

India talks tough against EU

Sugar Policy To Hurt Caribbean Countries, Kamal Nath Tells CHOGM

Our Delhi Bureau

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UNION minister of commerce and industry Kamal Nath took a tough stand at the Commonwealth Heads of Government Meeting (CHOGM) 2005, on the European Union's recent decision on sugar, which would adversely affect the interests of Caribbean countries and aggravate poverty.

The only trade minister present at CHOGM, held between November 25 and 27, Nath made a presentation on WTO issues before heads of governments. It sparked off strong protests from the Prime Ministers of Guyana, Jamaica and Barbados against the EU decision and stalled all proceedings. The Prime Minister of Malta, Dr Lawrence Gonzi, as chairman of CHOGM, agreed not to officially issue the communiqué.

Brazil had earlier argued that EU export subsidies on 1.6 mn metric tons of sugar from mostly former European colonies in Africa, the Caribbean and the



- ▶ EU will stop exporting 2 MT sugar from next yr
- ▶ Brazil to be allowed to export 10% more
- ▶ Extra sops for beet processors & refiners
- ▶ Price cut of 36% within 4 years

Pacific should be counted within, not in addition to, the EU's agreed limits. Brussels claimed its sugar policy was legal and warned that if Brazil chooses to boost sugar production and prices fall, this could, in turn, harm poorer developing countries, particularly in Africa and the Caribbean.

The WTO had said that by not complying with the agreed limits on export subsidies, the EU was hurting developing countries by undercutting their producers' prices. According to Brazil, the decision means the EU will have to cease exporting 2 mn tons of sugar from next year while Brazil will be allowed to export 10% more.

Earlier this week, EU agriculture min-

isters had agreed to adopt extra measures for beet processors, beet growers and EU refiners. It was clarified that the reform, involving a price cut of 36% within 4 years, would guarantee the sugar sector a viable long term future and would strengthen the EU's negotiating position at the WTO Doha Development Round talks.

It was argued that a higher average cut in tariffs across all bands of up to 60%, should be made feasible. It is understood that the 60% cut in customs duties on sugar would reduce the sugar price to Euro 340 per tonne, in other words 12% below the minimum price of Euro 385 per tonne.

Nath had informal meetings with Prime Ministers Tony Blair of UK, John Howard of Australia, Helen Clark of New Zealand, Shaukat Aziz of Pakistan, Owen Arthur of Barbados and Navinchandra Ramgoolam of Mauritius. He also had round table discussions with President Levy Patrick Mwanawasa of Zambia and President Yoweri Kaguta Museveni of Uganda.

The Economic Times

27 NOV 2005

India to build six French submarines under pact

9/12/12
S. Banerjee

The first French Scorpene submarine will be ready for service within seven years



MEGA DEAL: French Ambassador Dominique Girard (left) and Additional Secretary, Ministry of Defence, S. Banerjee signing the Scorpene deal in New Delhi on Thursday. - PHOTO: S. SUBRAMANIAM

Special Correspondent

NEW DELHI: India on Thursday signed a deal to construct six French submarines in the country at a cost of over Rs. 15,000 crores.

The official go-ahead for this mega project had come through a joint statement made by Prime Minister Manmohan Singh and the French President Jacques Chirac in Paris on September 12.

The contract will just about fill the breach in submarine force levels that are poised to decline.

The deal has a 30 per cent offset clause, meaning that one-third of the cost of the deal

would be met through import substitution. The first French Scorpene submarine will be ready for service within seven years of signing the contract. The others will follow at an interval of one year.

"The force levels will be down [by the time the first Scorpene is inducted] but we will improvise, if need be, by better deployments, upgrades or life extensions," said the Chief of Naval Staff Arun Prakash who along with a host of naval officers witnessed the signing of three contracts in the war room at South Block.

According to the agreement, India will build the submarines

at Mazgaon Docks in Mumbai. Its submarine building facilities along with the workforce have been idle for 15 years since two German submarines were constructed. That contract was cancelled after bribery allegations surfaced against the company HDW.

The Delhi High Court later cleared HDW of bribery charges but the deal with the French company was too far advanced for it to make a comeback.

The Navy said the Scorpene is best suited to its requirements. Its advanced stealth characteristics make its detection difficult and superior detection capabilities lock on targets that can be

destroyed with anti-ship missiles and wire-guided torpedoes. "The induction of Scorpene class submarines will provide the much desired impetus to Indian Navy's underwater might and will go a long way in securing India's maritime interests," said a statement by the Navy.

The first contract pertained to unhindered supply of equipment and services for the entire duration of the submarine building programme.

The second enjoins all parties to avoid all forms of corruption. The third contract is for transfer of technology and design of submarines and the supply of combat systems.

THURSDAY, SEPTEMBER 15, 2005

Testing commitment to multipolarity

The relationship between India and France has never managed to touch the optimal level. While the two countries profess an interest in promoting multipolarity in international affairs, they have not really worked together in any meaningful sense to achieve this objective. New Delhi, Moscow, and Beijing have made a tentative beginning towards establishing a forum that takes clear positions on international issues. The countries of the European Union that are uncomfortable with the unipolar state of affairs, notably France and Germany, have collaborated with Russia and China on certain issues. But there has been a general reluctance to formalise the interaction, evidently out of concern that such a move might provoke the United States. India's disinclination to interact more vigorously and in depth with France has been puzzling. After all, it has been working closely with Germany in the endeavour to reform the United Nations Security Council — even after Washington made it clear it would oppose any permanent membership bid with which Berlin was associated. France retains considerable influence in areas outside its home continent. It is to be hoped that Prime Minister Manmohan Singh's recent visit, which President Jacques Chirac is scheduled to reciprocate next year, will mark the start of a significant course correction that will be very much to India's advantage.

The meeting between Dr. Singh and Mr. Chirac has produced immediate dividends in the form of deals for the delivery of six Scorpene submarines and 43 Airbus aircraft. While the submarine deal might attract some controversy, there is an urgent need to augment the Indian Navy's ageing fleet of undersea vessels. This is of course not the first time the two countries signed significant agreements for the transfer of civilian and military equipment; these have mostly been in the nature of standalone transactions. This situation could change once a "framework agreement on defence cooperation" takes shape, and provided French companies respond favourably to the Prime Minister's invitation to "take a fresh look at India." The scope for collaboration in the field of nuclear energy was much in focus during the visit. New Delhi has been able to convince several key members of the Nuclear Suppliers Group to have a second look at rules that restrict the transfer of equipment and fuel for reactors. France has now joined the U.S. and the United Kingdom in recognising that an exception can be made in India's case even though it has not signed the Non-Proliferation Treaty. However, the restrictive regime is likely to remain unchanged if Washington decides it has not got what it wants in terms of a *quid pro quo*. For example, it wants a drastic change in India's relations with Iran. New Delhi's claim that it is committed to multipolarity is under challenge on several fronts.

পরমাণু-নিষেধাজ্ঞা তুলতে এ বার রাজি ফ্রান্সও

প্যারিস, ১২ সেপ্টেম্বর: আমেরিকা ও ব্রিটেনের পর এ বার ফ্রান্স। পরমাণু সামগ্রী সরবরাহ করার ক্ষেত্রে ভারতের উপর যে নিষেধাজ্ঞা রয়েছে তা তুলে নেওয়ার সময় এসেছে বলে মনে করছে ফ্রান্সও। প্রধানমন্ত্রী মনমোহন সিংহের সঙ্গে ফ্রান্সের প্রেসিডেন্ট জাক শিরাকের বৈঠকের পর এই বিষয়ে চার পৃষ্ঠার একটি যৌথ বিবৃতিও জারি করা হয়েছে। আন্তর্জাতিক নিয়মকানুন মেনে অসামরিক পরমাণু শক্তি উৎপাদনের ক্ষেত্রে ভারতকে পূর্ণ সহযোগিতার আশ্বাস দিয়েছে ফ্রান্স। আগামী বছরের ২০ ফেব্রুয়ারি দু'দিনের সফরে শিরাক ভারতে যাবেন।

যৌথ বিবৃতিতে বলা হয়েছে, "অসামরিক পরমাণু শক্তি উৎপাদনের ক্ষেত্রে ভারতের যে আন্তর্জাতিক সহযোগিতা প্রয়োজন তাকে স্বীকার করে ফ্রান্স। এর জন্য পরমাণু সামগ্রী সরবরাহকারী দেশগুলির গোষ্ঠী ও অন্যান্য দেশের সঙ্গে ফ্রান্স কথা বলবে এবং দ্বিপাক্ষিক সম্পর্ককে গভীরতর করবে।" বিবৃতিতে বলা হয়েছে, অন্যতম শক্তিদ্র দেশ হিসাবে ভারত যে ভাবে বিশ্বের মানচিত্রে উঠে আসছে তাতে এই দুই দেশের দ্বিপাক্ষিক সম্পর্ক গভীরতর করার প্রয়োজন আছে। সত্ত্বাসবাদ, গণনির্ধ্বংসী অস্ত্রপ্রসার রুখতেও দু'দেশের মধ্যে সহযোগিতা বাড়ানো হবে বলে ওই বিবৃতিতে বলা হয়েছে।

পোখরানে পরমাণু বিস্ফোরণের পর ভারতকে পারমাণবিক সামগ্রী সরবরাহে নিয়ন্ত্রণ আরোপ করা হয়েছিল। পরমাণু সামগ্রী সরবরাহকারী ৪০টি দেশের এই গোষ্ঠী (এনএসজি) যাতে ওই নিয়ন্ত্রণ তুলে নেয় তার জন্য ফ্রান্সকে উদ্যোগী হতে হবে। ফ্রান্সই অনুরোধ জানান মনমোহন। জুলাইয়ে মার্কিন প্রেসিডেন্ট জর্জ বৃশ মনমোহনের সঙ্গে বৈঠকের পরে জানিয়েছিলেন, তিনি মার্কিন কংগ্রেসে ও এনএসজি গোষ্ঠীর সঙ্গে এই নিয়ে কথা বলবেন। পরে ভারত সফরে এসে প্রায় একই মত জানান ব্রিটিশ প্রধানমন্ত্রী টনি ব্ল্যায়ার। এ বার শিরাকের সমর্থনের পর নিষেধাজ্ঞা তুলে নেওয়ার দাবিতে ভারতের অবস্থান আরও জোরদার হল।

পাশাপাশি, রাষ্ট্রপঞ্জের নিরাপত্তা পরিষদে ভারতের জন্য স্থায়ী সদস্যদের দাবিকেও সমর্থন করেছেন ফ্রান্সের প্রেসিডেন্ট। রাষ্ট্রপঞ্জের সাধারণ সভার মাত্র দু'দিন আগে ফ্রান্সের এই সদস্যপদের পক্ষে অত্যন্ত তাৎপর্যপূর্ণ। আন্তর্জাতিক দুনিয়ায় ভারতের অবস্থানকে 'গুরুত্বপূর্ণ' আখ্যা দিয়ে শিরাক বলেন, নিরাপত্তা পরিষদে স্থায়ী সদস্যদের দাবি ভারতের পক্ষে খুবই ন্যায্য।

অন্য দিকে, ফ্রান্সের কাছ থেকে হয়টি অত্যাধুনিক স্করপেন সাবমেরিন কেনার সিদ্ধান্ত নিয়েছে ভারত। এই সাবমেরিনগুলির মূল্য ভারতীয় মুদ্রায় ১৩ হাজার কোটি টাকা। স্করপেন সম্পর্কে বলা হয় যে এটি হল জলের তলায় সবচেয়ে নিঃশব্দ মারণ যন্ত্র। সম্পূর্ণ করাসি প্রযুক্তিতে স্করপেন সাবমেরিনগুলি তৈরি হবে মুম্বাইয়ের মাজাগাঁও ডকে। তৃতীয় কোনও দেশের কাছে ওই সাবমেরিনগুলি বিপণন করার ব্যাপারে ভারতের উপর কোনও বাধা থাকবে না।

আমেরিকার সঙ্গে ভারতের 'বিশেষ সম্পর্ক' ভারত-ফ্রান্স সহযোগিতার সম্পর্ককে 'প্রভাবিত' করতে পারে, এই আশঙ্কা উড়িয়ে দিয়েছেন মনমোহন। ফরাসি একটি দৈনিককে দেওয়া সাক্ষাৎকারে এ কথা বলেন প্রধানমন্ত্রী। পরমাণু সামগ্রী ও প্রযুক্তি সম্পর্কিত নিয়ন্ত্রণ তুলে নেওয়া হলে ভারত ফ্রান্সের কাছ থেকে পরমাণু চুক্তি আমদানি করতে পারে এমন ইঙ্গিতও দেন প্রধানমন্ত্রী। দুই রাষ্ট্রপ্রধানের মধ্যে দুই দেশের মধ্যে বাণিজ্য ও অর্থনৈতিক সহযোগিতা বাড়ানো নিয়েও কথাবাতা হয়েছে।

সেই লক্ষ্যেই আজ এ দেশের বেশ কয়েকটি বড় মাপের বাণিজ্য সংস্থার শীর্ষ কর্তাদের সঙ্গে বৈঠক করেন মনমোহন। তাঁদের আস্থা পেতে প্রধানমন্ত্রীর যোগাযোগ, বিশেষ লক্ষ্যের অনুমতি দিতে 'এক জমানা' ব্যবস্থা চালু করা হবে। মনমোহন বলেন, গণতন্ত্রে কখনও কখনও সিদ্ধান্ত নিতে দেরি হয় ঠিকই। কিন্তু আর্থিক সংস্কারের ব্যাপারে তাঁর সরকার দৃঢ়প্রতিজ্ঞ।



পাশে আছি। মনমোহনকে শিরাক। — পি টি আই

সেই লক্ষ্যেই আজ এ দেশের বেশ কয়েকটি বড় মাপের বাণিজ্য সংস্থার শীর্ষ কর্তাদের সঙ্গে বৈঠক করেন মনমোহন। তাঁদের আস্থা পেতে প্রধানমন্ত্রীর যোগাযোগ, বিশেষ লক্ষ্যের অনুমতি দিতে 'এক জমানা' ব্যবস্থা চালু করা হবে। মনমোহন বলেন, গণতন্ত্রে কখনও কখনও সিদ্ধান্ত নিতে দেরি হয় ঠিকই। কিন্তু আর্থিক সংস্কারের ব্যাপারে তাঁর সরকার দৃঢ়প্রতিজ্ঞ।

