The Ministry official stressed that while drawing up rules to stem the tide of illegal immigrants — from China and neighbouring East Europe in the main plus Sri Lanka and the subcontinent — as part of the anti-terrorism drive, the Government in Berlin would ensure that "qualified immigrants" faced no insurmountable hurdles. It was clear who he was addressing: Indian information technology professionals who are being wooed with renewed vigour. There will be ample evidence of this in the next two days in New Delhi and Bangalore.

THE HINDU

3 OCT 29

Schroeder urges change in India's WTO stance, grants Rs 670-crore aid

India, Germany sign pacts

STATESMAN NEWS SERVICE

NEW DELHI, Oct. 29. — Emphasising that the ministerial meet of the World Trade Organisation, scheduled to be held at Doha next month "can and must succeed," the German chancellor, Mr Gerhard Schroeder, today said his country favoured a fresh round of negotiations.

Apart from this, India and Germany today signed four agreements for German assistance totalling Rs 670 crore.

The projects are the 140 MW Integrated Solar Combined Cycle (ISCC) Power Project at Mathania village in Jodhpur district of Rajasthan valued at DM 250 million, Import of fertiliser muriate of potash (DM 40 million) the first phase of the Rural Water Supply, Sanitation and Community Participation Programme, also in Rajasthan (worth DM 10 million), and the

National Pulse Polio Programme, worth DM 20 million. "We discussed all aspects of bilateral trade and getting more investment from Germany to India. With the visit of our

Sinha, here today.

Admitting that India's concerns on implementation could be legitimate, Mr Schroeder said "We should not do a mistake" of waiting for the imple-

Relations: Looking Ahead,' organised jointly by the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (Ficci). CII president, Mr Sanjiv Goenka, said that the confederation was keen to boost Indo-German ties.

Mr Schroeder said India was in a position to influence other countries as it had emerged as the 'voice of the developing countries,' but it should adopt a "constructive attitude".

Germany, he said, wanted all trade barriers removed and called for a political framework to secure an equitable international order, as free trade alone could not ensure an equitable world order.

He said there was scope for greater bilateral cooperation between India and Germany in all sectors, particularly the services and information technology sectors.



Mr Schroeder flanked by Mr Sanjiv Goenka and Mr Chirayu Amin. — AP/PTI

chancellor, Mr Gerhard Schroeder, German companies will try to increase investment in India," the German minister of economics, Mr Werner Mueller, told reporters after meeting the finance minister, Mr Yashwant

mentation of the earlier WTO decisions for the launch of a new round.

The German chancellor, during his visit to India, gave a keynote address at a seminar on 'Indo-German Economic

THE STATESMAN

30 OCT 2001

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Fight against terrorism should include Kashmir: Germany *110-11 30/10*

By Our Special Correspondent

NEW DELHI, OCT. 29. India and Germany today recognised that the situation in Jammu and Kashmir could not be left out in the international fight against terrorism and stressed the need for vigorous global action to root out the menace.

The visiting Interior Minister of Germany, Mr. Otto Schilly, who had a 90-minute meeting with the Union Home Minister, Mr. L. K. Advani, said that his country was ready to extend cooperation in the battle against terrorism and to fight it out in all its dimensions.

Talking to reporters after his meeting with Mr. Advani, the Ger-

man Interior Minister said that Berlin condemned the bomb blast outside the Jammu and Kashmir Assembly building on October 1 as also the September 11 strikes in the U.S. "It is our common view that terrorist attacks in all its variety have to be condemned."

Asked about Germany's stand on cross-border terrorism in Jammu and Kashmir, Mr. Schilly said: "We are against all sorts of terrorist attacks wherever they take place."

A joint statement issued by the two Ministers said: "Both the countries recognise that the sit-

uation in Jammu and Kashmir cannot be left out in the international fight against terrorism."

The terror was not just directed at the U.S. but at the shared values and convictions of all the freedom loving people all over the world. "With these cowardly attacks, we have experienced terrorism in a new form which is characterised by a high degree of brutality, cold bloodedness and fanaticism. This new form of terrorism has an international network of logistic links and operative structures at its disposal."

THE HINDU

30 OCT 2001

SCHROEDER ADVOCATES RESUMPTION OF DIALOGUE

PM rules out talks with Musharraf in New York

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H.D. 1
30/10

By Atul Aneja

NEW DELHI, OCT. 29. The Prime Minister, Mr. Atal Behari Vajpayee, today ruled out talks with the Pakistan President, Gen. Pervez Musharraf on the sidelines of the U.N. General Assembly session in New York next month.

"If I have to meet Musharraf, I don't have to go to New York. We can meet either in Delhi or Islamabad", he told reporters at a joint press conference after concluding an hour-long meeting with the visiting German Chancellor, Mr. Gerhard Schroeder.

The Prime Minister's observations assume importance as the visiting German Chancellor this morning had referred to the Agra summit and advocated the resumption of Indo-Pak. talks. Without alluding to the possible meeting at New York, the German Chancellor, in response to a question at the press conference reiterated the need in principle for resumption of the Agra process between India and Pakistan.

Earlier in her regular briefing, the spokesperson of the Ministry of External Affairs had said that talks with Pakistan can be resumed only after Islamabad created the "right atmosphere" by reining in cross-border terrorism. India's track record showed that it had always taken the initiative for talks with Pakistan, she added.

The Prime Minister said he had discussed with Chancellor



The Prime Minister, Mr. Atal Behari Vajpayee, with the German Chancellor, Mr. Gerhard Schroeder, in New Delhi on Monday. — Photo: Anu Pushkarna

Schroeder, the ongoing global campaign against terrorism. This struggle, he said, needed to be pursued to its logical conclusion. Similar sentiments were expressed during talks between Germany's Federal Interior Min-

ister, Mr. Otto Schilly who is accompanying the German Chancellor and the Home Minister, Mr. L.K Advani. Both leaders after their meeting this morning felt that the campaign against terrorism should not exclude Jammu

and Kashmir. At the press conference, Mr. Vajpayee and Chancellor Schroeder agreed the need for positioning a broad-based post-conflict regime in Afghanistan.

India is convinced that representatives of the Northern Alliance should be accommodated in a new political arrangement in Kabul. The Northern Alliance represents Afghanistan's ethnic minorities, including the Tajiks, Hazaras, Uzbeks and Shias. India is also willing to endorse a role for the former Afghan King, Zahir Shah to cobble together a new coalition.

India and Germany agreed for a prominent U.N. role in facilitating a post-Taliban transition. India wants the U.N.-sponsored initiative, of what are called "six plus two" countries, designated to bring normality in Afghanistan, to cease. Instead, it wants a new 15-country initiative that includes, besides itself, Germany and Japan along with the five permanent members of the Security Council. India has already discussed this proposal with Russia.

The two leaders urged greater activism by the world community for the post-conflict reconstruction. India has already pledged a loan of around \$100 million for the purpose.

With the visit of the German Chancellor taking place after several years, the two sides decided to hold annual summit meetings.

See also Page 13

THE HINDU

30 OCT 2001

Back Doha initiative, urges Schroeder

HT Correspondent
New Delhi, October 29

GERMAN CHANCELLOR Gerhard Schroeder today urged India to agree to initiating the next comprehensive trade negotiations at Doha. Implementation issues concerning the earlier round can go hand-in-hand with fresh discussions on trade liberalisation. "India's voice is heard as a developing country. I hope India will raise its voice for implementation issues, but will decide in favour of making Doha meet a success", he stated.

Delivering keynote address here at a seminar on 'Indo-German Economic Relations: Looking Ahead', he said Doha WTO ministerial must succeed. "India's concerns on implementation are legitimate. But this should not stop us from having the next round and constructive attitude is the need of the hour," he observed.

The German Chancellor said the next round of trade negotiations should have a wide agenda, including protecting human rights and environment. While dwelling at length on India's concerns over social and environmental dimension of the issues involved, he said, "Germany will continue to counteract on tendencies that raise protectionism in the name of social and environment issues."

Outlining Germany's commitment to reducing trade barriers to developing countries, Schroeder said, "both India and Germany have identical concerns as far as implementation and anti-dumping issues were concerned. We can enter into a positive and constructive dialogue to make the new round a success."

Germany was also working with European Union for widening market access for agri-products, he said while



German Chancellor Gerhard Schroeder (C) with Sanjeev Goenka, Suresh Prabhu and Chirayu Ameen during a seminar with Indian business community in New Delhi on Monday.

favouring the removal of barriers. Replying to a query on co-operation in small and medium enterprises sector, he said while big companies were able to overcome red tapes and infrastructure bottlenecks, SMEs find it difficult to operate.

The German Chancellor was of the opinion that Indo-German relations were developing positively and the strong foundation can be built upon by strengthening it further

through closer cultural relations and trade ties. In this context, he referred to the huge untapped potential and the high level business delegation visiting India would explore new areas of co-operation.

Lauding the contributions of the Indian information technology sector, he said the business delegation accompanying him was looking forward to their visit to Bangalore which he described as the Indian Silicon Valley. While the new economy

sectors did provide many opportunities for co-operation, he said the traditional sectors were equally important and were by no means old or outdated. Dwelling at length on September 11 terrorist strikes, Schroeder stated that the world community should come together to fight against terrorism. "It is everyone's responsibility to ensure that terrorism does not prevail over economic development and co-operation," he stated.

Germany to give Rs 670 crore loans for four projects

HT Correspondent
New Delhi, October 29

COINCIDING WITH the visit of German Chancellor Gerhard Schroeder to India, both the countries have signed four agreements envisaging Rs 670 crore assistance from Berlin to New Delhi.

The projects that will get boost due to German funds include 140MW integrated solar combined cycle power project at Mathania in Rajasthan, National Pulse Polio Programme, transport of Muriate of Potash (MOP) and rural water supply, sanitation and community participation programme in Rajasthan.

Navin Kumar, joint-secretary in the Department of Economic Affairs and Vlofgang Kroh, board member of Kreditanstalt fur Wiederaufbau (KfW), the German Development Bank have signed the agreements.

Soft component of German loan is carrying a low interest rate of 0.75 per cent per annum and repayable over 40 years including a moratorium of 10 years while the commercial portion carries an interest of 13 per cent and is repayable over 10 years with a two year grace period. A finance ministry release said the Mathania ISCC power project would demonstrate the efficacy of generation of power from solar energy on a large scale and its integration with the combined cycle technology.

Originally, naphtha was envisaged as primary fuel for the power plant, due to steep increase in the price of naphtha and also due to its high volatility, the fuel was changed to re-gasified natural gas, it added.

THE HINDUSTAN TIMES

30 OCT 2001

102 11
25/10

India, France review Afghan situation

By Our Special Correspondent

NEW DELHI, OCT. 27. India and France reviewed the unfolding crisis in Afghanistan and agreed on the importance of a more inclusive international process of consultations to promote peace and stability in the war-torn nation.

The visiting French Special Envoy on Afghanistan, Mr. Pierre Lafrance, had an intensive round of consultations here today with the Foreign Secretary, Ms. Chokila Iyer, on political, military and diplomatic issues relating to Afghanistan.

Both sides agreed that the present framework of six plus two process of consultations was inadequate. This framework involves the United States and Russia as well as China and five other neighbours of Afghanistan.

India and France would like to see a broader process of consultations that brings together all key nations with an interest in Afghanistan in shaping the future developments there.

