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## Navigating the difficult road ahead

**T**he recently stalled negotiations between India and ASEAN on the proposed free trade agreement represent more than a temporary setback. A planned meeting of the two sides on May 29 that was meant to take the negotiations forward did not take place. ASEAN refused to come to the table expressing its unhappiness at India's long negative list. The June deadline for concluding negotiations looks to be slipping away. Far from being an isolated roadblock waiting to be cleared through the customary give and take, the deferral of the talks brings into focus the complexities faced by India in entering into and monitoring trade agreements, whether regional or bilateral. Prime Minister Manmohan Singh has been a strong votary of the free trade agreement with ASEAN, viewing it as a significant step forward in a "look east policy" that could, over time, bring India into an expanded free trade area encompassing all the major Asian economies. The Prime Minister's thinking is entirely in line with current global developments. Existing trade treaties are being strengthened and expanded. In Asia there is even a talk of a currency union involving China, Japan, and South Korea. Though it is in a preliminary stage, the fact that such an idea has been mooted at all shows that countries might be willing to look at an agenda that is inherently larger and more complex than just trade pacts. The thrust on bilateral and regional trade groupings becomes especially relevant when the preferred option of multilateral trade liberalisation under the WTO has made little progress after Hong Kong. Having missed an April deadline, leading countries are meeting in Geneva next week. But the chances of a breakthrough are slim.

The latest impasse in the ASEAN trade talks is unfortunate. Compared to the modalities reached in the South Asian Free Trade Agreement (SAFTA) and the early harvest scheme with Thailand, India's position has been more flexible here. For example, it has lowered its stipulation of minimum value addition in the originating country to 30 per cent. It was 40 per cent under SAFTA. The negative list has been pruned from 1400 items to 991. But there are difficulties with specific products. Palm oil is one outstanding example, where ASEAN's interest in promoting it is as understandable as India's attempts to protect the indigenous industry. The road ahead is no doubt difficult but the way forward is to assimilate the lessons learnt from other bilateral trade treaties. The Indo-Thai FTA has emphasised the need for selecting the right items for early harvest and equally importantly the need to redress the inverted duty structures resulting from multiple trade agreements. Second, there is the need to tighten the framework relating to rules of origin, to avoid third country exporters reaping the benefits of bilateral trade agreements with India.

# Myanmar will sell gas to India

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## Talks on to conclude agreement with India and China

governing

Special Correspondent

**NEW DELHI:** Myanmar will sell natural gas from its offshore fields to India through a land route bypassing Bangladesh. This was stated here on Saturday by the Myanmar Ambassador to India, U. Kyi Thein. He said his country had enough gas to sell to both China and India.

Addressing a meeting organised by the Confederation of Indian Industry (CII), he said negotiations were under way to conclude an agreement with both countries. He said the gas would come to India through a land route by linking the Kaladan river to Mizoram.

He was responding to a question from an official of the ONGC Videsh Limited (OVL) regarding export of gas to India. OVL and GAIL have a 30 per cent stake in the A-1 offshore field being operated by Daewoo of South Korea.

Mr. Thein said developing a transit trade zone between India, Myanmar and China was one of the top priorities of his government. Only rules and reg-

ulations for this zone had to be formulated. He invited Indian investors to Myanmar even while noting that bilateral trade needed to be intensified to achieve the \$1 billion target. He suggested that India could invest in the proposed new industrial zone in Yangon.

Bilateral trade between India and Myanmar stood at \$557.68 million in 2005-06, 24 per cent higher than the previous year. He said Myanmar was importing fertilizer, cement, and machinery from India and sought investments from Indian companies in the pharmaceutical sector. Besides, he suggested that trade in traditional items like teak and timber needed to be discussed.

Stating that Indian industry was keen to expand its trade and investment relations with Myanmar, Rajshree Sugars and Chemicals Chairperson, Rajshree Pathy, said efforts must be made to develop better connectivity as well as to include more goods and services in trading arrangements.

14 MAY 2006

The Hindu

## জঙ্গি ঘাঁটি ভেঙে ফেলার প্রতিশ্রুতি দিল মায়ানমার

নিজস্ব সংবাদদাতা, গুয়াহাটি, ২৮  
এপ্রিল: দুই দেশের মধ্যে আলোচনাটা  
চলছিল অনেক দিন ধরে। অবশেষে  
পড়শি মায়ানমার থেকে আলফার  
সমস্ত শিবির ভেঙে ফেলার প্রতিশ্রুতি  
দিল সে দেশের সেনাবাহিনী। এই  
নিয়ে গত সপ্তাহের শেষের দিকে  
নাগাল্যান্ডের রাজধানী কোহিমার  
রাঙাপাহাড়ে ভারতীয় সেনাবাহিনীর  
তিন নম্বর কোরের সদর দফতরে এক  
বৈঠক হয়। ওই বৈঠকেই মায়ানমার  
সেনার পক্ষ থেকে এমন প্রতিশ্রুতি  
দেওয়া হয়েছে। বর্তমানে নাগাল্যান্ড-  
মায়ানমার সীমান্তে আলফার  
শিবিরগুলি ভারতীয় সেনাদের  
মাথাব্যথার কারণ হয়ে দাঁড়িয়েছে।

