

Team Asia spins an integrated vision

CL Manoj
KUALA LUMPUR 14 DECEMBER

SIXTEEN heads of states, including Prime Minister Manmohan Singh, on Wednesday joined hands at the first-ever East Asia summit here to work towards an integrated East Asian community. Their aim is to have a united vision for the region's economy, trade, business, political and strategic matters.

Apart from the 10 Asean nations, others who attended the summit were India, China, Japan, South Korea, Australia and New Zealand. Though Russia is not a member, President Vladimir Putin attended the summit as a special guest, signalling Moscow's understanding of the true potential of Asian unity.

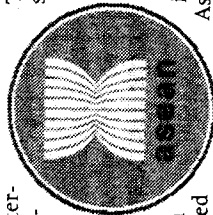
The summit and the adoption of the Kuala Lumpur Declaration merely mark the beginning of an ambitious journey. However, political differences among the players (China-Japan tension, say many, has prompted the summit to avoid more contentious issues and limit itself to the basics of a common vision) threaten to derail the juggernaut.

But the ramifications are huge. The decision of the 16 nations to strive for a common Asian vision — which also includes plans for an FTA, cooperation in energy, finance, economic develop-



UNITED WE STAND: South Korean President Roh Moo Hyun (L) and Indian Prime Minister Manmohan Singh during the Asean summit in Kuala Lumpur on Wednesday. — PTI

ment, security, fight against terrorism and even more ambitious ideas like setting up a common central bank for the entire region — could change the political, economic and trade contours of South-East Asia. It could even lead to the emergence of a united Asian powerhouse.



The maiden agreement of the summit was a pact to pool the common resources and expertise to fight the avian flu outbreak, which is posing a major problem.

For India, despite not being a member of the original Asean+3, the opportunity to participate in the summit and

make contributions towards the evolution of the common Asian vision is seen as a tactical gain besides being an acknowledgement of New Delhi's growing economic and political clout in the region.

Addressing the summit, Dr Singh recalled how Jawaharlal Nehru had the vision to predict a "united Asia" waking up from its long slumber one day and getting ready to tap its potential. Dr Singh told the summit to be aware that the whole world was keenly watching Asia, which was set to play a key role in the global economic and political realms.

Instead of selecting a core committee for working towards the East Asian community, an issue that saw a subtle turf war between China (which sought to leverage the Asean+3 grouping) on the one hand and India, Australia and New Zealand on the other, the summit opted for the safer option of involving officials of all the 16 nations.

While deciding to make the summit an annual event, it was tactically decided that only an Asean nation will chair it. This will satisfy and dispel the fears of these 10 nations about the plans of bigger players and also make the event an Asean-driven one, officials said. It could also avoid fresh turf wars among non-Asean nations.

Pact-A-Punch: India May Be Wooed By Many Nations For Tie-Ups



Blinding Interests: Manmohan Singh with Asean leaders

Country's IT, biotech skills catch Asean eye

CL Manoj

KUALA LUMPUR 13 DECEMBER

IF it was India's expertise in computer software which was a major attraction for Asean region for several years, Indian skills in information technology, biotech and pharmaceutical sectors are now making heads turn in the 10-member regional body.

After the fourth India-Asean summit here on Tuesday, there are indications that in the coming days India may be approached by many of the Asean nations for collaborations in these areas, signalling new opportunities for Indian players in these sectors. There was also a shared appreciation and urge for cooperation among the Asean nations in India's natural disaster management skills, which came to attention during the recent tsunami strikes.

During the summit, one issue that was repeatedly raised by almost all the member nations with the Prime Minister was Asean's interest to tap Indian expertise in the areas of IT, biotech and pharmaceutical industry. Leaders of many of these nations told Dr Singh that one way of strengthening Indian trade and business ties in the region further would be by entering into mutually-benefiting pacts in these sectors.

"The Asean looks forward to take advantage of India's capabilities and expertise, particularly in biotechnology, development and manufacturing of generic medicine and information technology," Malaysian Prime Minister Abdullah Badawi said dur-

ing his meeting with Dr Singh here.

Dr Singh, on his part, told Asean nations that India gave top priority to its political, economic and trade relations with the region and that New Delhi was determined to strengthen these ties further and its Look East policy was a quest in this direction. This Asean interest has gladdened the Indian side which sees in it yet another opportunity to widen and deepen the Indian trade interest in the region together with new openings for the Indian companies in the markets of these 10 nations. Already Asean nations account for one-third of the Indian trade, amounting to around \$25 billion, showing an annual growth of over 30%.

Cooperation in disaster management training was another area of interest for the Asean nations. Almost all the members spoke glowingly about the manner in which India dealt with the damage caused by tsunami and extended relief to others.

Agencies add:

Recognising that globalisation is a reality, India said it is ready to work with all members of the East Asia Summit, noting that it is a viable idea with a great potential. PM Manmohan Singh was commended by all Asean members and also by fellow East Asia participants Japan and South Korea who welcomed New Delhi taking part in what is being dubbed as a 'historic' summit. He told the leaders that India recognised that globalisation was a reality now and talked about his vision of a pan-Asian free trade area which included New Zealand and Australia.

PM assures a 'practical approach'

CL Manoj

KUALA LUMPUR 13 DECEMBER

PRIME Minister Manmohan Singh on Tuesday promised member nations of the Asean a "flexible, pragmatic and practical" approach, while addressing their concern about New Delhi's proposal to exclude a substantial portion of its trade from the proposed India-Asean Free Trade Agreement (FTA) through exclusion of a large number of products from tariff concession.

Addressing the fourth India-Asean summit, Dr Singh also made six new proposals that include more cooperation and exchanges in the area of trade, IT, industry and medicine and education.

Dr Singh's assurance towards resolving the Indian "negative list", which accounts for about 1,400 items and include, among other things, palm oil, vegetable oils and petro products, for the proposed FTA, came in response to Malaysian Prime Minister Abdullah Badawi, who, as the chairman of the Asean, raised the body's concern about the Indian proposal and looked for some "political direction" to address the issue.

Incidentally, Malaysia has been sensitive to India's stand on the palm oil tariff. After sorting out the "root of origin" issue last week, the Indian "negative list" has been one issue that was left unresolved.

On FTA with ASEAN, PM for 'pragmatic, flexible' approach

SUNIT ARORA
KUALALUMPUR,
DECEMBER 13

INDIA'S proposed free trade agreement (FTA) with ASEAN took centre stage at the fourth ASEAN-India summit today, with three nations—Singapore, Thailand and Malaysia—raising the issue of the 1,414-item negative list proposed by India.

In reply, Prime Minister Manmohan Singh assured ASEAN leaders that its approach would be "pragmatic and flexible," said Rajiv Sikri, Secretary East in the Ministry of External Affairs, at a briefing later.

An ASEAN statement by its chairman, Malaysian Prime Minister Abdullah Badawi stressed on this issue. "ASEAN is concerned on the proposal by India to exclude a substantial portion of trade from the FTA through exclusion of a large number of products from tariff concessions." Urging India to "positively consider" ASEAN's po-

India's Look-East List

■ **IT Push:** An annual India-ASEAN technology fair, to be organised by Department of Science and CIT; have an India-ASEAN IT ministerial and industry forum in 2006

■ **English skills:** Set up English-language training centres in Cambodia, Laos, Myanmar, Vietnam; also set up tele-medicine and tele-education network

■ **Training:** Have education fairs in ASEAN countries in 2006; also a special training course for ASEAN diplomats

sition, Badawi even went to the extent of linking India's Look-East policy to this issue.

Sikri said that both sides agreed on the need to conclude negotiations on the FTA within the next six months so that it could come into play in 2007. On the eve of the 'historic' East Asian Summit, India made it a point to talk about the importance it bestows on ASEAN's role in the region.

CONTINUED ON PAGE 2

On FTA with ASEAN, PM for pragmatic, flexible approach

"The PM said that India's relation to ASEAN is central to its Look-East Policy. The PM supports the ASEAN Charter. The development of a vibrant and strong ASEAN community is something we fully support," said Sikri.

India has been keen to change the perception that it seeks a collective decision-making process in East Asia. Monday's ASEAN charter agreed that the EAS should be a "top-down" forum for leaders to exchange views, and that "the EAS and the ASEAN Plus Three (Japan, China, Korea) process should move on parallel tracks without overlapping and complement one another as well as other regional processes."

On its part, ASEAN said today that it believes "that India can play a role" in helping EAS strengthen the regional architecture. The PM stressed that globalization is a reality and outlined his idea of an Asian Economic Community. Some

ASEAN countries sought India's help to grow the English language



in their region. While India's experience in tackling the Tsunami after-shock got a positive mention, ASEAN also sought India's assistance in helping it tackle the Avian Flu scare in the region. In general, ASEAN sought India's expertise in biotechnology, pharmaceuticals and power.

Terrorism, maritime security and increased connectivity also featured in the one-and-a-half hour summit. Both sides noted the recent terror attacks in Delhi and Bali, and looked for cooperation in this matter. Combating drug trafficking via the Malacca Straits also came up for discussion. On increased connectivity, India mentioned it would push on the Delhi-Hanoi rail link and other such initiatives.

MANMOHAN PROMISES \$6 MILLION

India offers to teach Asean English

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IAN S & PTI

KUALA LUMPUR, Dec. 13. — India will assist some of Asean's lesser-developed nations in learning English. The Prime Minister, Dr Manmohan Singh, who attended the fourth Asean-India summit here today, proposed setting up centres for English language training in Cambodia, Laos, Myanmar and Vietnam "to equip students, civil servants, professionals and businessmen with adequate English language and communication skills".

And the Malaysian Prime Minister, Mr Abdullah Ahmad Badawi, recorded his appreciation of India's help in English language training, as well as in science and technology and human resource development. He said: "India's assistance has contributed towards narrowing the development gap in Asean".

The reason why these countries are looking at India, not an English-speaking country in the strictest sense but one with a large English-speaking population amongst its burgeoning middle class and also the language of its business and technology, is that such language training comes much cheaper than what can be provided by core English-speaking nations like Britain, Australia and New Zealand.

Seeking to give a thrust to its "look east" policy, India also offered its cooperation in combating terrorism, strengthening maritime security in the piracy-infested Malacca Straits, fighting diseases, even as the two sides agreed to step up cooperation in bringing about energy security in the region. India and the Asean countries agreed to work together in disaster management and establishing an early warning system for tsunami.

Speaking on the issue of terrorism, Philippine President Ms Gloria Arroyo proposed an anti-terror alliance that would see South-east Asian and Central Asian countries sharing information to prevent attacks.

Dr Singh told the summit that India would adopt a "pragmatic and flexible" approach over the exclusion of products in the FTA with Asean countries.

India pledged \$5 million for initiating several

schemes in Asean countries and announced a \$1 million contribution to the Asean Development Fund.

The Prime Minister offered India's expertise in making generic drugs to deal with avian flu. India, for its part, asked Asean to invest its huge surplus in the country's infrastructure development, a major deficit hindering economic growth. A tele-medicine and tele-education network for Laos, Vietnam, Cambodia and Myanmar was also proposed. The four countries would be linked with India through a satellite-based network.

On the energy front, the two sides decided to step up cooperation in bringing about energy security in the region, considering most of the countries in the region were not endowed with fossil fuel. The two sides said they would cooperate in the field of abundantly available non-conventional energy sources.

India's dominance in IT was applauded at the meeting by all countries, with the Prime Minister proposing that an India-Asean Technology Summit be organised in 2006. "It is proposed that an India-Asean IT ministerial and industry forum be organised in 2006 through the department of information technology," Dr Singh said.

During a bilateral meeting between the Prime Minister and his Japanese counterpart, Tokyo agreed to continue its joint efforts with India, Brazil and Germany for permanent membership of the UN Security Council. Japanese Prime Minister Mr Junichiro Koizumi invited Dr Singh to visit Tokyo next year. Dr Singh has agreed to it in principle.

South Korean leader Mr Roh Moo Hyun evinced interest in stepping up cooperation in oil and gas, apart from the steel sector.

Shrine shadow on summit, page 2

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THE STATESMAN

Manmohan: we'll be flexible on FTA

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ASEAN leaders seek a political commitment

Amit Baruah

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KUALA LUMPUR: India will be pragmatic and flexible while negotiating a free trade area (FTA) accord with the Association of South-East Asian Nations (ASEAN), Prime Minister Manmohan Singh said here on Monday.

The Prime Minister's assurance came at the fourth India-ASEAN summit after his Malaysian counterpart Abdullah Ahmed Badawi expressed the grouping's "concern" at India's proposal to leave out a "substantial portion of trade" from the FTA by excluding a large number of goods from tariff concessions.

ASEAN leaders, he said, have sought a political commitment from Dr. Singh that India remained firm on negotiating the FTA. "As the ASEAN Chair, I bring this matter up so that we, the leaders, could provide some political direction on moving forward the negotiations," Mr. Badawi said.

Rising stature of India

"I think we all know that establishment of the ASEAN-India FTA will make our engagement more meaningful and substantive, and also reflect the rising stature of India. In this context, we urge India to positively con-

sider the ASEAN's position ... given that India's own 'Look East Policy' ... placed top priority on relations with ASEAN," Mr. Badawi said.

(India apparently has proposed a negative list of over 1,000 items to ASEAN, which includes palm oil, a product of considerable interest to Malaysia).

Mr. Badawi said it would be timely to proceed with implementing some form of concrete cooperation based on the anti-terrorism declaration adopted by the two sides at the Bali summit in 2003.

"We are also generally happy with the state of India's relations with other major powers as testified by the visit of Dr. Singh to the United States last July. India's improved relations with its neighbouring countries, especially Pakistan, is also key to peace and stability in South Asia and the region as a whole," Mr. Badawi asserted.

Rajiv Sikri, Secretary, Ministry of External Affairs, told presspersons that India was committed to negotiating the FTA within the timeframe so that it could be implemented from next year.

On the Malaysian Chair's proposal that India, as a major power, would continue to work with ASEAN in matters pertaining to disarmament, Mr. Sikri said

New Delhi remained committed to universal, complete and non-discriminatory disarmament. "At the same time, we are a responsible nuclear power."

Mr. Sikri maintained that the East Asian Summit (EAS) and the "ASEAN plus three" (China, Japan and South Korea) were "building blocks" that would lead to a larger regional community.

India and ASEAN were committed to combating terrorism and Dr. Singh offered New Delhi's experience in dealing with the menace to the 10-member grouping. The two sides also discussed the issue of maritime security.

Sanjaya Baru, Media Advisor to Dr. Singh, India's capabilities in pharmaceuticals and biotechnology also figured in the discussions. There were possibilities of Indian pharmaceutical companies working in the region to produce generic drugs.

At the summit, Dr. Singh proposed setting up permanent centres for English language training in Cambodia, Laos, Myanmar and Vietnam. A tele-medicine and tele-education network was proposed for these four countries. The Prime Minister also suggested holding an India-ASEAN technology summit.

Exclusive PIO university under consideration, says Manmohan

Feedback from PIO community has been extremely encouraging

9/12/08
Suresh Bhatnagar
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Diplomatic Correspondent

KUALA LUMPUR: India is looking at the idea of setting up an exclusive university for Persons of Indian Origin (PIOs), Prime Minister Manmohan Singh informed a gathering of expatriates in the Malaysian capital on Monday.

"The idea of establishing an exclusive PIO University is ... being considered. The feedback from the PIO community from the world over has been extremely encouraging," Dr. Singh told the Indian community here.

An integral component

To loud applause, the Prime Minister, who met his Malaysian counterpart Abdullah Ahmed Badawi earlier in the day, said the two sides "are concluding" an agreement in which mutual recognition arrangements of educational institutions were an integral component.

"We will find new projects to replicate the successful twinning experiment between the Melaka-Manipal medical colleges," he said adding that the Government was also considering increasing the number of seats available to PIOs in Indian educational institutions.