India to buy French Scorpene

Press Trust of India

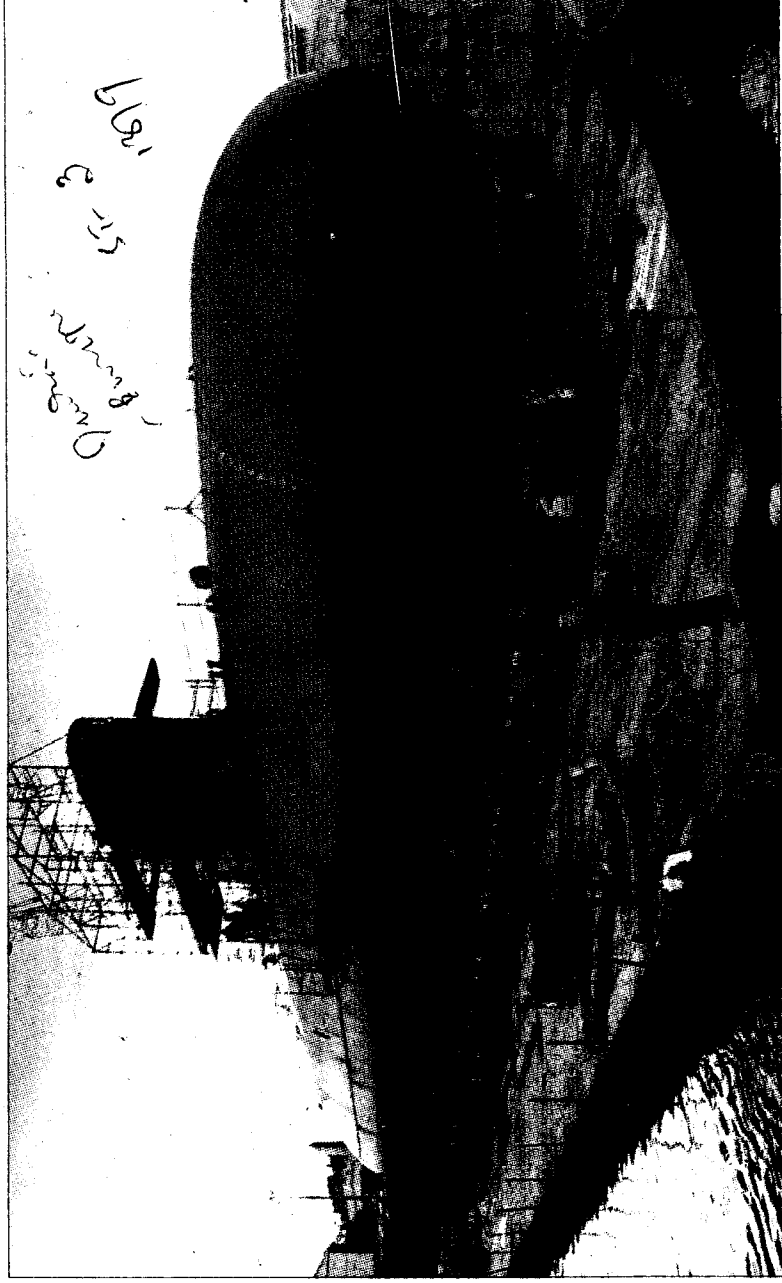
PARIS, Sept. 12. — In a major defence deal, India today decided to acquire six highly advanced French Scorpene submarines worth \$3 billion (about Rs 13,000 crore), days after placing an order for 43 Airbus aircraft at a cost of about \$2.4 billion (nearly Rs 9,800 crore) from an European consortium that includes France.

French President Jacques Chirac disclosed India's decision to buy the Scorpene while welcoming Prime Minister Dr Manmohan Singh at the Elysee Palace where the two leaders had wide-ranging discussions on Indo-French defence cooperation, India's bid for permanent membership of the UN Security Council and trade and economic cooperation.

Mr Chirac said he was "happy the Prime Minister

is confirming the decision to buy six Scorpene submarines and 43 Airbus aircraft which is of course a token of confidence, friendship and cooperation we are sensible to". Dr Singh said: "We have had a very rewarding defence cooperation. We are going to build on that."

Scorpene, world's most silent underwater killer machine, would be manufactured under technology transfer by state-owned Mazagoan Docks, Mumbai, and delivered between 2010 and 2015. As part of the deal, the submarines will be armed with EADS SM39 Exocet sub-harpoon anti-ship missiles. The other powerful weapons payload on the subs include Black Shark and other advanced torpedoes. With capabilities to strike targets underwater, surface and on land, Scorpene has a new design with reduced sound emissions.



KILLER UNDER WATER! A file photograph taken in the north-western French port of Cherbourg shows the Scorpene submarine O'Higgins under construction. — AFP

INDIA A MAJOR WORLD POWER: CHIRAC France backs Delhi on UNSC

Indo-Asian News Service

PARIS, Sept. 12. — India and France vowed today to expand their strategic ties, as President Jacques Chirac threw his weight behind New Delhi's claim to a permanent UN Security Council seat. Paris has declared its readiness to co-sponsor the G4 resolution that seeks permanent membership on the UN Security Council for India, Brazil, Japan and Germany although the USA is not enthused by New Delhi's claim.

President Chirac and Prime Minister Dr Manmohan Singh declared during their talks at the Elysee Palace here that they wanted to expand their military and economic cooperation in an increasingly unipolar world dominated by the USA.

Dr Singh, the first Indian Prime Minister to visit France in seven years, went public with a demand that France should play a pro-active role in ending the nuclear sanctions imposed on New Delhi following its 1998 nuclear tests which the West condemned.

President Chirac, whose meeting with Dr Singh was his first public engagement since he was discharged from a hospital on Friday, described India as "a major power in the world" and made clear his determination to deepen his engagement with New Delhi. Dr Singh said he wanted trade with France to gallop and French investment in India to go up by leaps and bounds. "I seek the support of (Mr Chirac) to ensure that our business communities interact with each other more often, more productively, more fruitfully, than was the case in the past." Dr Singh also described France as a key member of the EU, which has a strategic relationship with India, and urged Mr Chirac to help expand it further. The French government and industry have been enthused by India's decision to go for 43 Airbus aircraft for Indian Airlines and



Dr Singh leaves the Elysee Palace with President Jacques Chirac in Paris on Monday. — AFP

the expected deal to buy six Franco-Spanish *Scorpene* submarines (see box). The decisions are clearly aimed at giving a new thrust to Indo-French relations.

In remarks carried by French daily *Le Figaro* today, Dr Singh promised that India would not allow its increasing military and strategic relationship with the USA to jeopardise the deepening cooperation with Paris.

President Chirac will visit India in February next year. A Joint Statement issued after talks between Dr Singh and Mr Chirac read: "The French President warmly accepts the Prime Minister's invitation to visit on 20-21 February 2006."

Scorpene sails through

PARIS, Sept. 12. — In a major defence deal, India today decided to acquire six highly advanced French *Scorpene* submarines worth nearly Rs 13,000 crore, days after placing an order for 43 Airbus aircraft at a cost of nearly Rs 9,800 crore from an European consortium that includes France. President Jacques Chirac disclosed India's decision to buy the *Scorpene* submarines while welcoming Dr Manmohan Singh to the Elysee Palace. — PTI

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India for stepping up ties with France: Manmohan

Prime Minister en route to New York to participate in U.N. meet

Special Correspondent

NEW DELHI: Prime Minister Manmohan Singh said on Sunday that India was committed to further strengthening the "privileged relations of strategic partnership" with France.

In a statement here before leaving for Paris en route to New York, Dr. Singh said: "It is our intention to further expand cooperation in the fields of trade and investment, defence, space, civilian nuclear energy, advanced science and technology as well as cultural and civilisational ties."

Dr. Singh will have wide-ranging discussions with French President Jacques Chirac, Prime Minister Dominique Villepin, and other leaders on Monday. During his stay in Paris, he will also have meetings with the chief executive officers of some major French companies to apprise them of the emerging op-

- Will hold talks with Chirac, De Villepin
- To address the U.N. General Assembly on September 14
- Bilateral meetings with world leaders scheduled
- Will meet CEOs of U.S. companies "interested in India"

portunities for trade and investment in India. "I will also be meeting academics from French institutions which have a long tradition of scholarships on India," Dr. Singh said.

During his visit to New York on the second leg of his tour, the Prime Minister is scheduled to participate in the high-level segment of events being organised by the United Nations to mark the 60th anniversary of its founding day. Various aspects of U.N. reform, including the expansion the Security Council, will be on the agenda and "India will continue to present its case," Dr. Singh said. On Sep-

tember 14, he will address the General Assembly, which is to review the implementation of the Millennium Development Goals (MDG) adopted a decade ago.

"We view international cooperation and assistance as an essential element in enabling developing countries to meet the objectives spelt out in the Millennium Development Goals," Dr Singh said in his statement.

Dr. Singh said he looked forward to a number of bilateral meetings with a host of world leaders. "I will be meeting with [U.S.] President Bush, [Russian] President Putin, [Chinese] Pres-

ident Hu Jiantao, [Pakistan] President Musharraf and others during my stay," he said.

NAM meeting

Alongside, Dr. Singh will attend a meeting of prominent NAM countries called by Malaysia, to which India has been invited, as also a scheduled summit meeting of the India-Brazil-South Africa Forum.

"I also look forward to the opportunities to interact with the vital Indian-American community," Dr Singh said. He will also utilise his visit to meet the CEOs of some "important American companies interested in India."

Among others, the Prime Minister was seen off by UPA chairperson Sonia Gandhi, his Cabinet colleagues Pranab Mukherjee, Arjun Singh, Raghuvansh Prasad and H.R. Bharadwaj, Lt. Governor of Delhi B.L. Joshi, Delhi Chief Minister Sheila Dikshit and top officials.

France looks to firm up ties with India

Vaiju Naravane

IF YOU are making new friends, do not forget old ones." And, "It never does to put all your eggs in the same basket." Wise saws New Delhi appears to have kept in mind as Prime Minister Manmohan Singh visits Paris en route to New York.

By publicly announcing the purchase of 43 Airbus aircraft from the European consortium in which France has a substantial stake, New Delhi has sent Paris a strong message: that India counts France as one of its major strategic partners; and that closer Indian ties with the United States do not preclude a sustained political, economic, and strategic relationship with France. Dr. Singh is also expected to announce the purchase of six Scorpene submarines from France during his visit to Paris, which interestingly comes at a time when U.S. Congressmen are threatening to call for a review of Washington's landmark civilian nuclear cooperation pact with New Delhi.

The French decided to pull out all stops for Dr. Singh's visit. It is an attempt by both sides to reinforce and further cement traditionally excellent ties that appeared, these past months, to have slipped into the doldrums.

Informed sources say India has driven a tough bargain, bringing down the price of the submarines as well as the planes. Airbus Industrie reduced the price tag for the civilian aircraft while Thales, DCN and Armaris, the constructors of the Scorpene, agreed to absorb the extra costs run up by the delayed negotiations. Paris is clearly prepared to make that little extra effort to meet Indian demands.

Dr. Singh's visit takes place just days after an extremely successful exchange of views during the 14th edition of the Indo-French Strategic Dialogue on September 2. President Chirac's chief diplomatic adviser or sherpa, Maurice Gourdault-Montagne who led the talks on the French side is an old India hand as is Prime Minister Dominique de Villepin. The two men do not hide their sympathies for India and France has clearly plumped for the country as

While there is elation at India's desire to re-invest in the bilateral relationship, Paris is worried that New Delhi's rapprochement with Washington could diminish its own importance.

one of its most reliable partners in the subcontinent.

India's National Security Adviser M.K. Narayanan who led the delegation spent over an hour with President Jacques Chirac just before the latter was hospitalised for a mini stroke on September 2. Insiders say Mr. Chirac took a keen personal interest in the dossiers concerning the two countries. He reportedly told Mr. Narayanan he would be handling the details himself and that there was no need for the NSA to go calling on various Ministers!

While there is elation at India's desire to re-invest in the bilateral and strategic relationship, Paris is worried that New Delhi's rapprochement with Washington could diminish its own importance. Although France officially declined to comment, the U.S. State Department's remarks seeking clarification on India's stand on Iran's nuclear policy did not go unnoticed. U.S. Congressman Tom Lantos put it bluntly when he said the bold new Indo-U.S. strategic partnership "is predicated on reciprocity."

French officials are at pains to point out that France is not at all put out by the nuclear pact India signed with the U.S. France has been pushing for a similar special regime for India by the Nuclear Suppliers' Group on condition that it meets certain obligations that would align it with the non-proliferation regime (separating its civilian and military nuclear programmes, placing its civilian facilities under International Atomic Energy Agency safeguards, and adhering to the Additional Protocol on civilian nuclear facilities). France has worked within the NSG to strengthen India's claims for special status. So the India-U.S. pact is seen as a source of hope

since any relaxation in NSG rules would allow French companies such as Areva or Cogema to compete for contracts to build nuclear reactors in India.

"The question of course is also whether the Americans will get the permission of Congress? Will they be able to waive restrictions on the sale of civilian nuclear technology to India or is this just a delaying ploy aimed at putting a brake on India's energy cooperation with Iran? If the U.S. Congress says no, India will be deeply disappointed. If they say yes, the French will see this as a chance for them too. Of course it will be harder for the French to obtain those eventual contracts," Christophe Jaffrelot, Director of CER-RI (the French Institute for Studies in International Relations), told *The Hindu*.

French experts and political scientists, however, lose no opportunity to point out the unreliability of the U.S. as an ally. Even the French Ambassador to India Dominique Girard suggested a few months ago that the U.S. could not be considered a "reliable supplier" when it came to defence equipment or other sensitive technology. India's eagerness to forge ties with the U.S. has given rise to consternation here.

"There was hope here [in France] that the change in government in New Delhi would lead India towards greater multilateralism and distance it from the U.S. The reverse proved to be true. India has a definitely pro-American attitude and the deepening of Indo-U.S. ties is very significant. When you take into account everything that has happened these past 13 months, it is evident India has become not just a strategic partner with strong defence ties, but a technological partner as well," Mr. Jaffrelot said.

American logic in zeroing in on India as a strategic partner was not difficult to understand, Mr. Jaffrelot said. "India is the perfect counterweight to China. It is the laboratory where low priced brains continue to feed the U.S. economy. India is the U.S. policeman that patrols the Indian Ocean at a particularly crucial time and finally it's a strong stable partner while Pakistan is merely a tactical ally. The Americans fear Iran will come out of its isolation, which is why suddenly they have offered nuclear cooperation to India. On the other hand, what is more difficult to understand is India's logic in departing from multilateralism. As it turns out, America's offer of collaboration in the civilian nuclear field is conditional to support on its policy towards Iran. How India reacts will be an important test. National pride could win the day saying it is not for Washington to dictate terms. It will be interesting to see the outcome of this debate," Mr. Jaffrelot said.