Mr. Lafrance has been appointed as Special Envoy by the French Foreign Minister, Mr. Hubert Vedrine. Mr. Lafrance is travelling in the region to get a first-

hand assessment of the situation. He arrived here after talks in Iran and Pakistan.

According to the foreign office spokesperson, the two sides exchanged views on the current military situation as well as the nature of the post-Taliban political arrangements. They also examined the current state of play in the United Nations on the kind of political process that must accompany the military campaign against the Taliban regime.

France is believed to have stressed the importance of a home-grown settlement for Afghanistan and its opposition to the imposition of any settlement decided by outsiders.

Mr. Lafrance and Ms. Iyer also discussed the nature of the interim security arrangements that would be necessary to ensure peace and stability after the collapse of the Taliban regime and before a fully-representative government is established in Kabul.

France is said to be in favour of an all-Afghan police force acting as the core of an interim security setup. Paris is also believed to be cautious about putting in place a military force led by Islamic nations. There is some concern there that Afghans might turn against any foreign force on their soil.

THE HINDU

28 OCT 2001

Keep Kashmir on the backburner till Afghan crisis is over: Germany

BERLIN: Agreeing that the Kashmir issue should be tackled bilaterally as "one spark" could be disastrous for the entire region, Germany said the issue "should be kept in the box" by both New Delhi and Islamabad till the Afghan crisis is resolved.

"We know that one spark (on the Kashmir issue) can be disastrous for the entire region. Germany will like the issue to be kept in the box and not to precipitate. Sooner or later the Kashmir problem has to be solved bilaterally," director general for political affairs in the German foreign ministry Thomas Natuseek told a group of visiting Indian newspapermen here on Thursday.

Lauding New Delhi's move after the Kandahar hijacking incident as a "fantastic political effort," he said after the resolution of the Afghan crisis, if both countries wanted help from others, it would be extended. Stating that Pakistan President Pervez Musharraf was the "best bet" in the present circumstances, Mr Natuseek was

apprehensive that if there were a large number of casualties of civilians in the U.S.-led campaign against terrorism during Ramzan, unrest in Pakistan would grow posing a challenge to Gen Musharraf.

Referring to the banning of terrorist groups by Washington which also included certain groups operating from Pakistan, he said that Germany regarded these terrorist groups to be part and parcel of Taliban. Stating that Afghanistan and Pakistan were the two sides of the same coin, Mr Natuseek said that a holistic view has to be taken to tackle terrorism.

He said that the international community including the European Union and Afghan supported groups was working on a whopping rehabilitation package for Afghan people to enable them to come to the mainstream.

"We must be serious in putting in place the package. Germany is determined to do something and it will take it up with the UN, EU and other international committees," he said. (PTI)

THE TIMES OF INDIA

27 OCT 2001

EU team condemns terrorist attacks

By Our Special Correspondent

NEW DELHI, OCT. 4. Envoys of the European Union today condemned the terrorist attacks in Jammu and Kashmir ahead of their scheduled visit to Srinagar to interact with the people of the State.

India-Europe
"We will be visiting the Kashmir valley on Monday. We will speak to a cross-section of the people to assess the situation," the Ambassador of Belgium, Mr. Guy Trouveroy, told reporters after a meeting here today with the Centre's interlocutor on Kashmir, Mr. K.C. Pant. *10.15.02*

He said the EU team would meet State Government officials and human rights activists. When pressed for his reaction on the attack on the State Assembly in which 36 people were killed, he said the visit was aimed at gathering information. "We are not going there to convey any meaning."

On his meeting with the EU envoys, Mr. Pant said all aspects were discussed. "The fact that the Jaish-e-Mohammed has been involved in the incident is another indication of India's claim that Pakistan was responsible for the cross-border terrorism. No one can escape the scene and the sense of outrage," he told presspersons.

THE HINDU

2002

— grow. THE INDIA IS TRYING ON THE HORN OF A DILEMMA.

Two-faced EU

THE European Union's offer to negotiate a bilateral agreement with India on textiles is further evidence of the EU's ability to use bilateralism as an effective tool within the framework of multilateral trade. It was believed, not so long ago, that the Most Favoured Nation principle would ensure that any WTO member who made a bilateral deal had to offer the same to all other members. This would reduce the value of bilateral deals. In reality though, the MFN principle has been substantially diluted. The original compromises were made to accommodate the preferential treatment offered within regional blocs. The EU has taken this further. It has worked out deals bilaterally with other blocs of countries. And at Doha it managed to get a waiver of the MFN principle for its deals with the 77 members of the Asian-Caribbean-Pacific group of former colonies.

This exploration of bilateral deals within the multilateral framework gives the EU a very potent weapon. It can first work out favourable bilateral deals with the weakest members, offering them easier access to European markets in exchange for tariff as well as non-tariff concessions. This access is typically offered in products where the main competitors are producers from other developing countries. These other developing countries are then forced to negotiate bilaterally to get similar concessions as their competitors. In the case of textiles, the EU first entered into bilateral deals with countries like Pakistan. That has now left India with no option but to bilaterally negotiate similar concessions from the EU. This ability to play one developing country competitor against another also paid the EU rich dividends in the negotiations at Doha. This weapon can, of course, be blunted by the WTO taking a stronger position against any violation of the MFN principle. But the major powers have no reason to force the WTO to take such a position. And countries like India are so distrustful of the WTO that they will not take the lead in building that institution into a bulwark against the bilateralism of the powerful.

The Economic Times

26 AUG 2001

EU hopes India, Pak. will keep up dialogue

BRUSSELS, JULY 19. The European Union today encouraged India and Pakistan to continue talking to each other, despite the lack of progress at this week's summit in Agra.

Commenting on Sunday and Monday's talks, the European Union said it "noted with satisfaction" that the Pakistan President, Gen. Pervez Musharraf and the Prime Minister, Mr. Atal Behari Vajpayee, were "determined to continue their dialogue."

"Despite the lack of immediate progress at the summit, the invitation extended by Gen. Musharraf to Mr. Vajpayee will allow the continuation of a dialogue leading to a comprehensive solution" to bilateral disputes, said a statement issued by the Belgian EU Presidency.

In a reference to Kashmir, the European Union called upon both countries "to show the utmost moderation on the ground."— AFP

Round Table aims to boost two-way trade

By Batuk Gathani

BRUSSELS, JULY 19. With the European Union emerging as India's largest trading partner and second largest contributor of foreign investment, special efforts are being made under the auspices of the "EU-India round table" to improve mutual understanding through "enhanced relationships".

The second two-day meeting of

the EU-India Round Table, which concluded on Tuesday, highlighted the Indo-European trade and investment activities. The delegates also focused on media and cultural relations.

The meeting was chaired jointly by Mr. Guke Frerichs, president of the European Economic and Social Committee (ESC), and Mr. N.N. Vohra, director of the India International Centre in Delhi.

The Round Table has called for exchange of journalists and close links between information and media institutions to secure greater flow of news and greater cooperation in music, cinema, television and arts. It wants the EU and the Government of India to allocate sufficient resources for promotion and understanding in these areas.

But the main focus of the debate has been on trade, investment and exchange of technology. Participants agreed that greater trade and higher flow of investment will bring not only increased prosperity but closer political and cultural ties.

The E.U. is India's largest trading partner, accounting for about 25 to 30 per cent of its imports and exports. But from the E.U.'s point of view Indo-European trade is more limited, accounting for only 1.3 per cent of European imports and exports. Existing Indo-European trade is not broad-based. Two-thirds of India's exports to the E.U. are gems, jewellery, textiles, leather and agriculture products. And two-thirds of European exports to India are rough diamonds, machinery and electrical equipment.

THE HINDU

19 JULY 1998

India-EU trade meet

in Nov 5/9

STATESMAN NEWS SERVICE

NEW DELHI, July 10. - The second India-European Union summit, focussing on enhancement of trade and investments, will be held here on 22-23 November.

The Prime Minister will hold bilateral discussions with his EU counterpart and stress on all issues pertaining to India-EU relationship. The first summit was held in Lisbon last year.

Discussions are taking place to bring together key business leaders from both the sides.

The four important sectors, which have been identified to enhance trade and investment between India and the EU, are manufacturing, information technology, food processing and maritime. The Belgium ambassador, Mr Guy Thouveroy, told the media.

The EU President, Mr Romano Prodi, and the Belgium Prime Minister, Mr Guy Verhofstadt, will head the delegation. Belgium took over the EU presidency from Sweden on 1 July.

Every six months, a different member state takes the presidency following an established rotation.

"India has emerged as an extraordinary economic power and we have reached a stage where both sides should consult each other on crucial issues like the WTO," Mr Thouveroy said.

It has been felt that there are immense avenues for partnership between the two including development aid, scientific cooperation and tighter political cooperation before the summit.

The volume of trade between India and the EU touched 13 billion Euros in 1999 from 5 billion Euros in 1990.

THE STATESMAN

10/7

EU, India mull IT vision statement

STATESMAN NEWS SERVICE

NEW DELHI, July 2. -The European Union and India are planning to come out with a joint vision statement on information technology, spelling out future synergies, an EU official has said.

"EU and India are currently in discussion on a joint vision statement on IT," EU commissioner, Mr Erkki Liikanen, a member for information society and enterprise of the EU, said at a seminar organised by the Confederation of Indian Industry and its international partner Agoria, in Brussels.

Expressing EU's keenness to reduce the existing digital divide in India, Mr Liikanen said European companies could help in building telecommunication infrastructure and enhancing flow of information to feed the Indian IT industry.

Mr Liikanen said he was looking forward to participate in the two-day Indo-EU Summit, beginning 22 November this year.

THE STATESMAN

India, Germany to fight terrorism

SRINJOY CHOWDHURY
STATESMAN NEWS SERVICE

NEW DELHI, June 28. — India and Germany will cooperate on anti-terrorism issues, especially measures to combat hijacking. This may include joint training for the National Security Guard commandos on hijacking issues with their German counterparts in the GSG-9. An NSG team could either visit Germany or host a delegation of German instructors in the near future.

India, in the wake of the hijacking of IC-814 to Kandahar in December 1999, has been working towards an anti-hijack policy. There is an effort to improve the measures that will tighten security measures in order to prevent the hijack of aircraft. Equally importantly, ways to quicken reactions of the security and intelligence agencies and improve their coordination after a hijacking are being thought about. There is a need for better techniques when it comes to negotiating and interacting with hijackers who are holding passengers as captives.

During his visit to Germany, the home minister, Mr LK Advani, held discussions on security issues (include anti-hijacking measures) with the German federal interior minister, Mr Otto Schily. It was

learnt that intelligence-sharing and the development of an Indian anti-hijacking policy were some of the issues discussed.

There was also some talk on law enforcement in a federal setup. Mr Advani was invited to watch an anti-hijacking training exercise when German GSG-9 commandos entered a model aircraft and took on hijackers.

After the hijacking, India has cooperated with some foreign security agencies, including the American FBI, which spoke to the pilot and crew of the hijacked plane to get information on the hijackers. Germany and USA have an anti-hijacking policy. There has been considerable talk on the failure to stop the plane at the Amritsar airport where it had halted for refuelling. If the attempt had been successful, the week-long effort at Kandahar wouldn't have been necessary. Nor would three militants, one of whom has formed the Jaish-e-Mohammed, a militant outfit active in J&K, would have been released.