'Little Indias'

Dr. Singh said the "little Indias" in many Malaysian towns were more than geographical spaces. "They are repositories of the sentiment that links people of Indian origin to the motherland. I compliment you for the affection that you still have for the land of your ancestors."

"I salute you for your commitment to the progress and prosperity of your adopted home. It is a unique characteristic of our people that while being devoted to Mother India, they are also loyal to their new homeland," he said.



MUTUAL RECOGNITION: Prime Minister Manmohan Singh being greeted by his Malaysian counterpart Abdullah Ahmad Badawi prior to their bilateral meeting during the Association of Southeast Asian Nations (ASEAN) summit in Kuala Lumpur on Monday. - PHOTO: AFP

Pointing out that India admired Malaysia's achievements, Dr. Singh was proud that the Indian community had contributed in no small measure.

Confluence of civilisations

"Malaysia is also a moderate

and progressive Islamic State which represents a successful development model. As a modern and industrialised State with business and investor-friendly policies, it has shown that Islam and modernity are perfectly compatible. Rejecting the theory

of a 'clash of civilisations' you have shown, like India, that a 'confluence of civilisations' is, in fact, possible," he asserted.

The Prime Minister also held bilateral discussions with his Vietnamese counterpart Phan Van Khai during the day.

4 3 DEC 2008

Focus on India, Manmohan to tell ASEAN

India - S.E. Asia mtg

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Look East policy begins to 'bear fruit'

Amit Baruah

NEW DELHI: India is "the market" on which the Association of South-East Asian Nations (ASEAN) and East Asian powerhouses such as China, Japan and South Korea should focus, Prime Minister Manmohan Singh will tell a gathering of leaders in Kuala Lumpur next week.

During the Fourth ASEAN-India summit scheduled for December 13, the Prime Minister will also call for greater links in the field of education between India and South-East Asian nations.

Pointing out that the rate of growth in trade between India and ASEAN, as well as India and East Asia, had been impressive, official sources stressed that South Korea was today the second largest foreign investor in India.

A country like Malaysia had committed itself to major investments in India's infrastructure sector.

With India being invited to attend the inaugural East Asia Summit, New Delhi can legitimately claim that its "Look East" policy was beginning to bear fruit and it was being considered a serious player in the Asia-Pacific region.

India, which became a sectoral dialogue partner of ASEAN in 1992 and a full dialogue partner in 1996, held its first summit with ASEAN in November 2002. New Delhi being invited to the inaugural East Asia Summit testifies to its growing interaction with ASEAN and other East Asian nations.

On its part, the sources stated, India was comfortable with the idea of ASEAN "driving" the East Asian Summit process forward. New Delhi, for its part, favoured an annual meeting of the

• India invited to attend inaugural East Asia summit

• Impressive trade growth between India and ASEAN as well as India and East Asia

16 countries invited for the East Asian summit, which includes the 10 ASEAN nations, India, China, Japan, South Korea, Australia and New Zealand.

The sources said that the 16 leaders were expected to discuss the future architecture of cooperation that was expected to evolve at the December 14 East Asian Summit.

However, it was still not clear what kind of cooperative mechanism would evolve from this meeting.

At the last ASEAN-India summit in Vientiane, Laos, Prime Minister Singh had proposed the creation of an East Asian Community, a suggestion that is in line with the criss-cross free trade agreements being negotiated by India, ASEAN and East Asian nations.

New Delhi also appears aware of the fact that the current tensions between Japan and China could create problems during the proceedings in Kuala Lumpur, but still wants to push ahead with an Asian cooperative agenda.

The Prime Minister, who will be in Kuala Lumpur from December 11 to 14, is expected to have several bilateral meetings with leaders of key countries. According to the sources, the Prime Minister is currently scheduled to meet the leaders of China, South Korea, Japan, Singapore and Malaysia.

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Strengthening bonds with Indonesia

Indonesian President Susilo Bambang Yudhoyono's visit to India has provided another opportunity to upgrade bilateral relations and strengthen what is a historic relationship. That Mr. Yudhoyono and Prime Minister Manmohan Singh have agreed to establish a "strategic partnership" speaks volumes about the potential waiting to be tapped. Defence and trade have rightly been identified as two core areas in which the two countries can focus their attention in the short and medium term, while also cooperating in the fight against terrorism. Indonesia has always been on India's radar, but the conditions have all along not been very congenial for forging a strategic partnership. Till the reign of the late Suharto, bilateral ties were hardly anything to write home about. It was only towards the end of his rule that India became a dialogue partner of the Association of South East Asian Nations (ASEAN), of which Indonesia is the largest and most critical country. And, after the fall of Suharto, the archipelago went through turbulent times, making it difficult for his successors to review ties and build a new equation with India. Both Abdurrahman Wahid and Megawati Sukarnoputri realised the importance of India, but the imperative of having to deal with the turmoil pinned them down. The time is now ripe for Mr. Yudhoyono to pick up the threads and cement a new partnership. The decision to initiate an annual strategic dialogue from 2006 may be the right beginning.

It is obvious that India's relations with Indonesia can be strengthened and built in different areas, aside from working together in the U.N., ASEAN, and the emerging East Asian community. Bilateral trade is just about to cross the \$4 billion mark and the two leaders have set a target of \$10 billion by 2010. The potential in defence and space cooperation needs hardly to be emphasised. Already, the Indian Space Research Organisation is about to commission its second telemetry, tracking and command centre at Biak, with the possibility of working with its Indonesian counterpart, LAPAN, in the development of rockets and the utilisation of Indian remote sensing satellites. Joint naval exercises have been held and these hold the key to expanding military cooperation to ensure peace and stability both in the Indian Ocean and the South China Sea. Peace is about to dawn in the strife-torn province of Aceh, which is also close to the Andaman and Nicobar islands. Given the proximity of the two countries, their shared interests and the historic role India played in the birth of Indonesia, it is only in the fitness of things that the two countries start working closely and make their voice heard in the regional and international fora. On the industrial and economic fronts, India can extend all possible help in rebuilding Indonesia's economy, with the focus on Information Technology.

THE HINDU

India, Indonesia to establish “strategic partnership” in tune with realities

To hold annual “strategic dialogue” at the level of senior officials

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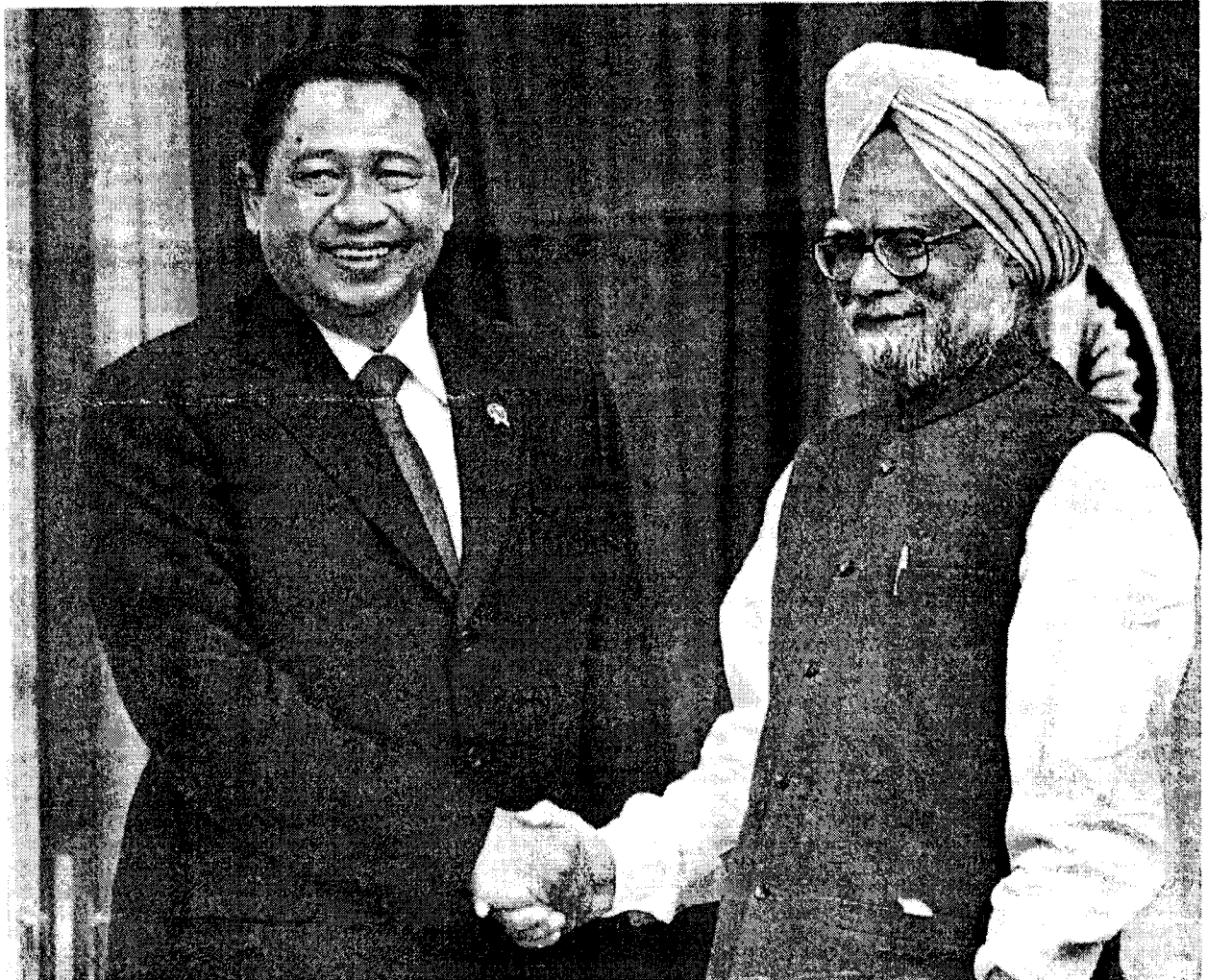
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Indonesia to establish "strategic ship" in tune with realities

strategic dialogue" at the level of senior officials

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FIRMING UP TIES: Prime Minister Manmohan Singh with Indonesian President Susilo Bambang Yudhoyono in New Delhi on Wednesday. — PHOTO: AP

Welcoming the close cooperation between the Indian Space Research Organisation and Indonesia's National Institute of Aeronautics and Space of Indonesia (LAPAN), Dr. Singh expressed appreciation for the assistance extended by LAPAN for the setting up of ISRO's second Telemetry, Tracking and Command Centre in Biak, in Indonesia's Papua province. The Centre is to be commissioned

soon.

"The Indonesian President expressed the wish that the process of transfer of technology and capacity building between ISRO and LAPAN could be intensified. Furthermore, he expressed hope for greater bilateral cooperation in such undertakings as the development of rockets; the utilisation of Indian remote sensing satellites..." the declaration said.

India, which will attend the First East Asia Summit in December in Kuala Lumpur, expressed appreciation for Indonesia's support for its participation.

"While acknowledging the centrality of ASEAN (Association of South-East Asian Nations) in leading the process of creating this new regional architecture, both countries affirmed the need for all 16 EAS (East Asia

Summit) countries to fully participate and actively contribute towards a common vision of an East Asian Community that would facilitate closer regional cooperation and integration. In this regard, they [Dr. Singh and Mr. Yudhoyono] highlighted the importance of the development of a road map and modalities for the progressive realisation of the East Asian Community," the declaration said.

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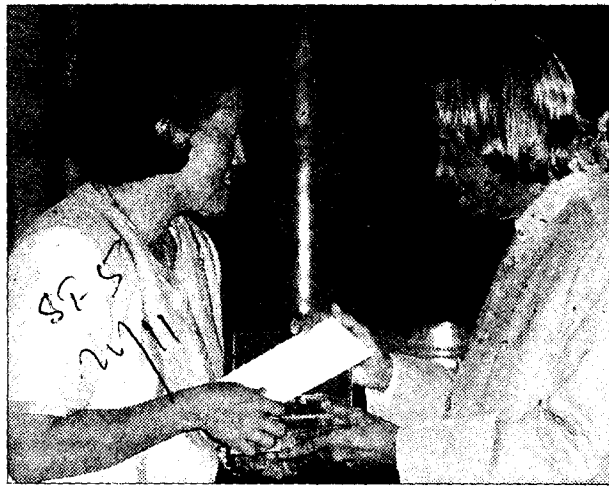
THE HINDU

Thai princess receives Indira Gandhi Prize

Statesman News Service

NEW DELHI, Nov. 19. — Princess Maha Chakri Sirindhorn of Thailand today received the Indira Gandhi Prize for Peace, Disarmament and Development for 2004 from President A P J Abdul Kalam in the presence of Prime Minister Manmohan Singh and UPA chairperson Sonia Gandhi.

In a touching acceptance speech at an impressive ceremony at the Durbar Hall of Rashtrapati Bhavan, the 50-year-old Princess acknowledged that she was inspired by Jawaharlal Nehru's "Discovery of India" and



President APJ Abdul Kalam presents the prize to Princess Maha Chakri Sirindhorn. SNS

"Letters from a father to a daughter". She said she had also read as many as

people, its culture and history. "This prize is an encouragement to me for continuing my work to improve the well being of people," she added. She said she had great admiration for India and its civilisation.

During her six-day visit to India, the Princess proposed to visit Bhubaneswar, other Buddhist heritage sites and places like Jain monastery and Udaygiri. She also plans to visit Koraput and Kolkata. The President recalled the age-old ties between India and Thailand that had been built on a strong foundation of ancient links.

West Bengal Chief Minister woos investors in Singapore

Leaders in city state briefed about the State's economic programme

P. S. Suryanarayana

SINGAPORE: The West Bengal Chief Minister, Buddhadeb Bhattacharjee, has met senior Singapore leaders briefing them on the State's "economic programme" and "political thinking" in a bid to attract investments from here for "a logistics hub" and other projects.

Mr. Bhattacharjee, the first senior political leader to visit Singapore from India after the two signed the Comprehensive Economic Cooperation Agreement (CECA) in June, "clarified" the current political equation between West Bengal and the Centre. The leaders he met included Prime Minister Lee Hsien Loong and President S. R. Nathan.

Summing up the political content of these discussions, Mr. Bhattacharjee told journalists here on Wednesday that the stage was now set for "follow-up" talks on the economic agenda of his visit.

The Singapore authorities indicated that Senior Minister Goh Chok Tong, who took the



Buddhadeb Bhattacharjee

political initiative for the CECA, and Mr. Bhattacharjee discussed how West Bengal could benefit from the development experiences of the city-state. The Chief Minister was accompanied by Alok Prasad, India's High Commissioner to Singapore and Sa-byasachi Sen, a top West Bengal official.

Mr. Bhattacharjee's interloc-

utors included the chairman of the Institute of South Asian Studies, Gopinath Pillai, and the leaders of the Singapore Indian Chamber of Commerce and Industry (SICCI) and the Singapore Chinese Chamber of Commerce and Industry, M. Rajaram and Chua Thian Poh respectively.

A key theme of the discussions was how West Bengal was "sensitising" itself under India's overall "Look East" policy. The areas being identified for possible foreign direct investments ranged from "greenfield airports" (with up to 100 per cent external equity), ports, special economic zones, health services and, low-cost housing.

MoU signed

A memorandum of understanding (MoU) was signed between the Singapore Business Federation and the SICCI on the one side, and the West Bengal Government and the Confederation of Indian Industry (CII) on the other. The MoU is meant to enhance interaction between business entities on both sides.

An independent MoU relating to information technology was also signed.

Delivering a public lecture on Tuesday, Mr. Bhattacharjee referred to the "little disadvantage" that he faced in some quarters due to the impression about Left politics. He conveyed a message to the international business community that his Government had embarked on economic reforms on the premise that "either you reform or you perish" in the present milieu of globalisation.

