

FRIDAY, JUNE 30, 2006

9/20/06
China

On track with China

11/12/10
20/16

When India and China agreed three years ago to begin focussed, high-level discussions on the border question, they made two key assumptions. The first was that the issue was complex enough to warrant political involvement on a continuous basis. The second assumption was that regardless of the pace or contours of the settlement that emerge, bilateral relations would not be held hostage to disputes over a line on a map. The two sides also agreed not to reveal details of their sensitive discussions until a settlement acceptable to both governments was reached. After the eighth round of talks at the level of Special Representative, which concluded in Xian earlier this week, it is evident that India and China are intent on sticking to this method and style of work. For journalists, the process may seem opaque with nary a word about the proposals being considered and discussed leaking out from either side. But given the political complexity of the situation – in which territorial adjustments of one kind or another will almost certainly be involved – it is perhaps necessary that the ongoing dialogue be conducted away from public glare. Whether the territorial adjustments will involve actual transfers of land or simply the relinquishing of a cartographic claim sustained all these years on paper alone, there is no gainsaying the fact that each government will have to ‘sell’ the agreement to its own people.

In April 2005, the two sides agreed on the “political parameters and guiding principles” for settlement of the boundary question. The task at hand is to formulate an “agreed framework” for a settlement on the basis of those principles. The 2005 agreement speaks of a “fair, reasonable and mutually acceptable solution” and calls on both sides to “make meaningful and mutually acceptable adjustments” to their positions on the boundary question. As for the factors to be taken into account, India and China have agreed to give due consideration to the “interests of their settled populations in the border areas,” as well as to each other’s “strategic and reasonable interests,” historical evidence, national sentiments, practical difficulties, and the actual state of border areas. From “guiding principles” through an “agreed framework” to a package solution – it is possible that the high-level dialogue will involve many more rounds. However, proceeding from the political perspective of overall bilateral relations and in a spirit of mutual accommodation, India and China can and will eventually see the negotiating process through to conclusion. The two countries are not only neighbours but also engines driving Asia forward in the world. While there are forces outside the region that would like India and China to treat each other with suspicion so that they can carve out a role for themselves in Asia as a strategic balancer, the people of the two countries have far too much in common to allow such a situation to arise.

Talks with China end on a friendly note

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28/6

Support may have been sought for India-U.S deal

Pallavi Aiyar

BEIJING: The eighth round of talks on the border dispute between India and China ended here on Tuesday. As with the preceding rounds of dialogue, these were held behind closed doors and details of what was discussed were not made public. A brief press release issued at the conclusion of the two-day negotiations stated that the talks had been held in a "friendly, cooperative and constructive atmosphere."

A similar statement had also been made following the last round of dialogue in India earlier this year in March.

Special Representatives M.K. Narayanan, who is also the National Security Adviser, and Dai Bingguo, the Chinese Vice-Foreign Minister, are in the process of devising a framework for a

- Special Representatives devising framework for settling the border issue.
- The actual demarcation of the border can only begin after the framework is realised.
- Next round of talks in India.

settlement of the border issue on the basis of the "political parameters and guiding principles" finalised during Chinese Premier Wen Jiabao's visit to India last year. The actual demarcation of the border can only begin after the framework is realised, official sources say.

Although the boundary talks were the main focus of Mr. Narayanan's visit to Beijing, he also met with Chinese Prime Minister Wen Jiabao as well as Foreign Minister Li Zhaoxing. It is

likely that Mr. Narayanan sought China's support, at the Nuclear Suppliers Group, for the India-U.S. civilian nuclear deal.

Issues such as support for Shashi Tharoor, Indian nominee for the post of U.N. Secretary-General, and the proposed visit to India by Chinese President Hu Jintao later this year were also probably broached.

The next round of dialogue will be held in India at a mutually convenient time, according to the press release.

Another step forward in strengthening ties

For India and China, resolving the border issue remains the key to developing a truly strategic partnership.

Pallavi Aiyar

INDIA AND CHINA began on Monday the eighth round of talks between their Special Representatives on the border dispute — National Security Adviser M. K. Narayanan and Chinese Vice-Foreign Minister Dai Bingguo — marking another step forward on the slow road to resolution. The latest round of discussions comes against a background of steadily warming bilateral relations. In the last year, the two neighbours have entered into broad cooperation in areas where they have usually been portrayed as rivals: energy, security, and defence. Bilateral trade is galloping ahead and expected to touch \$20 billion before the end of this year. China is, in fact, expected to overtake the United States as India's largest trade partner within a few years.

Cultural ties are also being strengthened after a 40-year period of deep-freeze. India and China are currently celebrating a "Year of Friendship." Film festivals are being planned and the ancient link of Buddhism that threaded the two countries together centuries ago is being highlighted through photo exhibitions and the building of an Indian stupa-style temple in Henan province.

An exchange of high-level visits is also being worked on with President Hu Jintao expected to travel to New Delhi later in the year followed by a China visit for Prime Minister Manmohan Singh.

The current set of talks between the Special Representatives began in 2003 following Prime Minister Atal Bihari Vajpayee's visit to China, when it was decided to "explore from a political perspective" the overall "framework of a boundary settlement." The decision to give a political touch to the negotiations came after eight rounds of border talks between 1981 and 1987 and an additional 14 Joint Working Group meetings between 1988 and 2003 were held.

Despite discussions at varying levels over the last 25 years, little innovative thinking on the boundary is in evidence. The two sides have not even been able to agree on the Line of Actual Control or the verification of alignments of respective areas on mountain tops, rivers, and lakes.

China's traditional position has been to resolve the dispute on the basis of a territorial "swap" exchanging Aksai Chin in the west with Arunachal Pradesh in the east. This solution has been talked about ever since the 1950s, even before the 1962 war and was reiterated by Deng Xiaoping in 1980. India, however, has ruled out any "populated areas" as part of a border deal, which makes concessions in Arunachal Pradesh unacceptable. The area of Tawang is a particular sticking point since the Chinese claim it to be central to Tibetan Buddhism



CLOSER TIES: National Security Adviser M.K. Narayanan and Chinese Vice-Foreign Minister Dai Bingguo on the first day of the eighth round of the India-China boundary talks in Beijing on Monday. — PHOTO: PTI

given that the sixth Dalai Lama was born there. The entrenched positions of the two sides thus complicates the project of a "swap."

Following the March 2006 round of talks between the Special Representatives in India, Mr. Narayanan later said that he was hopeful of arriving at a basic framework for resolution "within the next two to three

rounds." The focus of the current round of talks is on devising an agreed framework for a settlement of the issue on the basis of the "political parameters and guiding principles" finalised during Chinese Premier Wen Jiabao's visit to India in 2005. In a joint statement issued at the time, it was declared that "both sides should, in the spirit of mutual

respect and mutual understanding, make meaningful and mutually acceptable adjustments to their respective positions on the boundary question so as to arrive at a package settlement."

The wording of the statement with its reference to the concept of "adjustments" implied a give and take of territory, invoking the old western-eastern sector "swap" idea once again. In the intervening time both Indian and Chinese leaders have emphasised that pragmatism is key to a swift resolution.

China borders 14 countries all of whom it has at some point had boundary disputes. However, in recent years Beijing has managed to settle all but two of its land border disputes, to its own considerable advantage.

In 2004 for example, Russia and China made a final and comprehensive settlement of their border dispute. Since then strategic and economic ties between the neighbours have strongly strengthened.

For the last several years China has been focussing on the development of its economically backward interior western regions, including Tibet and Xinjiang. Massive infrastructure projects are being carried out including a railway line from Golmud in Qinghai province to Lhasa, the capital of Tibet which is scheduled to open on July 1. It is in this context that Beijing is looking to settle the boundary issue with India as well.

On July 6, the historic Nathula Pass between Sikkim and Tibet will be reopened for trade. The 4,545 metre high pass is only some 500 kilometers away from both Lhasa and Calcutta. Currently China and India trade mostly by sea. Indo-Tibetan imports and exports are usually routed through Tianjin, a port city in the north an hour or so from Beijing, involving a detour of thousands of kilometers. The reopening of the trade route through Nathula thus has significant potential for invigorating the economies of both north-eastern India and western China by linking Tibet to Kolkata port.

However, given the continued boundary problem, trade will in fact be limited to the border region and only a list of 40 items including goat skin, horses, sheep, yak tails, yak hair and China clay — largely unchanged from the days of the Silk Route, has been approved for import and export.

In the new millennium, the border problem has ceased to have the kind of centrality to Sino-Indian bilateral ties it once had. Both sides are focussing on developing healthy economic, cultural, and even military ties, even as talks on the boundary generate more talks. Nonetheless, resolving the border issue remains the key to developing a truly strategic partnership across the Himalayas.

India, China begin eighth round of talks

Indo. China
Focus on framework for settling border issue

Pallavi Aiyar

BEIJING: India and China on Monday began the eighth round of talks on their boundary dispute since the appointment of special representatives at the political level in 2003.

National Security Adviser M. K. Narayanan and Chinese Vice-Foreign Minister Dai Bingguo met at the Diaoyutai State Guest house here for the first day of talks, which are expected to conclude on Tuesday. The two had met informally on Sunday in Xian, where they had the opportunity to interact outside of the strict protocol confines of formal negotiation.

In camera

As in the case of the other seven preceding rounds of dialogue, the talks were held in camera and details of what was discussed will not be made public. The focus of the current round of talks is on devising an agreed framework for a settlement of the border issue on the basis of the "political parameters and guiding principles" finalised during Chinese Premier Wen Jiabao's visit to India in 2005.

In a 'good shape'

Mr. Narayanan also paid a courtesy call on Mr. Wen, who told him that bilateral ties were in a "good shape."

"You are not only the Special Representative [for the India-China border talks] but also a friendship envoy," exulted Mr. Wen.

The last round of talks between Mr. Narayanan and Mr. Dai took place in March in India. Following that round, Mr. Narayanan said that he was hopeful

• **National Security Adviser M. K. Narayanan, Chinese Vice-Foreign Minister Dai Bingguo hold first day's talks**

• **Political parameters, principles set during Wen Jiabao's 2005 visit to India to form basis of talks**

that the basic framework of a "package deal" on the boundary issue would be agreed upon within the next two or three rounds of dialogue.

The new round of negotiations is taking place close on the heels of a visit to China by Defence Minister Pranab Mukherjee. The first ever Memorandum of Understanding between the defence ministries of the Himalayan neighbours was signed during his visit. Several other high level exchanges are being planned, including a visit by Chinese President Hu Jintao to India later in the year.

Cultural ties

Cultural ties are also being strengthened after a 40-year period of deep-freeze. India and China are currently celebrating a "Year of Friendship." Film festivals are being planned and the ancient link of Buddhism that threaded the two countries together centuries ago is being highlighted through photo exhibitions and the building of an Indian stupa-style temple in Henan province.