সেনা সূত্রে খবর, আগে ভুটান  
থেকে জঙ্গি কার্যকলাপ চালাত  
আলফা। ২০০৩ সালে সে দেশে যৌথ  
সেনা অভিযানে জঙ্গিদের সব ঘাঁটি  
ভেঙে গুঁড়িয়ে দেওয়া হয়। তারপর  
প্রথমে নাগা জঙ্গি সংগঠন এনএসসিএন  
(খাপলাং গোষ্ঠী)-এর শিবিরে, পরে

বর্তমানে একাই শিবির করে  
মায়ানমারে ঘাঁটি গেড়েছে আলফা।  
এখান থেকে মিজোরাম হয়ে উজান  
অসমের বিভিন্ন জেলায় ছড়িয়ে পড়ে  
জঙ্গিরা—এমন দাবি সেনাবাহিনীর।  
রাঙাপাহাড়ের বৈঠকে এ ব্যাপারে দীর্ঘ  
আলোচনার পরে মায়ানমারের  
সেনাবাহিনী জঙ্গি শিবির ভেঙে  
দেওয়ার অঙ্গীকার করেছে। তবে জঙ্গি  
বাহিনী মোকাবিলা করার মতো  
উপযুক্ত দক্ষতা না থাকার কারণে ঠিক  
হয়েছে, মায়ানমারের সেনাবাহিনী ফের  
ভারতে এসে এখানকার সেনাবাহিনীর  
কাছ থেকে উপযুক্ত প্রশিক্ষণ নেবে।  
মায়ানমারের মতো আলফা-সহ  
জঙ্গিদের ঘাঁটি থাকার অভিযোগ  
রয়েছে বাংলাদেশেও। এই নিয়ে  
দুই দেশের মধ্যে চাপান-উতোর  
চলছেই। ভারত এ ব্যাপারে প্রামাণ্য  
তথ্য তুলে দিলেও বাংলাদেশ সরকার  
সেটা মেনে ব্যবস্থা নেবে—এমন  
আশ্বাস এখনও আদায় করতে পারেনি  
দিল্লির সরকার।

# India, Singapore to complete CECA talks

Press Trust of India

NEW DELHI, April 2. -- India and Singapore have agreed to complete negotiations on Mutual Recognition Agreements before 31 July this year and enhance bilateral trade and investments during the first review of the Comprehensive Economic Cooperation Agreement.

The ministerial review meeting, concluded in Singapore on Friday night, was attended by the Union commerce minister, Mr Kamal Nath and his Singapore counterpart, Mr Lim Hng Kiang, an official release said today.

On MRAs in Goods, both

sides agreed to complete talks before 31 July. The issues on MRAs relate to pending issues such as minimum requirement for generic medicinal products from India, clearances for export of egg products, full banking status to State Bank of India in Singapore and customs cooperation issues, the release said.

The MRAs, when implemented, would recognise the goods and services of the two countries in the territories of each other and facilitate in increasing economic cooperation.

The review also focused on low level of investment from Singapore to India. Total foreign direct investment from

Singapore is around \$300 million — up from \$62 million in 2004 — but still far less than expectations.

Mr Nath urged Singapore to accord high priority to FDI in infrastructure and in Special Economic Zones. The Singapore minister pointed out that some strict provisions of Double Taxation Avoidance Agreement were hampering investments, the release said, adding both sides agreed to resolve the issue.

The CECA was signed in June 2005 and came into effect from 1 August. The first review was to be conducted within one year of its coming into effect. Subsequent reviews would now be conducted every two years.



Mr. Kamal Nath

02 APR 2006

THE STATESMAN

# 'Connecting India' meet in Singapore

## Raising Indian profile across Asia-Pacific

P. S. Suryanarayana

**SINGAPORE:** An ambitious 'Asia Pacific Business Summit,' in the trendy name and style of 'Connecting India,' will be held in Singapore on April 12 and 13. Although an exclusive event of the Singapore Indian Chamber of Commerce & Industry (SICCI), the summit has been programmed as part of a panoramic project of 'Celebrating India' under the auspices of its diplomatic mission here.

### Raising India's profile

The new "high point in India's relationship with Singapore" will serve as the launch-pad for raising the Indian profile across the Asia-Pacific region through this week-long celebration in the City-State, according to High Commissioner Alok Prasad. The events are scheduled for April 10 to 16.

Reminiscent of the yesteryear 'Festivals of India,' the new project is fashioned to be different, not just as an update.

The planned kaleidoscope, ranging from the business summit to art-and-culture shows, would reflect the perspectives of the High Commission's event-specific and autonomous "partners" in the case of each programme, Mr. Prasad emphasised.

The objective, according to him, was to turn the spotlight on various aspects of "contemporary India" and to do so in a manner that would also "highlight the depth and diversity of India-Singapore relations."