India's profile rises

What is true of the Indo-French relationship is that it has come a long way in the past 15 years, especially in the way in which India is perceived in France. There was a time when Indian embassy officials despaired of seeing a single positive story on India in the news media. Now barely a day goes by without comment and news reports on India, not so much about its internal political situation as about its emerging economic prowess.

India has become a favourite destination of students wishing to do internships in international companies. The country's overall visibility in French minds has shot up despite the fact that business ties, although in progression, can hardly be said to be flourishing when compared to other EU countries such as Britain or Germany. France comes 7th on the list of foreign investors and two-way trade between India and France totalled 3.36 billion Euros during the 12 months ended May 2005. The balance of trade remains in India's favour.

A great fillip was given to commercial ties with a flurry of contracts being signed recently, especially in the private sector. IndiGo, Spice and Kingfisher Airlines were the stars of the Paris Air Show, totalling up orders upwards of \$12 billion for Airbus. Renault, Alcatel, Lafarge, Saint Gobain, and other companies have recently struck major deals to produce in India, both for an expanding local market as well as for exports.

But while there is scope for deeper and closer contacts in all fields — cultural, commercial, strategic — India is not unaware of France's limited role as a world power. French concerns about India have also been heightened by the fact that President Chirac has been weakened as a result of the French rejection of the European Constitution both within France and within Europe.

The Indians have become confident go-getters, while the French have withdrawn into themselves. Culturally too, France no longer speaks to Indian intellectuals the way it did when Bourdieu, Derrida, Sartre or Braudel strode the intellectual landscape. France is rudderless and no longer dynamic. And the next two years, until the 2007 presidential election, are going to be marked by political uncertainty, waiting, a dragging of the feet. France is worried about itself, which socio-economic model to follow, how to play the globalisation game without completely dismantling the welfare state? So the French have become hyper sensitive, tense and that is another factor that comes into play in bilateral ties.

"I'm afraid France would be harbouring illusions if it were to believe that India would be a serious multi-polar partner. Of course everyone talks about multilateralism and multi-polarity, but we all know these choices are guided by self-interest. The French, when they spoke of multi-polarity really believed they would be able to get a grand coalition around the idea. But the impossibility of reforming the UN shows us that multi-polarism is very badly off and there is a lag between France's multi-polar aspirations and reality, especially at a time when Europe is hardly a pole itself after the setback due to the French and the Dutch referenda against the EU Constitution," concludes Mr. Jaffrelot.

CARTOONSCAPE



PM's US Focus Will Be On UN Reform Agenda

French ties to be made stronger, trade increased

Our Political Bureau
NEW DELHI 11 SEPTEMBER

PRIME Minister Manmohan Singh on Sunday left for Paris enroute New York saying New Delhi was committed to further strengthening the privileged relations of strategic partnership that exists between India and France and to seek more trade and investment opportunities in India. In New York, he would focus on the UN reform agenda, meet world leaders including the Presidents of USA, China, Russia and Pakistan, besides interacting with top business heads.

"It is our intention to further expand co-operation (with France) in the fields of trade and investment, defence, space, civilian nuclear energy, advanced science and technology as well as cultural and civilisational ties," Dr Singh said in his departure statement. Dr Singh will have wide-ranging discussions with French President Jacques Chirac, Prime Minister, Dominique Villepin and other leaders on Monday.

The Prime Minister said he would also be meeting CEOs of major French companies in Paris and inform them about the expanding opportunities for trade and investment in India.

"I will also be meeting academics from French institutions, which have a long tradition of scholarships in India," the Prime Minister said, adding that his visit to Paris was at the invitation of Mr Chirac.

The Prime Minister said during his visit to New York, various aspects of UN Reform will be on the agenda, including expansion the UN Security Council and "India will continue to present its case." He is to participate in the high-level segment of events being organised by the United Nations to mark the 60th anniversary of its founding day.

He will address, on September 14, the UN General Assembly, which is to review the implementation of Millenium Development Goals (MDG) adopted a decade ago. "We view international co-operation and assistance as an essential element in enabling developing countries to meet the objectives spelled out in the MDG," he said.

The Prime Minister said he looked forward to a number of bilateral meetings with a host of world leaders.

"I will be meeting US President George W Bush, Russian President Vladimir Putin, Chinese President Hu Jiantao, Pakistan President Pervez Musharraf and others during my stay." Dr Singh would also be attending a meeting of prominent NAM countries, called by Malaysia, as also a summit meeting of the India-Brazil-South Africa forum — IBSA, he said.

"I also look forward to the opportunities to interact with the vital Indian-American community," he said adding that he would utilise his visit to meet CEOs of important American companies interested in doing business with India.



WESTSIDE STORY: Prime Minister Manmohan Singh with wife Gursharan Kaur in Paris on Sunday — PTI

Freedom for 587 at Wagah at last

Our Political Bureau
NEW DELHI 11 SEPTEMBER

EMOTIONS would run high and families would be united. In one of the most sobering moments in India-Pakistan ties, the two countries would release civil prisoners and fishermen, languishing in jails for ages, at the Wagah border on Monday.

The preparations for the mega event, symbolising a marked shift in the confidence building measures (CBMs), are in full swing at the Wagah border. Wagah border had, even at the height of eye-to-eye confrontation had offered hope of peace being the first land route to be opened for cross-border movement. 12/9 will herald a new chapter in the lives of 587 persons, as they would step into the soil they belong to when the two iron gates open for a warm send-off.

Ahead of the scheduled release, the 152 Pakistani civil prisoners and fishermen, whose nationality has been confirmed and have undergone sentence, were being ferried to the Wagah border from different jails of the country. Similarly, the Pakistan authorities would also be setting free 371 fishermen and 64 other Indian civilians as agreed during the home secretary-level talks held in Delhi towards the end of August.

Among the Pakistanis slated to join their family are five teenagers who were arrested for crossing over the border. While 33 Pakistan nationals were freed from different jails in the Jammu region, six of them were set free from the Jaisalmer district of Rajasthan and were being escorted to the Indo-Pak border, government sources said. Cases against the 33 prisoners being repatriated to Pakistan have been closed with permission of the court in Jammu and Kashmir, reports from Kashmir said. According to Jaisalmer sub-divisional magistrate Nakhatdan Bareth, six Pakistanis nabbed for trespassing the border along Rajasthan were released from three jails in the district on Friday. They are Noor Mohammed, Riyaz, Safi, Ilyas, Syed Gulam Hussain, and Irfan.

Twain meets in PM, Blair bonding

A Nehru chair in Cambridge

NILOVA Roy Chaudhury
New Delhi, September 8

TONY BLAIR donned his second hat, that of British Prime Minister, for a "comprehensive" bilateral dialogue with Prime Minister Manmohan Singh on Thursday. Among the decisions reached at what Singh described as "a very successful bilateral visit" was an agreement on India funding a Jawaharlal Nehru Chair (in international relations) at Cambridge University.

Blair and Singh met "one-on-one" for "well over an hour" after they arrived in Udaipur, senior officials said, adding: "There were hardly any talks at the delegation level at the 'retreat'. The two spoke extensively." Blair noted that the "major challenge" in the largely unblemished bilateral relationship was "to translate into action what we agree is the huge potential" of the relationship. The bilateral "comprehensive strategic partnership" received a boost with Britain agreeing to follow Indian advice in the region, particularly with regard to what to do in Nepal, an official said. Both countries also agreed on MoUs to co-

TIES THAT BIND

operate further in the hydrocarbons sector, guard intellectual property rights, and boost air services and bilateral film production. Britain has already endorsed heightened cooperation with India in civilian nuclear energy.

Terrorism was a key focus, with both Prime Ministers agreeing that "the scourge of terrorism" had no ideology or religion. "Terrorism has no religion, terrorists have no religion and they are friends of no religion," Singh said at a joint press conference at Hyderabad House.

Blair described terrorists as "a minority who seek to destroy civilised values. It comes from perversion of the true faith of Islam... Whether terrorism is in India or Britain, it is always utterly destructive". He also disagreed with the view that the decision to raid Afghanistan and Iraq had fuelled Islamic terrorism.

"It will be a tragedy," Blair said, if, instead of democracy, "the only option available to Islamic countries was the choice between a religious dictatorship or a secular dictatorship." He cited the example of India, where 150 million followers of Islam practiced participative democracy.

India, a victim of terrorism for over two decades, and Britain will work together to evolve an international norm of "zero tolerance", Singh said.

Besides terrorism, Singh and Blair also touched on India's candidature for a seat on the UN Security Council.



STEEPED IN HISTORY: Tony Blair with Manmohan Singh on the banks of a lake overlooking 17th Century palaces in Udaipur.

Exotic Udaipur bowls over guest

SRINAND Jha and P.J. Joychen
Udaipur, September 8

UDAIPUR'S QUEST for a place on the world tourist map could possibly have not found a better ambassador. "A fabulous city, which I would like to visit in the future for a longer stay," is what British Prime Minister Tony Blair said after his talks with his Indian counterpart Manmohan Singh.

Singh seconded Blair and called the city "picturesque". He said Blair's remarks should be seen as the best advertisement for Indian tourism.

Describing the talks between the two leaders as "positive, solid and constructive", External Affairs Minister K. Natwar Singh said he was "happy" about the choice of Udaipur.

He said that during the one-on-one talks, that followed "delegation-level" talks between the two leaders, an entire gamut of issues were discussed including subjects concerning energy, environment, regional conflicts in South Asia, managing globalization and bilateral business relationship and terrorism besides the question of Britain's possible support or India's pursuit for a permanent seat in the UN security council.

Singh said that on most issues the two Prime Ministers shared common concerns and sentiments, but stated that he was not aware of the possibility of a joint declaration being issued by the two leaders.

First Lady does the social circuit

HT Correspondents
New Delhi, September 8

WHILE BRITISH Prime Minister Tony Blair was busy talking trade and terror with Prime Minister Manmohan Singh, First Lady Cherie Blair had a busy morning herself.

Dressed in an elegant salwar kameez, she made a stop at Mother's International School, where she met members of the 'Dreams and Teams' delegation — a three-member group from five schools that will participate in an exchange programme at Loughborough. "The aim of the camp is to underline how important it is to cooperate with citizens all over the world," she said. Cherie was left highly 'impressed' when the students presented a skilful yoga demonstration and some Rajasthani folk dance.

Then, the lawyer in her surfaced for a while as she visited the Delhi High Court and interacted with judges there, reportedly over a cup of tea. Later, she went to the court of Acting Chief Justice B.A. Khan and watched the proceedings for about five minutes.

India, EU pledge to fight terrorism together

Open Up Economy Further, Says Blair

By Indrani Bagchi/TNN

New Delhi: Terror and trade jostled for space with space and nuclear energy as Tony Blair and Manmohan Singh put boots on the ground on an ambitious action plan for a strategic partnership.

At the 6th India-EU summit on Wednesday, India and the European Union established a security dialogue and joined forces in the battle against terrorism by blocking access to terrorist financing and rooting out money laundering. A high-level trade group will explore increasing bilateral economic flows and investments.

European Union overcame some of its own members' reservations to formally invite India to participate in the Galileo space program. China and Israel have recently joined the project.

EU has also cleared India's participation in International Thermonuclear Experimental Reactor (ITER) project. The next meeting will be

Shimla makes way for Udaipur

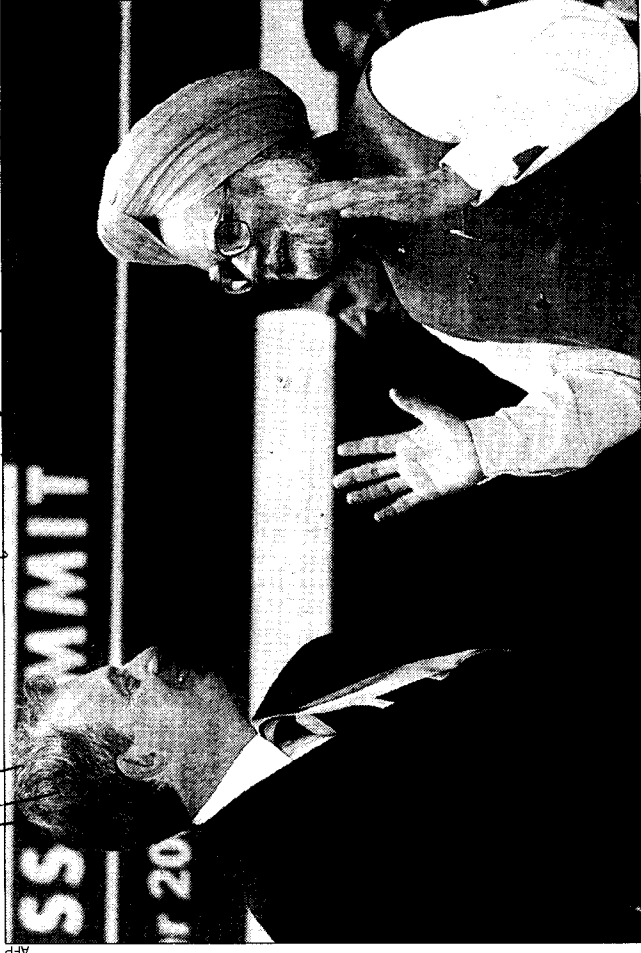
New Delhi: The Manmohan-Blair summit will not happen in Shimla after all. The Blairs will have to exchange the delights of Himachal Pradesh for those of Rajasthan.

The summit will now be held at Udaipur's Udai Vilas Hotel. Both Wildflower Hall and Udai Vilas belong to the Oberoi group.

Blair and his wife Cherie will fly into Udaipur after meeting some top chief executive officers. TNN

held in the coming week if Japan and South Korea can be persuaded to reverse their problems with India joining the project.

Speaking to reporters, EU commissioner for external relations Benita Ferrero-



TWO SIDES OF THE COIN: Left activists hold a protest rally against the visit of British prime minister Tony Blair, in New Delhi. (Right) Blair talks with PM Manmohan Singh at the sixth India-EU business summit

Waldner said India and EU were on the same page in terms of commitment to democracy and pluralism which was the powering force behind the India-EU summit, that is one of the five such summits the EU has with the rest of the world.

On India's part, the Prime Minister's announcement of a \$2.2 billion Airbus purchase deal made it a brighter day for the Europeans. Announcing the decision PM said: "We hope to raise our bilateral economic partnership and interaction in the civil aviation sector to new heights."