A step forward: Op-Ed Page

China PM finds Sino-Indian ties in good shape

Press Trust of India

BEIJING, June 26: As India and China held fresh round of talks on the vexed boundary issue today, Chinese Premier Wen Jiabao said bilateral ties were in "good shape" since the enunciation of

"Guiding Principles" for the settlement of the problem.

"Our bilateral ties are in good shape since last year when I visited India and we established the Political Parameters and Guiding Principles for the settlement of the India-

China boundary question," Mr Wen told India's special representative for border talks and National Security Advisor Mr MK Narayanan when the latter made a courtesy call on him.

"You are not only the Special Representative

(for the India-China border talks) but also a friendship envoy," Mr Wen, who returned yesterday after a seven-nation official tour of Africa, told Narayanan. The Chinese Premier said India and China have formed a strategic part-

nership last year during his visit to New Delhi and since then, frequent high-level exchanges have taken place which has boosted bilateral ties.

Earlier, Narayanan and his Chinese counterpart, Mr Dai Bingguo held two rounds of talks here fol-

lowing their informal parleys in the northwestern city of Xian. The eighth round of border talks will last till tomorrow.

Mr Naryanan is also scheduled to meet Chinese foreign minister Mr Li Zhaoxing.

The new round of negotiations is taking place after the recent visit to China by defence minister Mr Pranab Mukherjee as well as last week's historic agreement between India and China to reopen the Nathu La border trade point.

THURSDAY, JUNE 22, 2006

14-12
9/21/06

Border trade and beyond 27/6

On July 6, some 44 years after it was last used, the third and potentially most promising trading point on the Sino-Indian border will open for two-way traffic — at Nathu La in Sikkim. Once a key staging post for the movement of goods into and out of Tibet, the 4,310 metre-high pass has remained mute witness to developmental opportunities lost. For the Tibet Autonomous Region (Lhasa is barely 500 kilometres north of Gangtok) and the rest of western China, the re-opening of Nathu La could mean quicker access to the sea — since Kolkata is much closer than any of the ports on China's east coast. For now, however, only 'border trade' is to be permitted, largely on account of fears in certain Indian official circles that a more generalised opening will have a 'destabilising' effect on the region and on domestic industry. Thus only 15 specified items may be imported into India through the land route: wool, goat cashmere, goat skins, sheep skins, yak tails, goats, sheep, yak hair, horses, salt, borax, China clay, butter, and silk. The permissible export list contains 25 items, including farm implements, copper products, clothes, textiles, cycles, coffee, tea, barley, rice, flour, dry fruit, dry and fresh vegetables, canned food, agro chemicals, watches, shoes, kerosene, utensils, and wheat. There is no sensible reason why this list cannot, at the next stage, be expanded to include more generalised trade for a wider catchment area.

The fact that China has bigger plans for Nathu La than just local trade is evident from the extensive upgrading of infrastructure at the border crossing point. Tibet has been a focal point of investment by the Chinese government for some time now, with the Tibet-Qinghai railway line expected to become operational by the end of 2006. In contrast, the transport infrastructure on the Indian side is in a shambles, with the 50 km road from Gangtok to Nathu La in parlous condition. The United Progressive Alliance Government would do well to invest heavily in the transport infrastructure between Kolkata port and Nathu La so that the full benefit of this traditional trading route into south-west and western China can be realised. Largely because of outdated and misplaced 'security' concerns, the Central Government has tended to see India's land borders with its neighbours as a threat rather than an opportunity for mutually beneficial economic interaction. This mindset is largely responsible for the stagnation in Indian border trade with Myanmar. China is emerging as India's most dynamic trading partner, with bilateral trade amounting to \$18.7 billion in 2005. The reopening of Nathu La has the potential to bring another promising vector into the equation. New Delhi should also realise the stabilising potential greater economic exchanges with China can have on the entire north-eastern region of India, especially if the old Stilwell road connecting Assam to Yunnan can be revived for tourism and trade.

THE HINDU

22 JUN 2006

India, China border talks next week

HO 1

21/6

Indo-China

This will be the eighth round

Diplomatic Correspondent

NEW DELHI: Continuing with their efforts to resolve the boundary dispute between New Delhi and Beijing, Indian and Chinese Special Representatives will meet to discuss the border question in Beijing on June 26 and 27.

This will be the eighth round of talks between the Special Representatives, South Block sources said on Tuesday. The Indian Special Representative for the talks is National Security Adviser M.K. Narayanan while his Chinese counterpart is Vice-Foreign Minister Dai Bingguo.

Traditionally, India and China have revealed few details about the discussions between their Special Representatives. After the last round of talks in New Delhi and Kumarakom in March, a brief statement had said, "the two Special Representatives continued their discussions for an agreed framework for the resolution of the boundary question in a constructive and friendly atmosphere."

The two sides agreed upon the Special Representatives mechanism in June 2003 during the visit of Prime Minister Atal Bihari Vajpayee to China. A joint statement issued at the time had said:

"The two sides agreed to each appoint a Special Representative to explore from the political perspective of the overall bilateral relationship the framework of a boundary settlement.

• Both sides committed to arriving at a "package settlement" of the boundary question

• Special Representatives mechanism agreed upon in June 2003

• Readiness to seek a fair, reasonable and mutually acceptable solution through consultations

"They reiterated their readiness to seek a fair, reasonable and mutually acceptable solution through consultations on an equal footing.

"The two sides agreed that pending an ultimate solution, they should work together to maintain peace and tranquillity in the border areas, and reiterated their commitment to continue implementation of the agreements signed for this purpose, including the clarification of the Line of Actual Control."

During the visit of Chinese Premier Wen Jiabao to New Delhi in April 2005, the two countries agreed on a set of "political parameters" and "guiding principles" for the settlement of the boundary question.

Among other things, these guiding principles commit both sides to arrive at a "package settlement" of the boundary question in a spirit of mutual respect and mutual understanding.

THE HINDU

New phase in ties with India: Hu

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The two countries will hold a series of meetings

SHANGHAI: China-India relations have entered a "new phase" and Beijing was committed to forging a long-term strategic cooperative partnership with New Delhi, President Hu Jintao said here on Friday.

"This is an established policy of the Chinese Government," Mr. Hu said during a meeting with Minister for Petroleum and Natural Gas Murli Deora on the sidelines of the Shanghai Cooperation Organisation summit here.

This year is a 'Year of Friendship' between China and India. The two countries would hold a series of meetings to enhance bilateral friendship and reciprocal cooperation, Mr. Hu, who is also General Secretary of the ruling Communist Party of China, said. "I believe with the joint efforts of our two sides, the relations between China and India will keep upgrading."

Mr. Deora said the relations between India and China had developed smoothly over the years. Bilateral economic and trade cooperation was also growing rapidly. Both India and China were undergoing rapid development and New Delhi hoped to improve cooperation and coordination with Beijing to achieve common development.

He said he discussed bilateral ties and energy cooperation with Mr. Hu. "I had a very good meeting with President Hu and discussed bilateral ties and ways to

• Discussed energy cooperation: Deora

• Says developing friendly ties with Beijing is top priority

promote energy cooperation between India and China."

India is an observer country of the SCO, along with Mongolia, Pakistan and Iran. Established in June 2001, the SCO comprises China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. Sources said the meeting was held in a warm and friendly atmosphere, with the Chinese President welcoming Mr. Deora.

Mr. Hu told Mr. Deora that the SCO summit, which concluded on Thursday, was a "great success" and hoped India's participation would contribute to the success of the Beijing-based regional security body.

Mr. Deora said he was impressed by the growth of Shanghai, China's economic and financial hub. Bilateral ties had acquired strategic significance for peace, stability and development of Asia and the world.

"Developing friendly relations with China is an important priority of the Government of India," Mr. Deora, the second Indian Minister to visit China in less than a fortnight, said in his arrival statement here on Wednesday. — PTI

17 JUN 2006

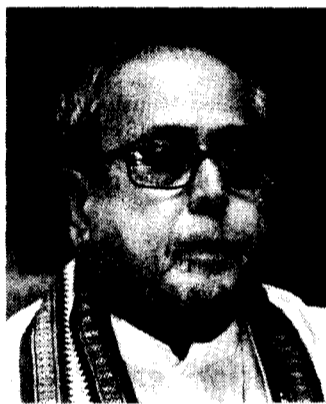
India, China do not consider each other a threat: Pranab

'A series of CBMs has seen to the growth of that perception'

Special Correspondent

NEW DELHI: Defence Minister Pranab Mukherjee on Tuesday said the possibility of an armed conflict with China had receded due to several confidence building measures (CBMs) being implemented by both countries to improve defence relations and eliminate tension on the border. The latest CBM agreed to by both sides during his recent visit was an institutional arrangement to deepen defence cooperation, he said at a news conference at which he dwelt on his recent visits to China, Japan and Singapore.

Asked whether India sought closer ties with China despite it being a source of arms supply to Pakistan, the Minister said India was aware of this aspect but it also recognised that China was interested in building good relations with India. "Neither do we consider them a threat to us nor do they consider us a threat to them. There is enough space for both to grow in their own areas. The basic objective of the CBMs



Pranab Mukherjee

is that both sides want a tension free border. Therefore, the CBMs will enable both countries to utilise their energy for the overall development of people. If that fact is recognised, then I don't think they or we are trying to outmanoeuvre each other."

"Over the years both countries have realised they cannot alter their neighbourhood. If we have to live together, it is better to live in peace. The ice was broken in 1988 during Rajiv Gand-

hi's Beijing visit and this was followed up with three CBMs. China has also settled the very old issue of recognising Sikkim. The Special Representatives appointed by the two Prime Ministers have held two rounds of talks to resolve the border issue. All these positive developments recognise the fact that nobody is thinking in terms of an armed conflict," he elaborated.

Asked whether India and China could jostle for supremacy in future, he felt the strategic space was not limited. "It is also not correct to say that the entire space is occupied by China. I agree that China's economic growth and economic strength is more compared with India's but the impression that they have outpaced us in the region or on the world stage is not correct. They are playing their role and we are playing ours."

He described the visit to China and Japan as fruitful. "It is not that we were able to resolve all outstanding issues but discussions took place in a cordial atmosphere and we created a

good understanding among ourselves. Both countries have developed excellent relations with India in economic and political fields. We thought that this should get reflected in defence cooperation also."

Cooperation with Japan

India did not have deep defence cooperation with Japan but both countries have moved closer after Tokyo recognised the need for building defence ties. A joint statement issued during his visit outlined the mechanism of strengthening defence cooperation and institutional arrangements which will review this relationship.

On whether the increasing complexity of joint military exercises with other countries signalled India's desire to join military operations outside the ambit of the United Nations, Mr. Mukherjee said, "We are contemplating nothing outside the U.N." India's basic stand is that the collective action of nations should get reflected within the U.N. charter.