For the SICCI, which had planned the business summit independently of the High Commission's outsourcing ideas, the event's current timing is said to offer a unique opportunity. President A. P. J. Abdul Kalam's recent high-profile visit to Singapore has rekindled interest in India, especially in the context of the earlier visits to India by the City-State's elder statesman Lee Kuan Yew and Senior Minister Goh Chok Tong.

The SICCI's media partners for the 'Connecting India' summit are *The Hindu* and *The Hindu Business Line*. PriceWaterhouseCoopers is the knowledge partner.

Emphasising the topicality of 'Connecting India,' the SICCI Chairman, M. Rajaram, said: "A part of our [Chamber's] social responsibility is to make sure that CECA [the Comprehensive Economic Cooperation Agreement between India and Singapore] is seen as a success."

The business summit would follow the March-end review of the CECA by both governments.

Although the current pace of CECA implementation has not enthused the business communities in both countries, the im-

minent governmental review is a mandatory exercise and not a crisis-management effort.

- To be part of a panoramic project of 'Celebrating India' under the aegis of its diplomatic mission there

- Aimed at highlighting various aspects of "contemporary India" and depth of bilateral ties

### Two-way street

As for India's interest in assessing how far Singapore might open up its services sector and in attracting investments from the City-State for infrastructure projects, he sought to underscore the CECA as a two-way street.

Referring to a project-land case in Tamil Nadu that was now before a court in India, he said the pre-litigation phase had "shaken the confidence" of the Singapore investors.

### Professional visit planned

In these circumstances, the SICCI was now planning to organise a professional visit to India in May by a delegation of Singapore-Indian businesspersons and also, significantly, the City-State's ethnic Chinese captains of industry and commerce.

This would be the first such visit in the post-CECA context. The two-day summit will have three plenary sessions and 10 sector-specific sessions. Union Commerce Minister Kamal Nath is expected to deliver the "Global Business Leader Lecture." Sat Pal Khattar, Chairman of Singapore-based Network India, is scheduled to preside over the plenary on the Indian economy.

K. Kesavapany, Director of Singapore-based Institute of South East Asian Studies, will preside over the plenary session on "India & China: The Singapore Connection."

*The Hindu* Editor-in-Chief N. Ram will deliver the keynote address on this theme.

The plenary on the CECA is likely to be presided over by Gopinath Pillai, Chairman of the Singapore-based Institute of South Asian Studies. Others expected to speak include Lakshmi Mittal, Chairman of the U.K.-based Ispat International, and Pratap Reddy, Chairman of Apollo Hospitals.

Abhijit Ghosh, Head of India Desk at PriceWaterhouseCoopers in Singapore, said the firm, as knowledge partner for the summit, would provide experts and "thought leadership publications."

# Myanmar plays Chinese checkers over gas supplies

By Sanjay Dutta/TNN

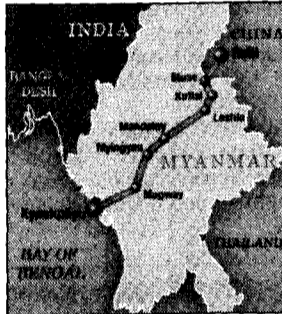
New Delhi: Myanmar is taking India for a ride on supplying gas from fields in which two Indian state-owned companies hold 30% equity. While Yangon keeps giving assurances on New Delhi's share, it is going ahead with plans to lay an export pipeline to China in return for soft loans to jack up its drilling capabilities.

These developments come in the wake of president A P J Abdul Kalam's recent Myanmar visit and India heading off American suggestions to cut off ties with it.

Reports available with the government say that the survey to lay a 2,380 km pipeline to China's Yunnan province has been completed. The pipeline will start at Myanmar's Kyaukphyu in the Bay of Bengal and terminate at Rili in China. Approximately 990 km of the pipeline will be in Myanmar and the rest in China.

The survey was conducted by PetroChina with which Myanmar had in January signed a gas export MoU, without informing New Delhi, even as a senior oil ministry official was waiting in

Yangon for talks on the subject. Subsequently, Myanmar told India that the MoU did not imply any firm commitment and it will keep in mind Indian interests.



China, it seems, does not share this view and is going ahead with the plan to lay the pipeline. Its MoU with Myanmar envisages supplying 6.5 tcf (trillion cubic feet) of gas for 30 years from Block A field in which ONGC Videsh owns 20% and GAIL India 10%. To cement the deal, China

agreed to Myanmar prime minister's request for a \$84 million soft loan during his February 14-18 visit to Beijing. Myanmar intends to use the money to buy two oil rigs to ramp up its pumping capacity.

Myanmar is getting impatient with India over the delay in settling the transportation issue. Since the proposed pipeline through Bangladesh—the cheapest mode—is practically a dead issue, India is studying the options of a pipeline through the Northeast and shipping the gas as LNG/CNG, undersea pipeline or a swap deal. Clearly, India's chances of getting the gas is receding in direct proportion to the delay in resolving the issue.