West Bengal was now "restructuring" its loss-making public undertakings. It was in this context that the Left parties in India were opposing the Centre's plans to sell profit-making state undertakings which had, in fact, become the "backbone of the national economy."

He said India would have to compete with China but "what we have learnt from them [the Chinese] is: don't stick to dogmas, learn the truth from the facts." He later left for Jakarta on the second and last lap of his five-day visit to the region.

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'India-Singapore CECA a model pact'

Statesman News Service

NEW DELHI, Aug. 20. — The Comprehensive Economic Cooperation Agreement (CECA) between India and Singapore will serve as a template for future negotiations on trade agreements with other countries, the Singapore High Commissioner, Mr See Chak Mun, today said.

"Singapore is a testing ground for CECA, as it goes beyond liberalisation to investment opportunities and a wider perspective to bilateral relations," Mr Mun said at a seminar organised by the Federation of Indian Chambers of Commerce and Industry (Ficci).

Moreover, the agreement offers a unique platform for India to launch an export-oriented manufacturing development drive with Singapore evincing keen interest in development of SEZs, real estate, manufacturing and other infrastructure projects, the seminar noted.

Mr Mun spoke of the tremendous benefits held out by CECA in the form of elimination of import tariffs with cheaper products, such as chemicals and auto components, sourced

The agreement offers a ⁴⁵⁹ unique platform for India to launch an ^{Mr. See Chak Mun} export-oriented ^{drive} manufacturing development drive with Singapore

elled the playing field between Indian and Singapore investors. This meant qualifying companies would be able to enjoy tax exemption on capital gains from their investments in India. India has also agreed to bind its new liberalised rules for real estate and joint ventures for Singapore investors. This lent greater certainty and would boost investor confidence.

In his presentation, Mr Phua Thak Peow, manager, International Enterprise Singapore, said the benefits to Indian business would arise in the shape of cost-competitive Singaporean imports into India. The tariffs on approximately 75 per cent of Singapore's domestic exports will be eliminated or substantially reduced over five years. This includes important sectors such as electrical and electronics, instrumentation, pharmaceuticals and plastics.

CECA would also help cut cost and time-to-market for certain products through Mutual Recognition Agreements (MRAs). These MRAs would eliminate the need for products, which have been tested and certified in India, to be retested for entry into the Singapore market, and vice versa.

from Singapore. Moreover Indian companies could make use of the liberal workforce in Singapore to set up enterprises or send across professionals.

With the CECA giving preference to Singaporean companies, this led to greater investment in India, Mr Mun pointed out. He felt Singapore was not a real competitor but the experience provided by its companies would be a test pad for future competition with bigger players.

The seminar noted that CECA improved the investment regime significantly and lev-

CECA will not cause flood of imports: Kamal Nath ✓

Singapore has now become an important investment hub

Special Correspondent

NEW DELHI: Commerce and Industry Minister Kamal Nath on Thursday sought to reassure Indian industry that the Comprehensive Economic Cooperation Agreement (CECA) with Singapore would not lead to a flood of imports from third countries since Singapore had provided sufficient safeguards in the agreement to eliminate any possibility of switch trade.

Addressing a joint press conference with the Singapore Trade Minister Lim Hng Kiang, he stressed that Singapore had strong laws on certification of origin. These "tight" laws on Rules of Origin have been built into the agreement. He described Singapore as the gateway for the ASEAN countries along with being a financial and trading hub. It had now become an investment hub, especially for ASEAN countries. He said that along with CECA, the two countries had signed a Bilateral Investment Protection Agreement and a Double Taxation Avoidance Agreement. These would, he felt, now enable investments to be routed through Singapore rather than through Mauritius via shell companies.

Asked about the proposed cooperation in the banking sector, he said three Singapore



WIDENING COOPERATION: *The Union Commerce Minister, Kamal Nath, calling on the Singapore Prime Minister, Lee Hsien Loong, in New Delhi on Thursday.*

— PHOTO: ANU PUSHKARNA

banks would be allowed to set up subsidiaries or open branches in India. These banks include DBS Holdings, Oversea Chinese

Banking Corporation Limited and United Overseas Bank Limited. As far as priority sector lending norms were concerned,

however, he said these will not apply but it would be up to the banks concerned to take a decision on this issue.

01 JUL 2005

THE HINDU

CECA with Singapore will boost investment, says Chidambaram

Assocham study forecasts substantial benefit for infrastructure sector

Special Correspondent

NEW DELHI: The Comprehensive Economic Cooperation Agreement (CECA) with Singapore will lead to a larger flow of investment into India as the Asian giant is a major global hub for trading and manufacturing, the Union Finance Minister, P. Chidambaram, said here on Wednesday.

Speaking to newsmen after calling on the Prime Minister of Singapore, Lee Hsien Loong, who is here on a visit to ink the historic accord, Mr. Chidambaram said: "We are all happy that we are entering into CECA... Singapore offers a large basket of financial services which can be leveraged to channel investment to India."

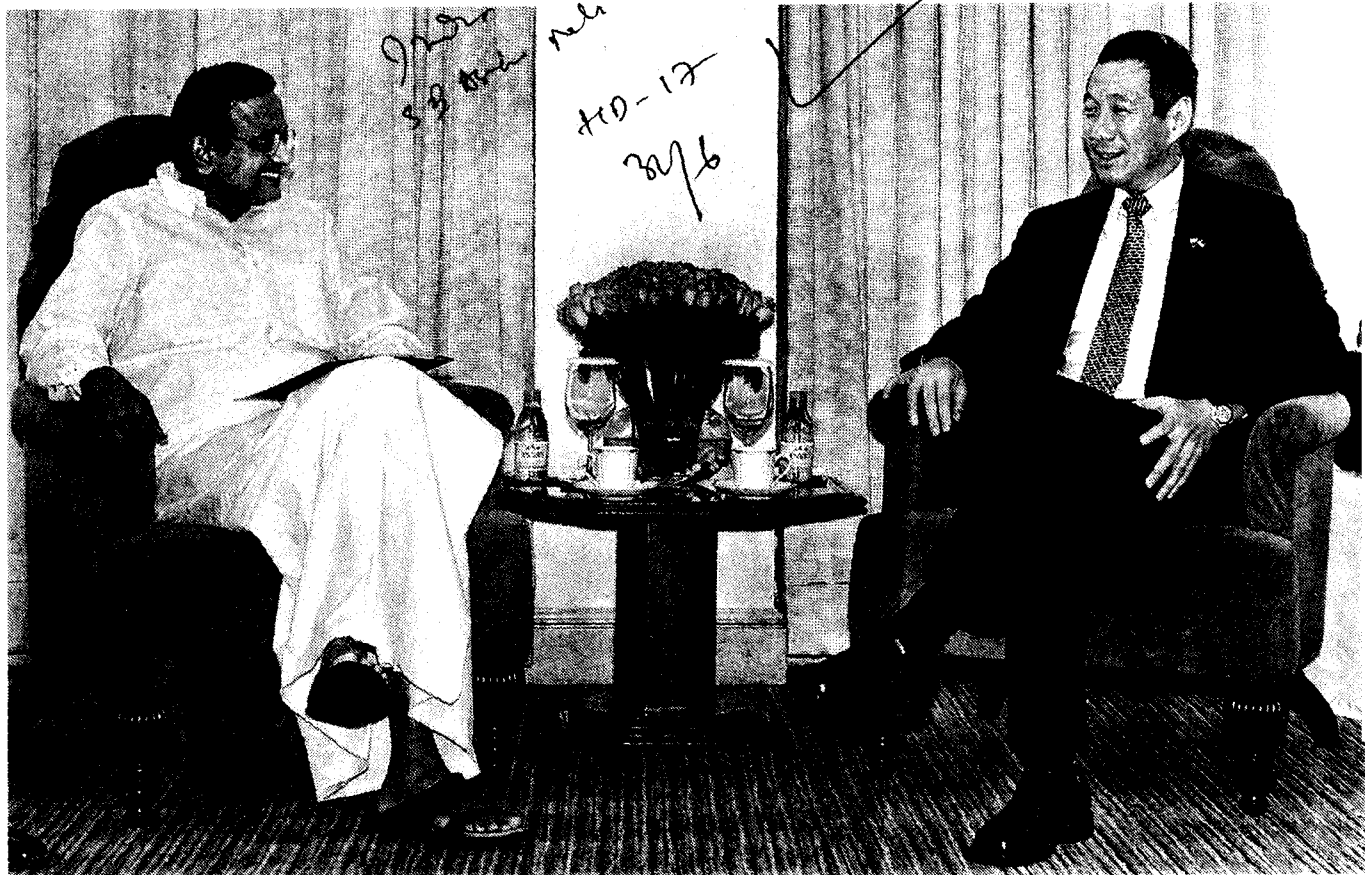
"Prime Minister [Lee] told me that after CECA, one can expect a larger flow of investment from Singapore and through Singapore," he said.

Bilateral trade

The signing of the CECA will pave the way for bilateral trade to touch \$10 billion by the end of this fiscal and \$50 billion by 2010 against \$8 billion at present, a study by the Associated Chambers of Commerce and Industry of India (Assocham) says.

Releasing the study, the chamber President, M. K. Sanghi, said the CECA would also significantly increase Singapore's investments in India.

The study says investments from the ASEAN member nations were expected to go up to \$5 billion by 2010 and further to



UPBEAT ON ACCORD: The Prime Minister of Singapore, Lee Hsien Loong (right), with the Union Finance Minister, P. Chidambaram, during a meeting in New Delhi on Wednesday. - PTI PHOTO

\$10 billion by 2015. The most important areas of Singapore's investment in India would be airports, ports, urban infrastructure, it says, while adding that there is also a vast potential for cooperative ventures in biotech, healthcare, food processing, animation, entertainment and tourism.

The agreement will help Indian businesses leverage Singapore's strengths in finance and marketing and achieve greater competitiveness in information technology through closer ties with Singapore's advanced electronic industry.

"More than 300 Indian IT companies have already set up

software development operations in Singapore and there are about 1500 Indian companies which have bases in that country while every year around 150 new companies set up their operations," Assocham says.

Therefore, it maintains Singapore will witness the fastest growth of Indian companies,

setting up their operations with the execution of CECA.

The number of these will multiply to perform a wide range of business activities from R&D to manufacturing, establishing supplier chain management, intellectual property management and strategic management, it says.

Manmohan for pact with ASEAN

Special Correspondent

NEW DELHI: Prime Minister Manmohan Singh has described the recently concluded Comprehensive Economic Cooperation Agreement (CECA) with Singapore as a step towards a similar agreement with the Association of South East Asian Nations (ASEAN).

He has asked the high-level Trade and Economic Relations Committee (TERC) to come forward with proposals to enable forward movement on negotiations for an India-ASEAN CECA.

At a recent meeting of the TERC, he said that over the past decade successive governments have reiterated their commitment to bring India's tariffs in line with ASEAN rates. While this would benefit India's trade partners, he said it was necessary to place trade and investment liberalisation with respect to India's neighbours and ASEAN countries on a "faster track."

He asked the committee to produce an annual review of the country's external economic relations. He told the TERC: "We must enlarge our economic interaction and integration with SAARC, BIMSTEC and ASEAN and find creative solutions to overcome existing hurdles. We must become a partner in the economic progress of our neighbours."

Briefing newsmen, the Prime Minister's media adviser, Sanjaya Baru, said the Investment Commission headed by Ratan Tata and the National Manufacturing Competitiveness Commission headed by V. Krishnamurthy were also asked to take into account the concerns of domestic industry and come forward with ideas to facilitate the transition to a more open economy, more closely engaged with all India's neighbours in South and Southeast Asia.

30 JUN 2005

THE HINDU

FRIDAY, JULY 1, 2005

A partnership on a fast track

It is surely significant that India's first Comprehensive Economic Cooperation Agreement (CECA) should be signed with Singapore. CECA, which took a full two years to negotiate, is a major landmark in bilateral relations. It also sets the stage for a series of comparable agreements with other countries. Talks with Sri Lanka, Thailand, and Malaysia are in progress, and Prime Minister Manmohan Singh has asked the Trade and Economic Relations Committee to fast-track a comprehensive pact with the Association of South East Asian Nations (ASEAN). The point is that CECA goes well beyond the framework of a Free Trade Agreement (FTA) to cover special visa arrangements, air transport liberalisation, investment, and financial services, to name a few areas. According to current projections, the two-way India-Singapore trade, already at a healthy \$ 6.8 billion, is expected to climb to \$ 10 billion in a year and to \$ 50 billion by 2010. Besides seeking to expand trade, the governments and private sectors of the two countries must step up their efforts to promote investment, share expertise and technology, and work together to penetrate third country markets. Helping as it does to harness the city state's strategic position and reputation as a financial hub, the partnership should enable India to leverage its strengths and capabilities and channel more investment and market flows into Singapore.

Prime Minister Lee Hsien Loong's signing of CECA marks the completion of a far-going process set in motion by his sagacious predecessor, Goh Chok Tong, who was among the first Southeast Asian leaders to recognise and highlight the potential of India, way back in 1995. It was Mr. Goh who pushed for India's graduation as a dialogue partner of ASEAN and then as an invitee to the ASEAN + 4 annual summit. That was followed by the invitation to India to participate in the East Asian Economic Cooperation summit later this year. It is heartening that, in addition to trading firms, hundreds of Indian companies, mostly in software and information technology, have set up business in Singapore. This is essentially at the level of small and medium enterprises, which is also Singapore's strength. Indian companies should shed their fears and inhibitions on FTAs and CECAs and prepare themselves for global competition. Singapore's trade and marketing strengths and India's robust manufacturing and IT base should provide the right mix for making a thrust into new markets. After consolidating CECA, which comes into force on August 1 this year, India must move forward and negotiate similar agreements with strategic partners. Strengthening the partnership with ASEAN and forging closer economic ties with China and Australia, in addition to Japan and the Latin American countries, should also open the door for India to the Asia Pacific Economic Cooperation (APEC) forum.

July 2005

India, Singapore sign economic pact

Comprehensive accord to boost trade in goods and services; mutual legal assistance treaty too



A STEP AHEAD: Prime Minister Manmohan Singh receiving his Singapore counterpart Lee Hsien Loong at the Rashtrapati Bhavan in New Delhi on Wednesday. — PHOTO: V.V. KRISHNAN

Diplomatic Correspondent

NEW DELHI: India and Singapore on Wednesday took a giant step forward in expanding trade relations, by signing a Comprehensive Economic Cooperation Agreement (CECA). Signing the accord, Prime Minister Manmohan Singh and his Singapore counterpart, Lee Hsien Loong, said it would boost ties between the two nations.

A spokesman for the Prime Minister said the two leaders discussed bilateral and regional issues during their talks at Hyderabad House. The Prime Minister thanked Mr. Lee for Singapore's support for India's participation in the East Asia summit at the end of the year. Dr. Singh, however, stressed that the summit should not be confined to economic issues but extended to all areas of concern to Asian nations.

Approved by the Union Cabinet on June 20, the CECA is an integrated package comprising trade in goods and services, agreement on investments, mutual recognition agreement in services and cooperation agreements in customs, science and technology, education, e-commerce, intellectual property and the media.

Speaking to presspersons, Dr. Singh said the "agreement will widen and deepen our relations. Singapore is our gateway to Southeast Asia and East Asia and this is truly a historic moment."

Mr. Lee, on his first visit to India as Prime Minister, said both the economic agreement and the mutual legal assistance treaty, also signed on Wednesday, "will make for very, very good relations."

"I am happy that our relations are broad and deep. And [they] will grow broader and deeper with the CECA we are signing today," Mr. Lee said after the ceremonial reception at the Rashtrapati Bhavan.