14 JUN 2008

THE HINDU

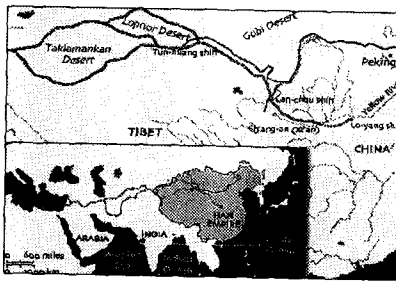
India, China okay Silk route trade

REUTERS
Nathu-la, June 10

AS THE rain sweeps across the high Himalayan pass, a Chinese soldier arrives at the three strands of barbed wire that separate his country from that of a long-time rival, India.

But this soldier no longer brandishes his gun on this once-most-sensitive-of border-posts between the world's two most populous countries. Instead, he takes some video-clippings for his family back home and pauses to shake hands across the rusty fence.

Just a few yards away, bulldozers on both sides of the border are busy building not fortifications but a road, to connect India and China, and reopen a historic trade route. Delhi and Beijing plan to reopen Nathu-la Pass in June after more than 40 years, a potent symbol of rapprochement between the two Asian



Business-wise: A map showing the Silk Road.

giants who fought a war in 1962.

For an initial period of five years, the pass, situated on an altitude of 14,200 feet, will handle limited border trade between Sikkim and southern Tibet. It will be a modest beginning, indeed, but it promises more.

"We're looking forward to the opening of the pass very much", said B.B.

Gooroo, adviser to Sikkim's chief minister. "It's symbolic... but we have to break the ice".

Sikkim government's enthusiasm is not entirely matched by Delhi, where the establishment still remembers being caught off guard by China's sudden advance across the Himalayas in 1962.

Much of the 2,200-mile common border remains disputed till date and government officials say they are not yet ready to throw open the doors. Nevertheless, a gradual process is under way that could eventually lead to a significant trade route getting reopened from Kolkata to the Tibetan capital of Lhasa.

"They'll go slowly, and there's still a distance before they go for full-fledged transit trade", said foreign policy analyst C. Raja Mohan. "But there's potential". A study commissioned by Sikkim suggested trade across Nathu-la could reach \$2.8 billion a year by 2015.

THE HINDU LONDON TIMES

PRANAB WRAPS UP 5-DAY TOUR

'China visit a success'

9 June
China
SF 92
196

Statesman News Service

NEW DELHI, June 2: The defence minister, Mr Pranab Mukherjee, today described his maiden China visit as "highly successful" and said it provided the crucial boost to mutual trust between the militaries of the two Asian neighbours.

Summing up his impressions of his five-day visit, Mr Mukherjee said the visit had given a further momentum to the process of building trust and understanding and diversifying Sino-Indian relations across a wide range of areas. He said it had also helped in translating the thoughts of the top political leadership who have prioritised the areas of cooperation between the two countries. "India-China partnership is an important determinant for regional and global peace and development," he said.

A banquet was hosted in Mr Mukherjee's honour by the Political Commissar of Shanghai Garrison, Major General Dai Changyou in Shanghai last night, a defence ministry release said here. This was Mr Mukherjee's last official engagement in China before his departure this morning to Singapore to attend the Shangri-La dialogue.

Last evening, immediately after his arrival in Shanghai from Lanzhou, Mr Mukherjee drove down to the Shanghai naval base where he was taken on a guided tour inside a missile

frigate, which was specially recalled from the high seas for the defence minister. The frigate has a displacement capacity of 2066 tons and a maximum speed of 27 nautical miles per hour. It is capable of air defence and anti-submarine warfare.

Speaking on the occasion, Mr Mukherjee referred to the first ever MoU on defence cooperation with China, which he signed in Beijing on 29 May and said that in the Year of Friendship between India and China, which the two countries are observing this year, "it will provide the necessary framework for cooperation". He said in the coming years there would be more cooperation among all the three forces of the two countries. The MoU envisages joint military exercises, training and cooperation.

Mr Mukherjee yesterday visited the strategically important Lanzhou military region in northwest China's Gansu Province. The commander of Lanzhou military region, General Li Qianyuan, and other senior officials warmly welcomed him. During his stay in Beijing, Mr Mukherjee met the Chinese premier Wen Jiabao and discussed the pending boundary dispute and efforts to resolve it. He also had a meeting with Chinese foreign minister, Li Zhaoxing, and discussed bilateral ties and regional and international issues of common interest.

03 JUN 2006

THE STATESMAN

Don't be afraid of India, Pranab tells China

Saibal Dasgupta | TNN

Pranab
China

Beijing: The Chinese military band played the 'Jana gana mana' to near perfection as the Indian flag fluttered in front of the Bayi Building, the headquarters of China's ministry of national defence. Defence minister Pranab Mukherjee and his Chinese counterpart, Gen Guo Boxiong, stood on a small podium facing rows of neatly arranged soldiers representing the country's forces.



Some 20 minutes later, on Monday morning, Mukherjee told Guo that India did not regard China as a threat and China should not consider India to be a threat either. The time has come for translating political commitments on good neighbourly relationship into actionable plans along the Sino-Indian border, Mukherjee added.

The minister repeated these words when he met Chinese premier Wen Jiabao in the "purple lit room" of the palatial Zhongnan Hai complex of high government offices on Tuesday. Mukherjee briefed Wen on the political situation in India, which has a bearing on the New Delhi's actions towards settling the border dispute with China. This may be one of the most important outcomes of Mukherjee's visit because the two countries have very different political systems.

Wen is believed to have told Mukherjee that there was a broad agreement on resolving the dispute and the two sides should abide by the parameters and principles that were finalised during his visit to New Delhi in 2005.

The Chinese leaders also tried to put Mukherjee in a dilemma on the Iranian nuclear issue. China and Russia are opposing US moves to obtain approval of the UN to take tough action to stall Iran's uranium enrichment programme. The Chinese leaders wanted India to express itself against the US moves. The issue came up during an interview with Mukherjee in the Chinese official television network, the CCTV.

THE TIMES OF INDIA

বাণিজ্যের দিকে তাকিয়েই সামরিক চুক্তি ভারত-চিনের

শঙ্খদীপ দাস ● দ্যানজাও

৩১ মে: নিজ নিজ বাণিজ্যিক স্বার্থকে সুরক্ষিত রাখার স্বার্থেই সামরিক শক্তি বাড়ান্বে ভারত-চিন। সামরিক সমঝোতাও সে কারণেই। চিনে প্রতিরক্ষামন্ত্রী গুংব মুখেপাখ্যায় চলতি সফরের চার দিন কেটে যাওয়ার পরে বিষয়টি এখন চিনের আলোর মতোই স্বচ্ছ।

এ তত্ত্বে যতটা বিবাসী গুংব মুখেপাখ্যায়, ততটাই ওয়েন জিয়াবাও। সহমত পোষণ করেন মনমোহন সিংহও। উপমহাদেশে শান্তি পরিস্থিতি ও ভারসাম্য বিদ্যিত হলে বাণিজ্যে যে প্রভাব পড়বে, তা দু'পক্ষের কাছেই পরিষ্কার। তাই ঐপাকিক সম্পর্ক আরও প্রসারিত করতে তৎপর হয়েছে বেজিং-নয়াদিল্লি দু'ভরফই। মাত্র ২০ লক্ষ ডলার থেকে শুরু করে যে ঐপাকিক বাণিজ্য এত কম দিনে ১৮০০ কোটি ডলারে পৌঁছে গিয়েছে, তাকে আরও ফুলিয়ে কাঁপিয়ে তোলাতেই যাচ্ছের চোখ দেখছে দক্ষিণ-পূর্ব এশিয়ার প্রতিবেশী এই দুই দেশ। উল্লেখযোগ্য

হল, চিন-ভারত ঐপাকিক বাণিজ্য বাড়লে উপকৃতদের তালিকায় উপরের সারিতে থাকবে পশ্চিমবঙ্গ। ফলে, সরাসরি না হলেও গুংববাবু চিনে তাঁর এই সফল কূটনৈতিক দৌতো পশ্চিমবঙ্গে ভবিষ্যত বাণিজ্য সন্তাবনাকে আরও মজবুত করলেন বৈকি।

চিনের রাজনৈতিক তথা কমিউনিস্ট নেতৃত্বের সঙ্গে ঐপাকিক

বাণিজ্যের

বিষয়টি নিয়ে এ বার তাঁর সবিস্তার আলোচনা হয়েছে। এই বিষয়ে চিন প্রশাসনের সঙ্গে তাঁর বৈঠক এই প্রথম নয়। এর আগে '৯৪ সালে তিনি যখন চিন সফরে এসেছিলেন, কেহ্নে তিনি তখন বাণিজ্যমন্ত্রী। সে বার চিনকে বিশ্ব বাণিজ্য সংস্থার সদস্য করার জন্য তিনি জোরালো সমর্থন করেছিলেন। চিনা কমিউনিস্ট নেতৃত্ব চলতি সফরে তাঁকে জানিয়েছেন, এই মুহূর্তে এ দেশে প্রচুর ভারতীয় সংস্থা বিনিয়োগ করতে শুরু করেছে। তুলনামূলক ভাবে ভারতে চিন

সংস্থাস্থির বিনিয়োগের পরিমাণ অনেকটাই কম। কিন্তু অপর ভবিষ্যতে ভারতে প্রত্যাক বিনিয়োগ বাড়তে আগ্রহী চিন।

যদিও বেজিংয়ের বক্তব্য, ভারতে বিনিয়োগের ক্ষেত্রে প্রশাসনিক জটিলতাই তাদের সামনে মূল অন্তরায় হয়ে দাঁড়িয়েছে। কিন্তু ঐপাকিক মৈত্রী সম্পর্ক বাড়লে এই বিষয়গুলিও যে জলবৎ তরল হয়ে যাবে সংশয় নেই।

বেজিংও

ভারতীয়

মুতাবাস সূত্রের

খবর, চিন যে ভারতে প্রত্যাক বিনিয়োগে ইচ্ছুক, তা আঁচ করে বিভিন্ন রাজ্য ইতিমধ্যেই ধর্না দিতে শুরু করেছে। গত নভেম্বরে পশ্চিমবঙ্গের শিল্প-বাণিজ্য মন্ত্রী চিন ঘুরে গিয়েছেন। আবার দু'দিন ধামেই মহারাষ্ট্রের মুখ্যমন্ত্রী বিলাসরাও দেশমুখ আসছেন বেজিং-সংগ্রহই সফরে।

মুতাবাস সূত্রে আরও বলা হচ্ছে, পশ্চিমবঙ্গে উৎপাদিত বেশ কিছু সামগ্রীর চাহিদা বেড়েছে চিনে। এর মধ্যে জৈব সার, গহনা, সফটওয়্যার, বেশিয়ারি অন্যতম। অন্য দিকে, চিনের জুতো,