# Peace along India-China border: J.J. Singh

Chief of Army Staff makes week-long visit to Indonesia, Singapore

P.S. Suryanarayana

**SINGAPORE:** Chief of Army Staff General J.J. Singh has hailed the present situation along the Line of Actual Control (LAC) on the India-China boundary as an atmosphere of "total peace and tranquillity."

Gen. Singh, who on Saturday completed a week-long goodwill visit to Indonesia and Singapore, told *The Hindu* that "troops deployed on the [India-China] border, on both sides, are absolutely co-existing without any tension."

The India-Pakistan ceasefire, he said, "is holding out very well since almost two-and-a-half years."

Commenting on a new military-related development, the Army Chief expressed confidence that India's "nuclear security safeguards have been ensured" under the latest atomic energy accord with the United States. He did not wish to be drawn into a discussion on the proposed "triad" of India's nuclear deterrence.

Gen. Singh said, "We are looking at enhancing our level of military-to-military cooperation and getting some high-technology weapon systems and equipment" from the United States. He described India's parallel defence-related ties with Russia as "durable."

In a wide-ranging interview, Gen. Singh said India's "mili-

• Nuclear security safeguards ensured under accord with U.S.

• Joint exercise, training with U.N. peace-keeping backdrop or counter-terrorism scenario suggested

• Describes India's defence ties with Russia as durable

tary-to-military relationships" with Asia-Pacific countries "assume importance" for a "secure and stable environment in this region." New Delhi was, therefore, "looking at playing a role."

During his talks with Indonesian Defence Minister Juwono Sudarsono, in Jakarta, Gen. Singh suggested "a joint exercise [and] joint training, with a United Nations peace-keeping backdrop or a counter-terrorism scenario." It was left to Indonesia to respond to this initiative, he said.

## Strategic partnership

Asked about Mr. Sudarsono's comment that India and Indonesia were exploring the possibility of a strategic partnership in the military domain, Gen. Singh said the bilateral dialogue was "not really" focussed on "revolutionary military affairs" despite the emergence of some "strate-

gic dimensions."

Amplifying the "very good understanding" that India and Singapore shared through their existing defence cooperation agreement, the Army Chief said the City-State was now "quite positive" about the possibility of a new avenue of engagement. This related to India's "world-class" Counter-Insurgency and Jungle Warfare School.

## Inter-operability

About Singapore's perception of "inter-operability" in the wide-spectrum engagement with India, Gen. Singh said the objective was to gain "the ability to operate with each other" through coordination.

Two-way cooperation regarding defence technologies was possible between India, on one side, and Singapore and Australia, independently on the other side. Indonesia evinced interest in acquiring such know-how from India.

Fielding questions on India's defence posture with regard to China, the Army Chief said, "The troops on both sides have confidence-building measures (CBMs) which have resulted in a state, where they have sports competitions amongst each other." More significantly, they "celebrate each other's national days together on the India-China border."

About the sporadic reports of alleged intrusions by both ar-

mies along the LAC, he saw this development as "an exercise" by them to "patrol up to ... a particular point [or] area" with a purpose. Asked whether, in his view, the armies of India and China were seeking to show the flag and establish claims, Gen. Singh said: "Yes. You can say that either side is trying to reinforce the fact that their perceptual border is up to a particular point. But that has not led to any confrontation or a skirmish where there have been any firings exchanged. It has generally been a very peaceful border in the last few years now."

As for Pakistan, Gen. Singh said the series of CBMs "has certainly helped in restoring the confidence of the people living close to the border areas in Kashmir on both sides." With these measures "stabilising" the situation along the Line of Control in Jammu and Kashmir, "infiltration [from across Pakistan] has reduced, as per our estimate" in the LoC area.

In addition, with the Indian Army adopting a policy of "iron fist for the terrorists and velvet glove for the people" in Jammu and Kashmir, New Delhi had gained "a fair degree of moral ascendancy" in the State now. The "attrition ratio," a quotient of the terrorists killed and army personnel lost, now stood at around 8:1, a dramatic improvement over the previous figure of 5:1, he noted.

19 MAR 2006

THE HINDU

# Myanmar to inform India on Suu Kyi

Myanmar, Mauritius visit important: Kalam

Sandeep Dikshit

**ABOARD PRESIDENT'S AIRCRAFT:** India has expressed interest in the welfare of the Noble Peace prize winner, Aung Sang Suu Kyi, under house arrest without trial by Myanmar's ruling military junta since May 2003. The Myanmar leader, Senior General Than Shwe, assured President A.P.J. Abdul Kalam that he would hold discussions with senior army officers and others in the apex State Peace and Development Council and get back to India.

"I said India had friendship with her father [considered the father of the nation by the people of Myanmar]. Naturally the people were interested in her well-being. Senior General Than Shwe informed that he would discuss India's interest for Suu Kyi with his colleagues and get back to us," the President told newsmen while returning to the country after visits to Myanmar and Mauritius.