Netaji's son-in-law: During his visit to Germany, the home minister also met Mr Martin Pfaff, a legislator, who is married to Mrs Anita Pfaff, the daughter of Subhas Chandra Bose. Mrs Pfaff, who had a European mother, and her husband live in Germany.

STATESMAN NEWS SERVICE

NEW DELHI, June 28. — The defence secretary, Mr Yogendra Narain, today confirmed that India will be building the French-made Scorpene submarines at the Mazagon docks but there has been no forward movement on the plan to build Mirage-2000 jets in the Hindustan Aeronautics Ltd factories.

Speaking to reporters today, after signing the agreed minutes of the fourth meeting of the Indo-French high committee with his French counterpart, Mr JB Ouvriue, he said that the Indo-French relationship has changed from a buyer-seller relationship to one that includes joint production and joint development. Mr Ouvriue said the "highest authorities in France wanted better cooperation with India."

The Scorpene deal reported in the Statesman earlier had been on the cards for months. After HDW became a "bad word" because of political reasons and some manufacturing problems, India was looking for an alternative. The French have agreed to transfer technology and ensure that the submarines were built in India. The Navy calls this Project 75 and the deal with the French is likely to involve millions of dollars.

Mr Narain refused to say how many submarines would be built but the Centre has



A soldier displays a rocket launcher while being filmed by a television cameraman, during an interaction between the defence forces and the media. In Mumbai on Thursday. — AP/PTI

The cleared the Navy's proposal to build 24 conventional submarines over 30 years and initially two or four of them would be Scorpenes. Some of the others could be Russian Amur class submarines. He said other areas of military cooperation included the manufacture of radars, guidance systems of missiles and apertures. More military exchanges between the two countries are likely.

The two countries exchanged views on the political and strategic environment and discussed cooperation strategies in emony. Other areas of cooperation have been anti-terrorism plans, and space science. Senior Army officials including the Army vice-chief, Lt Gen Vijay Oberoi and the Navy vice-chief, Vice-Admiral Madhendra Singh, were present at the signing ceremony.

India, Germany sign extradition

PD-13 treaty 28/6

BERLIN, JUNE 27. India and Germany today signed an extradition treaty to combat crime and terrorism with mutual cooperation. The Home Minister, Mr. L.K. Advani and Germany's Federal Minister of State, Ms. Herta Daeubler-Gmelin, signed the treaty.

The signing of the treaty, on the concluding day of Mr. Advani's four-day visit to Germany, will enable the two countries to extradite to each other any person wanted by a competent authority for an extraditable offence.

Extraditable offences under the treaty are offences which are punishable under the laws of both States and are punishable by a term of imprisonment of at least one year. — PTI

THE HINDU

MiG: India, France to talk joint production

STATESMAN NEWS SERVICE

NEW DELHI, June 12. — Discussions for the joint production of the Mirage-2000 fighter-bomber in India will be held later this month when a top French delegation arrives here.

Defence ministry sources confirmed that discussions on the Mirage-2000 may be held with the French delegation this month. India and France have a joint working group of defence matters that reviews strategic affairs, military-to-military ties and technical issues twice a year. This meeting will be held later this month. India has similar ties with Britain, Russia, Israel, USA and Vietnam.

India has some Mirage-2000s

in Gwalior and they were used during the Kargil conflict two years ago. Recently, 10 Mirage jets have been purchased but the possibility of manufacture of the planes at the Hindustan Aeronautics Limited plant at Bangalore remains. In the past, the HAL factories have made the Jaguar deep penetration strike aircraft — a partly French product — and also, the MiG planes. At the moment, the Mirages can only be repaired and overhauled there.

Though no decision has been taken, the possibility of manufacturing the Mirages at HAL factories will serve a major purpose. It will make it easier to access aircraft and spare parts. It will also be cheaper. The French are keen on a wider re-

lationship instead of just buyer-seller ties and are likely to benefit from it. Once the two governments agree, HAL and Dassault, which manufactures the Mirage, will have to negotiate.

Among other technical issues will be a discussion on the possibility of building Skorpene submarines at the Mazagon Docks, Mumbai. Again, no agreements will be signed during the trip as it involves larger issues like the transfer of technology, but India has expressed an interest in the submarine as opposed to the HDW submarine which has been hanging fire for a while.

Other issues that may be discussed include more visits by officials and more joint exercises by armed forces personnel.

RECEIVED

THE STATESMAN

12 JUN 2001

India, France joint naval exercise in Nov.

By Arunkumar Bhatt

MUMBAI, MAY 22. Indian and French navies will hold joint exercise, 'Varuna 01', off Mumbai in November next. One of the areas of learning from each other in it would be the anti-submarine warfare (ASW).

The French are sending a task group of three warships, led by FNS Var, the flagship of the French forces in the Indian Ocean. While the Var is a tanker, the other ships include a high-tech stealth frigate of the La Fayette class and a Corvette. Several Indian surface ships and submarines are expected to participate in the exercise.

The details were discussed during the five-day call of the FNS La Fayette, her commanding officer, Capt. Hugues Jardin, told a visiting press party. The French had two "working-level" meetings with the Indian naval specialists.

The French Navy which maintains a sizable presence in the Indian Ocean for "regional security

concerns" calls on the Indian ports regularly every year. Two French warships — a nuclear powered submarine, Pearl and anti-submarine frigate, Duplex

INS Delhi wins award

MUMBAI, MAY 22. INS Delhi won the 'best ship' award here today at a fleet evening 'Fling 2001' that marks the culmination of grueling year at sea for the western fleet.

Vice admiral Vinod Pasricha, flag officer commanding in chief, western naval command presented the awards to ships and professionals from various fields, a Navy release said here. — PTI

— had participated in the International Fleet Review hosted by the Indian Navy here last February.

A team of Indian ASW experts had also discussed at length with

their French counterparts aspects of detection and destruction of hostile submarines. It was denied that the increased Indo-French cooperation in the ASW was centred around the Agosta class submarines which the Pakistani Navy has acquired from the French.

The French are keen to sell India the next generation Scorpene class of submarines, not only more advanced than the Agosta but also having air-independent propulsion like the Agosta, affording three to four times higher endurance underwater compared to other conventional submarines.

The French have also increased their efforts to sell India La Fayette class frigates and also combat management system, Tavitac, installed on this class. The La Fayette has several impressive features, particularly her stealth. Capt. Jardin said that his ship though of 3,500 ton bulk, its radar image — radar cross section — looked like that of just a 400-tonne boat.

Her hull has inclined sides and bulwarks, covered fore and after-decks, enclosed masts and no right angles. Its infra red signature is reduced by using special paints and insulating "hot spots". Specially designed rotating machines, cradles and mounts have reduced its sound and a "17-loop degaussing system" reduces its magnetic field.

The La Fayette class has three versions: anti-surface ship, anti-submarine and anti-air. The first one is armed with eight Exocet sea-skimming missiles and short-range Crotale anti-air missiles besides a 100 mm gun. But the version has no anti-submarine weapon or sensor. "We are too silent a ship," said one of her officers.

The La Fayette was surely on marketing-cum-goodwill visit to Mumbai if one noticed high-profile presence of the executives of her builders, DCN International. She was hosted by the Indian frigate, INS Ganga.

THE HINDU

23 MAY 2001

Norway, India to set up \$1 bn hydro-power project in J&K

Deal-signing during Norway PM's visit

BY OUR CORRESPONDENT

New Delhi, April 16: A billion dollar hydro-electric project will be set up by Norway in Jammu and Kashmir.

India and Norway will sign the deal to the effect during Norwegian Prime Minister Jens Stoltenberg's New Delhi visit later this week. Norway is keen to invest heavily in the power generation sector in India and several projects are in the pipeline.

Mr Stoltenberg will arrive in New Delhi, accompanied by a large business delegation, on April 19. The signing of the hydro-electric power project would be one of the high points of his visit. The 600 MW project would come up at Savalkot in Jammu and Kashmir. The work will be undertaken by the Norwegian consortium Statkraft-Anlegg and GE Norway in cooperation with the Jammu and Kashmir Power Development Corporation.

The visiting Prime Minister will also inaugurate India-Norway energy meet and a seminar on peace-keeping at the United Services Institute. The energy sector has been identified as one of the key areas of cooperation. Apart from energy, Norway is taking

AA 2 191
keen interest in India's information technology sector and water management. India and Norway have held regular foreign office consultations and there have been frequent visits between the two nations. Norway, which is involved in the Sri Lanka peace process, has kept in regular touch with India over the issue.

Norway's negotiator Erik Solheim, who is mediating between Sri Lankan government and the LTTE, was in New Delhi in March for consultations. Norway has acknowledged the fact the India has a legitimate role to play in resolving the crisis in the island nation. Mr Solheim was in India along with state secretary in ministry of foreign affairs Raymond Johansen.

During his stay in India, Mr Stoltenberg will have wide-ranging consultations with Indian leaders on developments in the South Asian region and the peacekeeping operations. The discussion will also focus on enhancing cooperation in space, science and technology and defence sector.

He will meet President K.R. Narayanan, Prime Minister Atal Behari Vajpayee and his ministerial colleagues and Leader of Opposition Sonia Gandhi. The Norwegian Prime Minister will also visit Agra and Bangalore.

THE HINDU

India takes up basmati rice, sugar quota issue with EU

By Gargi Parsai

NEW DELHI, APRIL 16. India today asked the European Union (EU) to retain its duty free quota of basmati rice imports and to restore the quota for duty free sugar exports.

The issue was raised by the Union Agriculture Minister, Mr. Nitish Kumar, when the European Union delegation led by EU Commissioner for Agriculture, Mr. Franz Fischler, called on the Minister here today.

India wants the entire quota of 25,000 tonnes per annum of refined sugar exports with zero duty to be restored, as against only 10,000 tonnes at present. A 250 per cent duty is imposed on the

remaining quota. In the case of basmati rice too, EU's duty free imports from India had risen from 10,000 to around 1,40,000 tonnes. There was a move to withdraw this concession.

Mr. Fischler assured the Minister that he would take up India's case with member countries of the EU who have the required mandate to make policy changes.

During his hour-long meeting, Mr. Nitish Kumar emphasised the need for ensuring food security as it involved the livelihood of over 100 million farmers. He said the common concerns of the EU and India must be discussed in depth as India needed "special differential treatment" and a level-playing field.

He said despite a record food production and India being number one in milk production and number two in fruits and vegetable production, about 26 per cent of its population did not have access to nutritional food as they lived below poverty line. Only 1.8 per cent of fruits and vegetable products were processed. India wants its farmers to get remunerative price for their produce while the consumer should get it at a reasonable price, he said.

Having met representatives of sugar and rice producers, Mr. Fischler said he wanted to find common ground for future negotiations to remove existing misunderstandings and differences. He said small farmers were

predominant in India as well as the EU. The WTO liberalisation was to avoid trade distortions and have trade on fair basis.

He said agriculture experts should identify the concerns more precisely and find out common interest for future negotiations. After having adopted common principles on world trade, special and differential treatment of developing countries could be discussed.

The Additional Secretary Agriculture, Mr R.C.A. Jain, listed India's major concerns under the WTO regime as market access for products, sanitary issues, level-playing field, handling of Genetically Modified products, duty free sugar and basmati rice quota.