বেহনা, আনবাব, খনিজ পদার্থের চাহিদা রয়েছে পশ্চিমবঙ্গে।

আন্তর্জাতিক বাণিজ্যের ক্ষেত্রে চিন-ভারত আরও একটি গুরুত্বপূর্ণ আলোচনা হয়েছে গুংববাবুর চলতি সফরে। ভারত মহাসাগরের 'মালাক্কা প্রণালী' দিয়ে লক্ষ লক্ষ টন বাণিজ্য করে বেজিং-সংগ্রহই। কিন্তু এই সমুদ্রপথে কর্তৃত্ব নিয়েই এখন উত্তেজনা বাড়ছে। সেখানে অধিকার কায়েম রাখতে চায় ভারতও। এর সঙ্গে জড়িয়ে জাপান-কীলকাতাও। সেই সঙ্গে অন্য বৃহত্তর শক্তিরও এর উপরে শোন টুটি রয়েছে। সত্ৰাতি প্রধানমন্ত্রী মনমোহন সিংহও বলেন, ভারত মহাসাগরে নিরাপত্তা ভারসাম্য বজায় রাখতেই নৌসেনার ক্ষমতা বাড়ানো জরুরি। আর এ বার প্রতিকূল পরিস্থিতি আশঙ্কা করে চিনের সামরিক নেতৃত্বের প্রস্তাব, মালাক্কা প্রণালীতে কোনও বহিঃশক্তি নাক গলাক, বেজিং তা চায় না। ঐই সমুদ্রপথে নিরাপত্তা বজায় রাখতে ভারতের সঙ্গে সমন্বয় রেখে চলতে আগ্রহী চিন। যদিও সেই দিশায় এখনও কোনও স্পষ্ট আশ্বাসবাণী দেয়নি নয়াদিল্লি।

'India, China crucial to post-Kyoto deal'

Auckland: British Prime Minister Tony Blair called on Wednesday for the world to work urgently on an agreement to tackle climate change after the Kyoto Protocol expires.

Blair, touring Australia and New Zealand, emphasised his determination to inject new momentum into global efforts to negotiate a framework for a broad deal to take effect from 2012, when Kyoto ends.

"I don't believe that we can wait five years to conclude a new agreement. I think we've got to do it much more quickly than that," Blair told a climate change conference in Wellington, New Zealand. He was speaking through video link from Auckland.

The new agreement should have at its heart a goal to stabilise climate change, Blair said.

"I also believe that such an agreement, if it's going to be successful, has got to include all the major countries of the world and that includes the major developing economies of China and India and

also the US, as the principal developed economy in the world," he said. Blair's official spokesman said earlier that Blair believed progress needed to be made this year on a new post-Kyoto framework.

Blair said the consequences of inaction would be "absolutely disastrous", adding, "I don't want it on the conscience of me or people of my generation that we were told what this problem was... (and) did nothing about it and then my children and their children end up having to deal with the consequences."

Blair has made tackling global warming a priority and he will seek to press his case at a leaders' summit of the Group of Eight industrialised nations in July and at a September climate change meeting in Mexico.

Blair's words came, however, after Britain said on Tuesday it would miss its own target to slash carbon dioxide emissions by a fifth, an acknowledgement campaigners say damages Blair's bid

duce the type of technological revolution that gripped us with information technology," Blair said in a question-and-answer session with the climate change conference.

"We've got to create the circumstances in which the investors out there, businesses, financial markets, think this is where the opportunity is going to go," he said. Blair opposes measures such as restrictions on air travel. He says they can hurt economic growth and erode public support.

The EU, Japan and much of the rest of the industrialised world are imposing mandatory cuts on emissions under Kyoto. The US and Australia have not signed up to the Kyoto emissions targets, saying they would threaten economic growth.

Environment ministers agreed on a road map last December to extend Kyoto beyond 2012 and to hold talks to include the US and developing countries in a future framework. Reuters



to lead efforts to tackle climate change. Blair believes developing new technology is essential to achieve his goal of stabilising temperatures and the concentration of greenhouse gas emissions.

"It's almost as if we've got to pro-

30 May 2006

Trade with China to touch \$50 b by 2010

NEW DELHI, March 16. — Given the current mutual export growth rate of 25-30 per cent, China is set to become India's largest trade partner in a few years, overtaking the US, which at \$21 billion currently ranks number one.

"India and China are poised to achieve \$20 billion bilateral trade turnover by 2007, a year ahead of the target we had set for ourselves," commerce and industry minister, Mr Kamal Nath, said addressing the India-China Joint Business Forum. "But I must point out that our trade basket is narrow and restricted to a limited range of goods."

Co-chairing with the Chinese commerce minister, Mr Bo Xilai, the Joint Economic Group (JEG), which met after a gap of six years, Mr Kamal Nath announced the setting up of six joint task forces to explore cooperation in various sectors. The JEG also set up a group to look at regional trade agreement (RTA) with China. "This group will first look at the outlines and contours of



Mr Bo Xilai (L) and Mr Kamal Nath

an RTA and discuss with various business groups in order to harness it," Mr Kamal Nath said later.

On his part, Mr Bo Xilai said the trade volume between the two countries was increasing rapidly at a high rate of 30 per cent. "In some sectors it has touched 60 per cent," the Chinese commerce minister said, noting that if the current rate was maintained bilateral trade might

touch \$50 billion by 2010.

With China and India emerging as countries with the largest foreign exchange reserves, Mr Bo Xilai said his country was encouraging its investors to come to India. China was also willing to learn from India's rich experience accumulated in the field of electronics and information and technology, while inviting Indian investors to set up business in China, he added.

India and China agree to study regional trade agreement

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Bilateral trade to touch \$50 b by 2010; investment protection pact proposed

Special Correspondent

NEW DELHI: India and China on Thursday agreed to examine the possibility of inking a regional trade agreement along with an investment protection pact, apart from deciding to put in place a CEOs Forum to facilitate in-depth exchanges between the two countries at the business level.

As a part of their mutual efforts to strengthen economic ties and enhance bilateral trade to \$50 billion by 2010, the two Asian giants decided to set up six task forces related to WTO (World Trade Organization), harmonisation of standards, Rules of Origin, non-tariff barriers, agriculture and reconciliation of trade at the seventh meeting of the India-China Joint Economic Group here.

"This was a significant meeting as it was being held after a gap of six years. The discussions were multifaceted and covered a lot of issues," said Commerce Minister Kamal Nath later at a meeting of the China-India Business Forum.

Trade between India and China, Mr. Nath said, was growing at the rate of 30-40 per cent and was poised to increase from \$15 billion at present to \$20 billion



STRENGTHENING TIES: Bo Xilai (left), Chinese Minister for Commerce, and Kamal Nath (centre), Union Minister for Commerce and Industry, along with Phiroz Vandrevala, Member, CII National Council, at the China-India Business Forum meet organised by CII in New Delhi on Thursday. - PHOTO: RAJEEV BHATT

by 2007, a year ahead of the Commerce Minister, Bo Xilai, however, noted that the \$20-billion two-way trade target would be achieved in 2006 itself and hoped that it would significantly surge further in the next few years to touch \$50 billion by 2010.

Mr. Nath said that while the two countries agreed to set up a group to look into the broad contours of a regional trade pact, a

CEOs Forum would be formed within the next three months to facilitate business relationships.

On his part, Mr. Bo revealed that India and China had also reached a "consensus on a Bilateral Investment Protection Agreement and have already initiated the draft" pact.

Cross-border trade, including that through Nathula Pass in Sikkim, also figured in the discussions at the JEG meeting, Mr. Nath said.

The other issues that came up for discussion included trade in coking coal, iron ore and steel as also farm products such as garlic and grapes, he said.

PTI reports from Beijing

Charges India with creating obstacles

China on Thursday charged India with raising a series of "obstacles" in trade, including slapping of over 90 anti-dumping duties on Chinese goods, and not granting the 'market economy' status to the world's third largest trading nation. "Currently major problems in Sino-India bilateral economic and cooperation are India's freetrade investigations on our products exported to India," Spokesman of the Chinese Ministry of Commerce, Chong Quan, said.

China talks positive on border issue

Ramesh Babu
Kumarakom (Kottayam), March 12

INDIA AND China on Sunday expressed optimism that they would clinch a deal on border delineation after two rounds of talks. Vice-foreign minister and special representative of the Chinese President Dai Binggua and M.K. Narayanan, national security advisor, shared this optimism jointly at a news conference in Kumarakom in Kottayam.

"Our effort is to extricate the talks from the logjam. It's going in the right direction. After the next two rounds, we will be able to go into the question of border delineation and settle it", Narayanan said. The present effort, he said, was to evolve a framework needed to take the talks out of legal issues and arrive at a decision based on a political and strategic viewpoint. On his part, Dai said there was considerable progress in the talks. "We are making progress and conditions are better for resolving the border disputes," he said.

To a question, Narayanan said that the civil nuclear deal between India and the United States is unlikely to figure in the talks between two neighbours. "Nuclear deal with the US is a matter between the two countries". However, his Chinese counterpart said his country had "taken note of it. But here we are primarily discussing the border issues". Dai said the two neighbours had made good start. "With the talks with my friend Narayanan, that too in his own beautiful state, we hope to make much progress".

The two countries are evolving a methodology for settling disputes based on political parameters and guiding principles agreed to between the two governments, the leaders said. Earlier, the Indian and Chinese delegations, drove to this backwater town amid tight security.

THE HINDUSTAN TIMES

SINO-INDIAN | Suspicion, conservatism barriers in way to realising huge potential

India wary about going in for deeper cooperation with China

CRAJAM MOHAN
NEW DELHI, MARCH 12

INDIA'S improving ties with the United States may have less to do with the enduring problems in building a deeper relationship with Beijing, but the profound conservatism of the Indian establishment, and its in-built suspicion, of all things Chinese might be a real obstacle.

Whether it is giving visas to Chinese businessmen or moving towards more active trade across frontiers, it is India that is holding back.

It was relatively easy for Prime Minister Manmohan Singh to reassure the visiting Chinese special envoy, Dai Bingguo, that warming ties with the United States were not directed against Beijing.

More difficult for the Prime Minister would be to nudge the reluctant Indian establishment into removing the many political barriers in the way to realising the huge

potential of Sino-Indian cooperation. If the Left parties spend even a fraction of the energy they devote to denouncing India's engagement with the United States on pressing the government to change its archaic policies towards China, Sino-Indian relations would acquire unprecedented traction.

For all its rhetoric on "multipolarity", India's approach to routine business with China is mired by decades of restrictive policies. Take for example such a simple matter as visas.

While Beijing is liberal about giving visas to Indian businessmen, New Delhi makes life difficult to Chinese entrepreneurs to come here and stay for reasonable periods.

India demands that Chinese businessmen leave the country every three months and insists that the renewal of short term visas must take place only in China.