Since Indian businessmen regularly complain about visa problems with European countries, Ferrero-Waldner said a specially constituted consular group would be established to address these, though, as she clarified, "Visas were a matter for individual nations".

Blair's message to India was clear: Open up the economy further and India could be the winner. Pointing out the "tremendous possibilities and potential there is in developing these economic and trade relations between Europe and India", Blair's message was sharpened at a business summit later in the afternoon.

"The future clearly belongs to opening up of the economies. Globalisation is not a matter of debate, it is a reality," he said.

Later at a press conference, India and EU cemented their cooperation on terrorism. After the July blasts in London, UK has recently tabled a resolution in the UN Security Council against incitement of terrorism.

BLAIR-MANMOHAN MEETING ■ Two leaders agree to work together on 'zero tolerance' for terrorism across the world

Help us do business in civilian N-tech: India to UK

EXPRESS NEWS SERVICE
NEW DELHI, SEPTEMBER 8

PRIME Minister Manmohan Singh today sought the United Kingdom's support in changing the guidelines of the Nuclear Suppliers Group (NSG) so that it becomes easier for India to do business in the civilian nuclear field. His British counterpart Tony Blair, the PM said, was "supportive" in response.

The UK, among the first countries to remove domestic restrictions on India following the recent nuclear understanding with the US, also agreed to cooperate in civilian nuclear energy. Both sides also finalised an agreement for cooperation in hydrocarbons and exploration activity.

Besides, the two leaders underscored the need for cooperation in fighting international terrorism. They decided to work together to bring about an international norm of "zero tolerance" to fight terrorism.

A day after the India-EU summit here, Singh and Blair

had a "candid exchange" of views on a host of issues covering UN reforms, India's growing energy needs and the immense potential for expanding bilateral trade and investments.

"We agreed to cooperate in civilian nuclear energy. The UK recognises the need for a supportive international environment to meet our pressing energy requirements," Singh said at a joint press interaction with Blair here on their return from Udaipur.

The two sides decided to intensify cooperation in frontier areas of science and technology and the knowledge sector and firm up an agreement that identifies the Energy Research and Development Unit in UK and the Directorate of Hydrocarbons here for future cooperation. According to the PM, this was "important for our overall energy policy".

Three other agreements were finalised in air services, co-production of films and intellectual property rights while a memorandum of understanding was reached on



Prime Minister Manmohan Singh with his British counterpart Tony Blair in New Delhi on Thursday. Anil Sharma

sustainable development.

"We agreed that there can be no justification for terrorism on any grounds, religious, political, ideological or any other. Together with in-

ternational unity and resolve, we can meet the challenge of this global scourge and work to bring about an international norm of zero tolerance for terrorism," said Singh.

Showing solidarity with the British government on the recent London attacks, he said, "India, as a victim of terrorism for over two decades, extends its whole-

hearted support to Britain."

Singh said Blair reaffirmed his commitment to India's candidature for permanent membership of an expanded UN security council, "on

which I expressed appreciation for his government's clear and long-held position."

Singh emphasised the importance India attached to its relations with Britain. The

Prime Minister said ties between the two countries were growing in every sphere which gives "concrete meaning to a very comprehensive partnership".

He announced that India had agreed to a chair named after Pandit Jawaharlal Nehru at Cambridge university.

Singh, who met Blair for the third time as PM since September last year, said they focussed on measures to significantly enhance trade and investment exchanges, including in the new and promising area of healthcare and in promoting exchanges in the area of services.

On his part, Blair praised Indian democracy and, in fact, said the effort in Iraq and Afghanistan was to build an environment where Muslims can vote freely and elect a government of their choice—just like in India.

He said India has shown the path in a democracy and elect their government," he said in response to a query on whether actions in Iraq were not trampling the rights of Iraqis.

SUMMIT To establish base for exchange of information on industrial policy, corporate governance

India, EU initiative to boost investment

AGENCIES

NEW DELHI, SEPTEMBER 7

IN A far reaching development, India and the European Union have decided on a joint initiative to enhance trade and investment, energy security, IT and biotechnology.

A joint action plan unveiled at the sixth India-EU summit here said the two sides have agreed to cooperate in nuclear energy, oil and gas sector with a view to promote security of supplies and stability in prices.

The two sides decided to set up working groups on energy efficiencies and renewable energies, coal and clean coal conversion technologies and fusion energy, including India's membership in ITER, a multinational collaboration between countries like China, the EU, Japan, Korea, Russia and the USA, who are involved in fusion research.

The 19-page action plan, agreed to closely cooperate in

technology expertise and exchange of energy between different grid systems and development of energy markets.

Considering the potential for a further enhanced dialogue, both sides agreed to establish a platform for exchange of information on industrial policy and enhanced mutual understanding of regulatory framework.

It will exchange information on competition policy, develop a dialogue on best practices, in corporate governance and establish a working group on food processing.

On finance and monetary affairs, both sides decided to establish regular macro-economic dialogue on matters of common interest and hold regular consultations in this regard.

On information and communication technology (ICT), India and the EU have agreed to exchange on e-commerce, internet governance, universal service under the umbrella of



Commerce Minister Kamal Nath (right) with FICCI Secretary General Amit Mitra (left) and EU Trade Commissioner Peter Mandelson at the sixth India-EU Business Summit in New Delhi on Wednesday. Raaj Dayal

India-EU Information Society Dialogue.

The joint action plan (JAP) provides for exchange of view on telecom spectrum management, roaming and interoperability of telecom services besides encouraging joint research proposals on 4G (fourth generation mobile services), E-governance, E-ed-

ucation and E-health.

Both sides will set up a working group on pharmaceuticals and biotech and hold experts' meetings with the participation of European agency for evaluation of medicinal products on the EU regulatory approach on ayurveda products.

The JAP provides for exchange of information on reg-

ulatory framework, on best practice in research as also cooperation on confronting global challenges posed by diseases like HIV, TB and malaria.

On agriculture, it provides for exchange of views on respective agri policies as also explore reciprocal interests in agricultural trade.

It also seeks to reinforce dialogue in the restructured working group on agriculture and marine products. Both sides will identify new areas of cooperation in this working and meet in parallel with the newly-created joint working group on sanitary and phytosanitary standards and technical barriers to trade.

To overcome various obstacles to trade and improve supply chain security, both sides have proposed to strengthen the dialogue on customs issues such as valuation, classification and rules of origin.

Both sides will also deliberate on harmonisation, implementation and enforcement

of customs laws, procedures and working methods besides cooperating on security and facilitation in international trade supply chain.

As per the plan, both sides will co-operate on modernisation and capacity building customs while exploring exchange of information within the framework of the customs agreement and discuss the establishment of formal channels of communication.

Asserting that the close association of industry and business in India-EU cooperation as well as dialogue between businesses from both sides are crucial to achieve the common goal of enhanced trade and investment, the JAP provides for promotion of networks for sectoral industrial cooperation and investment promotion. It seeks to operationalise trade and investment development programme web portal to provide both sides with comprehensive information on trade and investment.

Delhi, EU to tame terror together

591 899 India - Europe

Statesman News Service

NEW DELHI, Sept. 7. — India and the 25-member European Union today decided to strengthen their "strategic partnership" by endorsing a joint action plan and a political declaration vowing to fight against terrorism as well as iterating their shared belief in multilateral institutions like the UN. A security dialogue has also been established between the "two largest democracies in the world" on global and regional security issues, disarmament and non-proliferation.

The sixth India-EU summit was held today at Hyderabad House with Prime Minister Dr Manmohan Singh leading the Indian side and the EU team represented by British Prime Minister Mr Tony Blair, the president of the European Council, and the European Commission president, Mr Jose Manuel Barroso.

Speaking at a joint press conference after two-and-a-half hours of talks, the leaders condemned all forms of terrorism and killing of innocent people. The political declaration vowed to establish a contact between the Indian and EU Counter Terrorism Coordinators, work towards blocking access to terrorist financing and cooperate in the fight against money laundering.

Dr Singh stressed on stemming the "ideas and funding of terrorism" while Mr Blair said the "line of thought" that no cause justified terrorism had to be promoted. The two sides agreed to conclude a framework agreement on India's participation in the Galileo Satellite Navigation Systems, work towards an accord on maritime transport and launch a joint initiative on clean development and climate change.

The two-page political declaration is akin to a roadmap of the direction the India-EU relationship was taking, while the 19-page JAP lists the points on action necessary to achieve that. "It is in my judgment long overdue. It sets a framework for more action on a whole range of issues," Mr Blair said. At the press conference, Dr Singh mentioned that the discussions had been "extremely good and productive". Mr Barroso echoed his view. Dr Singh asked the EU to review export control regimes that restricted high-technology transfers to India. "India's impeccable record in the area of nonproliferation is well known and we hope that the EU will respond positively," he said. Further, India's request for membership in the International Thermonuclear Energy Reactor has been favourably received by the EU, with Mr Barroso reiterating his strong support.

Shimla visit

Mr Blair's visit to Shimla tomorrow for a meeting with Dr Singh has been cancelled owing to bad weather and the two leaders will now meet in Udaipur.

Cherie charms Delhi, page 5



CLOSE CALL: Dr Manmohan Singh with Mr Tony Blair at the Sixth India-EU Business Summit in New Delhi on Wednesday. — AFP

Economist PM invokes

Keynes to court FDI

Statesman News Service

NEW DELHI, Sept. 7.

— Torn between the compulsions of coalition politics and the EU's demand for an even more open economy, Prime Minister Dr Manmohan Singh today stuck to India's commitment to pursuing economic reforms initiated in the early 1990s. "Our government is committed to lowering tariffs and increasing trade and capital flows to India," Dr Singh told the plenary of the Indo-EU Business Summit. "We are committed to ensuring a transparent investment regime that does not discriminate against foreign investors."

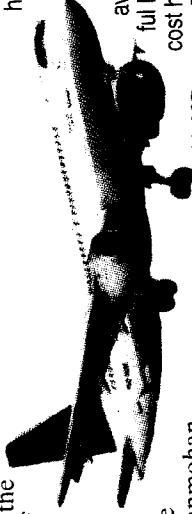
Dr Singh expressed concern at the increasingly low FDI flow from the EU and sought a reversal of the trend. He urged the EU to "re-discover the new India", where, "a brand conscious and yet price sensitive market in search of new products and new technologies is waiting to be tapped." Dr Singh said: "I sincerely hope you (the EU) will not miss the bus."

At the same time, Dr Singh criticised the EU for erecting non-tariff barriers that made it increasingly difficult for developing countries to penetrate its markets. "As tariff barriers

NEW DELHI, Sept. 7. — The government today gave the go-ahead to Indian Airlines to acquire 43 aircraft from Airbus. "We have been able to secure

a direct concession of \$75.8 million or Rs 349 crore," Union civil aviation minister Mr Praful Patel said, adding, the cost had come down from Rs 10,237 crore to Rs 9,898 crore, entailing a 3.4 per cent saving. Airbus earlier quoted Rs 10,237 crore for delivering 43 aircraft — 19 A-319s, four A-320s and 20 A-321s.

The first of the aircraft will be delivered in the second half of 2006 and one every month thereafter, the minister said. — SNS



Details on page 10

disintegrate, non-tariff barriers suddenly come up." There is a need to address any such issue so that India's trade with EU could rise from the current less than 2 per cent to a more healthy level, he said.

India, the Prime Minister said, had the capacity to absorb 10-15 billion dollars per annum in the infrastructure sector alone. Investment in energy and power sector, roads, railways, airports and ports was also needed. "Similarly, he said the EU would benefit from drawing upon the country's wealth of human capital. "India, in turn, would no doubt benefit from a liberal and easy regime, allowing the free movement of natural persons. What we seek is a win-win relationship with EU," Dr Singh said. "There is an air of optimism and as a believer in the idea of

Lord Keynes, I am convinced positive expectations have a way of yielding positive outcomes."

In his address at the plenary, British Prime Minister Mr Tony Blair emphasised the benefits that India may reap by opening up the economy in order to attract FDI to the tune of \$150 billion in core sectors, something Dr Singh has sought for over 10 years. "The future clearly belongs to opening up of the economies. Globalisation is not a matter of debate, it is a reality," Mr Blair said. He allayed fears of job losses.

Mr Blair's views were reflected by European Commission President, Mr Jose Manuel Barroso, who said India's FDI needed a required "considerable level of reforms and follow-up action".

More reports on pages 5, 10

Singapore pitch in EU bank chorus

Call to ease rules that hold back expansion

OUR SPECIAL CORRESPONDENT

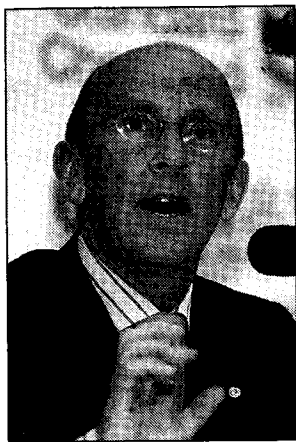
New Delhi, Sept. 7: European banks want India to bestow on them the privileges given to their Singapore rivals under a comprehensive economic co-operation agreement.

The call for parity came today at the Indo-EU Business Summit, where Standard Chartered group chief executive Mervyn Davies said the two sides should look at signing a comprehensive economic co-operation pact similar to the one India inked with Singapore.

In what could be construed as a complaint, Davies, whose StanChart is already the largest foreign bank in the country, said the pact that allows three Singapore banks to operate like local ones "should not be under-estimated".

DBS Holdings, Overseas Chinese Banking Corporation and United Overseas Bank of Singapore are free to set up wholly-owned Indian subsidiaries. They will be treated on a par with Indian banks in setting up new branches, areas of business and prudential norms.

Indian banks already in Singapore — State Bank of India, Bank of India, Indian Bank and Uco Bank — will get full banking status. This will allow them to go in for electronic funds transfer,



Mervyn Davies: More room

clearance and use of the local ATMs.

Existing rules are restrictive for foreign banks seeking to expand. Europe and the US have long been demanding that there should be a level-playing field in this area.

Finance ministry officials concede that this would have to change but insist it will have to wait till they can extract significant trade advantages from the EU and the US, and give local banks enough time to consolidate and stand up to competition from global giants.

Davies argued that the entry of foreign financial players will have an "ABC effect" on India's financial sector — it will accelerate growth, bring in best practices and foster competition.

"The Reserve Bank's new norms have put brakes on "ABC". There is no level playing-field. Local banks can consolidate by taking over smaller private banks but foreign banks are not allowed to do so," he said, adding India must remove barriers if it has to realise its full potential.