THE HINDU

17 APR 2001

India, Croatia sign pact on investment

By Our Special Correspondent

NEW DELHI, MAY 4. India and Croatia today signed a bilateral investment promotion and protection agreement which is expected to impact a new momentum to the Indo-Croatian economic relations.

The agreement was signed by the Finance Minister, Mr. Yashwant Sinha, and the visiting Croatian Foreign Minister, Mr. Tonino Picula, at a function here today.

The agreement with Croatia is the 43rd such agreement signed by India.

It shall come into force on the thirtieth day after both Governments have notified each other the fulfilment of the Constitutional requirements and shall remain in force for a period of 10 years and may thereafter continue unless either Government gives one year's written notice of its intention to terminate the agreement.



The External Affairs Minister, Mr. Jaswant Singh, with his Croatian counterpart, Mr. Tonino Picula, at the Hyderabad House in New Delhi on Friday. — PTI

INDIA

Indo-Danish talks to strengthen ties

HD-19
COPENHAGEN, APRIL 3. India and Denmark today held their first high-level talks in four years with Copenhagen describing the Indo-Danish relations as "extremely good".

"Relations between India and Denmark are extremely good and we are keenly looking forward to today's bilateral talks," a Danish Foreign Ministry official said.

The External Affairs Minister, Mr. Jaswant Singh, who arrived here last night on a two-day 'working' visit, held official talks with his Danish counterpart, Mr. Iraj Lykket, on bilateral, regional and international issues.

He is due to meet the Prime Minister, Mr. Paul Rasmussen, this evening before leaving for Stockholm to attend the European Union (E.U.) Troika India Ministerial meeting tomorrow.

According to diplomatic sources here, Denmark took the initiative to invite Mr. Singh for the working visit after it was known he would be in this region for a meeting with EU Ministers as part of efforts by Copenhagen to maintain "high-level contacts" with India.

The previous high-level visit from India was in 1993 when the then Prime Minister, Mr. P.V. Narasimha Rao, came here to attend the U.N. social summit and from

4/4
the Danish side, the Prime Minister and the Foreign Minister had come calling to New Delhi in 1995 and 1997.

Development issues were also on the agenda of Mr. Jaswant Singh's talks with the Danish leaders since development cooperation is the cornerstone of bilateral ties, according to an Indian official.

Today's Indo-Danish contact is also considered significant since Denmark is due to assume the rotating six-month E.U. presidency in the first half of next year. In this context, the holding of the third annual E.U.-India summit for next year in Copenhagen is not being ruled out.

While the first summit was held in Lisbon in June last year under the auspices of the Portuguese presidency and attended by the Prime Minister, Mr. A.B. Vajpayee, the second summit is due to be held in New Delhi in November this year.

Mr. Singh and his Danish interlocutors also discussed the potential to increase bilateral trade, which was around \$ 300 millions each year, with the balance of trade slightly in favour of India. There is no substantial inflow of Danish investments to India with less than \$ 100 millions coming through since 1991.— PTI

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Indo-German watershed project transforms drought-hit villages

By Abhay Vaidya
The Times of India News Service

AHMEDNAGAR: The unfolding spectre of the drought in Maharashtra has focused the spotlight on a highly successful Indo-German watershed development programme which is bringing about a radical change in the villages that are chronically poverty-stricken and drought prone.

While the programme is currently being implemented in 200 villages spread over 22 districts, 45 villages which participated in the programme have escaped the wrath of drought. So electrifying is the transformation in villages such as Bhoysre Khurd, its neighbouring village Pimpalgaon Waghera, Mendwan and Sherikoldara in Ahmednagar district, that many drought-prone villages are clamouring for inclusion in the programme.

As Dasrath Tukaram Gaikwad (62) from village Bhoysre Khurd described the transformation: "Water in this village would dry up by February-end itself and our women had to trudge long distances for water. The surrounding hills were bald and we could grow just two crops—jowar and bajra. The watershed development work began here in 1998, and today, we are not only tanker-free but also grow a number of fruits and vegetables even in the summer."

Prosperity in this and other villages which have developed their watersheds is being seen in the form of a dramatic rise in income through agriculture and the purchase of hybrid "Jersey" cows and dairy development. They also witnessed a substantial rise in the number of telephone connections, television sets, tractors and motorcycles—other visible symbols of prosperity in the once poverty-stricken and drought-prone villages. Launched and guided by the Ahmednagar-based Watershed Organisation Trust (WOTR) in 1993, the carefully-designed watershed development project is being led by the well-known Swiss Jesuit, Fr Hermann Bacher.

Funded by the German Development Bank Kreditanstalt für Wiederaufbau (KfW), the programme has won the approval of the National Bank for Agricultural and Rural Development

(NABARD), the state government and the appreciation of countless villagers.

The programme primarily focuses on poor, drought-prone villages and then undertakes a five-year project of rainwater harvesting and groundwater replenishment. The programme rests on the uncompromising commitment and participatory involvement of the entire village, requiring that 16 per cent of the cost of the project is borne by the villagers through voluntary labour. As WOTR director Fr Crispin Lobo said, "We do not begin unless the villagers demonstrate their commitment by doing four

days of Shramdan (voluntary labour), and then, abiding by a set of principles." As was done by Anna Hazare at Ralegan Siddhi, the villagers have to agree to a ban on indiscriminate grazing by their cattle and goats, a ban on tree felling and formation of a "village watershed committee" with representatives of landless labourers and 33 per cent reservation for women.

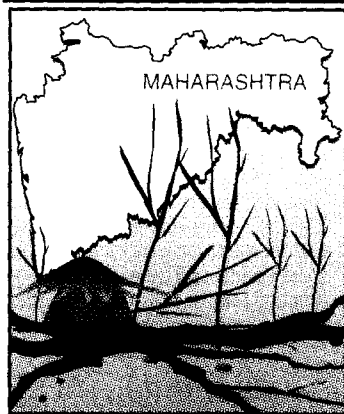
"We have found that the best way to unite people; to draw people from all castes and communities is to organise them around their hard-pressed need for water, Fr Lobo said. As was seen at Bhoysre Khurd, the watershed development was achieved in co-operation with the

state forest department and other agencies through the afforestation of hills and construction of water-absorption trenches, contour bunds and farm bunds, a number of gully plugs, and earthen, stone and masonry structures which arrest the downward flow of water.

Fr Lobo was particularly emphatic about the support extended by the state government, without which, he said, the WOTR could not have undertaken the afforestation and management of forest lands along with the help of the villagers. Having spent approximately Rs 150 crore over the last ten years at the rate of Rs 50 lakh per project, the WOTR is now seeking fresh funds to expand its programme.

"What we now need are funds to expand this programme. We have so far covered 1.8 lakh hectares; we can take this up to half-a-million hectares covering as many as 1,000 villages provided we are supported financially," he said.

DROUGHT — PART 2



EU keen on annual India summit

FROM PRANAY SHARMA

New Delhi, April 1: The European Union, Delhi's largest trading partner, is keen to turn its summit-level meeting with India into an annual feature. The next India-EU summit is scheduled to be held in Delhi this October.

The decision, being seen as evidence of India's rising stock in the West, comes in the wake of the Vajpayee government's move to further open up its market. The export-import policy announced yesterday removes quantitative restrictions from most sectors, including agriculture, in line with Delhi's commitment to the WTO agreement. The trade figure between the two sides run to over 21 billion euros, and is expected to go up with the opening up of the market.

The last India-EU summit was held in Lisbon last year. Apart from India, there are five co-

untries — the US, Russia, China and Japan — with which the EU holds such meetings. The sixth summit takes place with the African nations as a whole. The EU's desire to extend this honour to India shows its growing importance in the outside world, both politically and economically.

"There is a move now to institutionalise this dialogue at the summit level," an official said. The Delhi summit may be preceded by a business meeting, possibly jointly organised by the CII and the Ficci for a better response from foreign investors.

Surprisingly, the relations between India and the EU have strengthened only over the past few years though it has remained one of Delhi's major trading partners. The turning point was perhaps the aftermath of the May 1998 nuclear tests, when, the British presence notwithstanding, the EU, mainly because

of the French initiative, resisted sanctions against Delhi. The EU move is an indication that it has identified Delhi as a key player not only in the region, but at the international level, too, with whom it is keen on having closer and deeper cooperation.

The relations will receive further boost as foreign minister Jaswant Singh leaves for Stockholm to attend the India-EU trika meeting on April 4. Singh will stop at Denmark and hold bilateral talks with his Danish counterpart, Mognes Lykketoft, at Copenhagen on April 3.

At the meeting, Singh will have wide-ranging discussions with Swedish foreign minister Anna Lindh, whose country currently holds the EU presidency.

A number of developments in the region, including India-Pakistan relations and the possibility of renewed dialogue, the destruction of the Bamiyan Bud-

dhas, are likely to come up for talks. The EU may also seek Delhi's views on the developments in Sri Lanka.

The US-proposed National Missile Defence system is another area where both sides would like to know each other's views and discuss the likely fallout if the US goes ahead with it. The EU, which was initially opposed to the programme, has softened its stand and is keen to know whether the shield would be extended to them.

India is against militarisation of outer space, but has adopted an ambiguous position on a land-based missile defence system. It has not yet joined China in condemning Washington's proposed move.

However, Delhi is worried about the cascading effect it may have on security in South Asia and, therefore, would be eager to ascertain the EU's views.

THE TELEGRAPH

- 2 APR 2001

India-EU to cooperate in civil aviation

By Our Special Correspondent

NEW DELHI, MARCH 29. India and the European Union have agreed to jointly spend Rs. 140 crores (Euro 32 million) under the EU-India Civil Aviation Cooperation project for improving civil air safety and related procedures by strengthening cooperation between mutual civil aviation authorities and aerospace industries.

At a joint press conference after the first meeting of the Steering Committee, the co-chairpersons, Mr. Joe Cunnane, the First Counsellor, Delegation of the European Commission in India and Mr. Sanat Kaul, Joint Secretary in the Ministry of Civil Aviation, said the project will be of enormous benefit to both the parties. Mr. Kaul said the industrial collaboration would include technological inputs and training.

It was agreed to implement during the inception phase a series of technical workshops for the different activities to be followed by a validation seminar for each field of cooperation. It was also agreed that efforts would be made to complete the inception phase in six months, to be followed by the implementation phase for the agreed activities till the end of 2004.

Mr. P. De Prevaux of the European Association of Aerospace Industries (AECMA) hoped the project would lead to upgradation of aviation manufacturing standards in India. The Hindustan Aeronautics Limited, for instance, manufactures aircraft doors for Airbus Industries.

The project will focus on airworthiness and safety oversight, airlines management, air traffic management, product support, customer support, pilot instructor

training and airport activities.

The signatories to the project are the Ministry of Civil Aviation, the HAL, the Society of Indian Aerospace Technologies and Industries on the Indian side and AECMA on the European side. The project is managed by the AECMA who will get office space in the Ministry of Civil Aviation.

Lufthansa's ticket auction on Net

The German Lufthansa airline today conducted its first live internet auction for a variety of tickets between Delhi, Mumbai, Chennai and Washington DC, New York, Munich and London for media persons.

The tickets went for less than half the printed price. Of course, conditions apply.

The next live auction for all customers would be on April 18, when the airline will throw open some sectors for auction.