Unlike the Indian establishment that is obsessed

with "reciprocity", the Chinese believe business ties are about making money and it is foolish to harass businessmen on visa matters. Therefore they don't do to Indian businessmen what New Delhi does to Chinese traders.

India also continues to impose a huge number of restrictions on Chinese companies that either operate or invest in sectors and regions which are classified as "sensitive".

Given the Indian security establishment's paranoia, there is hardly any region or sector that is not sensitive.

It is a miracle that trade between the two countries is clipping at an average of 40 per cent a year in the recent period.

Imagine the impact of a government in New Delhi that actually promotes business with China rather than constrains it.

The obsession with another Chinese military ingress, ala 1962, appears to

have clouded India's perspective on the future of the Sino-Indian frontier. New Delhi cringes at the thought of a more open border with Tibet and shuns prospects for greater trade between across the long Sino-Tibetan border.

China is all set for substantive trade at the Nathu La pass in Sikkim; India, however, has insisted that commercial exchanges be limited to a pitifully short list of local commodities.

While Beijing has unveiled a broad vision of expansion between Western China—including Yunnan, Tibet and Xinjiang—and the subcontinent, New Delhi is dragging its feet on sub-regional cooperation between the bordering provinces of the two nations.

A bolder Indian policy would aim at reconnecting the Kolkata port with Lhasa with a modern highway through Nathu La and re-establishing consulates in Ti-

bet and West Bengal.

One would have imagined that the Left parties—with their economic interest in producing benefits for the people of West Bengal, and a political commitment to improving ties with Beijing—would form a natural constituency for challenging India's myopic policy towards China.

But the Left parties are so dazzled by the grand themes involving the United States, they apparently have no time to focus on the nuts and bolts of Sino-Indian relations. They are quite happy with an occasional rhetorical flourish from the government on "Asian solidarity".

In the end, it is really upto the Manmohan Singh government to force a new national debate on cooperation with China and the importance of altering India's entrenched mind-set, in a manner similar to the on-going talk-fest on the United States.

India-China boundary talks get under way

Diplomatic Correspondent

NEW DELHI: Chinese Vice-Foreign Minister and Special Representative on boundary talks with India Dai Bingguo called on Prime Minister Manmohan Singh on Saturday morning ahead of his meeting with his Indian counterpart, M.K. Narayanan, at Hyderabad House here.

Speaking in the Lok Sabha, the Prime Minister said after his meeting with Mr. Dai that India's relations with China were both stronger and warmer. "Even today our two Special Representatives are discussing the issues of boundary settlement."

Mr. Narayanan and Mr. Dai held formal talks for about one-and-a-half-hours. The talks, spread over three days, will shift to Kottayam in Kerala on Sunday and Monday.

Seventh round

This is the seventh round on the boundary question between the Special Representatives. As is the practice, a statement recording the fact the talks took place will be issued after the discussions are over.

In a bid to build trust, neither the Indian nor Chinese side has said anything on the nature of discussions since the mechanism of Special Representatives was set up in June 2003.

Earlier in the week, PTI quoted a Chinese Foreign Ministry spokesman as saying in Beijing, "China believes that as long as the two sides proceed forward and conduct patient, thorough and friendly consultations in the spirit of mutual understanding and mutual accommodation, we can find a fair and reasonable framework acceptable to both sides so as to lay the foundation for the final settlement of the boundary issue."

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India, China boundary talks begin today

EXPRESS NEWS SERVICE
NEW DELHI, MARCH 10

IN working through the second stage of a very complex issue, India and China will hold another round of talks between the Special Representatives (SRs) on the boundary issue from March 11 to 14 in New Delhi, Kottayam and Cochin.

The focus of this round of talks would be to discuss ideas

on developing a framework for the settlement of the boundary dispute. With both sides having agreed on a set of political parameters during the visit of Chinese Premier Wen Jiabao last year, the two SRs—National Security Advisor M K Narayanan and Chinese Executive Vice-Minister Dai Bingguo—would now look to take the process further.

Narayanan has decided to

shift venues on each day adding a fresh backdrop to the talks. The venues in Kerala have been under selection for sometime and were finally chosen after careful thought and the NSAs approval.

After Wen's visit, the two SRs met in China last year, but there was no significant progress, as both officials just discussed what they ought to achieve in what is essentially

the second phase of a three-phase process. The framework for a settlement would indicate the extent the two sides are willing to concede to reach an agreement. Just ahead of the talks, China today said that the two countries must be patient while proceeding in the "spirit of mutual understanding and accommodation."

The talks are also important because they come at a time

when the two sides are observing the "friendship year" which entails exchange of high-level visits including one by Prime Minister Manmohan Singh and also by Chinese President Hu Jintao to India.

Meanwhile, India has already briefed China through diplomatic channels on the Indo-US nuclear deal. But

China has still not thrown its weight behind an exemption

for India which has not signed the Non-Proliferation Treaty.

"As a signatory party to the treaty, China hopes that non-signatory countries can get on board as non-nuclear states at an early date, and contribute to a stronger international non-proliferation regime as well as the regional and international peace and stability," said the Chinese Spokesperson today.

Deal won't affect N-scheme: PM

Statesman News Service

NEW DELHI, March 7. — The Prime Minister today assured Parliament that the implementation of the Indo-US deal on civilian nuclear energy will not lead to the capping of, India's strategic nuclear programme or affect the three-stage nuclear programme. Also, India will be allowed to build a strategic reserve of nuclear fuel to guard against any disruption in fuel supply.

Dr Singh today made a suo motu statement in both Houses of Parliament five days after the 'historic' announcement standing alongside US president George W Bush on the lawns of Hyderabad House.

Significantly, the bugbear of non-proliferation activists, the Cirus reac-

tor at the Bhabha Atomic Research Centre, will be closed down by 2010. At the same time, the fuel core of Apsara will be shifted to another location and placed under safeguards by 2010. This will ensure that Barc, which is the location for both the reactors, will not have to be brought under safeguards of IAEA. "We have decided to take these steps rather than allow intrusive inspections in a nuclear facility of high national security importance," said Dr Singh.

He stated that 14 of the 22 nuclear reactors — both operating and under construction — will be 'offered' for safeguards by 2014 in a phased manner, which will increase the total installed nuclear power capacity under international inspection from 19 to 65 per cent.

This list, Dr Singh said, was still

being prepared, but he again clarified that the prototype fast breeder reactor and the fast breeder reactor at Kalpakkam will not be included in the civilian list. "This technology will take time to mature and reach an advanced stage of development. We do not wish to place any encumbrances on our fast breeder programme, and this has been fully ensured in the separation plan," he said.

On the future roadmap, Dr Singh said while India retained the sole right to determine any reactor to be civilian, it will place under safeguards all future civilian thermal power reactors. "This means that India will not be constrained in building future nuclear facilities, whether civilian or military".

Another report on page 4

India to sign MoU with China on agriculture 93

Statesman News Service 5-9

NEW DELHI, March 4. — India will sign a memorandum of understanding (MoU) with China for cooperation in agriculture during the forthcoming visit of Chinese agriculture minister, Mr Du Qinglin from 26 March.

The MoU, cleared by the Cabinet, envisages promotion of cooperation in agricultural activities and also exchange of scientific delegations and experts between the two countries.

The information and broadcasting minister, Mr PR Dasmunsi, said at a Press briefing after the Cabinet meeting that the MoU would be valid for a period of five years from the date of signing and would be renewable for another five years.

BIPA with Bosnia and Herzegovina:

The Cabinet also approved a proposal for bilateral investment promotion and protection agreement with Bosnia and Herzegovina aimed at increasing investment between the two countries. Another proposal cleared by the Cabinet is related to an agreement between India and Botswana for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income.

Air services with Australia: Ahead of the Australian Premier, Mr John Howard's visit, the Cabinet has approved a revised air services agreement between India and Australia, aimed at designating as many airlines as the two nations wished. The agreement, revised during

bilateral civil aviation consultations in September 2004, would lead to opening up of the sky between the two nations enhancing the number of air services to a significant extent. The revised agreement, the minister said, signified an important landmark in civil aviation relations between India and Australia.

Legal Assistance treaty with Bulgaria:

The Cabinet approved a treaty on mutual legal assistance in criminal matters with Bulgaria. It also approved the proposal for ratification of the treaty, which seeks to improve effective cooperation between the two nations in the matters of investigation, prosecution and suppression of crime through cooperation and mutual legal assistance in criminal matters. Similar treaties have been signed with several other countries including the United States, UK, Canada, Russia, the UAE and Switzerland.

SCI plan to float JV: The Cabinet gave its approval to the Shipping Corporation of India's plan to invest \$20.88 million for 33.77 per cent stake in a joint venture company to be set up in Panama. The joint venture will be for Dahej expansion project of Petronet LNG. The other partners in the joint venture are Mitsui OSK Lines of Japan with a stake of 33.77 per cent, Nippon Yusen Kabushiki Kaisha with a share of 21.64 per cent and Kawasaki Kisen Kaisha 10.82 per cent. The share of SCI in JV may go down to 26 per cent if Petronet LNG or its nominee exercises the option to take up 23 per cent share in the above JV, according to Mr Dasmunsi.

China hopes India will maintain stand on Taiwan

India adheres to One China policy: envoy

Diplomatic Correspondent

NEW DELHI: China hoped on Thursday that India would not send "any wrong" signal to Taiwanese "independence" forces and honour its commitments on the Taiwan question, Chinese Ambassador to India Sun Yuxi said in a statement.

"Since the establishment of our diplomatic ties, the Indian Government has always adhered to the One China policy and never changed its position. The Chinese side appreciates it. We hold that India is an important member state in Asia and a major rising country in the developing world," Mr. Sun said.

India, he said, had a tradition of maintaining an independent foreign policy and shouldered important responsibilities for world and regional peace and stability.

New Delhi remained committed to the policy of "One China" in the long-term and contributed to greater peace and stability in the Taiwan Straits and the Asia-Pacific region as a whole, Mr. Sun said.

"The 'Taiwan independence' forces are moving against the tide of history and undermine the fundamental interests of all countries in the region, including India. We believe that India would honour its commitments on the Taiwan question, and re-

frain from sending any wrong signal to the 'Taiwan independence' forces ... India, as a major country in Asia ... [should] continuously play a positive role in maintaining regional peace and promoting common development," he said.

In response to questions, Mr. Sun told presspersons that China was happy that India and the United States had signed a civil nuclear agreement on July 18, 2005. China, he said, fully understood India's energy needs as a rising country.

The envoy said that China would like to see India have better relations with Washington, just as Beijing was working towards developing improved relations with the United States. On China's stand about India joining the Nuclear Suppliers' Group (NSG), the cartel that controls the supply of critical dual-use technologies, Mr. Sun said that no decision had been taken.