Barclays Capital vice-chairman David Wright echoed a similar sentiment. He cited how his institution could not hike its near 5 per cent stake in UTI Bank because the existing norms did not allow it. "India's profile of financial markets is not commensurate with its global outlook. It needs to liberalise. Doing so would help its own firms raise resources at a lower cost," he added.

However, the EU did not succeed in convincing all. The country head of ABN Amro Bank, Romesh Sobti, said both India and EU need to liberalise their financial sector regulations. He cited several instances of rigid rules in EU that prevented Indian banks from expanding in Europe.

Sobti said European banks could explore opportunities in India's international financial centres and special economic zones, where foreign ownership rules are less onerous.

"Reforms had important pay-offs in India in the last 25-30 years, starting from bank nationalisation to liberalisation. India could now rank on the top of the chart in the international financial sector as there was no cartel ruling the roost," the ABN Amro country honcho said.



Commerce minister Kamal Nath, Alan Johnson (right), UK's secretary of state for trade and industry, and Peter Mandelson, EU commissioner for external trade, in New Delhi on Wednesday. Picture by Ramakant Kushwaha

Fast forward with two-way trade sops

OUR SPECIAL CORRESPONDENT

New Delhi, Sept. 7: India and the European Union today sought trade and investment concessions from each other.

Commerce minister Kamal Nath has asked the EU countries to lift the barriers imposed against Indian goods and business process outsourcing (BPO) services, while Alan Johnson, UK minister for trade and industry, said outsourcing of services would have to be a "two-way street" and India should open up its accountancy and insurance services and its retail sector to foreign direct investment.

Kamal Nath told the India-EU business summit there was a great "demographic synergy" between India, which has a large number of young skilled workers, and 'greying' Europe.

"Our young people are ideally suited to fill the gap for skilled workers required to maintain the current produc-

tivity and efficiency levels in Europe," he added.

The minister said, "I speak not of immigration, but of services delivered remotely in our cyber-connected world in which India has demonstrated skills." If Europe has to achieve the Lisbon agenda target of becoming the most competitive economy in the world then EU will have to look at outsourcing as a business co-operation model and fears over possible job losses should be removed from the minds of the people, Johnson added.

Johnson was following up on what his Prime Minister, Tony Blair, said about outsourcing he shared the dais with Manmohan Singh. In what was music to Indian ears, Blair asserted that outsourcing was there to stay since it helped economies of the developed countries.

Dismissing fears of loss of jobs in developed world due to outsourcing, he said the process had, instead, helped

boost profits of business houses in Europe. "It was initially feared that outsourcing or relocation would cause job losses. But companies have used it to move up the value chain and create better structure," Blair added.

The commerce minister said if such a model has to succeed, Indian professionals would also have to be allowed to travel more freely to Europe.

He added that an ambitious joint action plan had been drawn up by both sides at the highest level to take the India-EU partnership forward. Nath said, "Trade must play a central role in the development of this relationship."

Asking the EU to address the issue of non-tariff barriers to India's exports, he lamented that "while tariffs may be low, the mounting stringency of standards, complex procedures and frequent use of anti-dumping measures to bar Indian goods were emerging as serious barriers to trade."

Nath highlighted the market access

problem faced by agro and marine exports to EU because of sanitary and phytosanitary related legislations and said, "not all such standards are in conformity with the international ones and are often based on excessive precaution and perceived rather than real risk".

But his British counterpart Johnson not only reproached India for not opening up retail and financial services, but also pointed to the concerns over high duties on European spirits and wines.

EU trade commissioner Peter Mandelson said India needs to open up its markets further and usher in a more liberal FDI regime as it was lagging way behind China and South Korea.

However, he said that textiles and clothing was a sensitive issue for Europe. India had emerged as the biggest beneficiary under the generalised system of preferences with its exports to the EU touching \$7 billion in 2004.

সন্ত্রাস রোধে ই ইউয়ের সঙ্গে জোট বাঁধছে দিল্লি

স্টাফ রিপোর্টার, নয়াদিল্লি, ৭
সেপ্টেম্বর: সন্ত্রাসবাদের বিরুদ্ধে ভারতের লড়াইয়ে যোগ দেবে ইউরোপের পঁচিশটি দেশ। আজ এক বৈঠকে সেই সমঝোতার রূপরেখা তৈরি হয়েছে। ১৪ সেপ্টেম্বর নিউ ইয়র্কে পাক প্রেসিডেন্ট পারভেজ মুশারফের সঙ্গে প্রধানমন্ত্রী মনমোহন সিংহের বৈঠকের আগে এই সিদ্ধান্ত যথেষ্ট তাৎপর্যপূর্ণ বলেই মনে করছে কূটনৈতিক শিবির।

আজ ইউরোপীয় ইউনিয়নের (ইইউ) প্রতিনিধিদের সঙ্গে শিল্পবাণিজ্য নিয়ে আলোচনায় বসেছিলেন প্রধানমন্ত্রী মনমোহন সিংহ। বৈঠকে অর্ধেক সময়ই আলোচনা হয়েছে সন্ত্রাসবাদ নিয়ে। দুপুরে ব্রিটেনের প্রধানমন্ত্রী টনি ব্লেয়ার এবং মনমোহন একই সুরে সন্ত্রাসের তীব্র সমালোচনা করে ন'দফা কর্মসূচি নিয়েছেন। জানানো হয়েছে, সন্ত্রাস রোধে ইইউ-এর ২৫টি দেশ এবং ভারত পরস্পরের হাত শক্ত করবে। কূটনৈতিক শিবিরের মতে, সম্প্রতি লন্ডনের ধারাবাহিক বোমা বিস্ফোরণ এই পরিকল্পনা তৈরির ক্ষেত্রে আরও মজবুত করেছে। কাল উদয়পুরে ব্লেয়ার ও মনমোহন বৈঠকে বসবেন। পরে দিল্লিতে ফিরে যৌথ সাংবাদিক সম্মেলন করবেন তাঁরা।

মনমোহনকে পাশে নিয়ে ব্লেয়ার এ দিন জানান, “সন্ত্রাসবাদের কোনও অজুহাত বা দোহাই থাকতে পারে না। নিরীহ মানুষকে মারা বা আদর্শের নামে হিংসা ছড়ানোকে স্বীকৃতি দেওয়া সম্ভব নয়।” মনমোহনও বলেন, “সভা সমাজে সন্ত্রাসের জায়গা নেই। আমরা যৌথ ভাবে এর বিরুদ্ধে লড়াই করব।”

ভারত-ইইউ কোর্শলগত অংশীদারিত্বের রাজনৈতিক ঘোষণাপত্রে বলা হয়েছে, “আন্তর্জাতিক শান্তি এবং নিরাপত্তার সামনে বড় খাড়া সন্ত্রাসবাদ। সন্ত্রাসের বিরুদ্ধে যৌথ মোকাবিলার অঙ্গ হিসাবে ভারত এবং ইইউ-র সন্ত্রাসবিরোধী সমন্বয়সাধকদের মধ্যে যোগাযোগ স্থাপন করা হবে যাতে সন্ত্রাসবাদীদের হাতে ঢাকা না যায়।”

পাকিস্তান ও সন্ত্রাসবাদের প্রসঙ্গ উঠলে ব্লেয়ারের সাফ জবাব, “ঠান্ডা মাথায় নিরীহ লোককে খুনের ক্ষমা নেই। ভারত দীর্ঘদিন ধরেই সন্ত্রাসের ভুক্তভোগী।” উনিশ পাতার জয়েন্ট অ্যাকশন প্লানে বলা হয়েছে,

● ইউরোপের দিক থেকে ইউরোপোল এবং ভারতের সিবিআই পরস্পরের মধ্যে যোগাযোগ বাড়াবে।

● মাদক পাচার, জঙ্গি হানা, অবৈধ অস্ত্র ব্যবসা, সাইবার-সন্ত্রাস রুখতে ভারত-ইইউ আলোচনার পরিসর আরও বাড়ানো হবে।

● রাষ্ট্রপুঞ্জের মহাসচিবের রিপোর্টের ভিত্তিতে তৈরি সন্ত্রাস-বিরোধী কোর্শলকে এগিয়ে নেওয়ার বিষয়ে দু'তরফ মতবিনিময় করবে।

● জঙ্গিদের হাতে আর্থিক সহায়তা যাতে না পৌঁছানোর জন্য যৌথ ভাবে কাজ করা হবে। কড়া নজর রাখা হবে সন্দেহজনক আর্থিক লেনদেনের দিকে।

● পরমাণু-সন্ত্রাসবাদ সংক্রান্ত আইনগুলি লঘু করার বিরুদ্ধে আন্তর্জাতিক মঞ্চে সোচ্চার হওয়া।

● রাষ্ট্রপুঞ্জের নিরাপত্তা পর্যদের সমস্ত প্রাসঙ্গিক প্রস্তাবগুলির সর্বস্বীকৃত প্রয়োগ ঘটানো, রাষ্ট্রপুঞ্জের সন্ত্রাসবিরোধী কর্মসূচিতে মদত দেওয়া।

India, EU want barriers to go

HT Corporate Bureau
New Delhi, September 7

INDIA ON Wednesday used the sixth Indo-European Union summit to make a pitch for seeking greater access to EU markets for its products and services. Prime Minister Manmohan Singh said, "As tariff trade barriers disintegrate, non-tariff barriers suddenly come up. We need to address any such issues that exist."

Striking a conciliatory note on Business Process Outsourcing to India, British Prime Minister Tony Blair — also president of the EU Council — said it added value and provided a competitive edge to EU's businesses. EU Trade Commissioner Peter Mandelson, however, said India should further open up. "Barriers to FDI will have to fall," he said.

Later in the day, Singh hosted the Blairs at Humayun's Tomb. Among those present were Railway Minister Lalu Prasad Yadav, Bharti's Sunil Mittal and two Hinduja brothers. Cherie Blair, the British PM's wife, wore an Indian dress to this reception. In the evening, Blair called on Congress chief Sonia Gandhi.

A 19-page joint action plan adopted at the summit outlined an agenda to strengthen cooperation in counter-terrorism efforts that included establishing contacts between the Indian and EU counter-terrorism coordinators. Addressing a joint press conference with Blair, Singh said: "We've agreed that there is no place for terrorism in the civilised world and that we would work together towards fighting it."

Singh said increased market access to Indian products and services in the EU market would create healthy conditions for placing two-way trade on an even keel. He also announced that the government had cleared the purchase of 43 Airbus aircraft for Indian Airlines. Blair strongly advocated the further opening up of the Indian and EU economies.

But at the Indo-EU business summit organised by the CII, FICCI and Commerce Ministry, Commerce and Industry Minister Kamal Nath was critical of the EU's trade-restricting measures which limited access for India's merchandise and service exports, and the movement of professionals.



British Prime Minister Tony Blair with children at the Salaam Balak Trust in New Delhi on Wednesday.

VIRENDRA SINGH/HT

Green light for Galileo satellite

PRAMIT Pal Chaudhuri
New Delhi, September 7

COMMON VALUES and common interests are why the European Union has summit-level talks with India, says European Commission president Jose Manuel Barroso.

The EU holds such parleys with only five other countries.

The current Indo-EU summit also had something tangible to show. Two elements of what Barroso calls "an ambitious action plan" — a framework agreement on India's participation in the Galileo positional satellite system

and support for India's membership in the International Thermonuclear Experimental Reactor — actually saw fruition.

Barroso prefers to talk about the larger sweep of things. India and the European Union have common values in democracy, the rule of law and all that. There common interests, he says, range from trade and investment to migration issues, the environment and climate change.

Migration, he says, needs to be "managed" given problems like terrorism, the trafficking of women and illegal migrants.

"There are concerns that will

come with more human contacts," he says. Barroso is quick to add he is not equating migrants with terrorism. India and the EU will be working to "ease the circulation of people" between the two. Barroso sidesteps the issue of temporary workers, preferring to extol the 1,000 Erasmus Mundus scholarships being offered to Indian students and the virtues of the 15-country Schengen visa.

"When I was young, to travel from [my native] Portugal to Spain was very bureaucratic. Today there is no physical evidence of a border," he says.

Barroso, cognizant that Portu-

gal and other European countries are reeling under a tide of Asian textile imports, is defensive about trade.

"The rise of China and India has been very sudden, a fast development. The EU needs to manage its effects carefully."

But Barroso emphasises that the two Asian giants are "sources of growth in the world" that will help fuel Europe's own prosperity. He says many Europeans are wary of "emerging economies". Barroso's message to his fellow continentals: "Change will happen whether politicians want it or not, driven by technology. The

best thing to do is adapt." But Brussels is in a quandary. Too much trade poses a direct danger to European unity.

The rejection of the EU Constitution was "not a vote against the EU, but a vote against the state of its economy".

But the "No" votes, Barroso insists, "do not diminish the EU's ability to act".

But getting all 25 EU countries to agree on Galileo, say Indian observers, was one reason the framework was only okayed on Tuesday night. And it still doesn't detail the degree of Indian involvement or contribution.

Handwritten notes:
India
Barroso
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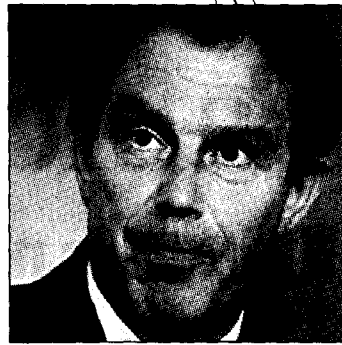
Blair eyes strategic ties with India

9/19/06
Blair
9/19/06

HTC and Agencies
New Delhi, September 6

THE FORMAL high point of the Indo-European Union summit on Wednesday will be the unveiling of a joint action plan outlining how the two sides will cooperate in implementing their bilateral strategic partnership and other common social and economic concerns. As part of this, the two sides will establish a security dialogue covering a range of issues like disarmament and nonproliferation.

UK Prime Minister Tony Blair, in his capacity as president of the EU Council, is heading the EU delegation which includes Jose Manuel Barroso, president of the European Commission. However, Blair will stay on in India for two more days and hold bilateral talks with Manmohan Singh. Official circles in New Delhi tend to find it hard to take the EU seriously on security issues. They are more interested to know if Brussels has come to a common position on inviting India to join the International Thermonuclear Experimental Reactor, the multi-billion



Tony Blair

dollar international civilian nuclear fusion power project.

Blair's bilateral summit will have a large focus on economic issues. Britain may announce measures that will make it easier for Indian firms to invest in the UK - India is now the eighth largest source of foreign direct investment in the UK. The two sides are expected to talk about trade issues. The UK wants India to open its financial services market and India wants a bigger pie of the UK's healthcare sector. A new air services agreement is, expected to enhance number of flights.