## Impromptu discussion

The impromptu discussion on Ms. Suu Kyi's arrest took place as the President was being seen off at the Yangon airport by Senior General Than Shwe.

The pro-democracy leader has been kept at an unknown place and not allowed to meet anyone bar her doctor. She has been in jail since 1990 when her party won 80 per cent of the seats but the Army annulled the elections. Ms. Suu Kyi is acknowledged as the leader of modern time's one of the greatest non-violent political strug-

• India will be happy to push Parliamentary system in Myanmar as far as possible: Kalam

• He meets Myanmar leader, Senior General Than Shwe

gles for the restoration of democracy.

Mr. Kalam said he suggested to the SPDC leader that India would help him in implementing his proposed seven-point plan to usher in democracy in Myanmar. "I told him India would be happy to push the Parliamentary system [in Myanmar] as far as possible," he added.

Ms. Suu Kyi, along with her lieutenants, was placed under house arrest in 2003, strangely after her convoy was attacked while on a political tour in north Myanmar. In November last, her arrest was extended by another six months. This period will come to an end next month.

The President summed up his two-nation visit to Myanmar and Mauritius as "very important" as one is the gateway to South-East Asia and the other to Africa. He also noted that both countries signed agreements on promoting hydrocarbon exploration with India. "Mauritius has a very large exclusive economic zone, almost one-third of India, and we have agreed to study for hydrocarbon in the sea by our institution. In Myanmar, we agreed on the evacuation of gas and several other projects," he said.

15 MAR 2006



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## Working with a neighbour

**P**resident A.P.J. Abdul Kalam's visit to Myanmar, the first by a head of state from India, marks a major milestone in bilateral relations. With Myanmar, or Burma as it was known earlier, under military rule from 1988, New Delhi has avoided visits or contacts at the highest level. While most of the top Generals from Yangon have visited India, especially during the past three or four years, Indian delegations have been at the ministerial level. It was that the military junta attached considerable importance to Mr. Kalam's visit. Moreover, as one having a long way to go on the development front, Myanmar has been keenly looking to ways of enlarging and strengthening ties with countries in the region. Such high-level visits eminently served that purpose. India has been wary of raising expectations in Yangon because of its traditional commitment to democracy. After having conferred the Jawaharlal Nehru Award for international understanding on Nobel laureate Aung San Suu Kyi in 1994-95, India cannot abandon its moral support for the 'Restoration of democracy movement' in Myanmar, led by Ms. Suu Kyi and her National League for Democracy. Fears about a growing Chinese involvement and influence in Myanmar have perhaps prompted New Delhi to put aside the concerns over democracy and human rights and move towards a "constructive engagement," as the Association of South East Asian Nations would like to call it. Clearly, the bilateral understanding on the Indo-Myanmar gas pipeline project, which will now be re-routed through Mizoram, skirting Bangladesh, stands out as a landmark. If it has taken years for the pipeline project to get this far, it is because Myanmar was initially not particularly enthusiastic about the idea. Subsequently, the project got stalled on account of the contentious issues Bangladesh raised over routing the pipeline through its territory. Against this backdrop, the latest move to go for a realignment of the project in a way that would keep Bangladesh out of the picture does make a lot of sense, even if the changed design would mean taking a circuitous route. A great deal more of ground work and precise estimation of the supplies would need to be done before it can get off the ground. The goal of raising bilateral trade from the current level of just \$400 million to \$1 billion may appear ambitious at this point of time, but the energy sector holds the key. Much of Myanmar's trade may also be routed through Thailand or Singapore. It is significant that the President utilised the opportunity to raise the democracy issue with Senior General Than Shwe and the State Peace and Development Council. Of course, the response was on expected lines — that the process of constitutional reform was on. Despite several such assurances, there has been no tangible progress on the road to democracy.

24 MAR 1996

THE HINDU

# Usher in democracy, India to Myanmar

APJ Kalam in Yangon

March 9. — India today made it clear to the Myanmar's military regime that it had "strong interest" in seeing a multi-party democracy in Myanmar that serves as New Delhi's virtual doorstep to south-east Asia, an economically flourishing region.

President Dr APJ Abdul Kalam, during his talks with General Than Shwe, Myanmar's military ruler, and other senior members of the junta conveyed this on the second day of his three-day visit to the country. Foreign secretary Mr Shyam Saran said Dr Kalam told that India was willing to provide all assistance to Myanmar for a successful transition to democracy. In response, General Shwe explained their seven-point "road-map" to democracy.