• Wants New Delhi to honour commitments

• 'Taiwan Independence' forces a threat to entire region

• Beijing would like to see India-U.S. ties improve

India, China step up engagements as Jintao plans visit

final settlement. This is the second phase of a three-phase process and the talks in March will look at proposals from either side. Once a framework has been agreed upon, the two sides will get down to actual delineation on the ground in the third phase. Sources pointed out that there is clear political intent on both sides to move fast on the issue so that a major problem can be resolved giving additional impetus to build on the more positive aspects of the relationship. This is also the India-China friendship year and both sides are gearing up to hold some 40 events and meetings on this occasion. Already, Foreign Secretary Shyam Saran has met Chinese counterpart Wu Dawei in Beijing last month for discussions under the strategic dialogue mechanism.

Narayanan, Mukherjee and then possibly PM will all hold crucial meetings through the year. China has been keen to deepen economic links with India and has been looking at a mutually beneficial tie-up in the I-T sector. Both sides have also been discussing ways to co-ordinate their interests in the energy sector so that they don't end up competing in third countries.

India, China step up engagements as PM, Hu Jintao plan visits

EXPRESS NEWS SERVICE
NEW DELHI, FEBRUARY 10

KEEPING up the pace after Chinese Premier Wen Jiabao's visit to India last year, both countries are looking at another round of high-level visits soon with Chinese President Hu Jintao keen on coming here within the next few months. But before that, Special Representatives on the boundary question are slated to hold their next round of talks in March.

It's learnt that Beijing and New Delhi are working on firming up dates for Hu's visit which could be as early as May and this may be followed up by Prime Minister Manmohan Singh visiting China later this year. The details are, however, still in the works.

March will be a busy month

for India and China with Defence Minister Pranab Mukherjee expected to travel to Beijing for talks on intensifying bilateral exchanges in the military field. India has also proposed to open border trade at Nathu La sometime in June.

On the boundary question, National Security Advisor MK Narayanan—Special Representative on the Indian side—will look to take discussions forward with Chinese counterpart Dai Bingguo next month picking up from where they left matters last November.

The two sides have already agreed on a set of political parameters and guiding principles under which a final settlement of the boundary dispute can be reached. The current stage of talks is aimed at coming up with a framework for a

CONTINUED ON PAGE 2

Sino-Indian triumph in Syria

OVL-CNPC Joint Venture Himalaya Energy Bags Al-Furat Oilfields For \$700m

By Sanjay Dutta/TNN

New Delhi: Himalaya Energy (Syria) Ltd, a 50:50 joint venture of flagship explorer Oil and Natural Gas Corporation's overseas investment arm ONGC Videsh and China National Petroleum Corporation (CNPC), has won the race to acquire Petro-Canada's 38% stake in Al-Furat's cluster of oilfields in Syria for approximately \$700 million (Rs 3150 crore).

The suggestion for the name of the joint venture company came from the Chinese who said it was like sharing of Himalayan resources, a common heritage for both sides. The two countries will now share the world's energy resources. This was the first time the arch rivals had joined forces to acquire an oilfield.

Himalaya Energy's victory will be a substantially symbolic gift that oil minister Mani Shankar Aiyar will

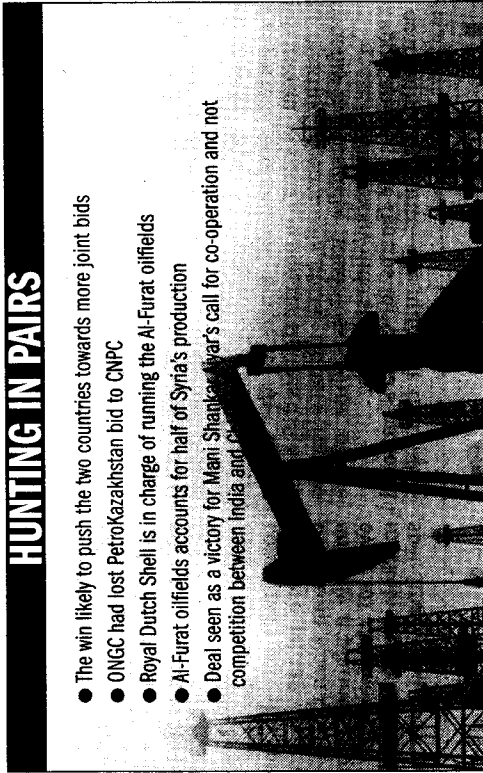
Royal Dutch Shell is in charge of running the Al-Furat oilfields, which produces about 58,000 barrels of oil equivalent and accounts for half of Syria's production. Hydrocarbons come from 36 fields with 220 wells in three concession areas.

While confirming the joint bid last week, ONGC chairman Subir Raha had said, "We have been in touch for long...this is one thing that has come through." He had described prospects of further joint bids with the Chinese as bright and added that any further bids would depend on the opportunity. "We need to develop a lot of mutual trust and confidence."

He said that India and China had similar energy security issues and were seeking oil properties abroad to supplement domestic output, which fell short of demand. Both countries are seeking overseas properties and often competing, resulting in the seller making more money.

HUNTING IN PAIRS

- The win likely to push the two countries towards more joint bids
- ONGC had lost Petrokazakhstan bid to CNPC
- Royal Dutch Shell is in charge of running the Al-Furat oilfields
- Al-Furat oilfields accounts for half of Syria's production
- Deal seen as a victory for Mani Shankar Aiyar's call for co-operation and not competition between India and China



carry to China next month for putting a political seal on a new era of co-operation between the two most aggressive players in the global oil market. It will also come as some consolation for ONGC which was narrowly beaten by CNPC during the takeover of Petrokazakhstan.

China, India stay the dialogue course

It will be "simplistic" to expect the two neighbours to "collide" as in conventional power politics.

P. S. Suryanarayana

THE INTENSIFYING diplomatic engagement between India and China defies the conventional norms of power politics in international relations.

Both are widely seen as emerging major powers, with China being ranked way ahead of India at present but with New Delhi too being recognised as an earnest aspirant. And, while endless friction between the two is what an old-style pundit would predict, significant indeed is the growing perception in East Asia that it would be "simplistic" to expect them to "collide."

In a definitive comment, Singapore's Senior Minister and former Prime Minister Goh Chok Tong has said the border issue which would not result in any conflict. Mr. Goh and Singapore are not alone in beginning to see signs of "potential cooperation" between China and India on the wider East Asian scene.

The timing of such observations is no less important. At the recent East Asia Summit (EAS), organised by the Association of South East Asian Nations (ASEAN), India and China did not find themselves on the same wavelength on a key issue, especially during the preparatory deliberations.

The question was whether the EAS countries or the smaller ASEAN+3 forum, which includes China but not India, should be the prime mover for creating an East Asia Community over time. In the event, China's preference prevailed, with the ASEAN+3 being designated as the prime mover, at least for now. However, the outcome was accomplished in a manner that India found acceptable.

Realignment of forces

If this episode has, in the end, boosted the confidence of ASEAN, the second round of strategic dialogue between India and China, held in Beijing from January 9 to 11, reflected the current trends towards a "major realignment of forces" in Asia.

Addressing the Shanghai Institute of International Studies, after heading the Indian delegation during the strategic dialogue, Foreign Secretary Shyam Saran discounted the "outdated" notions about a coming "conflict of interests" between Beijing and New Delhi. Dismissing the mutual-containment theories about the two, Mr. Saran noted that "the simultaneous emergence of India and China as Asian and global powers in fact makes it imperative for them to be sensitive to each other's interests and aspirations."

Now, it can be argued that India's accom-

modation of China's stand at the EAS was indicative of a certain willingness to be "sensitive" to Beijing's "aspirations" in the regional arena. Without hinting at expectations, if any, of *quid pro quo* in this context, India has sought its "rightful place in the comity of nations" by raising a critical issue during the strategic dialogue with China.

Mr. Saran asked his dialogue-partner and Chinese Vice-Foreign Minister Wu Dawei for "cooperation from China" in regard to India's bid to secure a "modification in the guidelines" of the Nuclear Suppliers' Group (NSG). China, like the United States, is a key member of the NSG. India requires the NSG's cooperation to have the freedom of action for producing atomic energy for peaceful purposes.

While the NSG's sanctions can be traced to India's arguable defiance of world opinion in testing nuclear weapons in 1998, New Delhi tends to believe that its 2005 "strategic" understanding with the U.S. could help annul the irksome NSG embargoes. Recognising that the U.S. would still have to "take the lead" to help India, Mr. Saran has now tried to bring China on the scene as a new and possible ally among the NSG countries.

Authoritative Chinese sources later said India's request for Beijing's cooperation as a

designated nuclear supplier "is a sensitive issue, still on the table, for discussion." In any case, Mr. Saran had indicated earlier that he and his Chinese counterpart did not exchange ideas on the specifics of Beijing's current perceptions about the NSG's overall policy towards India.

The important point, therefore, is that China and India have now established a degree of mutual confidence that actually enabled New Delhi to press for Beijing's help over the NSG-related dilemma. Noteworthy, too, is Mr. Saran's sense of satisfaction that China has not conveyed to him any unhappiness over the recent India-U.S. nuclear accord.

The ongoing strategic dialogue can help refashion the India-China equation. Relevant to this process is the growing perception, behind the diplomatic scenes in East Asia, that China might seek to hasten a settlement of the Taiwan issue sometime after the 2008 Beijing Olympics. New Delhi and Beijing will, therefore, want to be sure that their engagement is not just a matter of each other's strategy for "the management of an emerging power" — a substantive idea popularised by China-experts like Alastair Johnston as a critical aspect of Washington's game-plans. A genuine relationship is what India and China need.

India, China to have more energy cooperation

9/20/06
14/11
IANS and PTI 5/2/11

BEIJING, Jan. 13. — India and China have agreed to have greater cooperation in bidding for oil and gas contracts in other countries that will ensure benefit for both and help them avoid price increases.

The two countries signed five energy deals today in their search for energy supplies to feed their booming economies. The deals were signed by visiting Indian petroleum minister Mr Mani Shankar Aiyar and Chinese national development and reform minister Mr Ma Kai.

The five deals cover cooperation in upstream exploration and production, refining and marketing of petroleum products and petrochemicals, oil and gas pipelines, research and



Mr Mani Shanker Aiyar — AFP development, and promotion of environmentally friendly fuels.

“Unbridled rivalry between Indian and Chinese companies is only to the advantage of the seller,” Mr Aiyar said after the signing.

Mr Aiyar, who is accompanied by a team of major Indian petroleum firms, also interacted with major

Chinese oil players including China National Petroleum Corporation (CNPC), China Petrochemical Corporation (Sinopec) and China National Offshore Oil Corporation (CNOOC).

India and China cooperated in bidding for the first time last month when they won a joint bid to buy Petro-Canada's 37 per cent stake in Syrian oilfields.

India today said it would support a Chinese suggestion for creating an Asian counterpart to the International Energy Agency to coordinate the long-term energy import policies of major oil importers in the region.