The Chief Executive of the airline here, Mr. Harold Han, said the airline hopes to sell half-a-million tickets through e-commerce in this year and plans to increase online sales to 25 per cent by 2005. In June 1997, Lufthansa became the first European airline to auction tickets live on the net. Since March 1998, it has been hosting regular monthly auctions in Germany on its online travel and service portal, InfoFlyway.

In 1999, the airline conducted the first live online ticket auction concurrently in Singapore, Bangkok and Kuala Lumpur. The average price of tickets sold during internet auctions have been between 50 to 60 per cent of the actual price.

Mr. Han said the Lufthansa website registers more than 35,000 hits a month.

THE HINDU

30 MAR 2001

French envoy upbeat about trade ties with India

By Ashley D'Mello

MUMBAI: If you thought France was only about fashion, champagne and the Moulin Rouge, think again. The Gauls have arrived in India and their business backpack is full of information technology, aeronautics and infrastructure.

In Mumbai to discuss Indo-French technical tie-ups was French ambassador to India, Bernard de Montferrand. In particular, M. de Montferrand was eager to talk about the latest Indo-French baby: a cyber university for science and technology — a joint project between the University of Bangalore and the University of Toulouse.

The French ambassador said that a fresh new thrust to cooperation between French industry and Indian business had been struck when a group of Indian CEOs stopped over in Paris on their way back from the Davos summit. Several high-level meetings with French business groups and government officials, said Mr. Montferrand, proved quite fruitful.

Apart from technical cooperation, the French ambassador said that they were also planning to invest in intellectual capital with a more extensive student exchange

programme, not only at the university level but also through internships at French companies.

Mr. Montferrand talked about his attempts to step up Indo-French co-operation. "During a recent visit to Paris, I managed to get 50 French com-

panies to volunteer internships to students," he explained, and remarked that this would lead to a greater opening of the Indian market by making managers and technicians conversant with French corporate culture. "Over the next 10 years, I hope, we will have groups of Indian students who have studied in France and hold important positions in Indian industry," he said.

When pressed to comment on the state of Indo-French collaborations, the French ambassador was circumspect.

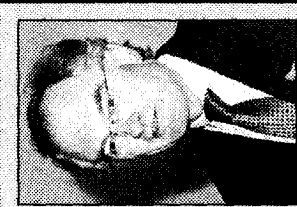
He said it was premature to talk about current negotiations between private companies before the deals were concluded. Howev-

er, several important projects are in progress such as the LNG gas terminal joint venture with Total-Elf-Fina, Tata and GAIL and the GNL gas project of Gaz de France in Gujarat.

Recently, French telecom giant Mr. Montferrand, dwelling on the

French expertise in aviation and aeronautics, pointed out that the recent Bangalore air show had a delegation of 20 French companies. "Both our aeronautical industries have been working together since the 1950s. The industrial cooperation between our countries is now a tradition. Companies such as Dassault, Snecma, Turbomeca, Eads and Thales International already have agreements in India.

Among the other companies who wish to follow this lead and were present in Bangalore are Matra BAE Dynamics, Aerospatiale Matra Missiles, Gifas, Reims Aviation, Saft and Sagem.



B. Montferrand

'India is still not a real single market. There are different taxes in each state which makes the situation difficult for both national and foreign companies. Every effort to make the Indian fiscal system more homogeneous and to allow goods to circulate freely through the country will encourage both foreign and Indian companies'

Alcatel obtained a \$250-million contract to build part of the 3,200 km submarine cable network between Singapore and Chennai. The same company has also signed a \$12-million contract with Birla AT&T for providing mobile phone technology to Maharashtra and Gujarat.

A French company, Degremont, has signed a \$50-million contract

So, are there any hurdles in the way of French companies setting up shop in India?

The French ambassador is hopeful. "Well, hurdles exist in every country, but many French companies are eager to invest in India for the long-term because the investment climate has improved. It is now possible for a foreign company to have 100 per cent share in an Indian company in a growing number of sectors.

The Reserve Bank of India and the Foreign Investment Promotion Board procedures have also been simplified.

"However, I have to emphasise one point: India is still not a real single market. There are different taxes in each state which makes the situation difficult for both national and foreign companies. Every effort to make the Indian fiscal system more homogeneous and to allow goods to circulate freely through the country will encourage both foreign and Indian companies. In this area, I am sure that the introduction of value-added tax in India, a French invention which has been adopted by all the member states of the European Union, would be a very positive evolution."

GERMAN DEFENCE MINISTER ON WEEKLONG INDIA VISIT

Germany hails ceasefire extension in J&K

HT Correspondent
New Delhi February 26

INDIA AND Germany will institutionalise a regular security dialogue at the defence ministers' level to focus on new emerging threats and risks, even as Berlin hailed extension of the ceasefire in Jammu and Kashmir as a "very responsible step."

Visiting German Defence Minister Rudolf Scharping told reporters this afternoon that the security dialogue would concentrate on areas of common concerns such as terrorism and proliferation of weapons of mass destruction into unsafe hands. Scharping described his week-long visit to India as "intensive". Germany is the second major power in Europe after France with which India will have a regular security-oriented dialogue in what is seen here as a new drive towards broader engagement on global security issues, including nuclear missile defence (NMD). Scharping said: "We perceive India as an indispensable power in the region, with a lot of chances

and also lot of challenges."

He hoped that Pakistan would respond to new regional peace initiatives. The German minister held three rounds of talks with his Indian counterpart George Fernandes and met External Affairs Minister Jaswant Singh and National Security Adviser Brajesh Mishra.

He was cautious on the resumption of military cooperation between the two countries, suspended after the 1998 Pokhran nuclear tests.

Asked if Berlin was ready to resume weapons sales to New Delhi, particularly in submarine-building and production of Arjun tanks, Scharping said it would be a "step-by-step decision". The German minister described the stretch of territory between the two countries as "very unstable" and commented that unlike Washington his country was alive to threats posed by terrorism and ethnic divide.

He said Berlin was interested in developing a cooperative structure in the Asian region in line with those of Europe for crises

management.

Scharping said Berlin was in favour of more representative structure of the UN Security Council and hoped that in the ongoing reorganisation of the world body, both the nations should find representation.

He said his country welcomed New Delhi's commitment to freeze nuclear testing and hoped that the decision would pave the way for India's ratifying the CTBT. He said India, a major power in South Asia, was re-defining its role and in this process New Delhi had to take into account not only its regional security interests, but also the consequences of its national policy for an effective international system aiming at maintaining peace and stability worldwide.

He said the agenda for the new Indo-German partnership in the 21st century was to work together more closely to meet new global challenges, pursuing the common goal of peace, stability, security and economic prosperity of their respective regions as well as beyond.



AP PHOTO
German Defence Minister Rudolf Scharping gets a traditional welcome before addressing a Press conference in New Delhi on Monday.

Berlin to join Delhi war against terror

FROM PRANAY SHARMA

New Delhi, Feb. 26: The close Indo-German relations and the attempt by the two sides to broad-base bilateral ties will be given a final stamp of approval with the visit of German Chancellor Gerhard Schroeder to India in October.

German defence minister Rudolf Scharping made the announcement at the end of his week-long visit and intensive dialogue with the Indian leadership. Though his Delhi counterpart George Fernandes was his main host, Scharping also met foreign minister Jaswant Singh and the Prime Minister's principal secretary and national security adviser, Brajesh Mishra.

The high point of his visit was the setting up of a mechanism which would enable the defence ministers of the two sides to hold regular consultations with each other and also provide the platform for senior military officials of India and Germany to interact.

Scharping identified India as a country which is "indispensable to international security" and said that though Germany was not trying to transfer its European experience on security and strategic issues to the region, it was hopeful that the proposed dialogue-mechanism would provide the forum for the defence establishments of the two countries to act closely with each other.

Germany is India's biggest European trading partner and has identified Delhi as one of the main countries in the region with which Berlin should build up a strategic relationship.

Over the past two years there had been frequent high-level talks between the two countries. German foreign minister Joscha

Fischer has already been here twice in the last two years and Jaswant Singh was in Berlin in January this year. German president Johannes Rau is also expected here within a month or two. But it is Schroeder's visit that can raise bilateral relations to the level both expect it to reach.

Scharping hailed Delhi's extension of the ceasefire in Kash-



Rudolf Scharping in Delhi. (AIFP)

mir as a "responsible decision in a very dangerous and risky situation" and felt it was time for Pakistan to respond to Delhi's gesture and try to settle the outstanding disputes between the two sides peacefully.

He said the proposed Indo-German dialogue mechanism will focus on emerging threats and risks posed by terrorism, ethnic conflicts and proliferation of weapons of mass destruction "in

unsafe hands".

The German defence minister expressed satisfaction on India's decision to put a freeze on further nuclear tests and pointed out that Delhi was not the only country as some "big countries", too, had problems with ratifying the Comprehensive Test Ban Treaty (CTBT).

On the proposed US National Missile Defence (NMD) he said: "It makes sense to have intensive dialogue and consultation on the issue before it is implemented."

However, he hinted that there was instability in many regions due to the rise of religious fundamentalism and international terrorism and democratic countries should get together to find a mechanism in making such regions stable and safe for their own economic development.

Scharping, when asked to comment about Germany selling its military hardware to India, made it clear that his mission here was not to look for a German arms market nor to solve problems that exist between the two sides on such issues.

The controversy over the HDW Submarines deal was now more than two decades old and perhaps the Indian side will review to decision to blacklist German arms manufacturers now, he said.

However, he was cautious on resumption of military cooperation between the two countries suspended after the May 1998 Pokhran nuclear tests.

Asked if Berlin was ready to resume weapons sales to Delhi, specially whether it would bid for the major naval submarine building project and collaboration on the main-battle-tank Arjun engines, Scharping said it would be a "step-by-step decision".

THE TELEGRAPH

27 FEB 2001

E.U. seeks cooperation in WTO talks ✓

By Our Special Correspondent *of Europe*

NEW DELHI, FEB. 8. The European Union (E.U.) is seeking India's cooperation to launch negotiations on investment and competition agreements parallel to the launch of a new round of trade negotiations under the aegis of the World Trade Organisation (WTO). A decision on launching the new round is likely to be taken before the next WTO Ministerial conference is held in November this year at Qatar. The E.U. has clarified that it will not seek to place labour standards or "social development" on the agenda at all. As for environmental standards, it will only seek clarifications on existing WTO provisions. But it is keen for India to give its assent to negotiations on the proposed investment and competition agreements even if these are not formally included in the new round.

The proposal for which the E.U. is lobbying hard among WTO member countries envisages that the negotiations on these two agreements should run parallel to the main round. Members can be given an option to join either the negotiations or the agreement. Unlike other aspects of the multilateral trading system, it will not be mandatory for members to sign the agreement, on the lines of the "opt-out"

system of the E.U. According to the European Commission's Director for WTO affairs, Mr. Herve Jouanjean, who has held extensive discussions with the Commerce Ministry, the Indian authorities are lukewarm about the proposal. But the main aim of this visit is to ensure that India will not strenuously oppose the proposal at Geneva during the run-up to the Qatar Ministerial conference. He felt many developing countries are keen on multilateral investment and competition agreements as it will enable them to work in an organised and transparent system. Even India, he pointed out is going to introduce a modern competition legislation and would be able to use the proposed agreement to its own benefit. For instance, the formation of a cartel in India could be controlled if the parent companies are in Europe where Indian authorities would be able to seek redress under the multilateral agreement.