The India-Singapore Joint

• Agreement on investments and cooperation in customs, science and technology, e-commerce, etc

• Singapore is our gateway to Southeast Asia and East Asia and this is truly a historic moment, says Manmohan

• I am happy that our relations are broad and deep: Lee

Study Group (JSG), set up to study the feasibility of concluding a CECA between the two countries, followed discussions between the then Prime Minister Atal Bihari Vajpayee and Goh Chok Tong in April 2002.

During Mr. Goh's visit in April 2003, a declaration of intent to start talks on the CECA was agreed upon after the JSG presented a report to the two Prime Ministers. It recommended that negotiations be concluded within 18 months.

Support for U.N. seat

Mr. Lee also met External Affairs Minister Natwar Singh and discussed with him cooperation in defence and security.

The spokesman of the External Affairs Ministry said multilateral issues, including United Nations reforms, also figured in the talks.

"The Singapore Prime Minister, while recognising the important role that India was playing in the world, and Asia in particular, supported India's candidature for a permanent seat in the U.N. Security Council," he said.

Mr. Lee, who had a full day of meetings on Wednesday, also called on President A.P.J. Abdul Kalam and Vice-President Bhairon Singh Shekhawat. Union Finance Minister P. Chidambaram had a separate meeting with Mr. Lee.

'Great potential for India-Singapore trade'

Singapore's Prime Minister **Lee Hsien Loong** sees the prospective Comprehensive Economic Cooperation Agreement between India and Singapore as "a very big psychological step" for New Delhi. In a wide-ranging interview to **P.S. Suryanarayana**, he also spoke on the rise of India and China.

You have been saying consistently, as a policy, that the rise of China and India will have a great impact on Asia ...

Lee Hsien Loong: Trade of Asian countries with India and China is growing. The transformation of these two economies is already showing a big impact. It will have a strategic consequence as well. It will be a shift from what used to be, where China and India did not play active roles in diplomacy in the region. But, it is a very delicate change, and we will have to feel our way forward.

I don't see India and China seeing each other as a principal immediate security concern. Over the rest of the region, I don't think there is an arms race, because the Americans are in a class of their own. They are the hyper-power.

India and China are also nuclear powers, and given that they had certain problems (in the past), do you think, that particular phase is over?

Your Prime Minister Manmohan Singh recently said that the world is big enough to accommodate the growth and ambitions of both powers.

Does Singapore like to play any facilitation role in keeping India and China engaged constructively?

We play a very small [role]. Between India and China, you have your links. In fact [Chinese Premier] Wen Jiabao visited India recently, and I think you signed some strategic agreement, partnership, and talked about the possibility of FTA [free trade agreement] between India and China, which will change our whole landscape economically.

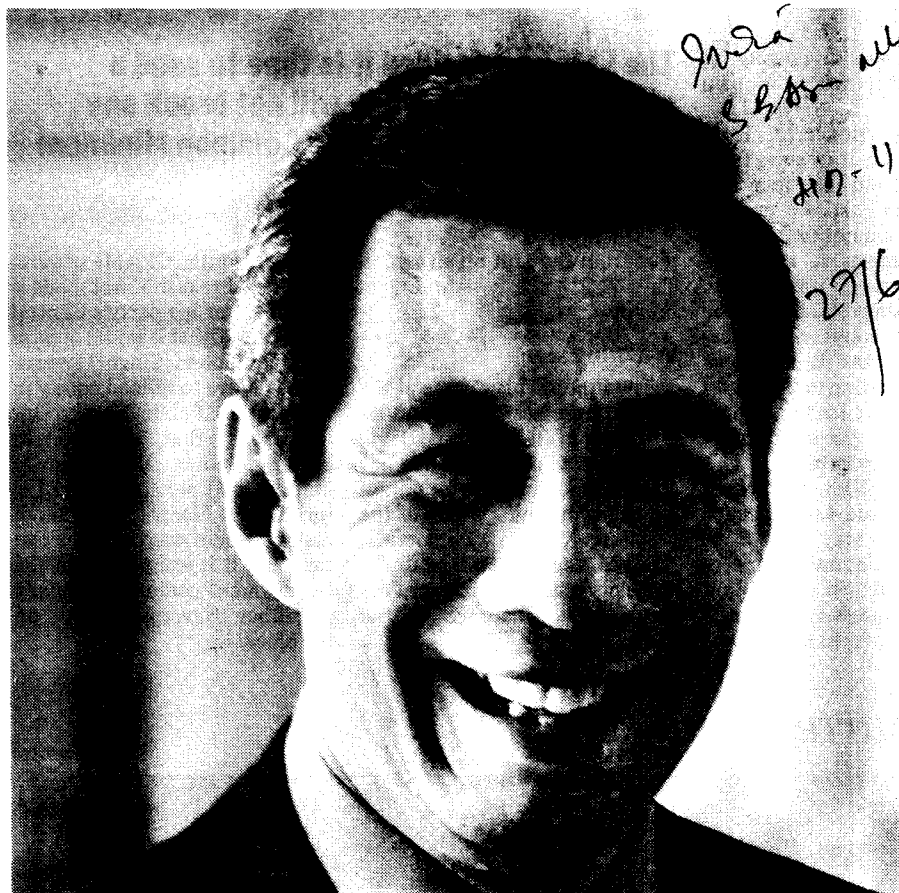
We are comfortable with India. And similarly, Singapore with China.

Do you foresee some Singaporean participation in Indian corporate expansion, if you will, in China?

Yes. It is entirely possible. I would encourage it.

Singapore has played prime mover in getting India invited by the Association of South East Asian Nations (ASEAN) for the East Asia summit ...

We are having the first meeting in Kuala Lumpur [later this year]. I believe the Chinese have offered to host the next meeting ... there is interest in pursuing this broader regional cooperation beyond the ASEAN group.



Prime Minister Lee Hsien Loong ... sees bright future for bilateral trade. - PHOTO: SPECIAL ARRANGEMENT

The idea is to have a grouping whose membership reflects the emerging shape of cooperation in Asia.

And, what about the U.S.?

You need different levels of cooperation. And U.S. is important to East Asia, will continue to be. But, at the same time, there are regional interests and focusses in Asia. We start off as this East Asia Summit this way and be mindful that we should not, as we develop our own cooperation, neglect the links across the Pacific.

Related to this is Dr. Manmohan Singh's proposition of an Asian Economic Community. Do you see that as a distant dream?

In the general outlines, it is very similar to

what the East Asian Summit will already be. The important thing is the content of the summit. Will it one day become a trading arrangement? In the medium-term, what is more likely is we will get a network of bilateral FTAs ... like we now have or very soon will have between India and Singapore.

You have said you wanted a good CECA (Comprehensive Economic Cooperation Agreement). Are you sure you have got one now?

It is a good agreement. It has taken longer than we expected. But, it is a landmark, because it is the first comprehensive agreement for India.

And, it is a very big psychological step: to go from your old policy of substantial self-sufficiency, now to one where you want to

link up, open up, your markets in a controlled sort of way and encourage greater linkages and exchanges. And, I think, the groundwork is laid for agreements with many other countries.

From your own perspective, where does CECA with India rank, because you have FTAs with the U.S., with Japan and you are going to have one with China?

They are all important. Right now, the volume of flows between Singapore and India is still relatively small.

The base is low, but the potential is great. A CECA is a very good, big move, but one more move to push for is to further liberalise on air services between our two countries.

And, what about investment?

That has also been growing very satisfactorily. Even while we were negotiating the CECA, companies were already investing in projects in India. There is IT investment, which is now waiting to be cleared, and there are some complications.

The mind-set is still in the process of change in India, amongst the civil servants and probably amongst the wider political circles too.

What about India's so-called "soft-power", and will you welcome India's participation in a big way in science and technology in Singapore?

Very much so. There is a possibility. Even in defence.

We have had quite a dramatic upsurge of interest on both sides in defence cooperation. What are the new prospects on the horizon?

We have the defence cooperation agreement, which we signed in '03. We had exercises in India, which we have been very happy with. And, on the other side, we have had a joint exercise with Indian Navy in the South China Sea recently.

So, we are hopeful that we can build on this. And then there is the possibility in defence technology cooperation.

And Straits of Malacca security as such. Do you foresee the possibility of India joining (the littoral states including Singapore) with some military units?

It is very conceivable that the Indians should participate in some form. There is room to develop creative ways in which more countries can make a contribution.

CM Ropes In Salim Group, Eyes Health And Retail Joint Ventures

Buddha baits Singapore, Jakarta

Our Kolkata Bureau
25 AUGUST

DAMN the dogma. Necessity, they have always said, is the mother of invention. Buddhadeb Bhattacharjee needs foreign investment to flow into West Bengal for the benefit of the state and he has ingeniously come up with a mixture of openness and charm that's refreshingly devoid of any of the hackneyed political dogma that his party so painstakingly perseveres to preserve.

Not surprisingly, therefore, the business confidence index in Singapore and Jakarta is on a high. Similar is the case among the home-grown businessmen who accompanied the chief minister's delegation. The refrain is common: "He was outstanding."

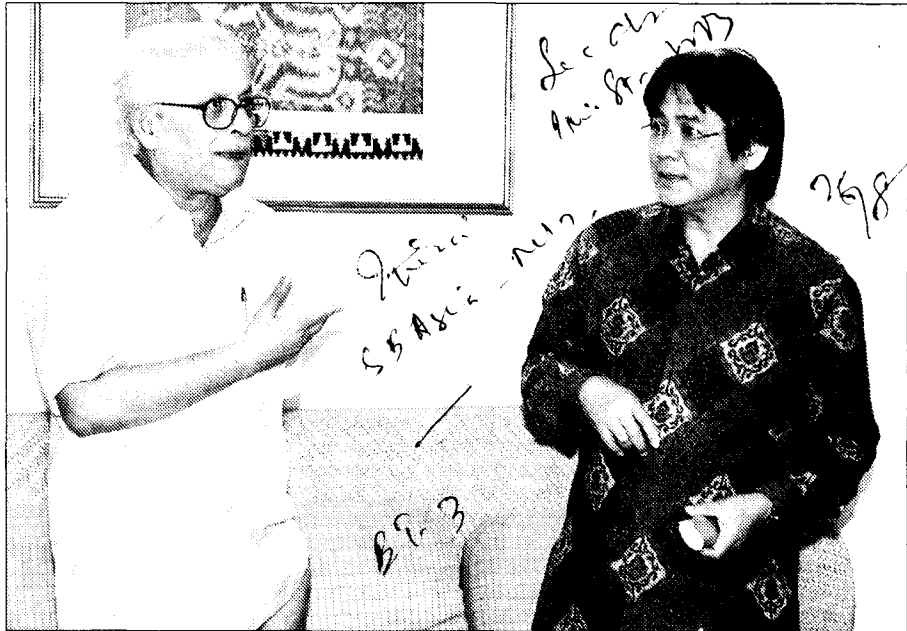
On the first full day of his official visit in Jakarta, Mr Bhattacharjee met the vice president of Indonesia, Mr Yusuf Kalla, in the morning and later followed it up with a highly fruitful meeting with AbuRizal Bakrie, the co-ordinating minister for Economic Affairs.

The presence of an important conglomerate like the Salim Group in West Bengal would serve as a source of encouragement and confidence to other Indonesian business groups, Minister Bakrie is believed to have commented later. A similar thought was echoed by the visiting side.

The idea of West Bengal as a possible investment destination seems to have struck a positive chord among the business community in Jakarta, the state's principal secretary, commerce and industries, Mr Sabyasachi Sen, told *ET* from Jakarta.

During the day, a memorandum of agreement (MoA) was signed with Mr Anthoni Salim, president of the Salim Group on Thursday. The group will develop an industrial economic zone on 2,500 acres of land and also invest in an ancillary township, which will have health, knowledge and housing zones. This is a part of the 5,000-acre plan that the group has placed before the state government.

Indonesia's largest business group will also build a 85-km long four-lane expressway be-



BUILDING BONDS: Buddhadeb Bhattacharjee, West Bengal chief minister, with Anthony Salim, Indonesian chairman of the Salim Group, in Jakarta on Thursday. — AFP

tween Barasat and Raichak.

On Thursday the Salim Group, which has a tie-up with an Australian company in the dairy sector, mooted the idea of setting up dairy project in the state. A joint team of officials from Salim Group and the Australian company will visit

In addition to this, Buddhadeb Bhattacharjee is scheduled to meet Annindya Bakrie of the Bakrie Group and Muchdar Wijaya of Asia Pulp and Paper, part of the Sinar Mas group on Friday. He also has meetings lined up with James Riady of the Lippo Group, which has ma-

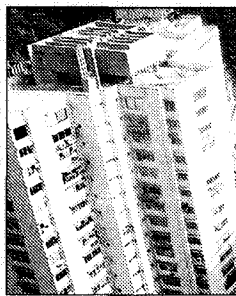
"What the CM was able to achieve was project West Bengal as a credible environment for investment. His meetings with two of the biggest companies in Singapore Temasek Holdings and Ascendas went off very well. He has perhaps been able to convince them that West Bengal is a place where they can do "clean" business.

Harsh Neotia, of Bengal Ambuja, who also accompanied the chief minister to Singapore said the his meetings with political and business leaders in Singapore went off very well.

In Singapore, West Bengal went scouting for expertise to develop ports, airports, logistics hubs. The chief minister added that his visit was to attract Singapore companies that are engaged in these fields.

West Bengal is also interested to delve into Singaporean expertise in health services for setting up a world-class hospital in the state. Low cost housing and water treatment and water recycling were cited as other possible areas for mutual economic co-operation.

The chief minister is equally enthused. "They (Singapore government) are taking my visit and the proposals we made very seriously, they are taking care of them," he reportedly told members of the local media.



An MoA has been signed with the Salim Group. The group will develop an industrial economic zone on 2,500 acres of land and also invest in an ancillary township.

Kolkata next month to work out further details of the project. The Salim Group is a food major with a huge presence in fresh milk, processed milk products and ice-creams.

The CM also met Mr VP Sharma, CEO of Mitraadiberkasa, which has interests in the retail sector and the tyres business. The group is keen to invest in the state and has decided to send a fact-finding team to Kolkata next month. The team will explore investment opportunities in both the sectors.

rior interests in the banking sector. Incidentally, the Lippo Group was linked closely to the former US President, Mr Bill Clinton's election funding.

The chief minister also has meetings fixed up with Mr Brantwood, chairman of the Subowo Group, which has a significant presence in the infrastructure sector and builds toll roads and elevated roads.

Sanjiv Goenka, vice chairman, RPG Enterprises, who was with the CM's delegation in the Singapore leg of the visit said:

The Economic Times

India, Singapore sign pacts

Statesman News Service

NEW DELHI, June 29. — India and Singapore today signed four treaties, including the landmark Comprehensive Economic Cooperation Agreement (CECA). The pact signed by the Prime Ministers of the two countries will open up banking sector and boost bilateral trade and investment. The CECA agreement will also liberalise the service sector and ease the visa restrictions for professionals from the two countries.

The two countries had launched the CECA during Prime Minister Goh Chok Tong's visit to India in April 2003. Once implemented, the agreement would have far reaching benefits for both nations. The other treaties signed

today are a protocol amending agreement on avoidance of double taxation and prevention of fiscal evasion; side letters to the CECA; and an agreement on mutual legal assistance in criminal matters.

The Singapore Prime Minister Mr Lee Hsien Loong also launched the India-Singapore Parliamentary Forum (ISPF) today to enable strengthening of economic, political, social, cultural and security links between the two countries.

"We need support for bilateral agreements such as the CECA between Singapore and India and it is for a parliamentarians such as the ISPF, which will engage itself on a wide range of issues and build long term ties for the government and people of

NEW DELHI, June 29. — Singapore today reaffirmed its support to India's quest for permanent seat in the United Nations Security Council. This was conveyed by the visiting Singapore Prime Minister Mr Lee Hsien Loong during his meeting with external affairs minister Mr K Natwar Singh.

Mr Natwar Singh called on Mr Loong at the Taj

the two countries," Mr Loong said flagging off the forum here today.