“India stands ready to participate in such an Asian counterpart to the International Energy Agency — but only in the cooperative spirit,” Mr Aiyar said here today.

India, China engagement positive, says Shyam Saran

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Says two "are too big to contain each other"

P.S. Suryanarayana

SINGAPORE: India and China are engaged in a positive way to expand their commonalities. It is an outdated perception that the two might be seeking the containment of each other, according to Foreign Secretary Shyam Saran.

In an address to the Shanghai Institute of International Studies on Wednesday, Mr. Saran said New Delhi believed there was enough space and opportunity in Asia and beyond for the two countries to grow. The simultaneous emergence of India and China as Asian and global powers, in fact, made it imperative for them to be sensitive to each other's interests and aspirations. The prevailing global paradigm of cooperation among major powers also demanded that they work together to mutually support their rightful place in the comity of nations.

In this context, Mr. Saran discounted the theories of 'balance of power,' 'conflict of interests,' and containment as between India and China. The two "are too big to contain each other or be contained by any other country."

Tracing the determination of India and China to fashion a "strategic and cooperative partnership for peace and prosperity," he said the multi-dimensional aspects of their current engagement reflected the "shared conviction" that their relations "have now acquired a long-term, global, and strategic character."

Historic opportunity

Affirming their commitment to carry forward the process of resolving the boundary question, he said, "There is

• Global paradigm of cooperation among major powers demands that they work together

• India would hope to work closely with China on non-proliferation issues

• In return, it would expect Beijing to respond positively to its quest for permanent membership of the UNSC

a historic opportunity in front of us to settle this outstanding issue that we should not miss."

In the larger regional situation, he said India "would be happy to work closely with China towards the progressive realisation of an East Asian Community and, eventually, a larger Asian Economic Community."

On the global stage, India would hope to work more closely with China on non-proliferation issues, given New Delhi's status as "a responsible nuclear power with impeccable credentials."

In this wider framework of cooperative engagement, he said India would expect Beijing to respond positively to New Delhi's quest for permanent membership of the United Nations Security Council.

Of relevance to India's overall foreign policy objectives of this magnitude was the "growing U.S. recognition [now] of India's central and enhanced role in international institutions and processes."

India-China Friendship Year kicks off

Ab-
12
PALLAVI AIYAR
BEIJING, JANUARY 11

THE long, frosty winter of Sino-Indian relations continued to thaw into a balmy spring with the first foreign secretary-level talks held in Beijing between the two sides since the neighbours upgraded their relationship to a "strategic and cooperative partnership".

During their two days of meetings, Indian Foreign Secretary Shyam Saran and Chinese Vice Foreign Minister Wu Dawei discussed a range of bilateral and international issues.

"Our goal was to try and determine what the content of our new strategic relationship will be in the context of the evolving regional and global situation," said Saran at a press briefing in Beijing. With both countries emerging as economic powerhouses of global import, "we realise the need to manage the emergence of India and China in a cooperative framework", continued Saran.

Cooperation rather than competition has become the catchphrase that both India and China currently stress on when describing bilateral ties. Nonetheless, despite the newfound bonhomie, many sticky issues remain, some historical like the border dispute, others more re-

cent such as Beijing's unhappiness at the proposed Indo-US cooperation in civilian nuclear energy. Saran said that he briefed the Chinese side on the latest developments on the Indo-US pact and solicited China's support in the lifting of sanctions against India by the Nuclear Suppliers Group, of which China is a member.

While Beijing has been formally silent on the subject, the official Chinese media has accused the US of "double standards" on nuclear proliferation.

'Our goal was to try and determine what the content of our new strategic relationship will be in the context of the evolving regional and global situation'

There have also been reports that China is planning to sell nuclear reactors to Pakistan (although these have been denied by Islamabad). Saran said that the latter issue was not raised during his talks with Wu. He added that the Chinese side did not express any concerns over the proposed Indo-US cooperation.

Extensive discussions on the reform of the UN took place. According to Saran, the Chinese side once again reiterated their support for India's bid for a permanent seat on the Security Council. While ostensibly supporting India's aspirations China has been vociferously opposed to the G-4 resolution citing Japan's involvement. The G-4 resolution was recently re-tabled by India, Brazil and Germany. However, Japan abstained from the re-tabling.

Saran said that he discussed these latest developments with the Chinese side and stressed to them that the G-4 is merely a "framework resolution... It is not about this or that country actually becoming a member."

Another area of potential Sino-Indian conflict is the situation in Nepal where King Gyanendra has been cosyng up to Beijing in an attempt to get New Delhi to soften its stance. Saran said that during the talks he pointed out that "given the open border between India and Nepal as well as our special history, we have great concern over the continuing dislocation and turmoil there".

The Chinese side responded by stating that while they shared this concern they continued to hold by their principle of non-interference in another country's internal affairs. Issues discussed included the potential for trilateral cooperation between China, India and Russia in energy. Both sides also expressed their support for the East Asia Summit and hoped that this would lead to an East Asia Community. According to Saran, Beijing welcomed India's participation as an observer at the Shanghai Cooperation Organisation. India reciprocated the feelings on China's observer status at SAARC.

The next round of talks on the border issue will take place within the first quarter of the year, according to Saran. The dialogue was the first major bilateral event of 2006, being celebrated as the 'India-China Friendship Year'.

China backs India's UNSC bid

By Saibal Dasgupta/TNN

Beijing: India and China today seemed to inch closer to an informal understanding on the issue of India's membership in the United Nations Security Council. This was the result of two-day-long discussions between the Indian foreign secretary Shyam Saran and Chinese officials led by the vice foreign minister Wu Dawei.

The talks, which covered the Sino-Indian border dispute, focused on the need to find practical solutions to existing problems in order to implement the determination of the two countries to forge a strategic and co-operative relationship.

India seemed to indicate that it was prepared to consider changes in its position on the G4 issue in order to obtain China's support on reforming the UN Security Council. China reiterated its stand that developing nations, including those in the African Union, should have a say in the reforms of the UN. "Our effort is to find a common ground between the stand taken by the African Union and the G4 nations," Saran told Indian journalists.

China has reaffirmed its support of India's membership to the Security Council during discussions he held

Both sides silent on border mission

Beijing: India and China have skirted the issue of China and Pakistan reportedly planning to set up consulates on the India-Nepal border during discussions held between the Indian foreign secretary and Chinese officials in Beijing on Tuesday. Recent reports have suggested that China and Pakistan are planning to open consulates in Nepal close to the Indian border, and Nepal's King is keen on allowing it. But Saran alluded to India's concerns over happenings along the sensitive border with Nepal. TNN

on Monday, Saran said.

India is a part of a four-nation group seeking membership of the UN Security Council. Though China supports India's case for membership, it is opposed to the entry of Japan in the council.

The two countries are looking at the border issue in the larger context of strategic and co-operative relation-

ship, and not the border per se, Saran said. The discussions were aimed at giving substance to the guidelines on the strategic relationship worked out between the two countries during Chinese premier Wen Jiabo's visit to New Delhi last year, he said.

"The idea is to go beyond claims and counter-claims," Saran said. The guidelines have laid down some practical principles, and the current effort is to implement them in order to settle the outstanding issues and take the relationship forward, he said.

He called on foreign minister Li Zhaoxing and executive vice foreign minister and special representative on the India-China boundary issue, Dai Bingguo. He also met the state councillor Tang Jiaxuan along with Indian ambassador Nalin Suri. Saran was also accompanied by Ashok Kant, joint secretary in the foreign ministry, during the discussions.

A sense of give-and-take appeared to pervade during the 9-hour long discussions spread over three sessions and two days. Saran informed Chinese officials that G4 nations have tabled their resolution before the United Nations although Japan choose not to join the three others in tabling it.

THE TIMES OF INDIA

4 JAN 2005

India, China complete second round of strategic dialogue

HD-12
11/1
quadrilateral

Saran says the Chinese did not express unhappiness over the Washington-New Delhi nuclear accord

P. S. Suryanarayana

SINGAPORE: India and China completed the second round of their strategic dialogue in Beijing on Tuesday on a note of "satisfaction at the positive trends" that emerged on the bilateral front "in the recent past."

The two sides explored the "content" of their evolving strategic partnership. Significantly, in this diplomatic ambience, India "asked [for] cooperation from China," a key member of the Nuclear Suppliers Group (NSG), in the context of Washington's latest agreement with New Delhi on "civilian nuclear energy" issues.

Indicating, Foreign Secretary Shyam Saran, who led the Indian delegation, said at a media briefing in Beijing that his Chinese interlocutors did not convey to him any unhappiness over the Washington-New Delhi accord.

The Chinese team was led by Vice-Foreign Minister Wu Dawei. And, on the sidelines of the

dialogue sessions, Mr. Saran called on the Chinese Foreign Minister Li Zhaoxing and Executive Vice-Foreign Minister Dai Bingguo who is also his country's Special Representative for discussions with India on the boundary question.

Chinese Foreign Ministry spokesman Kong Quan later told a press conference that the two sides had agreed to hold the next round of talks at the level of Special Representatives, the seventh in the series, in India in late-February.

While the agenda for the meeting would be fixed through diplomatic channels, the two sides had now reached an "important consensus" to proceed from "the overall situation of developing friendly relations" and to make "positive efforts to promote the process of border-issue talks," Mr. Kong said.

Mr. Saran, in his separate media interaction, emphasised that the two delegations discussed how to address the

• Boundary issue discussed in a "proactive manner"

• Solution could be explored on the basis of the India-China strategic partnership

Saran said there was no discussion on such specifics as China's views regarding the NSG's policy towards India. However, he pointed out, the Chinese side was told that one aspect of New Delhi's discussions with Washington was "the modification in the guidelines of the NSG which would enable full civilian nuclear cooperation with India."

On the nuances of India's move to seek China's help in this complex situation, Mr. Saran said the NSG members would have their say. "But, this is, of course, a matter on which the lead will have to be taken by the U.S." Suitable modification of the domestic law in the U.S., as regards India was also an issue in their relevant bilateral dialogue, China was informed.

On a different plane, he did not ask the Chinese side about its reported supply of nuclear reactors to Pakistan at this stage. "As far as I know, this [report] has not been confirmed," he pointed out.

The other key aspects of the strategic dialogue covered "a certain convergence of views" on the current international situation, the importance of global responses to global challenges, United Nations reform including that of the Security Council, the creation of an East Asia Community, and trilateral cooperation involving not only India and China but also Russia.

The Foreign Secretary said his meeting with Mr. Li was particularly focussed on the U.N. reforms. Briefing the Chinese leader on the latest developments concerning Group of Four — India, Japan, Brazil and Germany — Mr. Saran said Tokyo had now chosen not to associate itself with the other three in tabling a resolution.

However, Japan had expressed its continuing solidarity with them and they would remain in "close consultations with important partners" including China.