EU-India Summit To Kick Off Action Plan For Strategic Partnership

Blair visit to focus on trade ties

G Ganapathy Subramaniam
6 SEPTEMBER

WHEN British Prime Minister Tony Blair visited India in 2002, his speech at the Indo-British Partnership Summit focussed more on global political dynamics than on economic ties between the two countries. This time around, trade and investment are top on the agenda — the recent serial blasts in the UK and the ongoing talks over Kashmir notwithstanding.

With bigwigs handling the UK, European Union (EU) economic policies setting the tone of the dialogue and tycoons accompanying Mr Blair emphasising on trade and investment, the fingerprint screams 'business'. It is not just the UK but the whole of EU that is focused on enhancing economic ties with India as it steadily grows to be only second to China.

Of course, the EU-India summit will kick off an action plan for EU-India strategic partnership and Mr Blair will play his role as the president of the EU Council. But all eyes will be on the trade and investment front. Since it is clear that the EU — like the US — is likely to face problems with Chinese imports, the emphasis on forging a closer relationship with India could not be overstated.

From the Indian point of view too, much is at stake since the EU is the country's largest trading partner, besides accounting for a significant chunk of the foreign direct investment flowing in since 1991. Despite India's Look East policy, the importance of the European market has not diminished.

EU-India trade stands at around €35 billion and Europe is emerging as a rapidly-growing key market for important sectors like IT and textiles. The EU is keen on opening up India's financial sector while efforts are also on to see lower duties for British scotch and French champagne. Both the EU and India appreciate the liberal civil aviation agreements to increase connectivity between Indian metros and key European destinations like London, Frankfurt and Paris.

The states is, therefore, set for a quantum leap in bilateral economic relations. The services negotiations at World Trade



BUGHTY CALLING: British Prime Minister Tony Blair and wife Cherie arrive in New Delhi for the EU-India Summit on Tuesday — AFP

Organization (WTO) has provided the backdrop for liberalisation of this segment, at least on a bilateral basis. India has already sought the EU's support for the GATS visa it wants for qualified professionals.

A specific proposal for access to the EU healthcare business is in the works, along with the willingness to move forward in creative industries. With Mr Blair taking over as EU president, hopes of Europe cutting down farm export subsidies

will not be misplaced. On the other hand, the EU — like the US — wants India to offer concessions on manufactured goods. A clear case of possibilities for 'give and take', which is what the current WTO talks are all about. Mr Blair's hectic schedule includes meetings with President APJ Abdul Kalam and Prime Minister Manmohan Singh during his whistle-stop tour. After arriving from China late in the evening on Tuesday, the EU

president has a number of strategic and business meetings lined up on Wednesday and Thursday before he leaves for London. The delegation accompanying Mr Blair includes EU trade commissioner Peter Mandelson; and UK's secretary of state for trade and industry Alan Johnson, apart from European Commission president Jose Manuel Barroso and EU's high representative for the common foreign & security policy Javier Solana.

“WHEN Indian Prime Minister Manmohan

Singh visited the UK last September, we agreed that our bilateral relationship had never been better. We also recognised that there was huge potential to do a lot more. We set out in our Joint Declaration how we would look to increase the number of exchanges in areas that affect both our countries: cooperation on global issues such as the environment and the fight against terrorism. We also made a commitment to further strengthen our relationship in business, education and science and innovation.”

“A year on from that signing, we are witnessing the fruits of our labour. In January 2005, our two trade ministers launched the Joint Economic

BLAIRSPEAK

and Trade Committee (Jetco) designed to build on our substantial and unique trade partnership and to provide a framework for improving the strong business-to-business links between India and the UK.” “We also supported the establishment of the Indo-British Partnership Network in the UK, a new organisation bringing together businesses already passionate about India with those who want to be part of this hugely exciting market.”

“India and the UK start from a very strong base. Trade in goods and services between the two countries is approaching \$10 billion a year. The UK is the third-largest investor in

India, and India is now the eighth-largest investor in the UK. The vast majority of these investments are in knowledge-based economic sectors — a huge and positive contribution to the international competitiveness of both our economies.”

“For the developed and developing world, India is an inspiring example of a nation that is benefitting from liberalisation — its excellence in IT is now legendary, and global companies know they have to have a presence in India.”

“That is why I come to India with more than 30 CEOs and chairmen of leading British companies — from all sectors of the economy, from cutting edge SMEs to the best known multinationals. And our message is clear: British business is excited about India!”

India and EU have much in common

India and the European Union share fundamental values starting with a commitment to freedom and democracy and to independent and free media. And these common values translate into similar or compatible views on most global issues.

José Manuel Barroso

IT IS my great pleasure to be back in India today for the 6th European Union-India Summit. Today marks another decisive step forward in EU-India relations. Today, we will mark our formal agreement on a wide-ranging and ambitious Action Plan to implementing the Strategic Partnership between India and the European Union launched at the latest Summit. This is the main step forward this 6th Summit is set to achieve.

In this Action Plan, we outline areas where India and the European Union should be active and influential collaborators in global political, economic, and social developments. There are many such areas in which both sides will gain, ranging from enhanced political dialogue, to deepened and widened trade and investment relations, cooperation within programmes such as the Galileo positioning system and the ITER project on fusion energy, and increased 'mutual understanding' through cultural and academic exchanges.

Why is it so important to embark on such an ambitious and far-reaching partnership?

First, there are few other major countries in the world with whom the EU has more in common in terms of fundamental values:

- The EU and India share a common commitment to freedom and democracy, and to independent, free, and vibrant media;
 - We are strongly committed to ensuring respect for human rights and rule of law; and
 - We both view religious, ethnic and social diversity as a strength, and promote unity in diversity, through tolerance and solidarity.
- These common values translate into similar or compatible views on most global issues, ranging from the role of the United Nations and the World Trade Organisation in global security and global governance, to terrorism, the sustainability of energy sup-



European Commission President Jose Manuel Barroso ... for closer economic ties with India. - PHOTO: REUTERS

cooperation is essential. The High Level Trade group that we will today create should help us advance in this area. Although it is, naturally, not possible to pre-empt the outcome of its discussions and its recommendations, we do expect it may open the way for future comprehensive trade and investment negotiations.

Thirdly, the EU and India are important regional players. The EU has successfully expanded from six to 25 members. Bulgaria and Romania are expected to join us in 2007, and negotiations with Croatia and Turkey are to follow. Furthermore, through the European Neighbourhood Policy, the EU seeks to promote peace, stability, and prosperity beyond its borders. And India, the largest democracy in the world, set to become the most populous country in the world by 2030, is a major force for stability in South Asia and beyond. Even more significantly, both the EU and India are emerging as major political actors on the world stage.

Hence, all the elements are in place not only for calling each other Strategic Partners, but to implement this endeavour through the concrete Action Plan we have in front of us. Given our track record and continued joint commitment, I am in no doubt that we will make this undertaking a huge success.

Also today, the EU-India Business Summit will confirm once again the close ties that exist between our vibrant business communities.

Today's meetings will most definitely be a success on this auspicious day of Ganesh's birthday! I am proud of the special relationship between the European Union and India, which today takes another important step forward and will bring enormous benefits to both the Indian and the European people.

(The writer is President of the European Commission.)

ব্ল্যার-মনমোহন বৈঠকে উঠবে দ্বিপাক্ষিক বিষয়ও

ভারত-ই ইউ শীর্ষ সম্মেলন কাল

শ্রাবণী বসু • লন্ডন

৫ সেপ্টেম্বর: শক্তি, পরিবেশ, শিল্প ও পরিবেশের বিভিন্ন ক্ষেত্রে লগ্নির সুযোগ, উন্নয়ন ও সামরিক ক্ষেত্রে সহযোগিতার মতো বহুমুখী লক্ষ্য নিয়ে নয়াদিল্লি আসছেন ইউরোপীয় ইউনিয়নের প্রেসিডেন্ট তথা ব্রিটিশ প্রধানমন্ত্রী টনি ব্ল্যার। ভারত ও ইউরোপীয় ইউনিয়নের মধ্যে দীর্ঘমেয়াদি নানা আর্থিক লক্ষ্য ছাড়াও ইংল্যান্ড ও ভারতের দ্বিপাক্ষিক বিভিন্ন বিষয় নিয়েও ব্ল্যার বৈঠক করবেন প্রধানমন্ত্রী মনমোহন সিংহের সঙ্গে। যার মধ্যে থাকবে রাজনৈতিক নানা প্রশ্নও।

বুধবার আয়োজিত হচ্ছে ভারত-ইউরোপীয় ইউনিয়নের শীর্ষ সম্মেলন। তবে এই মঞ্চ কাশ্মীর নিয়ে দু'দেশের নেতাদের মধ্যে আলোচনা হবে না। ব্রিটিশ প্রধানমন্ত্রী ব্ল্যারের দফতরের এক মুখপাত্র জানিয়েছেন, মানবাধিকারের মতো বিষয় অবশ্য আলোচ্যসূচিতে থাকবে। জানা গিয়েছে, মনমোহন সিংহ ও টনি ব্ল্যার একটি যৌথ ঘোষণাপত্রে সই করবেন। পরের দিন ভারত-ব্রিটেন শীর্ষ বৈঠকের পরে একটি রাজনৈতিক ঘোষণাপত্রও স্বাক্ষরিত হবে।

গোটা সফরের প্রধান আশ্রয় যে বাণিজ্যিক, তা পরিষ্কার হয়ে যায় সফরকারী দলের দিকে চোখ

ফেরালেই। ব্ল্যার সঙ্গে নিয়ে আসছেন ৪৬টি সংস্থার চেয়ারম্যান ও চিফ এগজিকিউটিভ অফিসারদের। তালিকায় আছে ব্রিটিশ আমেরিকান টোব্যাকো, ব্রিটিশ টেলিকম, বার্কলেস ও গ্ল্যাক্সো স্মিথক্রাইন।

ইংল্যান্ড যে-চুক্তিতে বিশেষ ভাবে আগ্রহী, তার মধ্যে রয়েছে এয়ারবাস ইন্ডাস্ট্রির কাছ থেকে ইন্ডিয়ান এয়ারলাইন্সের বিমান কেনার সম্ভাব্য বরাত। কেন্দ্রীয় সরকার ইন্ডিয়ান এয়ারলাইন্সের জন্য ৪৩টি বিমান কেনার পরিকল্পনা করেছে। এর মূল্য ২০০ কোটি ডলার ছাড়িয়ে যেতে পারে। পাশাপাশি, জেট এয়ারওয়েজও ১০টি এয়ারবাস বিমান কেনার সিদ্ধান্ত নিয়েছে বলে জানা গিয়েছে। ওই পরিকল্পনার অঙ্গ হিসাবেই আরও ১০টি বিমান কেনা হতে পারে। কিংফিশার এয়ারলাইন্স ইতিমধ্যেই এয়ারবাস কিনতে শুরু করেছে। এমনকী বিশ্বের বৃহত্তম যাত্রী বিমান এ৩৮০ কেনার পরিকল্পনাও করেছে কিংফিশার। জেট এয়ারওয়েজের বরাতের পরিমাণ ১৫০ কোটি ডলারে ঠেকতে পারে, কিংফিশারের ২৫০ কোটি ডলারে।

গ্যালিলেও মহাকাশ প্রকল্প নিয়েও চুক্তি হতে পারে এই সফরে। কৃত্রিম উপগ্রহ ঠিকঠাক কক্ষপথে চালানোর ব্যবস্থা সংক্রান্ত এই প্রকল্পের লক্ষ্য কেবল অসামরিক কাজে ব্যবহৃত কৃত্রিম উপগ্রহকে নির্দিষ্ট কক্ষপথে ধরে রাখা। এই প্রযুক্তি এতই উন্নত যে,

নির্দিষ্ট কক্ষের এক মিটারের মধ্যে উপগ্রহকে ধরে রাখতে পারে এই ব্যবস্থা।

আরও একটি উচ্চ প্রযুক্তির ক্ষেত্রে ইউরোপীয় ইউনিয়নের সঙ্গে ভারতের সহযোগিতা গড়ে উঠতে পারে। পোশাকি নাম 'ইন্টারন্যাশনাল থার্মোনিউক্লিয়ার এনার্জি রিয়ারাক্টর এক্সপেরিমেন্ট'। সূর্যে বা অন্য তারার দেহে যেমন ভাবে অতি উচ্চ তাপমাত্রায় দুটি হাইড্রোজেন অণু মিলিত হয়ে হিলিয়াম অণু ও প্রচুর শক্তি সৃষ্টি করে, সে ভাবেই পরীক্ষা হবে পৃথিবী পৃষ্ঠে। উদ্দেশ্য, শক্তির নতুন উৎস তৈরি করা।

দলে আসছেন চলচ্চিত্র পরিচালক ও অন্যান্য পেশাদার। ভারতীয় সিনেমা কী করে আরও সহজে ইংল্যান্ডে তৈরি করা যায়, বা ব্রিটিশ চলচ্চিত্র কী করে ভারতে তৈরি করা যায়, তা নিয়েও চুক্তি হতে পারে।

কৃষি ভর্তুকি তুলতে। পি টি আইয়ের খবর: কৃষিপণ্যের রফতানির উপরে ভর্তুকি পাঁচ বছরের মধ্যে তুলে দেওয়া হোক বলে ডব্লিউ টি ও-র কাছে দাবি জানিয়েছে ব্রিটেন। অন্যথায় দোহা রাউন্ডে বিশ্ব বাণিজ্য নিয়ে আলোচনার 'সর্বনাশ' ডেকে আনা হবে ইঁশিয়ারি দিয়েছেন টনি ব্ল্যার। 'ফিন্যান্সিয়াল টাইমস' পত্রিকায় উন্নত দুনিয়াকে ভারত ও চিনের সঙ্গে আরও প্রতিযোগিতামূলক হয়ে উঠতে বলেছেন ব্ল্যার।

The expanding EU-India relationship

For a long time, the EU-India relationship was largely at the economic level. The current effort is to give it a larger political dimension.

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Sushma Ramchandran

THE EUROPEAN Union is increasingly looking inwards to resolve the recent crisis over a new constitution. However, it remains eager to engage with emerging economies such as India. The growing fascination with India is evident from the fact that it has now been made one of the EU's strategic partners. The single-minded focus on China and the Asian tigers has been replaced with the recognition that India matters in the long run.

The buzz over outsourcing, the growing attractiveness of the stock markets, and its increasing role on the global stage both at the World Trade Organisation and the United Nations have clearly contributed to the rising interest within the EU in a long-term stable relationship with India.

The question now is: what does "strategic partner" mean?