Mr Saran said India's civilian nuclear deal with the USA would help meet New Delhi's ever-growing energy needs. An India able to meet its energy demands augur well for Myanmar and other neighbours, he

## President's tribute to an emperor

YANGON, March 9. — It was a pilgrimage of a post head of state to pay homage to a lyricist who was a royal head of state of an erstwhile era when President APJ Abdul Kalam visited the Mazar of the last Mughal emperor Bahadur Shah Zafar in the central part of the capital city and offered floral tributes. Dr Kalam also lit candles and recited Fatiha at the sacred monument to Zafar who was exiled to then Burma by the British. He was a leading light of India's first war of independence in 1857. The writer of emotive ghazals died unsung four years after his exile that began in 1858. Sons brutally killed by the British and remaining acutely deprived and lonely, Zafar was moved to write "No one did ever care to see me nor offered so much as a little flower." Recalling the couplet, an emotional Dr Kalam had said yesterday that he would go and offer him flowers and today he kept his word. — SNS

said. Myanmar, he said, could find a much larger market for its goods in India. "It will be a win-win situation for both the countries," he added.

During the day, the two countries signed MoUs for mutual cooperation in the oil sector, Buddhist studies and an agreement on remote sensing under which New Delhi would help Yangon in data reception by establishing a satellite ground receiving station. India will provide a grant of \$1.3 million for this purpose. It will also extend a line of credit amounting to

\$10 million to power Myanmar's contribution to the Laladan multi-modal transport project.

It is in addition to India's proposed financial contribution of over \$95 million to the project. Other areas of assistance are an extension of a line of credit of \$20 million for purchase of heavy-duty water pumps of agriculture and water supply, upgradation of scientific laboratories in various universities of Myanmar, a package of HRD initiatives including 20 slots for Myanmar students in PhD programmes in India.

10 MAR 2006

THE STATESMAN

# Thorium is the answer: Kalam

Hopeful of a breakthrough in indigenously sourcing nuclear fuel

Sandeep Dikshit

**ON BOARD PRESIDENT'S AIRCRAFT:** President A.P. J. Abdul Kalam was hopeful of a breakthrough in indigenously sourcing nuclear fuel in sufficient quantities within the next five to seven years. The accent would be on converting thorium into fissile material for meeting the country's growing energy requirements.

"We have a limited amount of uranium reserves and are exploring for more mines. At the same time we have large amounts of thorium. Our scientists are working very hard on converting thorium, which is not a fissile material, into fuel for nuclear plants. In five to seven years, we should have abundant nuclear fuel and thorium is the route," he said.

India now has 65 per cent of the world's thorium reserves and is the only country which is working to use it as fuel in nuclear reactors.

On insurgency in the North-East using Myanmar as the base, he said the issue would come up during his talks with the Chairman of the Peace and Development Council Than Shwe. At the same time, he appreciated the efforts by Senior General Than Shwe in curbing the attempts by militants to use his country as the launch pad for disruptive activities in India. Myanmar shares a long land border with four North-Eastern States, including Manipur and Mizoram.



**GRAND WELCOME:** Myanmar senior General Than Shwe greets President Abdul Kalam at the Yangon International Airport on Wednesday. — PHOTO: AFP

# Foreign Secretary clarifies on Kalam's visit to Myanmar

Visit not to gain influence in the region

Special Correspondent

**NEW DELHI:** Foreign Secretary Shyam Saran told a press conference on Tuesday that President A.P.J. Abdul Kalam's visit to Myanmar was not prompted by rivalry between India and China to gain influence over the region. "It will not be accurate to describe the visit by an Indian head of state to Myanmar after a long time in these terms. There are very good reasons why India must remain engaged with Myanmar," he said while speaking to newsmen on Mr. Kalam's six-day visit to Myanmar and Mauritius which begins on Wednesday.

India's engagement with Myanmar came up during the talks between Prime Minister Manmohan Singh and U.S. President George Bush with India explaining the importance of a close relationship between the two neighbours. Mr. Saran said while remaining engaged with Myanmar, India in meetings

• Suu Kyi's release will be helpful in restoration of democracy

• Myanmar important to India as it shares border with four States

with its top leadership had made known its views on the current situation in that country.

On the prolonged detention of Aung San Suu Kyi, Mr. Saran conceded she was respected in India and had a certain international standing. "Her welfare and release would be very helpful in the process of [restoring] democracy," he said.

Myanmar was important to India as it shared a long land border with four "sensitive" States in the North East, both countries were involved in energy exploration on Myanmar's coastline opposite India's eastern sea board and Myanmar could be India's bridgehead to

the South-East Asian nations. Mr. Kalam's visit will touch on most of the ongoing projects in this regard.

**Natural gas**

India was discussing an agreement for evacuation of natural gas that will be produced in the exploration blocks.

"It could be a pipeline directly to the North East or the gas could be converted into liquid natural gas for transportation by sea. Some agreement on this could be struck," said Mr. Saran.

The economy and viability of projects in the North East would improve with the development of a multi-modal project for reviving shipping links from the ancient port of Sitwe to Kolkata and Chennai on one side and use of river and highway to enter into Mizoram on the other.

The President would also discuss the setting up of a ground station in Myanmar to receive data from Indian satellites for use in crop forecasting.