India, China hold dialogue

P. S. Suryanarayana

SINGAPORE: Top officials of India and China began the second round of strategic dialogue in Beijing on Monday. While the Chinese side was led by Vice-Foreign Minister Wu Dawei, Foreign Secretary Shyam Saran headed the Indian delegation.

India's Ambassador to China Nalin Surie and Joint Secretary (East Asia) Ashok Kantha partic-

ipated in the talks, expected to conclude on Tuesday. Mr. Saran called on Chinese State Councilor Tang Jiaxuan.

While authoritative details of the dialogue were not immediately available, these talks have acquired much importance following last year's agreement between the two countries to fashion a Strategic and Cooperative Partnership for Peace and Prosperity.

10 JAN 2006

DIALOGUE | Boundary issue focus of Saran talk with counterpart

India, China agree to upgrade bilateral ties

PRESS TRUST OF INDIA
BEIJING, JANUARY 9

INDIA and China today had indepth exchange of views on the vexed boundary issue and on enhancing cooperation and coordination in regional and global affairs.

Meeting for the second round of the Sino-India strategic dialogue in as many years, Foreign Secretary Shyam Saran in his talks with Chinese Vice Minister Wu Dawei covered bilateral, regional and international issues, official sources said.

The boundary issue which has been nagging relations between the two countries

for decades also came up for discussion on the opening day of the two-day talks between them, the sources said.

Saran called on Chinese Executive Vice Foreign Minister Dai Bingguo, who is also the Chinese special representative for the India-China boundary talks at the political level. Saran's meeting with Dai assumes significance as the latter is set to visit India



later this month for the seventh round of the boundary talks at the level of special representatives.

Details of their in-camera talks held at the Diaoyutai State Guesthouse are not available. While a quick solu-

tion to the boundary issue may not materialise, both sides are hopeful that a mutually-acceptable solution could be found through the mechanism of the special representatives to the vexed topic.

The first strategic dialogue between India and China was held in Delhi on January 24 last year.

During Chinese premier Wen Jiabao's visit to India in April last year, New Delhi and Beijing decided to upgrade their relations and establish a "strategic and cooperative partnership for peace and prosperity".

Commenting on the significance of the strategic dialogue, Chinese scholars noted that the two countries were major developing na-

tions with great influence in the world.

An enduring China-India friendship not only serves the fundamental interests of the two countries and peoples, but also contributes to peace, stability and development in Asia and the entire world, one expert said. Others stressed that Beijing firmly pursues the policy of developing long-term, stable, good-neighbourly and cooperative relations with India.

They also expressed satisfaction that the meeting was the first major bilateral event this year which is being marked as the "India-China friendship year". Saran will call on Chinese State Councillor Tang Jiaxuan and Foreign Minister Li Zhaoxing tomorrow.

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INDIAN EXPRESS

India eyes oil deals with China

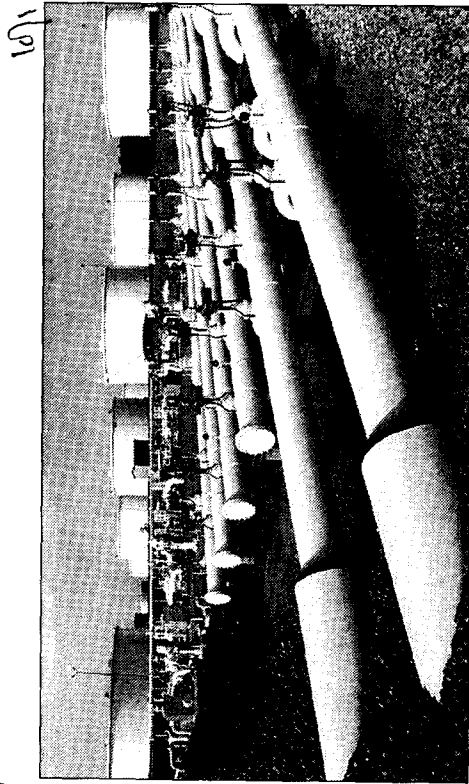
By Himangshu Watts and
Erma Graham-Harrison

New Delhi/Beijing: India's oil minister will visit China this week hoping to cement energy ties between the oil-guzzling giants but analysts say Beijing's supremacy in the race for foreign oilfields will limit his bargaining power.

Chinese and Indian firms have competed fiercely for energy assets on offer around the world as their governments drive them to secure supplies for the import-dependent countries. Indian oil minister Mani Shankar Aiyar, who will start his trip on Tuesday, says competition between two of Asia's largest oil consumers makes assets more costly and helps Western companies sell ageing oilfields at a premium.

He wants India and China to bid jointly for some assets and compete when they consider strategic interests more important.

India's diplomatic efforts helped China National Petroleum Corp (CNPC) and India's Oil and Natural Gas Corp (ONGC) jointly win an auc-



tion for PetroCanada's Syrian fields.

Encouraged by this, Indian officials say energy firms from both countries will sign deals for joint business initiatives and the two governments will seal an agreement for energy cooperation during Aiyar's visit. "Even if they do some separate projects, there are always areas where they can work together," said Zhang Bin of the Centre for Energy

Strategy at the China Institute of International Studies.

He said it was also possible the energy-hungry neighbours might be able to win joint contracts in countries where governments were wary of one of the two regional heavyweights gaining too strong a sway over a strategic industry like energy. Aiyar's visit was also significant for bilateral ties between the nuclear

rivals which have a long-standing border dispute and are keen to boost trade, analysts said.

The world's two most populous nations fought a short war in 1962 because of the dispute over their 3,500-km border through the Himalayas from Kashmir in the west to near Myanmar in the east.

"Political contact between the two countries has been very modest. Therefore a cabinet minister's visit becomes a big deal," said Uday Bhaskar, deputy director of New Delhi-based Institute of Defence Studies and Analyses.

Relations between India and China have been steadily, if slowly, improving and their rapid emergence as economic superpowers forms a strong foundation for greater cooperation.

"The Chinese state basically runs energy policy very extensively and will not be trusting India with a very close partnership unless India becomes strategically much closer to China," said Madhav Nalapat, professor of geopolitics at the Manipal Academy of Higher Education.

1971-19

China sees India as partner, says PLA expert

P. S. Suryanarayana

SINGAPORE: China and India "eye each other not as a threat but as a partner," according to Rear Admiral Yang Yi, Director of the People's Liberation Army (PLA) Institute of Strategic Studies at China's National Defence University.

"Chinese Navy is happy to see Indian Navy develop."

Rear Adm. Yang Yi told *The Hindu* here on Thursday that "China can cooperate with Indian Navy in dealing with the traditional and non-traditional security threats" especially "if you are stronger, play important, active, and positive role in the region."

Emphasising that "India and China are two major powers in the region," the PLA expert said "we need further cooperation in the future, even further joint military exercises."

Asked whether the two could move towards joint exercises by their armies and air forces, given that the navies had already begun exercising together, he said "there is no political barrier, no political obstacle."

Striking a pragmatic note, he said: "The Navy exercises were much easier because, according to international law, navy is an international force. It is very easy to undertake joint naval exercise. For the ground forces, it is more complicated. For air forces, it is even more difficult."

Agreeing that joint military exercises at the levels of the armies and air forces of India and China could be considered, he said, "We have to start from the easy one and move to [the] complex one."

Bilateral military exercises would be "very conducive and positive to reduce miscalculations, misperceptions and improve mutual trust."

On the border issue, he said, "We are quite smart enough to find some solution beneficial to both sides."

The two countries were "very old civilisations" and the two Prime Ministers had already agreed upon political principles for the search for a settlement.

India for adding greater substance to ties with China

Kalam, Manmohan send New Year messages

P.S. Suryanarayana

SINGAPORE: The "fast developing relationship" between India and China "transcends the bilateral dimension and is an important determinant for the peace and stability, as well as development and prosperity, of Asia and the world."

Prime Minister Manmohan Singh emphasised this new political dynamic, while sending warm felicitations and cordial greetings to Chinese Premier Wen Jiabao on Sunday and heralding the beginning of the India-China Friendship Year. Dr. Singh said: "it is important that we continue adding greater substance to our bilateral exchanges and international cooperation."

In a parallel message to Chinese President Hu Jintao, President A.P.J. Abdul Kalam traced the "unique dimension" of the present bilateral relations to the historical context.

In his message to Mr. Wen, full text of which was released by the Indian Embassy in Beijing, Dr. Singh recalled with pleasure "the warm exchange of views we had in Kuala Lumpur on the sidelines of the [recent] East Asia Summit where we reiterated our mutual resolve to accelerate the momentum of our wide-ranging cooperation."

Friendship and cooperation between India and China "is our shared aspiration, which is also in consonance with our common long-term and strategic vision of the relationship," he said.

"As we celebrate the India-China Friendship Year with a series of commemorative events, we note with satisfaction the sustained growth and diversification of our relations." He expressed confidence that "with

"With shared determination and joint endeavour, we will be able to elevate and strengthen the India-China partnership in the 21st century"

shared determination and joint endeavour, we will be able to elevate and strengthen the India-China partnership in the 21st century."

Milestones

Outlining the "backdrop" for these possibilities and noting that "a number of important milestones" were reached on the bilateral scene last year, Dr. Singh singled out Mr. Wen's historic visit to India.

The Prime Minister said: "We agreed to elevate our relationship to a 'Strategic and Cooperative

Partnership for Peace and Prosperity.' We also made significant progress in addressing some of the long-standing issues in our relationship without allowing them to define the agenda of our cooperative ties. We are confident that in the New Year we will be able to continue, with greater determination, to impart further depth and substance to our rapidly growing ties, and add an important new chapter to India-China friendship."

Kalam's message to Hu

In his message to Mr. Hu, Mr. Kalam said "the qualitative upgrading of our relationship, which is manifest across an array of collaborative pursuits our two countries are engaged in, has created conditions for raising the level of our ties to newer heights in this Friendship Year, even as we jointly move forward

to address outstanding issues."

Expressing satisfaction over "the remarkable growth and diversification of India-China relations in recent years" and exuding optimism for the future, Mr. Kalam said: "Today, the footprints of India and China are increasingly visible and have made an impact on the global landscape in diverse areas. Our common pursuit of a peaceful environment for the paramount task of achieving national construction and prosperity adds great value to the India-China partnership."

The Friendship Year "is truly a tribute to the distance traversed, through friendly exchanges and

contacts, by our two nations through the labyrinth of time," he said in his greetings to Mr. Hu.

Mr. Kalam said: "The deep historical and cultural association that our two ancient civilisations share has made rich contributions in shaping the development of humanity, and gives a unique dimension to India-China relations in contemporary time. It is, therefore, befitting that the vision of friendship, reflected in the principles of Panchsheel jointly enunciated by our forefathers more than 50 years ago, has been taken a step further by our decision to establish an 'India-China Strategic and Cooperative Partnership for Peace and Prosperity' during the visit of Premier Wen Jiabao to India last year."