For, India is not the only such partner of the EU, which has inked similar treaties with Russia, the United States, China, and Japan.

EU officials in Brussels say a strategic partnership is one where, irrespective of irritants, the bilateral relationship is so important that both sides commit themselves to overcoming them. In other words, the EU-India relationship has become a long-term one with enough mutual benefits to ensure that small areas of friction are smoothed over.

Apart from the long-term nature of the strategic partners, another critical new aspect is the political dimension. For a long time, the EU-India relationship was largely at the economic level with combative talks on market access, trade and investments being par for the course. Now the EU has gradually transformed itself from a European Economic Community to a union of states looking to formulate a common foreign and security policy, despite the latest roadblocks following non-ratification of the new constitution by the United Kingdom and the Netherlands.

While these are matters of internal discord, as far as ties with India are concerned, the EU is keen not only on enlarging but also

deepening the dialogue on political issues. In fact, the complementarity of views between the two is actually considerably more on the political rather than the economic front. An EU spokesperson describes the dialogue as having become "more intense" in recent months. The aim is to finalise a comprehensive agreement on political, economic, and cultural issues at the upcoming summit in New Delhi in September. At the same time, it is clear the thrust of the current endeavours is to give the bilateral relationship a political dimension. One of the key areas for a dialogue is in democracy and human rights, which is not only considered to be the "core" of EU foreign policy but also an area where there is much to share with India.

The political declaration being readied for September is likely to provide a road map for closer ties in future in areas such as nuclear proliferation, weapons of mass destruction (WMD), and counter-terrorism. There is considerable satisfaction in the Brussels headquarters of the European Commission about the similarity of approach on global and regional "hot spots."

A recent example is Nepal. Both the EU and India appear to have adopted the same policy towards the assumption of wide-ranging powers by the Nepal monarch and there is a feeling that the combined pressure will help in ultimately reaching a negotiated solution to the problems in the Himalayan kingdom.

On supporting India's entry into the United Nations Security Council, the EU is wary simply because the issue has to be dealt with individually by member states.

EU officials, however, reiterate their support to any move to reform the U.N. The need for international organisations to

adapt to the new realities is considered imperative. Even the EU constantly changes its treaties to meet the demands of the changing environment.

In the WTO, too, the EU considers itself to be a "natural ally" of India despite the sharp differences over farm subsidy policies as well as on issues relating to market access. New Delhi and Brussels are increasingly having consultations before meetings on key issues. No doubt, unlike in the political arena, there are much sharper exchanges on WTO matters largely because India is not only a major player but also an important member of major groupings such as the Group of 20 developing countries and the Group of 33.

The interests of these groups are virtually diametrically opposite to that of the EU and the U.S. though negotiations are continuing in a bid to reach some form of agreement by the Hong Kong ministerial conference in December.

In contrast, the recently-launched talks on energy security are likely to lead to cooperation in areas of energy efficiency, safe energy, and ultimately the security of energy supplies, with the commonality of both the EU and India being big fuel importers.

The Galileo space project is another area where India is likely to be closely involved. Efforts are being made to enter into an agreement on the project as soon as possible.

The wide range of cooperation between the enlarged 25-member EU and India is thus set to move ahead rapidly with the deadline for many issues being the India-EU summit in September.

Being strategic partners, however, the relationship in all areas now looks set to deepen and enlarge steadily over a much longer time frame.

EU finalising plan for partnership with India

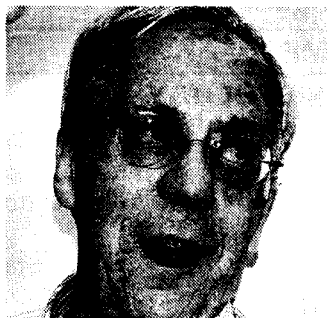
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India emerging major player in global scene: Italian Ambassador

Shujaat Bukhari

SRINAGAR: Stating that India was a priority country for the European Union, Italian Ambassador to India Antonio Armellini has said that an action plan for economic and strategic relations with India was being finalised by the Union. He said Italy would review the adverse travel advisory in respect of Jammu and Kashmir.

In an exclusive interview to *The Hindu* here, Mr. Armellini said that India was a major player in South Asia and was emerging on the same lines at the global scene. "The EU and India have agreed on a strategic relationship, though we have limited countries but India is a priority country as for as economic partnership is concerned," he said adding that an action plan was being finalised in this direction so that "we can go ahead with the operation." Mr. Armellini, who is on a five-day visit of Kashmir, said that strengthening economic relations was important for both India and Italy. "We are witnessing a period of heightened interests in India on part of



Antonio Armellini, Ambassador of Italy in India. - PHOTO: NISSAR AHMAD

Italy and last year the largest ever business delegation visited India when our President was on official visit," the Ambassador said. "We are looking at the areas which are complimentary to each other and thrust is on infrastructure building and Agro industries".

"Unity for consensus"

On a question about India's demand for a permanent seat in the United Nations Security Council, Mr. Armellini said Italy believed that reforms of the U.N.

should be viewed in the whole context. "We view this with the principle of democratic accountability and geographic representation and this should be taken care of as far as possible," he said adding that India shared this general aim and "the aim which it has proposed with the other countries and the group called G-4." However, the Ambassador said that Italy supported the approach and method through which same (reforms) can be achieved as proposed by different countries called "unity for consensus."

Supporting the ongoing peace process between India and Pakistan, he refused to suggest any solution for Kashmir problem and said: "It is up to India and Pakistan how it should be resolved." He, however, said that Italy and the EU were following the developments with great attention. "The CBM's like Srinagar-Muzaffarabad bus service are positive and people here also feel that they have a good impact on the situation." These steps, he said, would foster good relationships between the two.

Mr. Armellini said that it was

a fact-finding mission for him to visit Kashmir. He referred to the travel advisory issued by many western countries including Italy to their nationals not to visit Kashmir and said "the J&K Government is concerned about that and has pointed out that the situation had improved a lot which warrants that it should be withdrawn. We review the situation regularly and we will again review it. My mission was to acquire element of facts on this subject as well and will accordingly submit a report to my government," he said.

The Ambassador visited the National Institute of Technology here to revive the Centre for Maintenance, Handling and Repair of Instruments funded by Italy. Work on the project had been suspended in view of the turmoil but now it is being resumed. "We are keen on making this centre functional as soon as possible."

The centre was started in 1980's but abandoned after the militancy erupted.

Mr. Armellini was accompanied by his Political Counsellor in New Delhi Paolo Trichilo.

Switzerland lifts ban on arms exports to India

Curbs have also been lifted for Pakistan, South Korea and Iraq

Sandeep Dikshit

NEW DELHI: Switzerland has lifted the curbs on the export of military material to India that were imposed in 1998 following the nuclear tests.

Confirming this, Swiss Ambassador to India Dominique Dreyer told *The Hindu* that the communiqué issued by the Swiss Federal Council (Cabinet) could pave the way for the export of military equipment worth 300 million Swiss francs (about Rs. 1,000 crores).

"The Federal Council has decided that it would give up the prohibition of export of military material to India and Pakistan. The normal regime for export of

arms and ammunition would be applicable," said Mr. Dreyer. The Council, in a communiqué to the Swiss State Secretariat for Economic Affairs, approved export applications from India for the construction of 35 mm anti-aircraft guns and spare parts worth 300 million Swiss francs over the next five years, he said.

The curbs had also been lifted for Pakistan, besides South Korea and Iraq. The curbs on Pakistan were imposed after it conducted nuclear tests. Switzerland announced the lifting of the restrictions a month after President A.P.J. Abdul Kalam visited the country. However, Mr. Dreyer said it was "difficult to say" whether the resumption

of military cooperation was linked to the President's visit.

Besides allowing India to resume talks on the anti-aircraft gun, the lifting of the embargo would also enable the Army to shop for high altitude equipment and clothing.

Pakistan, it is learnt, would be able to resume talks on purchasing several hundreds of the Swiss army's surplus armoured personnel carriers for use in U.N. operations. Switzerland has also allowed its companies to open talks on similar vehicles with Saudi Arabia, which will donate the vehicles to Iraq. The Federal Council has also lifted curbs on exports of arms to South Korea.

EU seeks more tariff concessions from India

‘Important ally in WTO trade talks; the two sides are in agreement on many issues’

Sushma Ramchandran

BRUSSELS: While describing India as an “important ally” in the World Trade Organisation (WTO) trade talks, the European Union is looking for more concessions in industrial tariffs before it can make any move in the contentious area of agriculture.

Senior European Commission officials say discussions are being held with India before WTO meetings, as there are many areas in which the two sides can see eye to eye.

‘Strategic partnership’

This is reflective of the closer economic ties ever since the relationship was upgraded to a “strategic partnership” last year, the officials told visiting Indian journalists here.

Apart from trade, energy is an area where a dialogue will be launched in the EU headquar-

ters here on June 29. *Qatar, Bahrain*
Foreign Secretary Shyam Saran will lead the Indian team.

The issues to be covered include energy efficiency, safe energy and energy security especially in the light of soaring oil prices, which have impacted on the economies of both India and the EU.

The details of the energy pact are expected to be finalised by the next summit in New Delhi in September.

Farm subsidy bills

On the Doha Development Round of the WTO, the EC officials are keen on some concessions to reduce what are described as high average industrial tariffs in India. They are not prepared, however, to give a time frame for reductions in the EU’s huge farm subsidy bills, which are already the subject of fierce debate within the European

Shyam Saran leading team for talks

Talks will include energy concerns in the light of soaring oil prices

No negative position on Iran-Pakistan-India gas pipeline project

community.

They point out that a commitment has been made in principle to cut back on trade distorting agricultural subsidies and that the actual end date for eliminating them will be announced in the next phase of discussions.

Services offers

In services, the EC officials maintain that the EU offer is the “best” of all submitted at the WTO. India has already said it is not happy with the services offers of most countries including the United States on the key as-

pect of movement of professionals.

The EC, however, points out that there is no issue of visas in their offer. It has to be handled by individual countries in the EU.

Visa issue

At the most, they can offer a common code of consular services as the issue of visas, it is pointed out, is extremely sensitive and within the purview of the policies of the member countries.

Asked about the European

Union’s stance on the Iran-Pakistan-India gas pipeline project, the officials said it was different from the U.S. and there was no negative position on the proposal.

As for peaceful uses of nuclear energy, there are no plans in the EU for the time being and this subject could be an issue for discussion in the long run.

Cooperation in renewable energy

The EU says there is scope for cooperation in renewable energy sources. It is increasingly seeking to focus on “green” electricity based on wind or solar energy. As solar energy is not as abundant as in India, wind energy is expanding.

According to EC data, the installed capacity for wind energy rose by 23 per cent to nearly 30,000 MW in 2003 from 5,000 MW in 1999.

India, Hungary ink pact on economic cooperation

Budapest, June 24

GIVING A fillip to the bilateral ties, India and Hungary signed on Friday an agreement on economic cooperation and reviewed measures to further strengthen their relations in diverse fields, including science and technology, culture and education.

The agreement was signed here by the Indian ambassador Manbir Singh and the Hungarian International Trade Representative Istvan Major in the presence of external affairs minister K Natwar Singh.

Earlier, Singh called on Hungarian Prime Minister Ferenc Gyurcsany and met foreign minister Ferenc Somogyi.

In Singh's meeting with Somogyi, it was agreed that further steps would be taken to strengthen Indo-Hungarian relations through regular consultations.

The entire gamut of Indo-Hungarian relations was reviewed, including measures to strengthen cooperation in the economic and commercial sphere, science and technology, culture, education.

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25 JUN 2005

THE HINDUSTAN TIMES

New Delhi can play a leading role in world politics: Iceland

Indian economy has turned around, says Grimsson

K.V. Prasad

REYKJAVIK: Iceland president Olafur Grimsson, who takes pride in his long association with India, says New Delhi can play a leading role in world politics provided it does not remain engrossed in domestic affairs.

"India has the opportunity to play a leading role on the world stage and not be solely occupied with problems at home. It has an economic advantage, a vibrant democracy and has established peace in a reasonable way with its neighbours and relations with Europe and the United States," Mr. Grimsson told correspondents who are accompanying President A.P.J. Abdul Kalam on his four-nation tour.

Indian economy had turned around and, having a democracy that stood the test of time, the country could have its voice heard on the world stage.

Long association

Mr. Grimsson said both India

• India has established peace with neighbours

• Grimsson talks of special relationship with Rajiv Gandhi

• Kalam's visit will open new vistas of cooperation

and Iceland got independence around the same time. Recalling his association with Indian leaders since Indira Gandhi, he talked glowingly of his special relationship with Rajiv Gandhi.

Congress president Sonia Gandhi was his personal guest in 2001. "She came along with Manmohan Singh and Natwar Singh. She was the Leader of the Opposition and today the Congress is leading the Government," he said emphasising that he always stood for friends irrespective of the positions they did or did not hold.

A photograph in gilt-edge frame showing the Congress leaders during their visit to Iceland adorns his official residence and shares space with those of Russian President Vladimir Putin and the former United States President, Bill Clinton.

Mr. Grimsson is confident that Mr. Kalam's current visit will open new vistas of cooperation in the fields of pharmaceuticals, aviation, earthquake research, information technology and geo-thermal energy.

Iceland wants to join hands with India and become a major player in pharmaceuticals and information technology.

Air links

He has been pursuing the launching of air services linking India to Europe and America with Iceland as the hub.

Considering that Iceland has been a pioneer in low-cost air service, he says the current agreements could work wonders.

and tea-based beverages. a tariff for upto 10 years each year to investors and Congress.

India, Germany seek to double trade

Statesman News Service 50-11

NEW DELHI, April 5. — India and Germany today discussed means to double bilateral trade while ensuring that issues like non-tariff trade barriers are resolved. In its meeting with the ministers of finance as well as commerce and industry, a 90-strong delegation led by the German economics and technology minister, Mr Wolfgang Clement, spoke of the mutual need to take advantage of investment opportunities opening up in both countries.

Mr Clement also said Germany would like to see more investment from India. At present, some 60 IT companies are operating in Germany apart from traditional ones like textile. "Both cooperation and amount of investment can be enhanced, particularly in the east Germany, where restructuring is

ongoing," he added.

Speaking on the occasion, finance minister, Mr P Chidambaram, said the bilateral trade had crossed the 6 billion euro barrier last year. "We want to double this level by 2010. We can achieve this if Indian and German companies enter into fruitful collaboration."

On the clean coal technology, Mr Chidambaram said a Joint Working Group had been set up to discuss transfer of technology. The USA was working with Germany in this sector, he added.