Commenting on the CECA, he called upon all parties, including the Opposition, to support any policy initiatives taken under the agreement. Singapore is the first

Lee backs India's UNSC bid

Mahal hotel discussed a wide range of regional and bilateral issues.

Singapore recognised India's important role in the world and in Asia and supported her candidature for a permanent seat in the United Nations Security Council, external affairs ministry spokesperson, Mr Navtej Sarna, said.

Mr Loong later called on President Dr APJ

Abdul Kalam and Vice-President Mr Bhairon Singh Shekawat at their residences.

After the launching of the Indo-Singapore Parliamentary Forum, Mr Loong met the UPA chairperson, Mrs Sonia Gandhi. The Singapore Prime Minister is scheduled to meet the leader of the Opposition, Mr LK Advani also. — SNS

with respect to India's neighbours and ASEAN countries on a faster track," Dr Singh told the Trade and Economic Relations Committee earlier in the day. CECA is an integrated package comprising trade in goods and services.

SF 5 28/6

India - S B

শেয়ার বাজার, ব্যাঙ্কে সিঙ্গাপুরের লগ্নি টানতে চুক্তি করল ভারত

নয়াদিল্লি, ২৯ জুন: বিদেশি লগ্নিকারীদের সামনে দরজা আরও বেশি করে খুলে দিতে সিঙ্গাপুরের সঙ্গে সার্বিক আর্থিক সহযোগিতা চুক্তিতে সই করল ভারত। দ্বিপাক্ষিক বাণিজ্য এবং লগ্নি বাড়ানো ছাড়াও এই চুক্তির আওতায় ভারতের ব্যাঙ্কিং ক্ষেত্রে প্রবেশাধিকার পাবে সিঙ্গাপুর, গড়ে উঠবে দু'দেশের শেয়ার বাজারের মধ্যে সহযোগিতা। পাশাপাশি দু'দেশেই শিথিল হচ্ছে বিভিন্ন পেশাদারদের জন্য ভিসা-র নিয়ম-কানুন। বিভিন্ন শিক্ষা প্রতিষ্ঠানের ডিগ্রির ক্ষেত্রেও মিলবে পারস্পরিক স্বীকৃতি। ভারতের প্রধানমন্ত্রী মনমোহন সিংহ এবং সিঙ্গাপুরের প্রধানমন্ত্রী লি সিয়ন লুং আজ এই চুক্তিতে স্বাক্ষর করেন।

সংশ্লিষ্ট অফিসারদের দাবি, চুক্তি কার্যকর হলে দ্বিপাক্ষিক বাণিজ্য ২০১০ সালের মধ্যে স্পর্শ করবে ৫ হাজার কোটি ডলার। চুক্তির প্রথম বছরেই বিদেশি আর্থিক সংস্থার লগ্নি ৩০০ শতাংশ বেড়ে দাঁড়াবে ৫০০ কোটি ডলারে, বিভিন্ন প্রকল্পে সরাসরি

বিদেশি লগ্নি ২০০ কোটি ডলারে। দ্বিপাক্ষিক বাণিজ্য বাড়াতে চলতি বছরের অগস্টের মধ্যেই উঠে যাচ্ছে ৫০৬টি পণ্যে আমদানি শুল্ক। ওই সব পণ্যই দু'দেশের বাণিজ্যের ৮০ ভাগ দখল করে রয়েছে।

সার্বিক আর্থিক সহযোগিতা চুক্তির আওতায় যে সমস্ত পারস্পরিক সুবিধা মিলবে, সেগুলি হল:

- সিঙ্গাপুরের তিনটি প্রধান ব্যাঙ্কে ভারতে শাখা খোলার অনুমতি। এগুলি হল: ডি বি এস হোল্ডিংস, ওভারসিজ চাইনিজ ব্যাঙ্কিং কর্পোরেশন এবং ইউনাইটেড ওভারসিজ ব্যাঙ্ক।

- যে সমস্ত ভারতীয় ব্যাঙ্ক সিঙ্গাপুরে কাজ শুরু করেছে, সেগুলিকে পুরোদস্তুর ব্যাঙ্কের মর্যাদা দেওয়া। অর্থাৎ বৈদ্যুতিন মাধ্যমে তহবিল লেনদেন, ক্রিয়ারণ এবং স্থানীয় এ টি এম ব্যবহারের সুবিধা পাবে ভারতীয় ব্যাঙ্ক।

- দ্বৈত কর এড়াতে ব্যবস্থা।
- দু'টি বিদেশি আর্থিক সংস্থা

টিমাসেক এবং সিঙ্গাপুর গভর্নমেন্ট ইনভেস্টমেন্ট কোম্পানি যে কোনও ভারতীয় সংস্থায় ২০ শতাংশ পর্যন্ত মালিকানা হাতে নিতে পারবে। সাধারণ ভাবে ওই সীমা ১০ শতাংশ।

এ দিকে, ভিসা আইন শিথিল হবে ১২৭ ধরনের পেশাদারদের জন্য। শিক্ষায় বিভিন্ন বিশ্বিদ্যালয়ের ১২৯টি ডিগ্রির স্বীকৃতি দেবে দু'টি দেশ।

চুক্তির আর একটি গুরুত্বপূর্ণ প্রস্তাব হল: সিঙ্গাপুরের বাজারে শেয়ার (এস ডি আর) ছেড়ে অর্থ সংগ্রহ করতে পারবে ভারতীয় সংস্থা। সিঙ্গাপুরের সংস্থাও টাকা তুলতে পারবে ভারতের বাজার থেকে। এ খবর পি টি আইয়ের।

সিঙ্গাপুর এয়ারে ছাড়। সিঙ্গাপুরগামী পর্যটকদের বিশেষ উৎসাহ দিচ্ছে সিঙ্গাপুর এয়ারলাইন্স। ভারতের জেনারেল ম্যানেজার জানান, ১২,৬৯৯ টাকায় সিঙ্গাপুর যেতে পারবেন যাত্রীরা। সিঙ্গাপুর ট্যুরিজম বোর্ডের সঙ্গে হাত মিলিয়ে এই সুবিধা দেওয়া হচ্ছে বলে সংস্থা জানিয়েছে।

30 JUN 2005

ANADAPAZAR PATEIK A

“Economic pact with Singapore will be a landmark”

P.S. Suryanarayana

SINGAPORE: Singapore Prime Minister Lee Hsien Loong has emphasised that the prospective economic pact with India “is a good agreement, not just on the substance of it.”

In an exclusive interview to *The Hindu* at his state-of-the-art office here, Mr. Lee, who will sign the Comprehensive Economic Cooperation Agreement (CECA) with Prime Minister Manmohan Singh in New Delhi on June 29, said the accord signified “a landmark” in India’s economic diplomacy, being its first such exercise involving any country.

Mr. Lee will pay a three-day visit to India from June 28.

Expressing satisfaction that the CECA was not a partisan issue in the Indian political domain, he said “we are comfortable with India.” On the current bilateral economic exchanges, especially trade, he said: “The base is low but the potential is great.” About the mindset in India towards foreign investment, he noted that “in every country, you have this sensitivity” in some form.

Looking relaxed and happy, Mr. Lee sounded an upbeat note on the “possibility” of tapping India’s “soft-power” in science and technology for Singapore’s benefit, even in the defence sector. On anti-terror cooperation, he commended the existing Joint Working Group on Intelligence for “working effectively and quietly.”

Outlining his world-view, he said Singapore’s “security framework agreement” with the United States “is almost completed.” However, the City-State is “not anybody’s deputy sheriff,” he affirmed to dispel any apprehensions on this score.

Detailed interview: Op-Ed page

27 JUN 2005

THE HINDU

Singapore, India trade set to rise

NEW DELHI, June 21. — With the signing of the Comprehensive Economic Cooperation Agreement (CECA), bilateral trade between India and Singapore is likely to touch \$10 billion by the end of 2005-06, the Associated Chambers of Commerce and Industry (Assocham) has predicted. This figure will further escalate to \$50 billion towards the end of 2010, as against the stagnating current trade of \$8 billion, Assocham said.

The CECA has been cleared by the Cabinet yesterday and is slated to be signed this month end during the visit of Singapore's Prime Minister. — SNS

22 JUN 2005

THE STATESMAN

India, Thailand ink MoU on education

SNS & PTI

NEW DELHI, June 3. — India and Thailand today signed an agreement to enhance cooperation in the field of education and research, as Prime Minister Dr Manmohan Singh held talks with his visiting Thai counterpart Mr Thaksin Shinawatra. Human resources development minister Mr Arjun Singh and Thai foreign minister Mr Kantathi Suphamongkon signed the MoU on collaboration in the education field.

The areas of cooperation would cover organisation of joint research programmes and publications, exchange of research materials, teaching aids and academics, examining possibility of mutual recognition of educational qualifications and setting up of chairs on contemporary studies. The MoU also provides for setting up a joint working group to oversee the arrangement and would meet alternately in India and Thailand at least once biennially.

Earlier, Mr Shinawatra arrived on a day-long visit. Besides Dr Singh, he met Mr Arjun Singh and Mrs Sonia Gandhi.

04 JUN 2005

THE STATESMAN

Asean support for Security Council bid

KAY BENEDEICT

Vientiane (Laos), May 30: Prime Minister Manmohan Singh's Look East policy has started gathering steam with more and more countries of the Association of South East Asian Nations acknowledging India's pre-eminence in the region and supporting Delhi's claim for a permanent seat in the UN Security Council.

Some countries would back India's candidature for a seat in the Security Council though Asean will not vote as a block, according to sources

in political and diplomatic circles.

Myanmar and Laos said they would back India. Japan, a dialogue partner of Asean like India, is also making a bid for the council.

"We recognise the growing and active role of India in major international economic and political affairs in the United Nations, its agencies and other multilateral fora," said an Asean diplomat.

"We appreciate (the) friendship with India and are delighted with New Delhi's cooperation in the Asean. After

your Prime Minister's visit to (the) Asean summit last year, Asean-India and India-Laos (relations) received a boost," said Khecheo Soisaya, the vice-minister for information and culture of Laos.

Last year's Asean-India summit and car rally have improved relations with countries of Southeast Asia. The rally, which was witnessed by leaders of 15 countries, including Singh, boosted the scope for enhanced trade, road transport and connectivity, investment, tourism and people-to-people links between Asean

countries and India, captains of industry told visiting Indian journalists.

The Laos summit helped Asean take full advantage of the geographical proximity of Southeast Asia and India to synergise the strengths of the two economic regions to act as powerful engines of growth.

Government sources in Yangon felt there is need for synergy between India's Look East policy and Myanmar's Look Around policy that focuses on strengthening ties with neighbours, adding that Yangon favoured a robust expansion

in economic ties with India. The Asean region of 10 countries — excluding summit and dialogue partners India, China, Japan and South Korea — has a population of about 500 million, a total area of 4.5 million sq km, a combined gross domestic product of \$737 billion and total trade of \$720 billion.

Leaders of Southeast Asia have, with the aim of strengthening regional cooperation, focused on facilitating greater interaction between the media of the region and India to reduce gaps in information. The

Asean-India Parliamentary Forum has been set up to provide for regular interaction.

Organising Asean-India games has also been a priority, as has promoting interoperability and interconnectivity of national telecommunications equipment and services.

The building of trans-Asean energy networks has also been in focus.

High priority has been accorded to the development of regional infrastructure and road, rail, sea and air transportation links to increase

physical connectivity that would facilitate greater movement of goods and people.

Besides, the Asean Free-Trade Area is set to be implemented by 2011. The strategic objective of the body is to increase the Asean region's competitive edge as a single production unit and create an East Asian community on the lines of the European Union.

The bonhomie would strengthen and expand cooperation to combat money laundering, drug trafficking, cyber crimes, international economic crimes and piracy at sea.

India signs maritime accord with Thailand

P. S. Suryanarayana

SINGAPORE: India on Friday signed a Memorandum of Understanding with Thailand for joint maritime patrols to prevent piracy and arms smuggling.

Chief of Naval Staff Admiral Arun Prakash and his Thai counterpart Admiral Sampop Amrapala, signed the agreement in Bangkok.

In an interview to *The Hindu*, Admiral Prakash, who attended an international maritime event here before he left for Bangkok on Thursday, said the accord would help to ensure "the whole vulnerable area of the Andaman Sea is

generally covered by joint patrols" with the relevant countries. India already entered into similar agreements with Indonesia and Sri Lanka. An understanding with Myanmar too could be reached in future.

One of New Delhi's main concerns was the suspected smuggling of arms across the Andaman Sea to India's north-eastern States and Sri Lanka.

Ties with Singapore

Admiral Prakash said a broader defence cooperation agreement would be discussed with Thailand. Singapore was perhaps among the first countries with which India de-

veloped "a close cooperation" in all three military wings. The interactions with Singapore "seems to be progressing on the right lines ... and the outlook is bright".

Intrusion by China unlikely

Admiral Prakash, who is Chairman of the Chiefs of Staff Committee, said "it seems unlikely" that some personnel of the People's Liberation Army of China would have intruded into Arunachal Pradesh, as reported in a section of the Indian media a few days ago.

He said he had "no knowledge" of the report. He drew attention, nonetheless, to the recent visit to India by Chinese Prime Minister

Wen Jiabao, and the guidelines and principles agreed upon for discussions on the border question.

As for confidence-building interactions in the military sphere, he hoped that the two "very basic naval exercises" India and China held could mark "the beginning of something more serious". No new exercises were on the cards.

On India's defence links with Japan, Admiral Prakash said, "Of late, a certain convergence of interests has emerged". As for Japan's "sea-borne-energy needs" India "happens to sit astride the [relevant] sea lanes". In the event of "turbulence

along these lanes, "the Indian Navy would have a major role to play".

21 MAY 2005

THE HINDU

Hello, Singapore

With the right policies India can become a global financial hub

A new trade and financial services agreement with Singapore, as reported by this newspaper, could bring a flood of fresh investments into India. One new source of money could be oil-soaked Middle Eastern nations, which have reduced their exposure to US markets and assets since 9/11, when it became tough for people — even well-heeled ones — from the region to travel and invest in America. One of the main beneficiaries of this shift of capital is Singapore which has the institutional depth to support vibrant capital markets. Even without the glimmer of petro-dollars, it is a good idea for India to open up to Singapore as a conduit for global finance capital: It could increase our share of capital flows into emerging markets. In 2003-04, about \$16 billion worth of direct equity and portfolio capital came into India, impressive at first glance, but actually a small slice of the \$311 billion worth of capital flows that went to emerging markets that year. Last year, the government exempted investors who held equity for more than one year from capital gains tax, a measure designed to boost inflows. Some more policy changes are necessary if India is to emerge as a financial hub for the region.

Superficially, India has liberal regulations governing overseas banks. In practice, however, it is extremely tough for existing foreign banks to open new branches, expand networks, and so on. Hedge funds, which arbitrage capital across countries and assets for wealthy investors, are not allowed operational freedom. Ideally, the government should ease up on these restrictions to create deeper financial markets. It should also negotiate financial services agreements with nations like Japan — where returns on domestic investments are low, but exposure to overseas equity markets less than 10% of domestic market capitalisation — or the ASEAN countries. However, India's goal should extend beyond the relatively modest one of boosting its share of emerging market investments, to creating global financial hubs in the country. A new policy governing special export zones (SEZs) tries to attract finance companies with tax sops and modern infrastructure to these enclaves. Well, south Mumbai could become one such area. India needs a Manhattan in Mumbai, a Hong Kong on the Hooghly, or a London in Lakshadweep to get ahead.

Software techies held in Malaysia

Associated Press

SP 12694 L
9-53 Kna...
KUALA LUMPUR, April 25. — The Malaysian authorities arrested two Indian software engineers on suspicion of being illegal immigrants even though the men had valid visas, Indian officials said today.