Mr. Jouanjean said a decision on launch of the new round will be taken well before the conference so that there is no repeat of the failure at Seattle. The EC representative who came to attend the India-EC Joint Commission meeting also held wide ranging talks with the Commerce Ministry as part of the bi-annual dialogue on WTO issues initiated last year after the E.U.-India summit.

THE HINDU

9 FEB 2001

France backs India's bid for UN Council seat

PARIS: France has promised to take an "initiative" in seeking India's inclusion as a permanent member of the UN Security Council. French President Jacques Chirac reiterated France's unequivocal support for India's permanent membership as and when the UN reforms took place, national security adviser Brajesh Mishra said here on Thursday.

When Mr Mishra called on Mr Chirac on the sidelines of the sixth round of the strategic dialogue between India and France, the French leader pledged to take the initiative on the matter. Mr Mishra also had meetings with French foreign minister Hubert Vedrine and defence minister Allan Ricard.

At the end of the two-day talks, Mr Mishra said the strategic dialogue initiated in 1998 had brought

about a "broadening and continuing" cooperation in economic, defence and commercial fields as well as in foreign office matters. Besides strategic issues relating to security and disarmament, the South Asian situation, India's initiatives in sustaining the Kashmir peace process and the NMD figured during the strategic talks.

In reply to a question, Mr Mishra said the situation was not 'conducive' at present for resumption of the stalled Indo-Pak talks. Pakistan must first put an end to cross-border terrorism before any prospect on the resumption of bilateral dialogue on all outstanding problems, including the Kashmir issue, he said.

Asked why India was pressing ahead with the extension of the unilateral ceasefire in Kashmir

despite facing casualties, Mr Mishra said the ceasefire had the support of the people who were longing for peace. While the five-member Indian delegation included Rakesh Sood, ambassador to the Geneva-based Conference on Disarmament (CD), the French delegation was led by Chirac's special envoy Gerrad Errera.

Asked whether Pakistan's aid to quake victims in Gujarat would lead to an improvement in Indo-Pak ties, Mr Mishra said India appreciated the humanitarian gesture and took it in the right spirit but indicated it might not have any bearings on bilateral relations.

"It is entirely a different matter," he said. Pakistan alone was responsible for 80 to 90 per cent of terrorism incidents, Mr Mishra said. (PTI)

THE TIMES OF INDIA

3 FEB 2001

MI6 drawn into Hinduja passport scandal

AGENCE FRANCE PRESSE
LONDON, JAN 30

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BRITAIN'S Opposition conservative party is seeking to establish whether ministers ignored advice by MI6, the state's foreign intelligence service, on the billionaire Hinduja brothers at the centre of a passport scandal.

The Tories are claiming MI6 recommended that Indian-born Srichand Hinduja's bid for a British passport should be refused. *The Guardian* newspaper reported today. The row over the Indian tycoon's passport request has already cost the ministerial job of Peter Mandelson, one of British Prime minister Tony Blair's closest friends and advisers, and threatens Keith Vaz, Britain's most prominent Asian politician.

Ann Widdecombe
Ann Widdecombe, Tory spokeswoman on interior affairs, has written to the head of the official investigation into the affair, lawyer Sir Anthony Hammond, to ask him to examine whether the foreign intelligence service played a role in the scandal.

"I believe it is in the public interest that these answers be known," she wrote. Widdecombe suggested that MI6 agents were tasked to look into the Hinduja brothers by the British High Commission in New Delhi. They were, it was suggested, asked to look into the corruption case facing Hinduja and his brother Gopichand in India over a huge arms deal. Widdecombe has asked Hammond to examine whether immigration officers asked MI6 to draw up a dossier into the Hinduja's alleged links to the Bofors arms deal. Blair last week ordered an inquiry into whether

Mandelson and Vaz did anything wrong in intervening on Srichand Hinduja's behalf. Downing Street said that the probe should be concluded by the end of next month. Mandelson stood down as Northern Ireland minister last week after reversing an earlier denial that he had telephoned a home office minister in June 1998 about Hinduja's application.

It was around that time that the Hinduja brothers pledged one million pounds to the government's pet millennium dome project, for which Mandelson was then responsible.

The money was delivered in October 1998. A few days later Srichand Hinduja submitted a second request for a British passport. His first had been rejected in 1990.

He obtained his citizenship in March 1999, a third

of the time it normally takes.

Meanwhile, a close friend of Mandelson has said the ex-minister was the victim of a miscarriage of justice prompted by a "hysterical lynch-mob atmosphere".

Writing in today's Independent newspaper, author Rober Tharris, accused elements in the government and the ruling labour party of showing "scant loyalty" to the former Northern Ireland secretary, but nevertheless said he believed Mandelson's career in frontline politics was now at an end.

A spokeswoman for the foreign office declined to comment on the suggestions that MI6 had probed the Hinduja affair.

"We do not confirm or deny intelligence reports," she said.

E.U.-India: from fascination to greater cooperation

By Chris Patten *J. Europe*

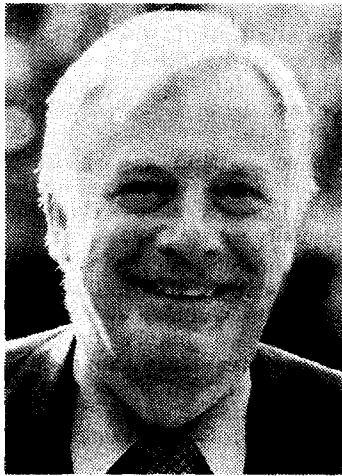
India always fascinated Europe; its culture, its diversity, its democratic tradition, its sheer size. Today, the European Union is India's top trading partner, and European companies are the leading investors in the country. But the European Union has not — at least until now — exercised the same fascination for Indians as India has for Europeans. Relationships with individual countries — Britain, France and Germany — have always dominated Indian attitudes. That is an understandable reflection of history.

40-14
Later this week, I shall be making my first visit to India as the European Commissioner for External Relations. It seems that India is now taking more interest in the E.U. There are two main reasons: the end of the cold war leading to E.U. enlargement, and the launch of the Euro. The first E.U.-India Summit at Lisbon in June 2000 marked a turning point. The leaders of the two largest democracies discussed a multitude of common transborder challenges, such as a new WTO round, climate change, terrorism and nuclear proliferation. They also confirmed our mutual interest in seeing closer bilateral trade and investment links and co-operation in new technologies.

Our two markets will comprise 1.5 billion people after enlargement of the E.U. — a quarter of the world's population. Yet at present our trade with India represents less than 1.5% of the Union's foreign trade, and only 0.4% of the E.U.'s direct investment abroad goes to India. There is a huge economic and commercial potential waiting to be tapped.

24/1
The last decade of reforms and liberalisation has benefited the economy. India has experienced constant growth when other countries of the region were suffering from a serious crisis. The reforms have also supported unprecedented development in high-tech sectors like information technology. Indeed, India has been so successful, that it provides accountancy services and exports software worldwide, with its engineers taking up job offers from many industrialised countries. But if other sectors are to experience similar growth and increased competitiveness, the reforms must continue, and the Indian Government must not al-

low corporatist resistance to reduce India's attractiveness to foreign investors. Globalisation means that the competition for foreign direct investment is every bit as competitive as the pageants which Indian beauty queens nowadays seem to dominate. But the vital statistics which interest private sector investors are economic ones. They are concerned about a transparent and sound legal, administrative and fiscal environment, and a functioning



infrastructure. It is the countries which outshine their competitors on those grounds who will win the FDI crown.

The Commission will do its bit to increase India's chances with companies coming from the E.U. We are working on a joint initiative to promote trade and investment, focussing on the private sector, in preparation for the next summit which will be held in New Delhi later this year. Our co-operation programmes are intended to assist India to meet and apply standards in areas such as phyto-sanitary health.

India would also benefit from the launch of a new round of multilateral trade negotiations. They would reduce the obstacles to trade and investment. The E.U. is committed to a new round in which the vital interests of developing countries like India are addressed. We are very conscious that globalisation needs to be harnessed to benefit the poor and vulnerable nations and populations.

Indeed, humanity's greatest challenge this century is the elimination of poverty. This is India's greatest challenge too. Europe supports the Indian Government's ambitious socio-econom-

ic reforms, and the combined efforts of the Commission and member states make us the largest donor for India's development. The Commission recently granted Euro 200 million to the *Sarva Shiksha Abhiyan* programme intended to extend elementary education to all Indian children.

Our development partnership, and our wider relationship, should draw on the strengths of our two civil societies. Their vibrancy and diversity reflect both the strengths of our respective democracies, and the multi-lingual, multi-ethnic societies in Europe and India. Indeed, as many commentators have recognized, India's choice of democracy has promoted stability and peace, and prevented this diverse country with its 18 officially recognised languages from coming apart at the seams. The European Union — with 11 official languages at present — faces a similar challenge in pursuing political and economic integration as the best means to promote peace and stability both within as well as outside the E.U. At the same time the variety of different national, regional and local traditional democratic institutions provides a highly diverse, yet strong democratic underpinning.

The E.U.-India civil society relationship has a solid base thanks to the remarkable cooperation of European and Indian NGOs. The Commission has financed more than a thousand projects of Indian NGOs in India focussing on poverty alleviation, women's empowerment and children's rights. Civil society must also be one of the motors in the relationship between the European Union and India, and a source of new ideas. That is why in the course of my visit I will inaugurate a Round Table made up of eminent representatives of the Indian and European civil society together with Foreign Minister Jaswant Singh. A network of Euro-Indian "think tanks" will also be set up during the year and we are looking into the possibilities of building further links in culture and education. By forming 'thinking links', we should start to dispel the ignorance and stereotypes that hamper mutual comprehension and build a basis to move from European fascination with India to greater E.U.-India cooperation on the world stage.

(The writer is European Commissioner for External Relations)

■ Mandelson had helped SP get British passport ■ CBI to grill Bofors 'beneficiary' again

UK minister quits over Hinduja link

AGENCIES

LONDON, Jan. 24. — The British minister in charge of Northern Ireland, Mr Peter Mandelson resigned today after disclosures that he had helped Mr Srichand P Hinduja get a British passport.

Mr Mandelson, the Prime Minister's closest political ally, announced his resignation shortly after a two-hour meeting with Mr Tony Blair. The Prime Minister had summoned him to "establish the facts" in the controversy over the issue of a passport to the Hinduja group chairman, Mr SP Hinduja, a leading businessman and a major donor for the millennium dome project.

Mr SP Hinduja and his two brothers, PP and GP, are in India facing charges in the Bofors kickbacks case.

After his meeting at 10 Downing Street, Mr Mandelson said: "I didn't in any way act improperly in respect of any application for naturalisation as a British subject... I do accept, however, when my office spoke to some newspapers this weekend, I should have been clear that it was me... and not my official who



The British minister for Northern Ireland, Mr Peter Mandelson, speaking to the media in front of 10 Downing Street after resigning from the government on Wednesday. — AP/PTI

said he accepted responsibility for

incorrect information given to the House of Commons and to the press. Mr Mandelson was accused of trying to cover up the extent of his role in

helping Mr SP Hinduja get a British passport in 1998, when he was the minister responsible for the millennium dome and when Mr SP Hinduja and Mr GP Hinduja gave £1 million to the dome's faith zone.