Earlier, at a meeting organised by the Ficci commerce and industry minister, Mr Kamal Nath called upon Germany to address concerns over the increasing use of non-tariff barriers that hindered trade. "While the Indian economy has liberalised and opened up its markets, there is a feeling the European Union is shutting its doors to Indian exports," Mr

Kamal Nath said.

Mr Clement spoke about the need to successfully conclude the WTO negotiation at the Hong Kong ministerial in December. "The talks can be successful only if all the sides show movement and are willing to compromise," he said.

Mr Kamal Nath noted that though the actual figures of foreign direct investment (FDI) did not reflect the synergies of the two economies evident from the fact that more than 600 German companies were operating in India and a growing number of Indian companies were investing in Germany.

Mr Chidambaram denied bureaucratic delays in clearing proposals. India's policy and rules were very transparent and "FIPB now clears proposals in double quick time", he added. There were hardly any cases "pending" before FIPB for more than eight to ten weeks, he claimed.

06 APR 2005

THE STATESMAN

India, U.K. sign pact

HD-13 19/2 By Our Special Correspondent *India*
Amol

NEW DELHI, FEB. 18. India and the United Kingdom today signed an agreement on the transfer of sentenced persons. The Home Minister, Shivraj Patil, and the visiting British Secretary of State, Jack Straw, signed the agreement. Under the agreement a request for transfer may be made by the convicted prisoner or a person entitled to act on his behalf in view of his age or physical or mental condition. The request will have to be agreed upon by the transferring State and the receiving State. The transfer will be effected if the judgment awarding the sentence is final in India and no appeal or revision against the judgment is pending in any court.

The transfer will be made if the convicted prisoner is a citizen of the receiving State notwithstanding that he may also be a citizen of any other foreign State. The law of the receiving State shall govern the enforcement of the sentence. However, the receiving State shall be bound by the legal nature and duration of the sentence as determined by the transferring State. According to the agreement, the enforcement of sentence in the receiving State, to the extent that it has been enforced in the transferring State, shall have the effect of discharging the sentence; the transferring State alone shall be competent to decide any application for review of the judgment. Either State may grant pardon, amnesty, or commutation in accordance with its Constitution or other laws.

The convicted prisoner shall not be transferred if the transferring State is of the opinion that it would be prejudicial to the sovereignty, security or any other interest of the transferring State or there is any other case pending in the transferring State against the convicted prisoner or he is convicted of an offence under military law or death penalty has been awarded to the convicted prisoner in the transferring State.

The two countries also renewed a Memorandum of Understanding regarding verification and return of illegal Indian migrants in the United Kingdom. It will remain valid up to January 29, 2006, according to an official release here.

'Indo-Austrian ties are ever growing'

AUSTRIAN President Heinz Fischer is on a six-day state visit to India. This is the first ever visit by an Austrian president to India. The visit is expected to focus on enhancing bilateral economic ties and on intensifying cooperation in science and technology, tourism and other areas. ET caught up with Austrian ambassador to India, **Jutta Stefan-Bastl**, and asked her about the growing Indo-Austrian relationship. Excerpts:

What is the perception of India in Austria?

Austrians perceive India in many ways, first as an old civilisation, which created a tremendous wealth of spiritual thinking that spread all over Asia and later to large parts of the world; secondly, as an interesting country to travel to experience very traditional features lost in other parts of the world by a too quick absorption of a globally more and more uniform lifestyle and a country that, despite this truthfulness to its own age-old traditions is able to compete in modern world. Here, I am certainly thinking about IT and India that is somehow being linked as one notion getting hooked in peoples' minds.

The ties between the two countries go back five decades. What can be done to take trade, cultural exchange and tourism to a new level?

Well, the ties between the Republic of Austria and the Republic of India go back five decades, but there have been ties before between our peoples. Many Austrian travellers crossed Indian territories and some stayed, fascinated by its beauty, the kindness of its peoples and the very special way of life. But you are asking me about the more recent times. Well, our relations are very good,



INTERACTIVE

JUTTA STEFAN-BASTL

they are excellent indeed, but there is much work to do in strengthening and deepening them. We are proceeding in the right direction: our trade has picked up by an average of 30% last year, in both directions. We are more active in in the field of science; the President, who is visiting India, has brought along a select group of vice-chancellors of Austrian Universities and research institutions. I am confident that some good teaming up will follow after having visited Delhi, Hyderabad, Bangalore and Mumbai.

Equally in tourism the prospects are bright. Austria presents itself as an ideal film location where Indian teams do not only get a wonderful landscape and professional partners but also the kind of service they need to feel comfortable all around. Moreover, the embassy is constantly doing its best to present Austria's rich cultural heritage. In 2003 we organised performance by the world famous Vienna Philharmonic Orche-

stra in Mumbai. The Vienna Boys Choir performed in India last year. The potential is rich, we just have to grasp the opportunities. **Most Indians think of Vienna and Salzburg when they think of Austria. Are the Austrian consulates planning anything to broaden this perception?**

Vienna and Salzburg are doubtless two of the most beautiful, interesting and historic places in Austria, but there is much more to see and experience — the beautiful mountains of Tyrol, the lovely scenery in Carinthia or all the rich forests and meadows of Styria, to name just a few more of our provinces. Our tourism office in New Delhi and the tourism industry are active in presenting all this to an ever-growing Indian public. Even more effective is publicity by word of mouth: every satisfied Indian tourist in Austria is a tremendous asset and here lies the art of catering to the specific needs and taste of Indians. Austrian Airlines, popular for travellers in and around Delhi will start flying to Mumbai from 1 May and reach out to the central and southern Indian market.

Where do you see this relationship going in the new global market, economically, politically and culturally?

In this global market, where everyone competes with everyone, we have to tie up our strong points in a way to make us stronger in combination. This is what Austrian business is looking for in India. They are not only looking for it, but also are finding it in good reliable partners. Reliability is key to every good relationship. The visit of our President to India is part of our efforts to show that Austrians are reaching out to Indians in a way that our two countries, our two peoples, profit in an ever positive way.

India, Austria ink deals

Grünbacher von 11-12-1997

New Delhi: India and Austria on Thursday signed two agreements to enhance cooperation in the health sector and held wide-ranging talks to strengthen ties in the fields of economy, science and technology.

The agreements were signed after Prime Minister Manmohan Singh met Austrian President Heinz Fischer who arrived here on last night on a six-day visit to India. He is the first Austrian President to pay a state visit to this country.

"This visit is quite significant and important," Fischer told reporters here after being accorded the ceremonial reception at the Rashtrapati Bhavan.

The agreement on infrastructure cooperation in the health sector was signed by Health minister, Ambumani Ramadoss and Austrian minister of economic affairs, Martin Bartenstein. A memorandum of understanding for development of cooperation between the Post-Graduate Institute of Medical Education, Chandigarh, and Medical University

of Innesbruck was inked by their chiefs K K Talwar and Hans Grunicke respectively.

The talks between the Prime Minister and the Austrian leader focused largely on economic issues. Fischer is accompanied by a large delegation of business representatives.

Fischer said he was "very optimistic" that the visit will be successful in boosting friendly relations between the two countries.

At the ceremonial reception, President A P J Abdul Kalam voiced confidence that "cooperation between the two countries will result in economic prosperity".

During his stay, Fischer will meet external affairs minister K Natwar Singh, defence minister Pranab Mukherjee and leader of opposition L K Advani.

Fischer, who is accompanied by his wife Margi and a high-level delegation, will also participate in a business meeting organised jointly by FICCI and CII.

He will also visit Hyderabad, Bangalore, Mysore and Mumbai. Agencies

India, Italy sign eight MoUs

By Our Special Correspondent

NEW DELHI, FEB. 15. India and Italy today signed a set of eight memorandums of understanding for cooperation in various areas of science and technology, including early warning of disasters and land-mapping for agriculture.

Speaking to reporters after the signing ceremony, the Science and Technology (S&T) Minister, Kapil Sibal, said: "This is a historic event. Though S&T cooperation between the two countries during the past 10 years has been good, this marks a quantum jump". The MoUs envisage, among other things, development of web-enabled technologies for small and medium scale enterprises, establishment of research hubs on bioinformatics, neuroinformatics, and grid technologies, and setting up of a joint laboratory on micro-electronic-mechanical systems.

tronic-mechanical systems.

The Italian Minister for Education, Universities and Research, Ilizi Moratti, said the aim would be to create intellectual property that could be shared between the two countries and put to commercial use. The MoUs would also help India have access to funding from the European Union.

The Indian institutions that would be involved in the joint programmes under the MoUs include the Indian Space Research Organisation, the Department of Atomic Energy, the Centre for Development of Advanced Computing, the National Brain Research Institute, the Tata Institute of Fundamental Research, the Indian Institute of Technology, Kharagpur, the Institute of Mathematical Sciences, Chennai, the B.M. Birla Science Centre, Hyderabad, and the Pune University.

HD-16
\$2

India, Finland to step up bilateral trade

India
Europe

By Our Special Correspondent

NEW DELHI, FEB. 7. India and Finland propose to step up the level of bilateral trade, which is now considered far below the potential, despite having risen by 41 per cent to \$380 million in 2003-04.

This was indicated at a meeting between the Union Commerce and Industry Minister, Kamal Nath, and the visiting Finland Foreign Trade and Development Minister, Paula Lehtomaki, today, who came along with an official delegation.

During the first six months of the current financial year, bilateral trade between the two countries has already registered a growth of 45 per cent. An official release says Finland is an

important member of the European Union and is generally supportive of an open trade regime. It adds that the two ministers discussed bilateral and multilateral issues.

Mr. Kamal Nath reiterated India's commitment to the multilateral trade system and appreciated the role played by the European Union in arriving at a consensus that resulted in Framework Agreement on August 1, 2004 in Geneva, providing guidelines for further negotiations in the World Trade Organisation.

He also sought the active support of the European Commission in developing modalities on the principles contained in the Framework Agreement, including reduction of all trade

distorting domestic support and elimination of all forms of export subsidies in agriculture.

He noted that in respect of non-agricultural market access, the concept of less than full reciprocity would have to be built in to the formula while underlining that the market access that developed countries offered should exceed those that developing countries had to provide.

The products, which have potential for boosting Indian exports to Finland, include granite, marble and tiles, fruits and vegetables.

The areas having potential for joint ventures include food processing, electronics and software as well as paper, forestry and telecommunications.

CBI sniffs Salem

OUR SPECIAL
CORRESPONDENT

New Delhi, Jan. 28: After two-and-a-half years of negotiations, Portugal has agreed to extradite gangster Abu Salem to India. Salem is wanted for his alleged role in the serial bomb blasts in Mumbai in 1993.

"We were informed by the Indian mission in Portugal that the Supreme Court has granted India's request for extradition of Abu Salem for all the offences," CBI spokesperson G. Mohanty said.

Although Portugal's consent has been obtained, it is not clear when Salem can be brought back to the country. Sources said Salem could still file a fresh petition in court arguing that his extradition to India was a violation of the Portuguese constitution. Even if that happens, Salem may be able to delay the extradition by some days but not prevent it.

The Supreme Court of Portugal has cleared the extradition after examining two petitions — one filed by the CBI through the Portuguese prosecutor-general and another by



Salem: Bad times?

Salem's lawyers.

New Delhi is believed to have given an assurance that Salem would not be awarded the death penalty if found guilty. European Union law prohibits extradition of an accused to a country where capital punishment is not banned.

Salem was arrested with his girlfriend Monica Bedi in Lisbon in September 2002. He was charged with entering Portugal with forged documents, causing injury to a policeman who was performing his duty and perjury. The Portuguese

QUOTE

It's awesome, it really is

LLEYTON HEWITT

authorities had dropped one of the charges against him — of marrying a local girl to get a resident permit.

Despite the optimism in the CBI about laying hands on Salem, it may not happen in a hurry, as Bedi's example shows. A Portuguese court has ordered her extradition to India, but she appealed, succeeding in lengthening her stay.

The foreign ministry, which has been negotiating Salem's extradition with the Portuguese, would neither confirm nor deny the news of the court's verdict. In private, officials said the decision is an example of the growing relations and the resolve of all "like-minded and right-thinking" countries to put up a united fight against terrorism.

Salem is wanted for trial for his role in the serial blasts which killed 257 people and destroyed property worth crores.

In July last year, the Portuguese high court had given permission for his extradition to stand trial only in minor offences, such as passport faking and extortion. The CBI appealed against the ruling in the Supreme Court.

India, EU take up market access

39-8 [51] *India - Europe news*
NEW DELHI, Jan. 14. India and the EU have agreed to find areas of common interest in the ongoing negotiations at the World Trade Organisation (WTO) while ironing out trade irritants to give a new impetus to India-EU investment and trade.

Addressing a special session on India-EU strategic partnerships, organised by the Federation of Indian

Chambers of Commerce and Industry (Ficci), EU trade commissioner, Mr Peter Mandelson expressed disappointment at the low actual investment levels by EU companies and sought a predictable, regulatory environment and legal certainty as key conditions.

He said the new European Commission would push for economic

reforms to strengthen competition in Europe's single market, improve the way economy is regulated and further promote innovation, growth and entrepreneurship.

Mr Mandelson earlier held detailed talks with the Prime Minister, Dr Manmohan Singh, and commerce and industry minister, Mr Kamal Nath, on a range of issues. — SNS

THE STATESMAN

EU anti-dumping law to be reviewed

HT Correspondent
New Delhi, January 14

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EU anti-dumping
law
HT-11
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THE EUROPEAN Union has agreed to review anti-dumping measures against products from India, commerce and industry Minister Kamal Nath said after a two-hour long meeting with the new EU Trade Commissioner Peter Mandelson here on Friday. "They have also agreed not to destroy consignments which do not meet phytosanitary standards," he said.

At the meeting, India raised issues like market access, problems faced by marine exports to European Union countries and new General System of Preferences. "It was also reiterated that issues like agriculture, non-agriculture market access and services get equal importance in negotiations," Nath said. While Nath added that discussions were held on how to move forward with the new European Commission, the latter termed India's offer on services as disappointing.

The EU warned that WTO trade talks may get derailed if India and other developing countries do not improve their offers before the May deadline. "WTO negotiations are a two-way street. For services negotiations to move forward, better offers would have to be made by countries like India before the next deadline in May," Mandelson added.

"The negotiations on services are now at a critical stage and could flounder if more ambitious offers are not made by the deadline," he said, adding that India has much to gain from liberalising trade in services and it should not feel defensive.

Mandelson held detailed talks with Manmohan Singh and Kamal Nath. He added that both EU and India agreed that member countries will have to take a balanced approach to carry the Doha Round forward to make it a win-win situation for all.