The employees of Indian software giant HCL Technologies were arrested on Saturday evening while eating at a food stall in Kuala Lumpur, an Indian Embassy official and a company official said.

Members of the Rela, a voluntary paramilitary force that helps authorities in a continuing crackdown on illegal workers, took the men — who weren't identified — to a detention camp for illegal migrants because they didn't have their passports with them, the embassy official said. Police denied knowledge of the case and calls to the Rela went unanswered.

The embassy official said the authorities had refused to release the pair even after officials at HCL, one of India's largest information technology development companies, vouched for them. One man was released yesterday after the authorities reviewed his passport. But the other one was held a second night, though the immigration department confirmed his status, the embassy said. He was scheduled to be released later today.

26 APR 2005

THE STATESMAN

Yangon looks around to fend off US 'plot'

KAY BENEDICT

Yangon, June 5: An equation on a board in the office of Thet Win Tu, the first secretary in the embassy of Myanmar in Delhi, reads: 1 Indian = brain, 10 Indians = chaos; 1 Japanese = zero, 10 Japanese = 1 Toyota.

The intended pun on the unruly nature of Indians notwithstanding, there is a marked improvement in the ties between Delhi and the junta in Yangon. This is largely because of India's continued silence over the house arrest of Nobel laureate Aung San Suu Kyi despite Left parties asking the United Progressive Alliance government to press for the pro-democracy leader's release.

Suu Kyi, whose National League for Democracy won a landslide victory in 1990, has been in and out of jail since 1989. She has been under house arrest since May 31, 2003.

In Yangon, nobody talks about Suu Kyi or about human rights. However, the junta is worried about the Americans and feels there is a "sinister" US plan to help separatists in the northern Shan province.

Government officials feel the US is plotting to intervene as it did in Iraq and Afghanistan. Yangon is, therefore, warming up to major regional players like India.

"The junta is a fairly merciless dictatorship. But not as dark and foreboding as projected by the western media," said an Indian official here.

Myanmar is helping India



Suu Kyi: India silent

cement its ties with the Association of South East Asian Nations and backing the country in its bid for a permanent seat in the United Nations Security Council. India is also aware of Myanmar's geostrategic position.

India and China are working on a plan to reopen the strategic Stilwell Road through Myanmar, which would reduce the distance between the two countries from 6,000 km to 1,300 km and turn Southeast Asia into a major trading hub.

Delhi cites the 1,400-km common border with Myanmar, the only Asean country to share a border with India, as one of the imperatives for improving ties. Officials say the pillar of India's Look East policy is better ties with Myanmar and also point to the security scene in the Northeast.

The Indian ambassador in Yangon, Rajeev K. Bhatia, described Myanmar as "a complex country passing through transition from tradition to

modernity, from a military form of government to democracy according to their own programmes and policies".

There is much in Myanmar to remind one of India. The Indian diaspora, estimated to be about 10 lakh, is well entrenched. A majority of them are Tamils. There are also many Bengalis, Biharis and people from Andhra Pradesh. An uninformed visitor could mistake the round-shaped Myanmarese script as that of Telugu with a good Sanskrit coating. Neat and well laid out, Yangon has the quaint look of a south Indian town.

The Indian connections include Subhas Chandra Bose, whose Indian National Army fought near Yangon, the mausoleum of the last Mughal emperor, and the father-in-law of petroleum minister Mani Shaker Aiyar, who died fighting for the British against Netaji's forces and is buried in the war cemetery in the city.

Part of Shyam Benegal's *Bose, The Forgotten Hero* was shot in the city last year.

Aware that the China factor is inhibiting Yangon's relations with Delhi, President Than Shwe is now crafting a Look Around policy in consonance with Prime Minister Manmohan Singh's Look East policy.

"All neighbours are friends. Though we are more friendly with China, there is a growing realisation that cooperation with India is good for both the countries," said a government official.

06 JUN 2004

THE HINDU

India in Asean summit on Asian bloc

M. S. G. 1999
**Luz Baguloro in Cebu
(The Philippines)**

April 13. — India is in but Australia and New Zealand did not get an immediate go-ahead to participate in a summit that Asean will hold with three other regional players later this year to discuss a proposed Asian trading bloc.

This was decided as Asean foreign ministers agreed yesterday to hold a summit with economic

powerhouses China, Japan and South Korea in December and include only those countries that fulfil the bloc's selection criteria.

Singapore's foreign minister Mr George Yeo told reporters after the Asean foreign ministers' retreat here that Asean leaders set the criteria for the East Asia Summit (EAS) as:

substantive relations with Asean; full dialogue partner status; and accession to the Treaty of Amity and Cooperation (TAC).

agreed that Asean alone will decide the future members of all subsequent summits. "This is to ensure that Asean remains in the driver's seat of the EAS process."

Asean already holds annual summits called Asean Plus 3 with China, Japan and South Korea.

But former Malaysian Prime Minister Mahathir Mohamad encouraged the formation of an EAS to discuss the creation of a regional bloc to rival the

EU and North America. Singapore had proposed the participation of India, Australia and New Zealand in the December summit. And Japan mentioned the possibility of involving the USA by giving Washington an observer status.

Australia raised the issue of participation in the EAS earlier this month when Malaysian Prime Minister Abdullah Badawi visited Canberra. But Australia did not get a clear answer.

— **The Straits Times/ANN**

AUSTRALIA, NEW ZEALAND KEPT WAITING

14 APR 2005

THE STATESMAN

India offers \$2 million aid to Indonesia

By P. S. Suryanarayana

SINGAPORE, MARCH 29. The Prime Minister, Manmohan Singh, today sent a message of "sympathy" to the President of Indonesia, Susilo Bambang Yudhoyono, over the death and destruction caused by the latest earthquake.

Mr. Singh also extended "support" to Indonesia to face the aftermath of the new natural calamity. Relief aid of the order of \$ 2 million was announced by India.

Indian nationals in Medan and other places across Sumatra, which lies close to the epicentre of the quake, were reported safe.

There was also no damage to the Indian consulate in Medan. H. K. Singh, India's Ambassador to Indonesia, told *The Hindu* over telephone from Jakarta.

India's new offer of relief aid to Indonesia is a sequel to the role that New Delhi played in helping Jakarta in the wake of the tsunami disaster that struck Aceh and some other pockets in Sumatra last December. On that occasion, two Indian Navy ships — a supply ship and a "floating hospital" — were deployed off the Aceh coastline, under "Operation Gambhir", to provide emergency medical care to survivors.

Indonesia is expected to take a decision shortly on whether to hold, amid efforts to overcome the latest tragedy, an Afro-Asian summit in Jakarta on April 22 to 23 and, a day later, a commemorative celebration of the Bandung conference that led to the launching of the non-aligned movement.

THE HINDU

30 MAR 2005

Natwar firms border ties

PRESS TRUST OF INDIA

YANGON, March 26. — Carrying forward the new momentum in bilateral ties, India and Myanmar today emphasised that a stable security environment in the border area was a subject of mutual interest and a shared goal.

Visiting external affairs minister Mr K Natwar Singh, who called on the head of state and chairman of the State Peace and Development Council Mr Than Shwe, welcomed the resolve of the Myanmar leadership to continue cooperating actively with India in this regard.

Recalling his visit to India in October last year, Mr Than Shwe expressed satisfaction with follow-up action taken by authorities in both countries since his trip.

Both sides had then voiced their firm determination to maintain peace, stability and tranquillity along the entire length of their common border. Myanmar had also reiterated that it would not allow insurgent activities against India from its soil.

Significantly, top Myanmar leaders were present when Mr Singh called on Mr Than Shwe. Those present were Vice-Senior Gen. Maung Aye, who is also vice-chairman of the State Peace and Development Council, Gen. Thura Shwe Mann, member of the SPDC, Prime Minister Lt-Gen Soe Win, Lt-Gen Thein Sein, secretary-1 SPDC and foreign minister U Nyan Win. Reaffirming Myanmar's interest in deepening cooperation with India,



Mr Natwar Singh with his Myanmar counterpart U Nyan Win and deputy foreign minister U Kyaw Thu in Yangon on Friday. — PTI

Mr Than Shwe said Mr Singh's visit would help sustain the momentum in bilateral interaction.

Conveying the greetings and good wishes of the Indian leadership, Mr Singh reiterated that New Delhi valued its relationship with Myanmar bilaterally, as well as in the regional and sub-regional frameworks.

Both sides agreed that the implementation of joint infrastructure projects such as Kaladan multi-modal transport project and the 1,200 MW Tamanthi Hydro-electric Project on the Chindwin river in Myanmar would contribute to development and progress along the border.

Mr Singh also visited the Mandalay jail, where prominent freedom

fighters like Bal Gangadhar Tilak, Subhas Chandra Bose and Lala Lajpat Rai had been imprisoned.

On a day's visit here, Mr Singh met the Indian community and briefed them on the current situation in India and its relations with neighbouring countries. He also visited the Mandalay Palace, reconstructed by the government of Myanmar after its destruction during World War II.

Ma Gen. Ye Myint, Commander, Central Command and Chairman of the Mandalay Divisional Peace and Development Council and his wife Daw Myat Nguie later hosted a dinner in honour of the visiting Indian dignitaries.

THE STATESMAN

27 MAR 2005

710-10

KEEPING THE DIALOGUE ON COURSE

India's Business

FOREIGN MINISTER NATWAR Singh was not looking for any breakthrough during his recent visit to Yangon. It was meant to pick up the threads from the New Delhi visit of Myanmar's leader, Senior General Than Shwe, Chairman of the State Peace and Development Council (SPDC), and maintain the tempo of high-level contacts between the two neighbours. Mr. Singh had a series of meetings, over two days, with his counterpart, the Prime Minister, and the Senior General. A wide range of issues, from the usual agenda of economic cooperation and border trade to the gas pipeline project and security co-ordination, was discussed. Basically, the visit aimed at sustaining the "constructive engagement" with the military rulers of Myanmar and get them to cooperate in ensuring border security and stability. An area of serious concern for the Government of India has been the use of foreign soil by insurgent groups, particularly those operating in the North-eastern States of the country. Bhutan has always been cooperating with India, and Nepal, in the most recent period, has cracked down on foreign groups misusing its soil. Myanmar and Bangladesh were the two remaining problem areas and what the former needs to do has now been addressed.

India is engaged with Myanmar not just on the bilateral front, but also at the regional level as a dialogue partner of the Association of South East Asian Nations and the sub-regional bloc called BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka, Thailand - Economic Cooperation forum.) Although a border trade agreement was signed about a decade ago, not much progress

has been made on this front and most of what crosses the border turns out to be "illegal trade." After repeated discussion, authorities on both sides have sorted out some problems but the basic issue seems to be a lack of infrastructure, especially of roads, and connectivity. Unless that is tackled, bilateral trade is unlikely to pick up.

But a positive note this time relates to India's offer of help to Myanmar in "building constitutional institutions and democratic polity" — an Indian communiqué looked forward to "the emergence of a stable, peaceful, prosperous and democratic Myanmar." This should provide some encouragement to the pro-democracy movement in that country, but also to campaigns in India and the rest of the world, urging the military leadership in Yangon to move towards a democratic order. India values its economic and strategic cooperation with Myanmar but it must continue to work for a democratic transformation of that country through a clever mix of pressure and persuasion. Having taken a strong, principled stand on Nepal, New Delhi cannot be seen to adopt double standards on the issue — something that it has often accused the United States of doing. ASEAN admitted Myanmar into its fold hoping that "constructive engagement" would push Yangon along the path of democratic reforms. But in eight years, there seems to be no real progress towards bringing military rule to an end. Unless ASEAN along with its South Asian neighbours effectively nudges Myanmar into adopting a new constitution and democratic governance, the benefits of economic cooperation will not reach the people.

04 APR 2005

THE HINDU

India-Asean strategic partnership

At the start, India and Asean were no more than distant cousins. They were friendly enough - deep-rooted cultural and historical links were not to be denied. But the Cold War divided them. Each saw in the other an inclination towards the Cold War adversary from which it felt itself distant. Also, in their economic policy, they followed different paths. Asean was early to liberalise, and reaped the benefit of accelerated growth and a rapidly improving standard of living. By comparison, India looked like a stick-in-the-mud traditionalist, lost in a jungle of regulations. It was left behind in the race and Asean looked elsewhere for partners, whether in the countries of the Pacific Rim or in Asean with Europe. India felt excluded from these significant developments at its doorstep, the more so as its own initiatives in Saarc and the Indian Ocean did not get very far. Yet, India also saw that South-east Asia never ceased to be wary of the Chinese giant hovering above, and was thus constantly in search of a counterweight.

It was only at the start of the 1990s that Dr Manmohan Singh's liberalising budgets opened new possibilities. Both sides were quick to respond: India turned away from its westward fixation to "Look East", and Asean gave the needed encouragement. Its procedural defences were cautiously lowered: India found itself accepted as a sectoral dialogue partner, then a full dialogue partner, part of

the Asean Regional Forum and the Post Ministerial Conference, and eventually its Head of Government was invited to a Summit with his Asean counterparts. These measured steps have had the effect of bringing India within Asean's consultative circle, so that there is a constantly expanding web of contact and communication. It cannot yet compare with the free flowing intra-Asean exchanges, so frequent and informal, but yet a network of personal associations between leaders and officials helps bind the parties more closely.

As relations mature and advance, the two sides seem ready for further progress. There is a sense of real potential, and a strategic dimension to the relationship is discerned and spoken of. As yet, however, it is not clear what this implies. Obviously, there is no strategic arrangement of the traditional type on offer -



Manmohan Singh at the start of the car rally in Vientiane. — AFP

wide angle

SALMAN HAIDAR

alliance and alignment are matters of the past. Yet, India and Asean have complementary strengths and capacities, and they are developing more structured, long-term exchanges in a wide number of fields.

In economic matters, the path seems clear enough. Expanded contact means that they now know much more about how to conduct business with each other. The governments have cleared the way by adopting far reaching measures like India's open skies policy for Asean's airlines, and the recent motor rally from India's North-east to the heart of Asean which showed that overland transit could be the next big thing in the region. It is now for the leaders of trade and industry to take advantage of the opportunities. Regional complementarities are clearly visible and the impediments are steadily being reduced. Sub-

regional initiatives like the Ganga-Mekong link and Bimstec have come into being: though the former is rather vague in conception, the latter in its new guise of the Bay of Bengal community may have a significant future. Thus already there is plenty of progress and more can be expected.

The challenge of refining and reshaping the political relationship has its own complexities. Asean has developed a real partnership with China, though the huge imbalance in power and size underlines the need for balancing relationships. Within Asia, India is an obvious choice.

Yet, there is the risk of friction, for all problems between India and China are not resolved, and there are differences in their perception of key areas lying between them like Myanmar. Yet, all the parties from within and outside the region have a joint interest in stability and peace, and in suppressing the scourge of terrorism. The Asean security pact to which all subscribe provides a useful basis for future dealings. A more active India is now taking its place within the big power structure that seeks to provide predictability and reassurance to the entire region. For now, the strategic partnership need be pitched no higher.

(The author is a former Foreign Secretary, Government of India.)

India seeks long-term partnership with Myanmar

YANGON, MARCH 25. Describing Myanmar as a valuable neighbour and strategic partner, the External Affairs Minister, K. Natwar Singh, today said India sought a "long-term partnership" with it for bilateral and regional development, progress and stability.

On his first visit here after 18 years, Mr. Singh held wide-ranging discussions with his counterpart, U. Nyan Win, covering cross-border infrastructure development projects and energy cooperation. Mr. Singh, who will call on the head of the State and Chairman of the State Peace and Development Council (SPDC), Senior General Than Shwe, tomorrow, said his talks with Mr. Win were "constructive."