Mr Mandelson triggered a political outcry when yesterday he allegedly changed his version of events on what he had reportedly said on Sunday.

Media reports had quoted him as having said on Sunday that his "limited" involvement in Mr SP Hinduja's application was handled by his civil service private secretary, a statement repeated by Downing Street on Monday.

Yesterday, 10 Downing Street, disclosed that Mr Mandelson had personally raised the issue in a telephone conversation with Mr Mike O'Brien in June 1998, then the immigration minister.

Last night, Mr Blair's spokesman had said Mr Mandelson hadn't offered to resign. He insisted that yesterday's statement didn't alter the key point that Mr Mandelson at no stage endorsed or supported Mr SP Hinduja's application. But he conceded that it "would have been better if we had

got it right first time around."

CBI to grill SP again: The CBI has summoned the Hinduja group chairman, Mr SP Hinduja, again to cross-examine him on certain facts that have come to light after Geneva-based Mr PP Hinduja was interrogated in the Bofors kickbacks case today, SNS adds from New Delhi.

CBI officials said the agency had asked Mr SP Hinduja to appear before the investigators tomorrow at 11 a.m., though they had completed questioning him yesterday.

One of the investigators who questioned Mr PP Hinduja today for more than four hours said: "We have to cross examine certain facts which came to light during the interrogation... The CBI wants to clarify it between the two brothers." Officials, however, refused to divulge the facts.

Mr PP Hinduja reached the CBI headquarters around 11 this morning and was interrogated till 1.30 p.m. and then again from 3.15 p.m. to 5 p.m. A designated court had extended the date of the Hindujas' interrogation till January 30. The CBI will now begin interrogating the London-based Mr GP Hinduja.

UK minister quits over Hinduja citizenship issue

By Robert Barr

LONDON: Northern Ireland secretary Peter



Britain's Prime Minister Tony Blair sits glumly alongside Peter Mandelson (left) in London's House of Commons on Wednesday.

Mandelson announced his resignation on Wednesday following growing controversy about his involvement in the citizenship application of Indian business tycoon Srichand Hinduja.

(PTI adds: S.P. Hinduja, chairman of the Hinduja Group, said on Wednesday that he was "sad" to see Mr Mandelson's resignation. "I wish to reiterate that I have never at any time linked our support for the faith zone of the millennium dome with our request to Mandelson for information in 1998," Mr Hinduja, who is currently in New Delhi, said in a statement here.)

French visas to be easier for Indians

Ranvir Nayar in Paris

FRANCE WILL change its visa and immigration rules in order to simplify entry of Indian software engineers into this country. This assurance was given here by French Senator Jean Francois Poncet, co-chairman of the Indo-French Forum, at the first meeting of information technology companies from the two countries.

The two-day meeting is being held in the Senate, or upper house of the French Parliament. Poncet recognised India's might and expertise in the field and hoped it would lead to good results by

boosting cooperation between Indian and French companies in the IT sector.

The problems the companies faced with the French bureaucracy was one of the major issues discussed.

The problems faced by Indian software engineers in getting work permits to France was raised by Kanwal Sibal, Indian ambassador to France, in his speech on the occasion.

"This is an industry which is knowledge intensive and hence service-oriented. In order to promote business cooperation, person-to-person exchanges between respective corporate sectors become important, which is why the visa regime is

critical," Sibal said.

Several companies, both French and Indian, said the French Interior Ministry took six to eight months before granting work permits to Indian software engineers. This severely curtailed Indo-French business in this crucial sector.

"Even to issue a one-month visa for an Indian engineer, the French bureaucracy takes about three months. A Romanian, for instance, gets a five-year work permit in 48 hours from the same bureaucracy. This has led several of us to go in for the Romanian software engineers even if we want to hire Indians," said a representative of a French IT major.

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THE HINDUSTAN TIMES

THE HINDUSTAN TIMES

20 JAN 2001

Germany appreciates India's peace move in Kashmir ^(R) 11-13 201

BERLIN: Germany on Friday appreciated India's initiatives to sustain the peace process in the Kashmir valley and described the unilateral declaration of ceasefire in the region as a "laudable" step.

This was conveyed by the German foreign minister Joschka Fischer during his meeting with the visiting external affairs minister Jaswant Singh.

Moves to reduce tension between India and Pakistan and Indo-German relations were among the issues that figured during the meeting, a German foreign ministry statement said. Germany welcomed India's efforts to expand the constituency of peace, particularly in the Jammu and Kashmir region as well as its policy of "restraint", Mr Singh told reporters after the meeting.

Acknowledging that endeavours like the Kashmir peace process would face "difficulties and challenges", he told Mr Fischer that such problems were created by "Pakistan's inability to put an end to cross-border terrorism". "It is our expectation that Pakistan

will be able to address the problem of cross-border terrorism in a responsible way," Mr Singh said. Asked to comment on the spin-off of the recent meeting between the Indian high commissioner Vijay Nambiar and Pakistan's chief executive Gen Pervez Musharraf, Mr Singh said he was yet to be briefed by the diplomat. Mr Singh, who is meeting Mr Fischer for the third time in 15 months, said the recent test-firing of Agni II ballistic missile was not in violation of any international obligations.

Meanwhile, Mr Singh discounted the possibility of Saudi Arabia assuming any role in restraining Kashmiri militant groups.

"This (militancy in Kashmir) is a problem concerning India and we are addressing the problem ourselves," he said when asked whether Saudi Arabia was positioning itself to rein in militant groups in Kashmir.

"The international community is mindful of what is happening," he said in an apparent reference to the unilateral ceasefire declared by India in Kashmir. (PTI)

THE TIMES OF INDIA

20 JAN 2001

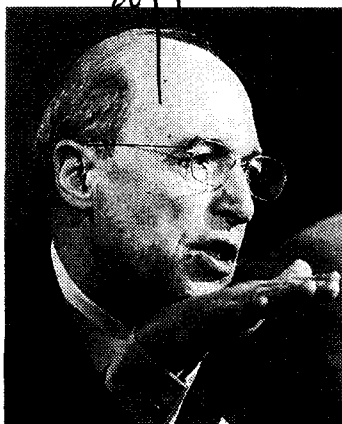
Greece backs Indo-Pak. peace process

By K.K. Katyal ^{HP-13}

ATHENS, JAN. 19. Greece hopes that ties between India and Pakistan will enter a new constructive phase through dialogue at an early stage. While urging either side to avoid escalation of tension, it fully backs "the current peace process." It does not mince words condemning "all acts of terrorism whatever their origin."

The Prime Minister, Mr. Costas Simitis, who is due to visit India in the first week of February, outlined his Government's stand on this and other issues in an exclusive interview to *The Hindu* here. He looked upon his trip as an opportunity for consolidation of long-standing close ties which needed to be adapted to meet the changed challenges.

With Parliament in session, it was an extremely busy day for Mr. Simitis. He found time to discuss each of the questions, formulated in advance, at times seeking clarification, at times offering a brief comment. The replies were provided afterwards, each word appearing to have been weighed carefully. The meeting took place



Mr. Costas Simitis

in his Parliament House office, as a large numbers of visitors, MPs and others, waited to take their turn. The parliamentary proceedings were being relayed in the room of his aides and the brisk gesticulations of the member on his legs showed that the subject under discussion was sensitive.

Greece, Mr. Simitis said, recognised India's aspiration to become a permanent member of the U.N. Security Council. To the extent the stand of other countries

was regarded as a yardstick to measure the degree of friendship, New Delhi could derive satisfaction from Athens' views. (It was known that Greece favoured the entry of both India and Japan to the U.N. Council.)

Ms. Simitis was conscious of the need for enhancing the economic relationship between India and Greece so as to bring it at par with political ties. How could this weakest link be strengthened? It was a difficult question, he observed but in his reply, made two specific points - one, there was scope for Indian experts in information technology to work with Greek businessmen and, two, there was a case for exploring the possibilities of joint ventures. On the situation in South Asia, his comment reflected the stand of the European Union, of which Greece was a member - concern over growing tensions and arms build-up.

Other questions related to Greece's place in the E.U and the future shape of the grouping (he saw an irreversible trend towards federalism), the situation in the Balkans and his country's rela-

tionship with Turkey (unlike others, he did not see a slowdown in the rapprochement process).

He preferred not to respond to a question on the present relationship between the state and church in Greece - a sensitive subject because of the strains that have developed of late. Apart from other factors, the church objected to the government's move to delete "religion" from the citizens' identity cards. As a member of the E.C., Greece would be required to move towards a demarcation of the role of the church and the state. Another subject he chose not to touch concerned the rejection of a BHEL tender by the Public Power Corporation of Greece, though it was the lowest and the technical competence of the enterprise was not in question. Mr. Simitis said he did not know the details of the case.

His February visit to India will be the latest in the series of high-level exchanges, of which the next highlight will be the trip to Greece by the President, Mr. K.R. Narayanan, in April.

Details of interview: Page 14

THE HINDU

20 JAN 2001

Greece supports India's claim for U.N. Council seat

By K.K. Katyal

ATHENS, JAN. 19. Even a brief conversation is enough to know the man and politician behind the Prime Minister of Greece, Mr. Costas Simitis. It is not hard to discern strong convictions behind his easy manners and informal disposition. As head of the government, he measures his words carefully and even while explaining his viewpoint does not give the impression of imposing himself on you.

He combines the position of head of government and the ruling party, Panhellenic Socialist Movement (PASOK), and as such, does not face any major difficulty in carrying forward his agenda, be it in regard to the European Union, the new challenges in the Balkans or ties with Turkey.

His present rule contrasts sharply with his struggle against the military junta, which controlled Greece between 1967 and 1974 — from outside the country — and formed a party which later became the nucleus of "Democratic Defence." Here are his replies to some of the questions put to him by me:

Question: There is no problem between India and Greece - political, diplomatic or in any other area. How would you outline this relationship? And how do you look at your forthcoming visit to India?

Mr. Costas Simitis: I expect that my visit will promote consolidation of our longstanding, close and friendly bilateral ties which should adapt to the new challenges of this new century. As both countries have changed significantly within the last years, I believe that there is a growing potential for even closer interaction in the political, economic and cultural fields. In this context, I look forward with particular interest to my talks with Prime Minister Vajpayee and my meetings with the other leading political figures of India. I am particularly honoured that the Jawaharlal Nehru University (JNU) will confer upon me a Doctorate of Law H.C. As you know, in recognition of the ancient and historical bonds which exist between Greece and India, the Greek Government has endowed a Chair of Greek Studies at the JNU.

How do you find the scene in South Asia? Your views on India-Pakistan relations and the Kashmir problem, in particular, the issue of cross-border terrorism?

We are following events over the last years in South Asia. We have witnessed, with some concern, growing tensions, and an arms buildup which should be avoided, in an overall effort to reduce armament stockpiles.

We hope that relations between India and Pakistan will enter a new, constructive phase, through dialogue, as soon as possible, to the benefit of the security environment and the economic development of South Asia. It is within this context that the Kashmir problem should be dealt with, while each side should avoid the escalation of tensions in order to create the necessary conditions to further the peace process, which Greece fully supports. Finally I would like to stress that Greece strongly condemns all acts of terrorism, whatever their origin.

What is Greece's stand on India's claim to a permanent seat in an expanded U.N. Security Council?