*Handwritten notes:*  
Aung San Suu Kyi  
Aung

## Taking 'Look East' further

**P**resident A.P.J. Abdul Kalam has completed a productive three-country tour in nine days, sharpening India's focus on a dynamic region in pursuance of the 'Look East' policy initiated by Prime Minister P.V. Narasimha Rao. The choice of Singapore, the Philippines, and South Korea was significant in several ways. The city state is a tried and tested friend in the east. The Philippines remains an acquaintance with whom ties need to be strengthened. South Korea has emerged as one of India's major economic partners. Science, technology, trade, investments, education, and development were on President Kalam's agenda for the visit. The frequency of high level visits between India and Singapore in recent years speaks to the strong partnership the two countries have forged. Education is a new and promising area in which substantive exchanges are taking place, and proposals to let the Indian Institute of Management and the Indian Institute of Science set up shop in Singapore are under consideration. However, this was the first time a President of India visited Seoul. As for the Philippines, the last presidential visit, by R. Venkataraman, happened 15 years ago. It is surprising that this major South-East Asian country has not been on New Delhi's radar screen all these years, even though India has, from 1997, worked pro-actively with the Association of South East Asian Nations (ASEAN).

In both the Philippines and South Korea, Mr. Kalam was accorded the privilege of addressing the national Assemblies. In Manila, it is still the initial phase of building awareness of India and its advanced capabilities and potential. But in Seoul, it is quite a different story. South Korea has emerged as a leading investor in India and bilateral trade has grown to \$7 billion. In a businesslike exercise, a Joint Study Group has made impressive progress on a Comprehensive Economic Partnership Agreement the two countries are to sign in 2007. This has the potential to take the thriving bilateral relationship to an altogether new level. Given the scope for cooperation in key sectors such as IT, defence, space, and conventional manufacturing industries, the opportunities for joint ventures, investments, and trade can hardly be overestimated. In his personal discussions with the Presidents and leaders of these countries, Mr. Kalam has focussed on key areas. The message he seems to have brought back from his eastern tour is that the countries of that region want India and China to play a lead role in the evolution of a 'New Asia.' There has long been this concern in East and South East Asia that the two Asian economic giants must look at synergy and cooperation, rather than give any scope for dissonance. Security remains a major issue. Southeast Asia continues to look to opportunities India and China present for enabling the region's economies to fully recover from the East Asian meltdown.

# Fleet expansion in mind, Myanmar looks to India for naval expertise

SHIVAROOR 96/5  
PORT BLAIR, JANUARY 12

MYANMAR is steeped in its largest ever defence project, developing indigenous stealth frigates to give the country's small navy an expeditionary warfare fleet. While it is only to be expected that China will be a principle contractor for the technology, the Than Shwe government has expressed its keenness to deepen the Indian involvement for its shipbuilding know-how and maritime expertise.

Arms supply for the Myanmar project will be one of the subjects of discussion when Navy Chief Admiral

18/11  
Arun Prakash visits Yangon next week. Apart from selling Yangon the Navy's remaindered BN-2 Islander aircraft, Admiral Prakash will also discuss the supply of deck-based air defence guns and other weapons for the new Myanmar frigates when he meets the country's second-in-command General Maung Aye.

In fact, two frontline ships from Vishakapatnam—the destroyer *INS Ranjit* and the missile corvette *INS Kuthar*—went to Myanmar late last December on a goodwill visit, during which a display of the ships' cutting-edge armaments is understood to have been undertaken as well.

96/5  
A Myanmar Navy officer here said that a small team from Yangon would visit New Delhi, Kolkata, Pune and Bangalore in a few months, to get updates on ship technology for its ship-building projects. The country is also developing smaller indigenous vessels, including light attack boats and coastal surveillance and rescue craft.

Meanwhile, Myanmar's *UMS Anawrahta* is currently docked in Port Blair—a home-built corvette with 15 officers and 86 sailors, here for exercises with eight other regional navies. Just 77 metres long, with a displacement of only 1,088 tons, this Class-771 corvette is the largest ves-

sel in the Myanmar Navy, officer's said. The ship sailed from Yangon to Coco Island, the country's forward base north of the Andaman Islands, and then sailed down to Port Blair, in 24 hours.

Commander Ko Ko Kway, the captain of the *Anawrahta*, told *The Indian Express*: "We are building larger ships of the frigate type. The project is still under development, but the ships will be built completely by ourselves at the Myanmar shipyards."

The frigate project will give Myanmar much larger vessels of at least a 3,000-ton displacement, similar in dimensions to the Indian Leander-class frigates.

# Singapore now 3rd biggest FDI source

Vidhika Sehgal  
NEW DELHI 9 JANUARY

**S**INGAPORE has emerged as the third largest source of FDI to India during the first nine months of 2005, with investments from the country skyrocketing during this period.

Compared to the Rs 263 crore invested in January-September 2004, Singapore invested nearly Rs 1,100 crore during January-September 2005, surpassing inflows from the UK, Japan, Germany and the Netherlands.

Even on a cumulative basis, Singapore has moved up from being the ninth largest investor in 2004 to the seventh largest in India in 2005.

The FDI spurt from Singapore was driven by the signing of the Comprehensive Economic Cooperation Agreement (CECA), as well as part of that country's strategy to diversify its investments. The sectors that companies here are looking at closely include real estate, logistics, finance and banking and food processing.