The External Affairs Minister said India sought a "long-term partnership" with Myanmar, a valuable neighbour and strategic partner, for bilateral and regional development, progress

and stability. He also raised the question of interests of Indian companies in both onshore and offshore blocks. While the Indian companies are already engaged in offshore activities following an invitation from Myanmar, there has been "some hitch" of such participation in onshore blocks. This is being sorted out, Indian Embassy sources said.

Insurgency

Asked whether New Delhi's concerns over North-East insurgents operating from Myanmar were raised, the sources said the dialogue was moving forward positively and in a sustained manner, and the two sides were talking about drafting further measures.

During the landmark State visit of Senior General Than Shwe to India in October last year, Myanmar reiterated that it would not allow insurgent activities against India from its

soil. Both sides had then agreed that maintenance of peace and security along the border areas was a pre-requisite for successful implementation of cross-border projects and bringing about economic prosperity in the region.

On democracy, the sources said India was watching with interest developments in Myanmar and its implementation of seven-step roadmap. The Indian side reiterated the need for a "inclusive and broad-based approach" for national reconciliation and early transition to democracy in Myanmar.

Economic cooperation

During the delegation-level talks, Mr. Singh stressed that India attached "very high priority to Myanmar as a valuable and strategic partner," the Indian Ambassador, R.K. Bhatia, said. The Minister said relations between India and Myanmar

had grown considerably in scope and content. Underlining the importance of the historic visit of Senior General Than Shwe, Mr. Singh said follow-up action on decisions taken then was moving "very satisfactorily".

Terming economic cooperation as a key pillar of India-Myanmar relationship, he spoke of the immense potential that existed to substantially increase bilateral trade. The Joint Committee on trade would be meeting in New Delhi, dates for which were being worked out. Mr. Singh also emphasised the importance of the proposed India-Myanmar-Bangladesh gas pipeline. He said India valued Myanmar's support for its growing integration with ASEAN region and appreciated its full backing for New Delhi's bid for permanent membership of the United Nations Security Council.

— PTI

2012 005

Tariff barriers with Asean to mar trade prospects

Business News Service

which has been recently submitted to the ministries of finance as well as commerce and industry.

Though India and Asean signed FTA in 2003 and the former has already started rationalising its tariff structure by bringing them down from 40 per cent to 20 per cent, Thailand, Malaysia, Indonesia, Philippines and Vietnam have not responded as desired in rationalising their protective measures against India's exports to them in areas like transport and electrical equipment, copper products, polyethylene, textile products, cement, rubber, tea, steel, dairy products and refined sugar etc.

Releasing the study paper, the Assocham president, Mr Mahendra K Sanghi pointed out that Asean members like Malaysia, Indonesia, Philippines, Vietnam and Thailand continue to impose tariff barriers on the aforementioned items of Indian exports ranging

from 17.6 per cent to 47.6 per cent whereas in textile and watch segment tariff exceeded even 50 per cent, while on an average India's tariff structure against these countries did not exceed 20 per cent. In such a scenario, it

The nine priority sectors identified include medical research and pharmaceutical, tourism, infrastructure, energy, food security, entertainment and educational services

would be extremely difficult for India to enhance its trade prospects with these countries, said Mr. Sanghi.

The nine priority sectors identified by the Assocham study, where integration would help closer cooperation between India and Asean countries, include medical research and pharmaceutical, tourism, infrastructure, ener-

gy, food security, entertainment and educational services.

Singapore is one country which has rationalised its duty structure as per India's expectations after the two countries signed comprehensive economic and trade agreement in the recent past, said Mr Sanghi.

Assocham study points out that India's current trade with Singapore is close to about \$8 billion with further potential to double the figure because of reciprocity that exists between Singapore and India in areas of services, tourism, information and communications technology, telecom and food & food-related products.

India's trade deficit with the region has come down from \$2.3 billion in 1999-2000 to \$1.3 billion in 2003-04, but there is tremendous scope to reduce it further if trade barriers are removed.

The study has identified Philippines

as a major problem with import duties on textiles, watches, clocks and electric equipment fixed at 50 per cent. The difficulties faced by Indian exporters should be resolved while negotiating FTA with Asean, said Mr Sanghi.

On India's trade with Thailand, the study points out that Thailand enjoys a strategic location right at the heart of east Asia and the Greater Mekong sub-region, where newly emerging markets offer great business potential. From Thailand, it is convenient to trade with India, China and the rest of Asia.

Assocham is of the view that as per India's vision of becoming a developed nation by 2020, government should be committed to policies that enable us to work more closely with our neighbours and to support efforts of the state governments in promoting business-to-business links between India and South-east Asia.

India, Singapore hold 'maritime exercise'

By P. S. Suryanarayana

SINGAPORE, MARCH 5. India and Singapore have, for the first time in over a decade, held a 'maritime exercise' in the South China Sea. The 10-day exercise concluded on Thursday.

All previous India-Singapore naval exercises, which began in 1994, were carried out off Kochi in the name and style of 'Lion King' series. The latest exercise, the first of a new series, is called the Singapore-India Maritime Bilateral Exercise (SIMBEX-05).

SIMBEX-05 was held in Singapore's 'naval environment' as part of a 'natural progression' of the city-state's naval exercises with India. The choice of the South China Sea as the theatre was 'not a signal to be given to somebody', Rear Admiral Sunil K. Damle, Flag Officer Commanding, Indian Navy Eastern Fleet, said in response to questions from *The Hindu* about the site of this exercise. The same was true for the exercises New Delhi was regularly holding with several countries in the Indian Ocean theatre or elsewhere, he

emphasised.

SIMBEX-05, 'a continuation of whatever has been going on so far' under the 'Lion King' series, was 'not really a war game'. It was a 'mix' of traditional navy-to-navy exercise of the 'encounter' kind and had elements of anti-piracy interdiction as also some aspects of anti-submarine operations.

However, 'anti-terrorism' was not the focus of SIMBEX-05', Rear Admiral Damle said. It was just a coincidence that the exercise was held in Singapore at about the same time as an official-level meeting of the Association of South East Asian Nations' Regional Forum (ARF) on confidence-building measures for maritime security. India was among the participants at the ARF meeting organised by Singapore.

SIMBEX-05 acquired importance as an aspect of intensifying interactions between India and Singapore on the basis of their recent defence cooperation agreement that extends to the two armies and air forces too.

'Feeling of security'

On India's overall naval pos-

ture in relation to East Asia, Rear Admiral Damle said, 'We are showing our presence here so that our ships, ships flying the Indian flag, have a feeling of security' while on the high seas.

About India's relevance to security along the strategic Straits of Malacca in the new context of concerns over international terrorism, he pointed out that the littoral States, Indonesia as also Malaysia and Singapore, were already engaged in coordinated patrolling. However, 'we would definitely like to come in and help them, whenever they feel the need [for us] to do so, in terms of cooperation'. Some time ago, India had provided naval escort for U.S. ships carrying high-value cargo through the Straits of Malacca, and the littoral States had agreed to that operation.

Although the Indian Navy pulled out its two ships sent to Indonesia for tsunami relief within about two weeks, the 'Operation Gambhir', as it was designated, was 'fully' carried out to the satisfaction of the host country and the affected people, he said.

THE HINDU

06 MAR 2005

Meanwhile, progress on trade route

designated points in Mizoram.

Though the cost could escalate, benefits from the project far outweigh other considerations. Once in place, it will give a major boost to trade in the North-East, many parts of which do not have access to warm water ports because of being locked in by Bangladesh.

The broad outline involves rehabilitation and development of the Sittwe port on the mouth of Kaladan river—in Mizoram, it's known as Chhimtuipui—in Myanmar. This will be followed by major river engineering works like dredging and setting up navigational aids to develop the Kaladan waterway. The river is navigable upstream from Sittwe to a point called Kaletwa and waterway will cater for this portion.

There will be a change of mode of transport here. Across the river from Kaletwa is Setpyitpyin from where the study proposes a 62 km long road that will traverse through Myanmar's Chin State into Mizoram and link up with National Highway 54 at Lawngtlai.

It's learnt that the broad timeframe for the project to be completed is in the range of 36 to 48 months from the start of work. While the development of the port and waterway will consume maximum time, the construction of the road portion is expected to take 15 months.

Currently, discussions are underway on the

funding pattern of the project. India, however, will pick up the larger chunk of the financing and construction. In return, Yangon is expected to agree for no transit fee on the route for at least the first five years. There will be other charges for using the port facilities and the waterway in accordance with international norms.

The development of Sittwe port will be one of the biggest infrastructure projects in the Rakhine region, which is considered among the poorest and least developed areas of Myanmar. With energy reserves already being identified off the Rakhine coast, the Sittwe port is expected to give a major boost to the economic profile of this region.

From an Indian standpoint, Sittwe will provide an alternative port for most of the North-East. Officials hope that it will substantially cut down the complications emerging from the absence of transit rights through Bangladesh. And some of the more far flung areas of the North-East like the border areas of Mizoram, Nagaland and Manipur will be accessible from the Myanmar side.

This mutually beneficial project is likely to take off with signing of an agreement when Natwar Singh visits Myanmar around March 25. However, there are several minor details that have to be worked out in the intervening period.

Meanwhile, progress on trade route from N-E to Myanmar port

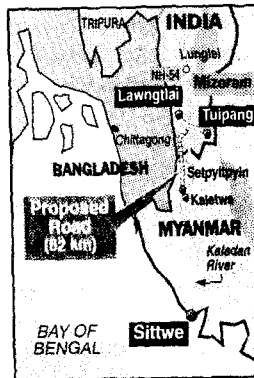
PRANAB DHAL SAMANTA
NEW DELHI, FEBRUARY 23

INDIA and Myanmar have moved a step closer to firming up the ambitious Kaladan multi-modal transport project that envisages a trade route skirting Bangladesh and linking up Myanmar's Sittwe port with North-East India.

The technical feasibility of the project has been ascertained and diplomats are now working overtime to ensure a formal agreement is reached during External Affairs Minister K Natwar Singh's visit to Myanmar slated for next month.

It's learnt that only a few road-blocks remain before the two countries can finalise the terms and conditions for early implementation of the project. It may be noted that both sides had agreed to expedite implementation of this project during Myanmar Head of State Senior General Than Shwe's visit to India last October.

The project, sources said, is estimated to cost over Rs 600 crore and further expenditure will have to be incurred on the Indian side to link up the trade route with one or more



IE Map/B K. Sharma

INDIAN EXPRESS

CONTINUED ON PAGE 2

24 FEB 2005

Thailand gets the upper hand over India

While India exported goods worth \$125,000, post FTA saw Thai exports surge \$50 million

RAVI KRISHNAN & PUMMY KAUL
NEW DELHI, FEBRUARY 20

INDIA Inc's worst fears are coming true with early reports indicating a 400:1 trade surplus favouring Thailand in the first three months of the Early Harvest Scheme of the Indo-Thai Free Trade Agreement (FTA) which came into effect from September 1, 2004.

Under the FTA, Thailand exported goods worth 2 billion baht (approximately \$50 million) at concessional rates to India in the three months September-November 2004, according to a statement from the Department of Foreign Trade, Thailand.

Top exports from Thailand were colour TV sets, polycarbonate and car parts. During the same period, India exported goods worth just 5 million baht (approximately \$125,000), mainly gear lever, picture tubes, and jewellery parts.

For long, Indian corporates have feared that MNCs, more importantly, the Japanese majors, will leverage the Indo-Thai FTA to their advantage since Japanese companies have huge manufacturing bases in Thailand.

Given the statistics available for the first quarter post FTA, the opponents of the Indo-Thai FTA are being proved right as this trend could potentially skew the \$1.44 billion (in 2003-04) bilateral trade in favour of Thailand. Currently, India enjoys a minor trade surplus with Thailand. In the first five months of this fiscal, India has exported \$292.61 million worth of goods and im-



from Thailand. For the consumer, too, it's a good deal," said Electrolux Chairman and Managing Director Rajeev Karwal.

Imports from Thailand currently account for 7-8 per cent of the total 1.1 million units AC market. However, KJ Jawa of Voltas, underplays the trend. "It is insignificant as yet," he said but did not rule out an upward trend when the duties will be eliminated in 2006.

Companies like Toshiba, Carrier, Daikin, Sony and Hitachi have already bid goodbye to manufacturing in India and are now instead sourcing from Thailand. The automobile industry, on the other hand, is more reticent about revealing whether imports of parts have surged.

All automobile OEMs took the line that it was too early in the day to comment on the impact of the FTA. "Yes, imports have increased, but only to the extent of the planned increase in our output. It would be wrong to say that the FTA is the cause of the surge," said a passenger vehicle major, who refused to go on record. Experts indicate that India needs major reforms in six areas if the domestic industry is to compete with foreign economies. These are flexible labour, infrastructure, transaction costs, power, taxes and interest costs.

Mitra says Thailand has moved fast in these areas. The impact of the Thai FTA should force some soul-searching as this is the beginning of how integration to the global economy could impact the Indian industry.

out of the FTA, there is no doubt that companies are actively exploring procurement opportunities from Thailand for components and completely built kits, say industry pundits. This could only grow given that the duties would be completely eliminated in 2006.

Though a break-up of trade under different sectors is not available at present, they say consumer durables seem to account for the maximum imports now. Imports from Thailand have indeed surged, more so in air conditioners (ACs) and refrigerators post FTA and the trend will only see an upward swing in the days to come.

Consider this: Electrolux India is currently sourcing almost 50 per cent of its split air conditioners and large size refrigerators from Thailand. "High end products such as large size refrigerators which do not justify local manufacturing because of limited volumes currently form a major chunk of imports

ported \$280.21 million from Thailand.

Industry bodies like Fici, however, warned that Thailand or importers of Thai products must not be seen as villains. Fici's director general Amit Mitra said, "There have been rumblings in the Indian industry for the past 2-3 weeks. We have to first check whether they have violated any rules of origin or value addition norms. If they have not then we need to look inwards and see whether the surge has occurred in industries where we have core competencies and then see whether these industries are suffering because of lack of reforms."

Under the Early Harvest Scheme, which came into effect from September 1, 2004, entrepreneurs from both the countries can import and export 82 items freely subject to duties which will come down to zero in the next two years. These 82 items cover 7 per cent of the Indo-Thai trade. While these statistics may not give the true picture of the complete fall-

HD-12
17/2

Indonesian President calls for new ASEAN-India links

Judith
S. B. Arinow

By P. S. Suryanarayana

SINGAPORE, FEB. 16. The Indonesian President, Susilo Bambang Yudhoyono, today called for collective regional prosperity and suggested that the Association of South East Asian Nations (ASEAN) could "expand" its relations with India as an emerging "big player."

Responding to questions after delivering the "25th Singapore Lecture" under the auspices of the Institute of South East Asian Studies here, Mr. Yudhoyono said "ASEAN must stay united" and widen the frontiers of its cooperation in the Asia Pacific region.

Positive view

Mr. Yudhoyono's positive view of India is of considerable

political relevance to the current efforts of the ASEAN to fashion an East Asian Community and begin it by holding a special summit later this year.

Indonesia is an influential member of the ASEAN, besides being the largest country in South-East Asia. ASEAN is now engaged in defining the scope of the proposed East Asia summit, which covers the matter of invitees to the summit, among other issues.

Indonesia's latest call for new ASEAN links with India comes in the wake of the recent suggestion by Lee Kuan Yew, elder statesman and Singapore's former Prime Minister, that it would be to the "advantage" of the Association to extend the proposed East Asian Community to include India.

Mr. Yudhoyono said: "China and India are emerging to be important players in this region, economically and probably in other fields [too]. Of course, we have a strong association, the ASEAN. From this point, we have to act skilfully, wisely and promptly to do something collectively to respond to the changing situation, including the emergence of China and India as very big powers in this region."