Greece has particular regard for India and its democratic traditions and values as well as for the important role it has always played and continues to play in the U.N. as well as U.N. peacekeeping operations. Greece believes that the reforms of the U.N. should reflect the existing international realities, and in this context we support the aspiration of India to become a permanent member of the UNSC.

Trade and economic ties seem to be the weakest link. How can this situation be improved? There are suggestions here that the entry of Indian experts in information and computer technology be facilitated. Your views?

Our bilateral economic ties should correspond to the high level of our traditional political bonds. Therefore we must strive to create the necessary climate between business people of both countries, as it is clear that the potential is there. I believe that we can provide each other with important know-how in areas of respective interest, and therefore I feel that there is scope for Indian I.T. experts — a rapidly developing sector in India — to work with

INTERVIEW

Greek businessmen active in that field. However, we should also explore possibilities of cooperation and joint ventures in other fields as well. It is for this reason that the Minister of Development and the Deputy Minister of National Economy will accompany me as well as an important delegation of businessmen, representing various sectors.

Greece is now a full member of the European Union, having joined the monetary union recently. What are the gains you expect from closer integration with the rest of the E.U.? Your views on suggestions for a federal Europe? And what is the impact of globalisation?

Greece has been a member of the E.U. for 20 years. During this period, the economic and social environment in our country has dramatically improved. Thanks to the strenuous efforts of the Greek people, we are now members of the European Monetary Union, in the Euro zone, and we participate in the "hard core" of European decision-making. Greece is thus ready to face the challenges of globalisation, and we are looking forward, with confidence, to the future. However, participation in the E.M.U. does not mean that problems have vanished. We should persevere in our course and maintain our economic performance.

As you are aware, in the wake of the European Council of Nice, the functioning of main E.U. institutions such as the Commission and the Council of Ministers will undergo a reform. It is correct that changes in the E.U. are slow, but there is a continuous and, I believe, irreversible trend towards federalisation. Of course, we do not yet know precisely which kind of federation we want to achieve.

How do you look at the latest situation in the Balkans? And the role Greece has in mind in the new, emerging context?

Emerging from a long period of isolation, ethnic tensions and authoritarian rule, I believe that South-Eastern Europe is now on the threshold of a new era where democracy, respect for human rights and the rights of minorities, cooperation and political dialogue shall prevail. Indeed, the countries and the peoples of the region have realised that it is only through cooperation and mutual respect, that peace and stability will be assured in the Balkans.

These elements, as well as the respect of internationally recognised borders, constitute the *conditio sine qua non* for the promotion of democratic reforms, economic and social development and the building of new structures and institutions. It is more than obvious that many problems remain and the road towards Europe and Euro-Atlantic institutions is a difficult one. But the process has already begun and the objectives are commonly accepted as the recent democratic developments in the FR of Yugoslavia have proved.

Greece, as the only Balkan member both of NATO and of the E.U., will spare no effort at guaranteeing and reinforcing this course of its neighbours and has contributed substantially, both politically and financially, in the widening of their European perspective. We firmly believe that now is the time to strengthen the ties between us in order to dissociate the term Balkans from its past negative nuance.

There seems to be a pause in Greece's efforts at rapprochement with Turkey? What are the problems — and the prospects?

Greece started in 1999 a dialogue with Turkey in non-problematic fields such as tourism, environment, culture, economy and trade. This process has already led to ten bilateral agreements, the development of cooperation on these specific fields and a certain improvement of the climate between the two countries.

At the same time, talks are carried on between Athens and Ankara on confidence building measures, while Greece is also offering to Turkey expertise in E.U. matters.

Furthermore, Greece has adopted a positive stance on the accession of Turkey to the E.U., with regard to its recognition as a candidate country, at the Helsinki European Council (Dec. 1999) and the adoption of the accession partnership at the Nice European Council (Dec. 2000).

These developments have certainly led, as I said, to an easing of tensions between the two countries. However, a substantial and long-lasting improvement of our relations with Ankara can be achieved only if Turkey changes its policy towards Greece, renouncing the use of force or the threat of force, fulfilling her commitments laid down in the political criteria of the accession partnership, settling our sole bilateral difference, the delimitation of the continental shelf in the Aegean, through the International Court of Justice.

Last but not least, Ankara should contribute to the achievement of progress on the Cyprus issue — which is not a bilateral problem but an important international one — according to the relevant U.N. resolutions.

Finland seeks Indian IT professionals

STATESMAN NEWS SERVICE

KOLKATA, Jan. 18. — Finland is looking for IT professionals from countries like India and Russia to sustain the explosive growth of its tele-communications industry. The country has captured a third of the global market for mobile telephones, growing at a rate of 50 per cent a year.

Nokia is a Finnish success story. This sector of the country's economy is growing at three times the rates of the rest, consisting mainly of paper and machinery.

People there can't cope with this growth of the telecom sector and hence the need for foreign professionals, Mr Jukka Valtasaari, secretary of state in the Finnish ministry of foreign affairs, said today.

He was in the city, along with Mr Benjamin Bassin, ambassador to New Delhi, and Mrs Tarja Laitainen, head of the Finnish government's Asia bureau, to call on Mr Buddhadev Bhattacharya and address

members of the Indian Chamber of Commerce. He visited New Delhi earlier to meet Indian foreign ministry officials. He will go to Mumbai from here and thence to Islamabad.

Mr Bassin said Finland currently is not as attractive a destination as USA

or the UK. He said immigration laws would have to be changed to reverse this situation. Finland needs to ensure that families of foreigners, working there, are able to join them quickly and their children are able to attend local schools.

Finnish team meets Buddha

KOLKATA, Jan. 18. — "Courtesy" but "no investment", this was the outcome of a meeting between the chief minister and the Finnish secretary of state here today. Mr Jukka Valtasaari told reporters that Kolkata is a "city with a large pool of talent". Finland, however, has no investment plans for the state. — SNS

Exemptions from certain local laws must be allowed. Attractive material incentives should be offered and this aspect would be taken up primarily by firms like Nokia and those to which they "outsource".

Earlier, speaking at the ICC, he said the advent of the Euro was good not only for EU member countries, but also for their trading partners, like India, because it helped to maintain currency stability.

THE STATESMAN

19 JAN 2000

India, Germany for joint strategy at G-20

HT Correspondent
New Delhi, January 11

HP-19 12/1



Hans Eichel

GERMANY ENDORSED
India's position on chairmanship of G-20 which is sought to be alternated between developing countries and G-7. Both countries will also interact on involving private sector in G-20 framework very shortly.

An understanding to this effect was reached between two countries at a meeting of Finance

Minister Yashwant Sinha and his German counterpart Hans Eichel in the capital today.

Apart from this, both Sinha and Eichel have agreed on the possibility of a common position vis-a-vis other reforms in international financial architecture and cooperation in international fora.

The executive directors of India and Germany will also closely interact on several economic issues at International Monetary Fund (IMF).

An official news release said that India and Germany have agreed to have extensive exchange of information on pension reforms.

The two countries will also cooperate with each other in reorienting World Bank for working towards poverty reduction.

Meanwhile, addressing a news conference, Eichel announced the formation of an expert committee having representation of officials from both the countries to discuss bilateral economic issues. The first meeting of the committee will take place in Berlin in the middle of 2001," he said.

The German finance minister also apprised media of a decision taken in a meeting between finance ministers of the two countries that will take place once every year.

He expressed confidence in the Indian investment environment, which according to him has turned positive in the recent past.

"Infrastructural bottlenecks in India should be taken care off on a priority basis to make the environment more conducive for investments in the country," he added.

THE HINDUSTAN TIMES

12 JAN 2001

'Germany has lessons for India'

EC-10

Our Delhi Bureau

12/1

NEW DELHI 11 JANUARY



LESSONS FROM EUROPE: Finance minister Yashwant Sinha with Hans Eichel in his North Block chamber on Thursday. — PTI

UNION FINANCE minister Yashwant Sinha, on Thursday, said the country could gain a lot from the privatisation experience of West German companies like Lufthansa and Deutsche Telekom.

During a meeting with German finance minister Hans Eichel, Mr Sinha said India could learn from German initiatives in the disinvestment front. In fact, both leaders agreed to exchange knowledge on the sell-off experience.

A team of German experts will interact with the Indian disinvestment ministry, a ministry release said.

The German minister aired industry concerns that a 26 per cent cap on foreign equity in the insurance sector was a deterrent to further investments. Mr Sinha countered this by saying that German insurance firms should first utilise the available liberal provisions.

Both leaders also discussed the huge potential for pension funds in India and Germany and agreed to exchange notes on reforms in this sector, the release said.

The Economic Times

12 JAN 2001

India, Belgium sign two bilateral pacts

By Our Special Correspondent

NEW DELHI, JAN. 8. India today concluded a bilateral Investment Protection Agreement with Belgium and Luxembourg as well as an Air Services Agreement on the occasion of a Joint Commission meeting with the Belgo-Luxembourg Economic Union. *HO-14*

Addressing the opening session, the Commerce and Industry Minister, Mr. Murasoli Maran, expressed confidence that the implementation of the agenda for action flowing from the India-European Union summit last year would further strengthen cooperation in various fields. India with its cost-effective advantages could meet the growing demand for IT professionals in Belgium and Luxembourg, he said.

Stressing the importance of Indo-EU strategic partnership, the Belgian Secretary of State for Foreign Affairs said the early conclusion of the Double Taxation Avoidance Agreement as well as the Air Services Agreement would facilitate this process.

The Luxembourg Vice Prime Minister, Ms. Lydie Polfer, referring to multilateral trade issues, said the EU believed that a new negotiating round could succeed only by taking on the board concerns of all member countries.

The Investment Protection Agreement which came into force today was for a period of ten years with a broad intent to promote and protect mutual investments. Each country was required to encourage and create favourable conditions for investors and the admission of investments shall be subject to the laws and policies of the country where the investment was made.

The core of the agreement lay in its positive assertion of the principles of the Most Favoured Nation and National Treatment. Further, it provided that nationalisation or expropriation shall not

be resorted to except in the public interest in accordance with law, on a non-discriminatory basis, and against compensation.

The Investment Protection Agreement was signed between the Minister of State for Finance, Mr. Balasaheb Vikhe Patil, and the Secretary of State for Foreign Affairs, Belgo-Luxembourg Economic Union, Mrs. Annemie Neyts-Uytterbroeck.

At a separate function, the Air Services Agreement between the two countries was signed by the Civil Aviation Minister, Mr Sharad Yadav, and Ms. Lydie Polfer, Vice Prime Minister of Luxembourg. The agreement was originally initialled on December 21, 1998 and provided that both countries would have the right to designate up to two airlines each for the purpose of operating the agreed air services.

It also stipulated that the frequency of services and the capacity to be operated by the designated airlines would be determined by the two aeronautical authorities from time to time. As for destination points, the agreement only stated that the designated airline of India would be entitled to operate to and fro services from New Delhi to Luxembourg. The intermediate and beyond points on the route schedule are yet to be agreed.

It was also agreed that the designated airlines of each contracting party, after the grant of operating authorisation by the aeronautical authorities of the other contracting party, would be permitted to operate all-cargo services without restriction of frequencies, aircraft type, type of services, tariff and market access excluding cabotage. No capacity entitlement has been fixed in respect of passenger flights.

The designated airlines for India and Luxembourg are Air India and CargoLux Airlines, respectively.