"Singapore has been diversifying outside China for some time and clearly, India is an attractive and profitable destination. A strong Indian presence in Singapore also helps to put India on the investors' radar," said Dr Surjit Bhalla, principal, Oxus Research and Investments.

The recent signing of CECA has helped in building confi-

dence among companies in Singapore. "The agreement will help in facilitating investments and transaction costs are likely to come down. So we can expect a further increase in foreign investments from Singapore," adds Dr Bhalla.

Singapore has joined the race to enter some of the lucrative sectors such as real estate in India, which has been recently opened up.

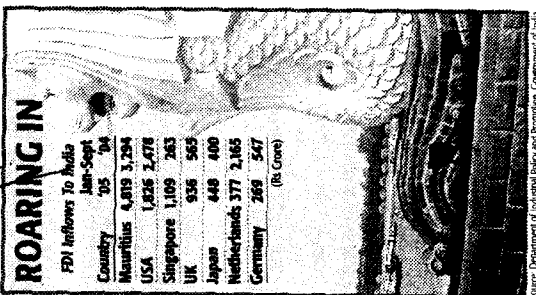
Late last year, the Government of Singapore Investment Cooperation (GIC) fund, one of the world's largest investment funds, made the first of its realty investments in a Rs 250-crore township project in Chennai. Other Singapore bigwigs like Ascendas, which holds a 90% stake in the inter-

national tech park in Bangalore, too, plans to increase its investments in India.

Companies in Singapore steeped up their investments in India since the beginning of 2005 in anticipation of the CECA agreement to be signed later that year.

Towards the latter half of the year, the share of FDI inflows from Singapore had crept up to 9%. India, however, is not the only Asian country enjoying an increased flow of funds from Singapore.

During January-September last year, Singapore's total contractual FDI into China was as much as \$3.6 billion, compared to around \$250 million into India. Singapore is now China's fifth largest source of FDI.



Source: Department of Industrial Policy and Promotion, Government of India

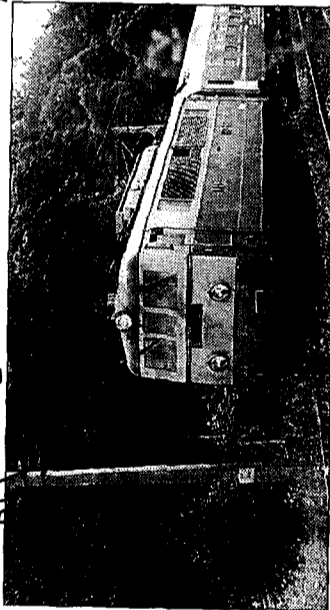
# Manipur-Myanmar rly link on track

Bikash Singh

GUWAHATI 7 JANUARY

**T**HE ministry of railways has decided to establish railway links with Myanmar. To bolster the process, the government has also offered soft loans to Myanmar for construction of tracks, which would connect it with the northeastern state of Manipur. The Myanmar government is also keen on the links.

Already, Northeast Frontier Railway (NFR) is constructing the 60-km Jaribam-Tupul track. As per the assessment of the railway board, on the Indian side, starting from Tupul, another 98 km of tracks have to be laid. On the Myanmar side, 130 km of tracks have to be constructed to reach the nearest In-



dian railway station. Earlier, the ministry of Railways had decided to connect Bhutan and Nepal. NFR is conducting a feasibility study on the prospect of a rail link with Bhutan and Nepal.

The railway board had sent a delegation to Myanmar in December last year to explore the possibility of setting up trans-Asian rail network. Chairman of railway board, JP Batra said the Myanmar government is keen on the rail link project. The ministry of external affairs has offered soft loans for the construction of railway tracks to Myanmar," he said.

Mr Batra said the proposed

link with the Bhutan and Nepal is in the feasibility study stage. "We had a meeting with the foreign secretaries of both the countries. Experts from the technical engineering services are assessing the techno-feasibility of the project. We are awaiting their report and once we receive the report, the ministry of external affairs will tie up with the respective governments of the two states. All these railway links will give a major push to the people to people contact and movement of goods," he said.

The proposed routes would come as a big boon to business. At present, orange, cement, gypsum, dolomite and ginger are imported from Bhutan. A considerable portion of essential commodities, including

medicines, enter Bhutan through the rail tracks of Assam. Bhutan also transports a sizeable portion of its export products to India through Assam, using the NFR network.

Manipur has even decided to procure 50,000 tonnes of rice from Myanmar. Under the Indo-Myanmar trade agreement signed in 1994, twenty three items — including mustard seed, pulses and beans, fresh vegetables, fruits, garlic, onion, chillies, bamboo, minor forest products, betel nuts and leaves, food items for local consumption, tobacco, tomato, reed broom, sesame, resin, coriander seeds, soyabean, roasted sunflower seeds, katha and ginger are traded through the border outpost of Moreh and Tamu in North East.