Noting that the Association could "deal with China, Japan, [South] Korea" in the framework of the "ASEAN Plus Three," the core group of the proposed East Asia summit, Mr. Yudhoyono said: "If we could expand also our relations, cooperation, with India to the west [of South-East Asia] and also

bring in Australia and New Zealand to be part of our greater cooperation, I believe, it will help." Mr. Yudhoyono said "many things can be done collectively" by the ASEAN Plus Three, which includes India.

Priorities

Speaking on the theme of "the challenge of change" in Indonesia today, Mr. Yudhoyono identified his priorities as political stability, economic development and "partnerships" on the international stage.

Separately, some Indonesian officials have indicated to this correspondent that Jakarta might seek permanent membership of the U.N. Security Council at an appropriate stage of the current international debate on its possible expansion.

THE HINDU

17 FEB 2005

“Economic cooperation agreement will bring India, Singapore closer”

By P. S. Suryanarayana

31/1
49-17

SINGAPORE, JAN. 30. The “Comprehensive Economic Cooperation Agreement (CECA)”, which Singapore is currently “negotiating” with India, “will bring our economies closer together”, said Lee Hsien Loong, the City-State’s Prime Minister, on Saturday.

Responding to felicitations from the Singapore-Indian community over his recent assumption of office as Prime Minister, Mr. Lee said: “Singapore seeks to prosper by riding on the emergence of China and India, both of which present us with many opportunities. With India opening up, our bilateral trade is booming, tourism is growing, and investments are expanding in both directions.”

Emphasising that both Singapore and India “are keen to work together for mutual bene-

fit”, he commended the prospective CECA as a new mechanism for closer ties. Although he did not indicate a timeline for the finalisation of the accord, the two countries had reached an advanced stage in their negotiations, according to sources associated with the process on either side.

Mr. Lee said Singapore’s Indian community, “a creative and entrepreneurial group and a great asset to our economy”, was also offering the City-State “invaluable linkages to South Asian countries.” The new Institute of South Asian Studies, launched here a few days ago, “will further strengthen the bridge between Singapore and the South Asian region.”

“For their part, South Asians”, Mr. Lee said, “see us as a good base to do business in East Asia or even the Asia Pacific.” So far, nearly 1,400 Indian

companies had set up base in Singapore, emerging as the fourth largest contingent among foreign firms. Pointing to Singapore’s “familiarity” with the language and culture of China and several other states, he said “few other countries in the world enjoy such entrée into all three of India, China, as well as Southeast Asia.”

Singapore was now “attracting a healthy inflow of South Asian talent who want to migrate here,” either directly or from the West, Mr. Lee said. He specifically quoted an Indian immigrant as having written to him that, in Singapore, “multi-racialism, meritocracy, integrity and efficiency are not just words in the wind mouthed by changeable politicians and passing parties, but are objective standards that leaders are willing to be judged by.”

Presenting political glimpses

of Singapore’s history and emergence as an independent country in 1965, he commended the broad “achievements of the Indian community” here. After independence, Singapore “was determined to safeguard the minority communities” and the “cardinal principle” of multi-racialism had now been “maintained for 40 years.” Ruling out special privileges or “racial quotas,” Mr. Lee said: “If we had been a purely Chinese society, such as Hong Kong or Taiwan, we would have found it much harder to get along with our neighbours. This is a crucial difference which the minority communities make to Singapore.”

P. Thirunal Karasu, Chairman, People’s Association Narpani Peravai, M. Rajaram, Chairman, Singapore Indian Chamber of Commerce & Industry, spoke.

31 JAN 2005

THE HINDU

India, Malaysia to firm up IT ties

By P.S. Suryanarayana

SINGAPORE, JAN. 20. India and Malaysia today agreed to strengthen cooperation in the information and communications technology sector, while New Delhi and Tokyo have set a timeframe of March to form a joint task force in the same field.

These separate moves were decided upon during the talks that the Union Minister for Communications and IT, Dayanidhi Maran, held with his Malaysian counterpart in Kuala Lumpur today and with the Japanese leaders in Tokyo earlier in the week.

India, Japan sign MoU

Speaking to *The Hindu* over the telephone from Kuala Lumpur tonight, Mr. Maran indicated that India and Japan discussed the modalities of India's participation in the Tokyo-led Asian Broadband Programme. Other India-Japan cooperative projects would relate to "IPV-6" and "fiber-to-

home technology."

Both Japan and Malaysia have been invited to participate in the "India Soft" event to be held in Chennai in March.

Mr. Maran indicated that his "satisfactory" talks with the Malaysian Minister for Energy, Water and Communications, Lim Keng Yaik, covered a wide range of issues in IT-related cooperation, with Malaysia evincing particular interest in investing in India. Malaysia wanted to enter into joint production of "simputers", now being produced in Bangalore.

Official sources in Kuala Lumpur said Malaysia indicated its readiness to "streamline" the procedures relating to visas and other requirements of Indian IT professionals, whose "problems" were being taken seriously by the Malaysian Prime Minister, Abdullah Ahmad Badawi. It was in this new context that Malaysia wanted Indian IT firms to increase their technological footprint in "Cyberjaya."

Delhi in 3-nation deal on Myanmar reserves

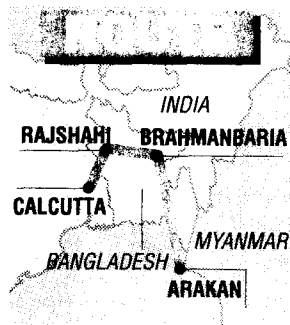
Bengal to get gas via Bangla

OUR SPECIAL
CORRESPONDENT

New Delhi, Jan. 13: India, Myanmar and Bangladesh today signed a historic pact paving the way for a transnational natural gas pipeline from Myanmar to Bengal and Bihar through Bangladeshi territory.

"I think it is a triumph and major breakthrough because, for the first time in 30 years, Bangladesh has agreed to its territory being used for transport of any commodity, let alone something as valuable as natural gas," petroleum minister Mani Shankar Aiyar said over the phone from Yangon.

Aiyar said gas in commercial quantities would start flowing from the giant Arakan (A-1) offshore block "in a



matter of months rather than years and then it is a question of how much time the laying of the pipeline would take for the gas to flow into Bengal".

The tripartite agreement was signed by Myanmar energy minister Brigadier General Lun Thi, Bangladesh energy minister A.K.M. Musharraf Hossain and Aiyar.

The agreement says: "The government of Myanmar agrees to export natural gas to India by pipeline, through the territory of Bangladesh, to be operated by an international consortium as may be agreed upon by the parties concerned, based upon technical and commercial feasibility."

The gas will flow from the A-1 field in which ONGC-Videsh and Gail own a 30 per cent stake. The Indian companies

have also been given a 30 per cent stake in the adjoining A-3 exploration block, which, too, is expected to yield large quantities of gas.

Dhaka is extracting concessions from India for allowing the gas pipeline to run through its territory. Bangladesh expects to get the right to access hydroelectricity from Nepal and Bhutan through Indian territory and a trade corridor to supply commodities to them.

Bangladesh will earn about \$125 million as an annual transit fee for allowing the pipeline on its territory.

Under the agreement, India and Bangladesh reserve the right to access the pipeline when they want to. They can also inject and siphon off their own natural gas. The nuts and bolts of this arrangement will be put in place through commercial agreements.

Aiyar said India could explore the possibility of pumping its untapped natural gas in Tripura into the pipeline for consumption in Bengal and Bihar.

"The route of the pipeline may be determined by mutual agreement of the three governments with a view to ensuring adequate access, maximum security and optimal economic utilisation," the pact says.

A joint techno-commercial working committee will be set up to advise the three governments on "pipeline routing, access-related issues as well as technical and commercial matters".

The first meeting of the committee will be held in Yangon in a month to prepare a draft memorandum of understanding. Aiyar told reporters that he expected the signing to take place by early April.

Indian companies spearheaded by Gail could end up investing around \$1 billion in the project.

An upbeat Aiyar said there were huge quantities of natural gas in Myanmar and the pipeline would open up the opportunity for importing this gas to meet the needs of energy-starved eastern states.

India, Singapore sign MoU for army exercise

19/1 By P. S. Suryanarayana 49-17
Dura. S. Barin

SINGAPORE, JAN. 18. India and Singapore have signed a Memorandum of Understanding (MoU) for organising their first-ever "joint army exercise".

The MoU, designed to enhance bilateral engagement on military matters, is in tune with the existing Singapore-India Defence Cooperation Agreement. While the two countries have held joint naval exercises for over a decade, the inaugural bilateral air exercise was held last October.

The army exercise, to be held in India from February 11 to April 5, will involve armour and artillery units from the two countries. The armour exercise is to be held at the Babina Field Firing Range, about 400 km from New Delhi on its south-eastern side, while the parallel artillery exercise will take place at the Devlali Field Firing Range, about 200 km northeast of Mumbai.

Signed by the Indian High Commissioner to Singapore, Alok Prasad, and the Chief of Army of the City-State, Maj. Gen. Desmond Kuek, on Monday the MoU outlined the scope of the army exercise. A joint press release noted that the exercise "will enhance mutual understanding and inter-operability between the two armies." The Singapore Army would be provided with "a valuable opportunity to train along side the Indian Army," it was underlined.

While defence cooperation with Singapore was originally an Indian initiative, the diversification of the bilateral engagement has been a matter of mutual interest and efforts, sources said.

THE HINDU

19 JAN 2005

India-Myanmar MoU on oil

NEW DELHI, Jan. 11. — The Indian government today signed a memorandum of understanding with the Myanmar government to enhance cooperation in the oil sector including upstream, down stream and oil marketing. The Union minister for petroleum and natural gas, Mr Mani Shankar Aiyar, today met the Myanmar Prime Minister, Lt General Soe Win, and the Myanmar energy minister, Brigadier General Lun Phi, and discussed the areas where they can cooperate in the oil sector.

Tomorrow, the petroleum ministers of India, Bangladesh and Myanmar will meet in Yangon to explore the possibil-

ity of laying a natural gas pipeline from Myanmar to India via Bangladesh.

“We are having a tripartite meeting of energy ministers from India, Bangladesh and Myanmar in Yangon on January 12 to see how gas from Myanmar could flow into India through an on-land pipeline,” Mr Aiyar said before leaving for Yangon.

India, which last week struck a 25-year deal to import 7.5 million tons of liquefied natural gas (LNG) from Iran from 2009, is looking for more fuel as demand is expected to grow to 400 million standard cubic meters per day by 2025 from around 90 mmscmd available today. — SNS

8/11/05
10-1

India offers financial aid to Indonesia

India's SB Asia news

By P. S. Suryanarayana

JAKARTA, JAN. 7. India today proposed extending "concessional lines of credit" to Indonesia for the "reconstruction of roads, buildings and harbours" in Aceh province, which was ravaged by the tsunami 12 days ago.

The External Affairs Minister, K. Natwar Singh, extended the offer to the Indonesian President, Susilo Bambang Yudhoyono, during their meeting here on Friday.

Should Indonesia accept this offer, New Delhi's assistance to this country will go beyond the emergency help now being rendered by two naval ships. Indonesia has registered the highest

toll of nearly 1,00,000 in the natural disaster and the number of internally displaced persons has been placed at 6,00,000.

While over 50 per cent of the capital of Aceh province was badly affected, 80 per cent of Meulaboh town was destroyed. A hospital ship of the Indian Navy is engaged in the relief operations in the town.

Appreciating the Indian initiatives, Mr. Susilo told Mr. Singh: "Your ships have helped us a lot and eased our burden." The President, who came in for considerable praise from the international community for having organised an urgent multilateral conference on the tsunami challenge as a "result-

oriented event", indicated to Mr. Singh that it might take Indonesia three to five years to recover fully from the disaster.

The other subjects that came up for specific mention during the talks included the possibility of cooperation in the energy sector. Mr. Susilo indicated that he was looking forward to visiting India.

Those present at the talks included the Secretary (East) in the External Affairs Ministry, Rajiv Sikri, and India's Ambassador to Indonesia, H. K. Singh, besides the President's top aides.

The External Affairs Minister and the Sri Lankan Foreign Minister, Lakshman Kadirgamar,

met on the sidelines of the tsunami summit to discuss the situation on the island against the backdrop of Colombo's efforts to overcome the crisis and the ongoing Indian relief mission.

On India's aid diplomacy, Mr. Singh, who left Jakarta today, said the general reaction of the international community was one of "surprise mixed with admiration", over the manner in which New Delhi had reached out to the other tsunami-hit countries, even while being engaged in its own massive relief effort. The conference had, on the whole, "reinstated the United Nations as the key player" in relief efforts, he stressed.

Myanmar-India gas pipeline on anvil

By Siddharth Varadarajan

YANGON, JAN. 12. A new chapter in the geopolitics of South Asia was opened on Wednesday when Energy Ministers from India, Bangladesh and Myanmar sat down together here to consider the proposal of evacuating Myanmar offshore gas to India via a pipeline traversing Bangladeshi territory.

"The meeting was unique, even historic, the commitment to promote the relationship is very substantial on all three sides," an official said. "But since this was the first such trilateral encounter, all of us agreed it was too early to sign a memorandum of understanding." Instead, the three countries have agreed in principle to the formation of a techno-economic working committee which will meet in Yangon within the next month and begin working towards an MoU to be signed in Dhaka by the three Ministers.

Broad consensus

Though there was broad consensus about the utility of such a venture, Indian officials told *The Hindu* there are minor differences between the three sides that still have to be bridged. This includes Bangladesh's desire to seek greater transit rights through India to Nepal and Bhutan for goods and electricity in exchange for the gas pipeline. Indian officials say they have no objection in principle to according Bangladesh enhanced transit facilities but that a trilateral encounter may not be the best forum to place the issue on the agenda.

Wednesday's meeting was attended by Minister for Petroleum and Natural Gas, Mani Shankar Aiyar, the Myanmar Minister for Energy, Brig. Gen. Lun Thi, and the Bangladesh Minister of State for Energy, A.K.M. Mosharraf Hossain.

In the meeting, the Bangladesh delegation stated that Dhaka was interested in enhancing the scope of energy cooperation in the context of a broader framework of regional cooperation which includes Nepal and Bhutan. Though the Bangladeshis appear to have dropped their initial opposition to any Indian equity participation in the pipeline, they do want India to give an undertaking that it would allow Bangladesh "the use of corridors through India to transit electricity from Nepal and Bhutan as well as commercial goods."

Stumbling block

If this is one issue which will need sorting out, the Myanmar Government's desire to include Daewoo — the company operating its rich A-1 and A-3 blocks — in the trilateral working group could be another stumbling block.

Indeed, both Indian and Bangladeshi officials were surprised to see Daewoo executives sitting in as part of the Myanmar delegation at Wednesday's meeting. India and Bangladesh are of the view that the operating company can be brought into the discussion at a later stage but that it is up to the three Governments to take a decision on how the gas should be evacuated.

At Wednesday's meeting, the

Indian side made a powerpoint presentation on eight options for evacuating the off-shore gas. These include four overland pipeline routes running from Tripura and Bangladesh into West Bengal, two shallow sea routes of about 400 km length within the exclusive economic zone of Bangladesh and one 700 km long deep-sea pipeline option. The technical and financial feasibility study of all seven pipeline options has been done by the Italian company Snamprogetti. The eighth option is on developed by a U.S. consultant, Energas, which would involve a new technology of loading liquefied natural gas (LNG) on to a specially-designed tanker which would convert the LNG into CNG en route in time to be pumped out at the destination port.

Mr. Aiyar said that the win-win option was for an overland pipeline, since this would allow Tripura's substantial gas reserves to be fed in as well provide Bangladesh an opportunity to wheel in gas from its own fields in the east of the country to the western regions where demand for it is the greatest. In addition, Bangladesh would earn about \$125 million per annum in transit fees.

Though Mr. Aiyar wanted the proposed techno-financial committee to have a focused mandate, including evaluating the various pipeline options and making specific recommendations based on both technical and financial viability, it seems the working of the committee might initially be more open-ended.